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Date JUL 25 1980

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INTERSTATE COMMERCE COMMISSION

Ms. Agatha Mergenovich, Secretary
Interstate Commerce Commission
Room 2215, 12th and Constitution
Washington, DC 20423

Dear Ms. Mergenovich:

Enclosed for filing and recordation pursuant to the provisions of 49 U. S. C. § 11303 are several copies of the following document:

> Equipment Trust Agreement and Assignment of Leases dated as of June 10, 1980 by and between Bankers Trust Company and Manufacturers National Bank of Detroit.

It relates to the railroad equipment marked as follows:

> ADN4100 - ADN4199, GMRC2000 - GMRC2099, WAR15200 - WAR15299, WAR16100 - WAR16499 and ATW7000 - ATW7199, all inclusive.

The names and addresses of the parties to the transactions evidenced by the document described above are:

Security Trustee: Bankers Trust Company
One Bankers Trust Plaza
New York, NY 10006

Owner Trustee: Manufacturers Nat'l Bank of Detroit
100 Renaissance Center
Detroit, MI 48243

It is requested that this document be filed and recorded under the names of the parties as set forth above. In addition, please cross-index it under the names of: Ashley, Drew & Northern Railway Company, Post Office Box 757, Crossett, AR 71635; Green Mountain Railroad Corporation, Post Office Box 468, Bellows Falls, VT; Warrenton Railroad Company, Post Office Box 518, Warrenton, NC 27589; and Atlantic Western Railway, Post Office Box 1208, Sanford, NC 27330. An extra $40.00 has been included in the filing fee to cover this cross-indexing.

In view of the fact that this document relates to the Railroad Lease Agreement, previously assigned recordation number 11833, it is additionally requested that it be assigned the next available letter designation (which is believed to be "F") under that primary number.

Please return to the person presenting this letter: (1) your letter acknowledging the filing, (2) a receipt for the $90.00 filing fee paid by checks drawn on this firm, (3) the enclosed copies of this letter, and (4) any copies of the document not required for recordation -- all stamped to indicate appropriate filing information.

Very truly yours,

Robert J. Gorber

mbm

Enclosures

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Attachment A -- Schedule of Equipment

EQUIPMENT TRUST AGREEMENT AND ASSIGNMENT OF LEASES, dated as of June 10, 1980, by and between BANKERS TRUST COMPANY, a New York banking corporation, as trustee (together with any successor as specified in Section 1.01, the "Security Trustee") under this Agreement, and MANUFACTURERS NATIONAL BANK OF DETROIT, a national banking association duly organized and existing under the laws of the United States of America, not individually but solely, except as expressly set forth to the contrary herein in the last paragraph of Section 5.05 and the proviso to the first paragraph of Section 8.01, as trustee (together with any successor as specified in Section 1.01, the "Owner Trustee") under the Trust Agreement (the "Owner Trust Agreement"), dated as of March 1, 1980, as amended and restated as of June 10, 1980, with Ford Motor Credit Company, a Delaware corporation ("Ford Credit"), and Braecar, Inc., a California corporation ("Braecar", and collectively with Ford Credit, the "Owners"), creating The American Road Owner Trust No. 1.

WHEREAS, the Owner Trustee has agreed to cause to be sold, transferred and delivered to the Security Trustee certain railroad equipment, which equipment shall be described in Attachment A hereto as from time to time amended and supplemented; and

WHEREAS, title to such railroad equipment is to be vested in and is to be retained by the Security Trustee in order to secure the Trust Certificates referred to below, and such railroad equipment is to be leased to the Owner Trustee hereunder until title is transferred under the provisions hereof; and

WHEREAS, 11 1/8% Equipment Trust Certificates (the "Trust Certificates") are to be issued and sold from time to time in an aggregate principal amount not exceeding $29,700,000, and the proceeds of such sale are to be deposited in trust with the Security Trustee and are to constitute a fund to be known as The American Road Security Trust No. 1 to be applied by the Security Trustee as hereinafter provided; and

WHEREAS, the texts of the Trust Certificates and the guaranty to be endorsed on the Trust Certificates by the Owner Trustee are to be substantially in the following forms, respectively:

[FORM OF TRUST CERTIFICATE]

No. _____ _____, 19__

$_____

THE AMERICAN ROAD SECURITY TRUST NO. 1
(Manufacturers National Bank of Detroit, Owner Trustee)

11 1/8% EQUIPMENT TRUST CERTIFICATE DUE DECEMBER 31, 1998

BANKERS TRUST COMPANY, SECURITY TRUSTEE

Bankers Trust Company, as trustee (the "Security Trustee") under an Equipment Trust Agreement and Assignment of Leases (the "Equipment Trust Agreement"), dated as of June 10, 1980, between the Security Trustee and Manufacturers National Bank of Detroit, not individually but solely as trustee (the "Owner Trustee") for Ford Motor Credit Company and Braecar, Inc. under a Trust Agreement, dated as of March 1, 1980, as amended and restated as of June 10, 1980, hereby certifies that _____ _____ or * has an interest of $_____ principal amount in The American Road Security Trust No. 1, due and payable as to the principal amount of this Trust Certificate on or before December 31, 1998, as hereinafter provided, and is entitled to interest on the amount of such principal amount remaining unpaid from time to time at the rate of 11 1/8% per annum, from the date hereof until the principal amount hereof shall become due and payable (whether at maturity or at a date fixed for any installment payment or any optional prepayment or by declaration or otherwise), payable on June 30 and December 31 of each year commencing December 31, 1980, with interest, payable on demand, on any overdue principal and premium (if any) and, to the extent legally enforceable, on any overdue interest

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* Insert "registered assigns" or "order", depending upon whether the Trust Certificate is to be a registered Trust Certificate or an order Trust Certificate.

at the rate of 12 1/8% per annum. Interest shall be computed hereunder on the basis of a 360-day year of twelve 30-day months.

All payments of principal, premium (if any) and interest shall be payable at the principal corporate trust office of the Security Trustee in the Borough of Manhattan, City and State of New York, in immediately available funds in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Each of such payments shall be payable only from and out of rentals, when and as received by the Security Trustee, under the Equipment Trust Agreement, and from and out of such other moneys as may be applicable to such payments under the terms of the Equipment Trust Agreement or the Guaranty and Performance Agreement, dated as of June 10, 1980, by Ford Motor Credit Company and BRAE Corporation with The Prudential Insurance Company of America, John Hancock Mutual Life Insurance Company and Aetna Life Insurance Company (the "Guaranty Agreement").

This Trust Certificate is one of an issue of certificates, limited in aggregate principal amount to $29,700,000, issuable either in unregistered or in fully registered form under the Equipment Trust Agreement under which certain railroad equipment therein called "Trust Equipment" and other rights and interests of the Owner Trustee are held by the Security Trustee in trust for the equal benefit of the holders of the interests represented by such certificates, to which Equipment Trust Agreement, filed with the Security Trustee, reference is hereby made for a further statement of the rights of the holder hereof and the rights and obligations of the Owner Trustee and of the Security Trustee thereunder. This Trust Certificate is also entitled to the benefits of the Guaranty Agreement, filed with the Security Trustee, to which reference is hereby made for a further statement of the rights of the holder hereof and the obligations of Ford Motor Credit Company and BRAE Corporation thereunder.

This Trust Certificate is payable in semiannual installments of principal and/or interest on each June 30 and December 31 commencing December 31, 1980 to and including December 31, 1998, as follows: (a) the installment due on December 31, 1980 shall be in an amount equal to, and shall be applied to the payment of, interest accrued

on the unpaid principal amount hereof to the due date of such installment; (b) each such installment thereafter to and including the installment due on June 30, 1998 shall be in the amount of $ * (subject to adjustment to the extent certain prepayments are applied as provided in the Equipment Trust Agreement to the pro rata prepayment of installments) and shall be applied, first to the payment of interest accrued on the unpaid principal amount hereof to the due date of such installment, and then to the reduction of such unpaid principal amount; and (c) the final such installment due on December 31, 1998 shall be in an amount sufficient to pay in full the entire unpaid principal amount hereof, together with interest accrued hereon.

This Trust Certificate is also subject to prepayment in whole or in part, in certain cases with a premium and in certain cases without a premium, as provided in the Equipment Trust Agreement.

**This Trust Certificate is registered and is transferable only by the registered holder hereof in person or by attorney duly authorized in writing on registration books to be kept for that purpose at the corporate trust office of the Security Trustee in the Borough of Manhattan, New York, New York, upon surrender and cancellation of this Trust Certificate, and thereupon a new Trust Certificate or Certificates in an aggregate principal amount equal to the unpaid principal amount of this Trust Certificate, of like maturity and bearing a like rate of interest, will be issued to the transferee in exchange therefor, in the manner provided in the Equipment Trust Agreement.

***This Trust Certificate is unregistered and is transferable by endorsement and delivery.

In case of the happening of an Event of Default (as defined in the Equipment Trust Agreement), the prin-

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* Here insert an amount equal to 6.486476% of the original principal amount represented by this Trust Certificate.

** This paragraph to be used if the Trust Certificate is a registered Trust Certificate.

*** This paragraph to be used if the Trust Certificate is an order Trust Certificate.

cipal amount represented by this Trust Certificate may become or be declared due and payable in the manner and with the effect provided in the Equipment Trust Agreement.

The provisions of this Trust Certificate, and all the rights and obligations hereunder, are governed by and shall be construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the Security Trustee has caused this Trust Certificate to be signed by one of its authorized officers.

BANKERS TRUST COMPANY,
Security Trustee

By_____
Authorized Officer

[FORM OF GUARANTY FOR TRUST CERTIFICATES]

Manufacturers National Bank of Detroit, not individually but solely as trustee (the "Owner Trustee") for Ford Motor Credit Company and Braecar, Inc. under a Trust Agreement, dated as of March 1, 1980, as amended and restated as of June 10, 1980 (as so amended and restated, the "Owner Trust Agreement"), for a valuable consideration, hereby unconditionally guarantees to the holder of the within Trust Certificate the prompt payment when due of the principal of such Trust Certificate, and of the interest and premium, if any, thereon specified in such Trust Certificate, with interest on any overdue principal and premium, if any, and, to the extent legally enforceable, on any overdue interest, at the rate of 12 1/8% per annum, all in accordance with the terms of such Trust Certificate and the Equipment Trust Agreement referred to therein, provided that, as more fully set forth in Section 8.01 of such Equipment Trust Agreement, the foregoing guaranty of the Owner Trustee is made solely as trustee under the Owner Trust Agreement and any amounts payable in respect of such guaranty shall be payable only out of the trust estate created by the Owner Trust Agreement.

MANUFACTURERS NATIONAL BANK OF
DETROIT, not individually
but solely as trustee

By_____

WHEREAS, it is desired to secure to the holders of the Trust Certificates the payment of the principal thereof (whether at stated maturity or at a date fixed for any installment payment or any required or optional prepayment or by declaration or otherwise), as hereinafter more particularly provided, with interest and premium, if any, on such principal amount, as hereinafter provided, payable in semiannual installments on June 30 and December 31 in each year commencing December 31, 1980, and to evidence the rights of the holders of the Trust Certificates in substantially the forms hereinbefore set forth;

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

ARTICLE I

Definitions

Section 1.01. Definitions. Unless the context otherwise specifies or requires, the terms defined in this Article I shall, for all purposes of this Agreement, have the meanings herein specified, the following definitions to be equally applicable to both the singular and plural forms of any of the terms herein defined.

Affiliate:

The term "Affiliate" of any Person shall mean any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person. A Person shall be deemed to control a corporation, for the purpose of this definition, if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such corporation, whether through the ownership of voting securities, by contract, or otherwise.

Application; Request:

The term "Application" or "Request" for the issuance and delivery of Trust Certificates or for any action to be taken by the Security Trustee under any Section of

this Agreement shall mean an instrument in writing signed by any Vice President or any Trust Officer of the Owner Trustee requesting such action under such Section of this Agreement and shall consist of, and shall not be deemed made or complete until the Security Trustee shall have been furnished with, such resolutions, certificates, opinions, cash, property and other instruments as are required by such Section to establish the right of the Owner Trustee to have such action taken by the Security Trustee, and the date of such Application or Request shall be deemed to be the date upon which such Application or Request shall be so completed.

BRAE:

The term "BRAE" shall mean BRAE Corporation, a Delaware corporation which owns all of the issued and outstanding stock of Braecar.

Business Day:

The term "Business Day" shall mean any day other than a Saturday, Sunday or a day which is a legal holiday in the State of California, the State of Michigan or the State of New York.

Casualty Value:

The term "Casualty Value" shall have the meaning specified in Section 4.07(b).

Corporate Trust Office:

The term "Corporate Trust Office" shall mean the principal office at which the corporate trust business of the Security Trustee shall, at the time in question, be administered. This office is, at the date of execution of this Agreement, located at One Bankers Trust Plaza, New York, New York.

Corporation:

The term "corporation" shall also include voluntary associations, joint stock companies and business trusts.

Cost:

The term "Cost" shall have the meaning specified in the Management Agreement (as in effect on the date hereof) for the term "Purchase Price".

Deposited Cash:

The term "Deposited Cash" shall mean the aggregate of (a) the proceeds from the sale of the Trust Certificates deposited with the Security Trustee pursuant to Section 2.01 and, when required or indicated by the context, any Investment Securities purchased with such proceeds pursuant to the provisions of Section 9.04, and (b) any sums restored to Deposited Cash from rentals pursuant to Section 4.04(a)(ii) and on deposit with the Security Trustee.

Equipment:

The term "Equipment" shall mean standard-gauge railroad equipment (other than locomotive, passenger or work equipment).

Event of Default:

The term "Event of Default" shall mean any event specified in Section 6.01.

Guaranty Agreement:

The term "Guaranty Agreement" shall mean the Guaranty and Performance Agreement, dated as of June 10, 1980, by Ford Credit and BRAE with the Purchasers.

Holder:

The term "Holder" shall mean (a) the Person in whose name any Trust Certificate is registered or (b) the Person to whose order any Trust Certificate is payable (or, subject to the third sentence of section 11 of the Purchase Agreements, any transferee thereof upon endorsement and delivery of such Trust Certificate).

Investment Securities:

The term "Investment Securities" shall mean (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 with a maturity of one year or less from the date of acquisition thereof, (b) certificates of deposit or time deposits, with a maturity of one year or less, of or in domestic offices of banks or trust companies incorporated

and doing business under the laws of the United States of America (including the Security Trustee) or one of the states thereof, each of which has a capital and surplus aggregating at least $100,000,000, (c) commercial paper of any United States issuer (other than Ford Credit) with a maturity of one year or less from the date of acquisition thereof and having, at the time of such investment, the highest rating obtainable from either of Moody's Investors Service, Inc. or Standard and Poor's Corporation or a successor to either of them and (d) purchases from any commercial bank or trust company referred to in clause (b) above of obligations of the type described in clause (a) above, pursuant to repurchase agreements obligating such bank or trust company to repurchase any such obligation not later than 90 days after the purchase of any such obligation.

Lease:

The term "Lease" shall have the meaning specified in Section 4.09.

Lease Assignment:

The term "Lease Assignment" shall mean an Assignment of Leases between the Manager and the Owner Trustee, in substantially the form of Exhibit A to the Management Agreement, covering one or more Leases.

Lien:

The term "Lien" shall mean any mortgage, pledge, lien, charge, encumbrance, retention of title or security interest.

Management Agreement:

The term "Management Agreement" shall mean the Railcar Management and Service Agreement, dated as of March 1, 1980, as amended and restated as of June 10, 1980, between the Owner Trustee and BRAE, unless otherwise stated, as further amended or supplemented from time to time in accordance with the provisions of Section 5.02, providing for BRAE to serve as the Manager with respect to the Trust Equipment.

Manager:

The term "Manager" shall mean BRAE in its capacity as manager under the Management Agreement, and its successors and assigns thereunder.

Officers' Certificate:

The term "Officers' Certificate" shall mean (a) with respect to the Owner Trustee, a certificate signed by any vice president or trust officer thereof, (b) with respect to Ford Credit, a certificate signed by any vice president or loan officer thereof, (c) with respect to BRAE or Braecar, a certificate signed by any vice president thereof and (d) with respect to any other corporation, a certificate signed by the chairman of the board or the president or any vice president and by any other vice president or the treasurer or any assistant treasurer or the secretary or any assistant secretary of such corporation, provided that at least one of the signatories shall be the president or a senior financial officer of such corporation.

Opinion of Counsel:

The term "Opinion of Counsel" shall mean an opinion in writing signed by legal counsel who shall be satisfactory to the Security Trustee and who may, unless in a particular instance the Security Trustee shall otherwise reasonably require, be an employee of or of counsel to the Owner Trustee, an Owner or the Manager. The acceptance by the Security Trustee of, and its action on, an Opinion of Counsel, shall be sufficient evidence that such counsel is satisfactory to the Security Trustee.

Order Trust Certificate:

The term "Order Trust Certificate" shall mean a Trust Certificate with the appropriate insertions specified in the form of the Trust Certificate contained herein for an order Trust Certificate.

Owner or Owners:

The term "Owner" shall mean either, and the term "Owners" shall mean both, of Ford Credit and Braecar in their respective capacities as beneficial owners of the Trust Estate under the Owner Trust Agreement, and shall also include their respective successors and assigns as such.

Owner Trust Agreement:

The term "Owner Trust Agreement" shall mean the Trust Agreement, dated as of March 1, 1980, as amended

and restated as of June 10, 1980, by the Owner Trustee with Ford Credit and Braecar, unless otherwise stated, as further amended or supplemented from time to time in accordance with the provisions of Section 5.02, creating the trust pursuant to which the Owner Trustee has purchased the Trust Equipment, entered into this Agreement and the Purchase Agreements and is performing and complying with the terms hereof and thereof required to be performed or complied with by it.

Owner Trustee:

The term "Owner Trustee" shall have the meaning set forth in the preamble to this Agreement, and shall include any successor as trustee under the Owner Trust Agreement.

Payment Date:

The term "Payment Date" shall mean any of each June 30 and December 31 commencing December 31, 1980 to and including December 31, 1998.

Permitted Liens:

The term "Permitted Liens" shall mean Liens of taxes, assessments or governmental charges or levies, in each case not due and delinquent; materialmen's, mechanics', workmen's, repairmen's, employees' or other like Liens arising in the ordinary course of business for amounts the payment of which is not yet due and delinquent; the rights of the Manager under the Management Agreement; the subordinate lien of the Owner Trustee, if any, pursuant to Section 5.01 of the Owner Trust Agreement to secure the indemnification set forth therein; and any Lien created by this Agreement or a lease or use permitted by Section 4.09.

Person:

The term "Person" shall mean and include an individual, a partnership, a corporation, a trust, an unincorporated organization and a government or any department or agency thereof.

Purchase Agreements:

The term "Purchase Agreements" shall mean the respective Purchase Agreements dated as of June 10, 1980

between the Owners and the Owner Trustee, on the one hand and each of the Purchasers, on the other hand.

Purchasers:

The term "Purchasers" shall mean The Prudential Insurance Company of America, John Hancock Mutual Life Insurance Company and Aetna Life Insurance Company.

Registered Trust Certificate:

The term "Registered Trust Certificate" shall mean a Trust Certificate with the appropriate insertions specified in the form of the Trust Certificate contained herein for a registered Trust Certificate.

Request:

The term "Request" shall have the meaning specified in the definition of "Application".

Responsible Officer:

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

Security Trustee:

The term "Security Trustee" shall mean Bankers Trust Company, as trustee hereunder, or any successor thereof in the trust hereunder, but not any additional trustee appointed hereunder, unless otherwise provided in the instruments of appointment executed pursuant hereto and only to the extent provided therein.

Trust Certificates:

The term "Trust Certificates" shall mean the 11 1/8% Equipment Trust Certificates due December 31, 1998 issued hereunder.

Trust Equipment:

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

Trust Equipment Closing:

The term "Trust Equipment Closing" shall have the meaning set forth in Section 3.02.

ARTICLE II

Trust Certificates and Issuance Thereof

Section 2.01. Issuance of Trust Certificates. The Security Trustee shall issue and deliver, from time to time on a Business Day as the Owner Trustee shall direct by Request, Trust Certificates in the aggregate principal amount sold pursuant to the Purchase Agreements. The net proceeds of the sale of any of the Trust Certificates shall, forthwith upon the issuance thereof, be deposited in cash with the Security Trustee or to its credit as Security Trustee.

The aggregate principal amount of Trust Certificates which shall be issued and delivered by the Security Trustee hereunder shall not exceed the sum of $29,700,000, except as provided in Section 2.06.

Section 2.02. Trust Certificates. The Trust Certificates shall be designated as "The American Road Security Trust No. 1, 11 1/8% Equipment Trust Certificates due December 31, 1998." Each of the Trust Certificates shall represent an interest in the principal amount therein specified in the trust created hereunder.

Each Trust Certificate shall bear interest and shall be payable as to principal, premium, if any, and interest as set forth in the fourth Recital of this Agreement, and each Trust Certificate shall be subject to prepayment as set forth in Section 2.07.

All payments of principal, premium (if any) and interest shall be payable at the Corporate Trust Office of the Security Trustee in immediately available funds 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. Notwithstanding the provisions of the preceding sentence or similar provisions in the Trust Certificates, the Security Trustee (or the Owner Trustee, if Section 2.08 is applicable) shall comply with section 11 of the Purchase Agreements in making any such payments.

The Trust Certificates shall, on original issue thereof, be in denominations of $50,000 or any amount in excess of $50,000 and, if Registered Trust Certificates, shall be fully registered as to both principal and interest in the name of the holder.

Each Trust Certificate issued and delivered pursuant to the provisions of Section 2.01 shall be dated the date of issuance and delivery thereof, and each Trust Certificate issued in exchange or substitution for, or upon the transfer of, the whole or any part of one or more Trust Certificates shall be dated the date to which interest has been paid on the surrendered Trust Certificate or Trust Certificates, provided, however, that each Trust Certificate so issued on any such exchange, substitution or transfer prior to the first Payment Date shall be dated the date of original issue of such surrendered Trust Certificate or Trust Certificates.

Section 2.03. Forms of Trust Certificates, etc. The Trust Certificates and the guaranty to be endorsed on the Trust Certificates by the Owner Trustee as provided in Section 5.01 shall be in substantially the forms set forth in the fourth Recital hereto, and each Trust Certificate shall be either a Registered or an Order Trust Certificate.

Section 2.04. Execution by Security Trustee. The Trust Certificates shall be signed in the name and on behalf of the Security Trustee by the manual signature of one of the Vice Presidents or other authorized officers of the Security Trustee. In case any officer of the Security Trustee whose signature shall appear on any of the Trust Certificates shall cease to be such officer before the Trust Certificates shall have been issued and delivered by the Security Trustee or shall not have been acting in such capacity on the date of the Trust Certificates, such Trust Certificates may be adopted by the Security Trustee and be

issued and delivered as though such person had not ceased to be or had then been such officer of the Security Trustee.

Section 2.05. Transfer and Exchange. As hereinabove provided, the Trust Certificates issuable under this Agreement may be either Order Trust Certificates transferable by endorsement and delivery or Registered Trust Certificates. The Security Trustee shall cause to be kept at the Corporate Trust Office books for the transfer of the Registered Trust Certificates. The transfer of each Registered Trust Certificate shall be registrable by the Holder in person or by duly authorized attorney on the books of the Security Trustee upon surrender to the Security Trustee, at the Corporate Trust Office, of such Registered Trust Certificate accompanied by a written instrument of transfer, duly executed by the Holder in person or by any such attorney, in form satisfactory to the Security Trustee. Thereupon the Security Trustee will issue and deliver to the transferee thereof in exchange therefor, without expense to the transferor or transferee except as provided in the last paragraph of this Section 2.05, a new Registered Trust Certificate in the unpaid principal amount of, and with the same maturity as, the surrendered Registered Trust Certificate.

The holder of any Trust Certificate may surrender the same for exchange at such Corporate Trust Office and shall be entitled to receive in exchange therefor, without expense to such holder except as provided in the last paragraph of this Section 2.05, a new Registered or Order Trust Certificate or Trust Certificates in any denomination of $50,000 or more (or the aggregate unpaid principal amount of all Trust Certificates being surrendered by such Holder, whichever is less), which aggregate the unpaid principal amount of, and are of the same maturity as, such surrendered Trust Certificate and the Owner Trustee shall endorse its guaranty thereon in the form set forth in the form of the Trust Certificates provided in the fourth Recital hereto. Each such new Registered Trust Certificate shall be registered in the name of such Person as such Holder may request. Each such new Trust Certificate shall be dated as provided in the last paragraph of Section 2.02 so that there will be no loss of interest on such surrendered Trust Certificate and shall be payable in semiannual installments on each June 30 and December 31 after the date of its issue commencing December 31, 1980, each such installment to be in an amount bearing the same proportion

to the corresponding installment on the surrendered Trust Certificate as the principal amount of such new Trust Certificate bears to the unpaid principal amount of the surrendered Trust Certificate at the time of its surrender.

Any Order Trust Certificate shall be treated as transferable and title thereto shall pass by endorsement and delivery, but neither the Security Trustee nor the Owner Trustee shall be bound to recognize any Person (other than a Purchaser which is the original holder thereof) as the holder of an Order Trust Certificate unless and until the Security Trustee and the Owner Trustee shall have received notice from the prior holder of such Trust Certificate of the transfer of such Order Trust Certificate to such Person and of the name and address of such transferee. The Person in whose name any Registered Trust Certificate shall be registered shall be deemed and treated as the owner thereof for all purposes of this Agreement, and neither the Owner Trustee nor the Security Trustee shall be affected by any notice to the contrary. Payment of or on account of the principal of, premium, if any, and interest on such Registered Trust Certificate shall be made only to or upon the order in writing of such registered owner. For the purpose of any request, direction or consent hereunder, the Owner Trustee and the Security Trustee may deem and treat the registered owner of any Registered Trust Certificate as the owner and holder thereof without production of such Registered Trust Certificate.

For any such transfer or exchange the Security Trustee shall require the payment of a sum sufficient to cover the amount of any stamp tax or other governmental charge connected therewith.

Section 2.06. Replacement of Lost Trust Certificates. In case any Trust Certificate shall become mutilated or defaced or be lost, destroyed or stolen, then on the terms herein set forth, and not otherwise, the Security Trustee shall execute and deliver a new Trust Certificate of like tenor, dated as provided in the last paragraph of Section 2.02 so that there shall be no loss of interest, and bearing such identifying number or designation as the Security Trustee may determine, in exchange and substitution for, and upon cancellation of, the mutilated or defaced Trust Certificate, or in lieu of and in substitution for the same if lost, destroyed or stolen. The Owner Trustee shall endorse its guaranty on any Trust Certificates so

delivered in the form set forth in the form of the Trust Certificates provided in the fourth Recital hereto. The applicant for a new Trust Certificate shall furnish to the Security Trustee and the Owner Trustee evidence to their satisfaction of the loss, destruction or theft of such Trust Certificate alleged to have been lost, destroyed or stolen and of the ownership and authenticity of such mutilated, defaced, lost, destroyed or stolen Trust Certificate, and also shall furnish such security or indemnity as may be required by the Security Trustee and by the Owner Trustee in their discretion, and shall pay all expenses and charges of such substitution or exchange. In the event of mutilation, destruction, loss or theft of any Trust Certificate held by a Purchaser or a transferee of a Purchaser which transferee is an insurance company, or an institutional investor (other than an insurance company) with a net worth of at least $100,000,000, such Purchaser's or transferee's written indemnity shall be satisfactory.

Section 2.07. Prepayment. (a) Optional Prepayment With Premium. The Owner Trustee may, at its option, upon notice as provided in Section 2.07(d), prepay on any Payment Date after June 30, 1990 all, or from time to time on Payment Dates any part (a multiple of $1,000 but not less than $100,000), of the Trust Certificates at the time outstanding at the principal amount thereof to be so prepaid, together with accrued and unpaid interest thereon to the date fixed for such prepayment, plus a premium equal to a percentage of such principal amount which shall be determined in accordance with the following schedule, depending on the period in which the date fixed for such prepayment occurs:

12-Month Period Commencing July 1	Premium	12-Month Period Commencing July 1	Premium
1990	5.11%	1995	2.10%
1991	4.51%	1996	1.50%
1992	3.91%	1997	0.90%
1993	3.31%	1998*	0.30%
1994	2.71%		

(b) Required Prepayment Out of Remaining Deposited Cash. On any Business Day after January 30, 1981 and before April 1, 1981 (as specified in the notice required by Section

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* (prior to maturity)

3.04) the Trust Certificates shall be prepaid in part as provided in Section 3.04, by the application by the Security Trustee of Deposited Cash, at the principal amount thereof to be so prepaid, together with accrued and unpaid interest thereon to the date fixed for such prepayment, but without premium.

(c) Casualty Prepayments. The Trust Certificates shall be prepaid in the event of certain Casualty Occurrences upon such conditions and in such manner as are set forth in Section 4.07(b).

(d) Notice of Prepayment. In the case of any optional prepayment of the Trust Certificates under Section 2.07(a), the Owner Trustee shall give written notice thereof to the Security Trustee and to the Holders, not less than 30 nor more than 60 days prior to the Payment Date fixed for such prepayment, specifying such date, the principal amount of the Trust Certificates to be prepaid on such date and the premium and accrued interest payable with respect to such Trust Certificates held by each Holder.

(e) Allocation of Partial Prepayments. In the case of each partial prepayment, the principal amount of the Trust Certificates to be prepaid shall be allocated by the Security Trustee (or, in the event that the Owner Trustee makes such payment directly under Section 2.08, by the Owner Trustee) among the Trust Certificates at the time outstanding in proportion, as equally as practicable, to the respective unpaid principal amounts thereof, not theretofore called for prepayment, with adjustments, to the extent practicable, to compensate for any prior prepayments not made exactly in such proportion. Upon each partial prepayment of the Trust Certificates under Section 2.07(a), the principal amount of each Trust Certificate so prepaid shall be applied to the payment of the principal portions of the installments of principal and interest thereafter becoming due on such Trust Certificate in the inverse order of the Payment Dates of such installments, provided that the portion, if any, of any such prepayment which is equal to the aggregate Casualty Value of units of Trust Equipment with respect to which the Security Trustee is releasing its security interest pursuant to Section 2.07(i) shall be applied in the manner set forth in the next succeeding sentence for prepayments pursuant to Sections 2.07(b) and 2.07(c). Upon each partial prepayment of the Trust Certificates under Section 2.07(b) or Section 2.07(c), the install-

ment of combined principal and interest becoming due on each Trust Certificate on each subsequent Payment Date shall be reduced in the same proportion as the unpaid principal amount of such Trust Certificate was reduced by such partial prepayment.

(f) Maturity of Prepayments. In the case of each prepayment of any Trust Certificate, the unpaid principal amount thereof being prepaid shall become due and payable, to the extent of the prepayment to be made in respect thereof, on the date fixed for such prepayment, together with interest accrued on such principal amount to such date and the applicable premium, if any. From and after such date, unless the Owner Trustee shall fail to pay such principal amount when so due and payable, together with the premium, if any, and interest as aforesaid, interest on such principal amount shall cease to accrue. Any Trust Certificate paid or prepaid in full shall be surrendered to the Security Trustee and cancelled and shall not be reissued, and no Trust Certificate shall be issued in lieu of any principal amount of any Trust Certificate so prepaid.

(g) Acquisition of Trust Certificates by Owner Trustee, etc. The Owner Trustee will not, and will not permit any Owner or any Affiliate of any Owner to, purchase or otherwise acquire any Trust Certificate issued hereunder except upon the payment or prepayment thereof in accordance with the terms hereof, or pursuant to an offer made on the same terms to all of the Holders.

(h) Deposit of Funds. In the case of any prepayment of the Trust Certificates under this Section 2.07, the Owner Trustee, on or before the date fixed for such prepayment, will deposit or cause to be deposited with the Security Trustee an amount of cash sufficient to effect such prepayment, and the Owner Trustee may direct the Security Trustee to apply for such purpose, to the extent available, any moneys held by the Security Trustee for application to the prepayment of Trust Certificates pursuant to Section 3.04 or 4.07(b). The Security Trustee will apply all cash deposited pursuant to this Section 2.07(h) in accordance with the applicable terms of this Section 2.07.

(i) Transfer of Title. In the case of a partial prepayment of the Trust Certificates pursuant to Section 2.07(a), the Security Trustee, upon the Request of the Owner Trustee, shall execute and deliver one or more bills of sale

assigning and transferring all the right, title and interest of the Security Trustee, and releasing its security interest, in and to units of Trust Equipment and a release of its security interest in the Leases to the extent they relate thereto to one or more transferees named by the Owner Trustee, provided that no such bill of sale or release shall be executed and delivered unless (w) the transferee of such units is a lessee under a Lease, (x) the aggregate Casualty Value of such units at the time of such prepayment does not exceed the principal amount of the Trust Certificates (but not the premium or interest thereon) being prepaid in respect thereof under Section 2.07(a), (y) the aggregate number of units of Trust Equipment proposed to be so assigned and transferred plus the aggregate number of all units of Trust Equipment theretofore assigned and transferred pursuant to this Section 2.07(i) would not exceed 20% of the aggregate number of units of all Trust Equipment originally made subject to this Agreement and (z) the Owner Trustee delivers to the Security Trustee, together with such Request, an Officers' Certificate of the Owner Trustee or any Owner certifying as to the matters set forth in clauses (w), (x) and (y) of this Section 2.07(i).

(j) Amortization Schedules. At the time of issuing any Trust Certificate pursuant to Section 2.01, or upon any exchange of Trust Certificates pursuant to Section 2.05 or replacement of Trust Certificates pursuant to Section 2.06, the Owner Trustee shall deliver to the Security Trustee and to the holder of such Trust Certificate an amortization schedule with respect to such Trust Certificate, setting forth the amounts of principal and interest payable on such Trust Certificate on each Payment Date after the date of such Trust Certificate. Prior to or on the date fixed for each partial prepayment of any Trust Certificate pursuant to Section 2.07(a), (b) or (c), the Owner Trustee will deliver to the Security Trustee and to the holder of such Trust Certificate a revised amortization schedule with respect to such Trust Certificate, complying with this Section 2.07(j), setting forth the amounts of principal and interest payable on such Trust Certificate on each Payment Date after the date of such partial prepayment.

Section 2.08. Payments by Owner Trustee. Wherever in this Agreement it is provided that the Owner Trustee shall make a payment to the Security Trustee, and

such payment is to be applied by the Security Trustee to payments on Trust Certificates held by Holders who are entitled to the benefits of Section 11 of the Purchase Agreements, the Owner Trustee shall, in lieu of making such payment to the Security Trustee, make such payment directly to such Holders, and concurrently with the making of such payment, the Owner Trustee shall deliver to the Security Trustee by telex or facsimile transmission a notice setting forth the amounts of principal, premium, if any, and/or interest being paid to each such Holder and designating the section of this Agreement pursuant to which such payment is being made.

ARTICLE III

Acquisition of Trust Equipment by Security Trustee; Deposited Cash

Section 3.01. Acquisition of Equipment by Security Trustee. The Owner Trustee shall sell, assign and transfer or cause to be sold, assigned and transferred Equipment to the Security Trustee, provided that such Equipment shall be described in Attachment A hereto (either as this Agreement was originally executed or as thereafter supplemented) at the time of delivery thereof to the Security Trustee and this Agreement with such Equipment so described shall have been filed or recorded with the Interstate Commerce Commission pursuant to 49 U.S.C. §11303. Such Equipment shall be delivered to the Person or Persons designated by the Security Trustee as its agent or agents to receive such delivery (and the Security Trustee hereby so designates the Manager) and the certificate required by Section 3.03(a) shall be conclusive evidence of such delivery and of the passage of title to such Equipment to the Security Trustee, provided that the Security Trustee's obligation to make any payment out of Deposited Cash in respect of any such Equipment shall be subject to the provisions of Section 3.03.

Section 3.02. Application of Deposited Cash to Acquisition of Equipment. From time to time (a "Trust Equipment Closing"), but prior to March 31, 1981, when and as any Equipment shall have been delivered to the Security Trustee pursuant to Sections 3.01 and 3.03(a), the Security Trustee shall pay to the Owner Trustee out of Deposited

Cash, upon Request but subject to the provisions of Section 3.03, an amount which is not more than 60% of the aggregate Cost of such Trust Equipment, as specified in the Officers' Certificate of the Manager furnished to the Security Trustee pursuant to Section 3.03(b)(1)(x)(i).

Section 3.03. Supporting Documents and Papers. The Security Trustee shall not pay out any Deposited Cash in respect of any Trust Equipment upon a Request made pursuant to Section 3.02 unless and until it shall have received:

(a) a certificate of the agent or agents designated by the Security Trustee to receive delivery of such Trust Equipment, dated the date such unit was delivered to the Security Trustee hereunder, stating that Trust Equipment, such as described and specified therein by number or numbers, has been delivered to such agent or agents and that plates or marks complying with the requirements of Section 4.06 were found on each unit of such Trust Equipment when such Equipment was first delivered to the Owner Trustee under the Management Agreement;

(b) (1) Officers' Certificates, dated the date of the Trust Equipment Closing, of

(x) the Manager, stating (i) that such Trust Equipment is Equipment as herein defined and the Cost of each unit thereof, (ii) the date each unit of such Trust Equipment was first put into service (which shall not be earlier than November 1, 1979) and that the estimated useful life of each unit of such Trust Equipment extends beyond December 31, 1998, (iii) that on the date such Equipment was delivered to the Owner Trustee under the Management Agreement, the Purchase Order Assignment and Consent and Agreement of the Builders with respect thereto (as such terms are used in the Management Agreement as in effect on the date hereof) were duly executed and delivered, (iv) that, giving effect to the delivery of such Trust Equipment, at least 70% of all units of Trust Equipment are covered hopper cars, (v) that the Manager is not aware of any conditions precedent provided for in this Agreement,

relating to the payment in question, which have not been complied with and (vi) that, with respect to matters within the Manager's knowledge, there exists no Event of Default of the type set forth in paragraphs (d) to (i), inclusive, of Section 6.01, and no condition, event or act which, with lapse of time, would constitute such an Event of Default, and

(y) the Owner Trustee, stating (i) that the Owner Trustee has paid or is simultaneously paying the seller of such Equipment in full for such Equipment, (ii) that, with respect to matters within the Owner Trustee's knowledge, there exists no Event of Default of the type set forth in paragraphs (d) to (i), inclusive, of Section 6.01, and no condition, event or act which, with lapse of time, would constitute such an Event of Default, and (iii) that the representations and warranties set forth in Sections 7.1(b) and 7.1(c) of the Purchase Agreements are repeated on, and are true and correct on, the date of such Trust Equipment Closing, and

(z) Ford Credit, stating that, with respect to matters within Ford Credit's knowledge, there exists no Event of Default of the type set forth in paragraphs (d) to (i), inclusive, of Section 6.01, and no condition, event or act which, with lapse of time, would constitute such an Event of Default, and

(2) Officers' Certificates, dated no earlier than 10 days prior to the date of such Trust Equipment Closing, of the Manager and the Owner Trustee stating that, with respect to matters within such party's knowledge, there exists no Event of Default of the type set forth in paragraphs (a), (b), (c), (j), (k) or (l) of Section 6.01, and no condition, event or act which, with demand or lapse of time, or both, would constitute such an Event of Default;

(c) an invoice from the seller of such Trust Equipment to the Owner Trustee, which shall have

endorsed thereon a certification to the Security Trustee by Ford Credit that the price stated therein is the price paid or being paid by the Owner Trustee pursuant to the Management Agreement for such unit;

(d) (x) with respect to Equipment delivered to the Owner Trustee prior to the date this Agreement was originally filed for recordation under § 11303 of the Interstate Commerce Act, bills of sale of such Trust Equipment, (i) dated the date such Trust Equipment was delivered to the Owner Trustee from the seller of such Trust Equipment to the Owner Trustee, which bill or bills of sale shall contain a warranty or guaranty to the Owner Trustee that the seller had, immediately prior to the delivery of such Equipment to the Owner Trustee, title to such Equipment free from all Liens, and (ii) dated the date of the Trust Equipment Closing, from the Owner Trustee to the Security Trustee, containing a warranty or guaranty to the Security Trustee that the Owner Trustee had, immediately prior to the delivery of such Trust Equipment to the Security Trustee on the date of such Trust Equipment Closing, title to the Trust Equipment described therein free from all Liens other than Permitted Liens, and

(y) with respect to Equipment delivered on or after the date this Agreement was originally filed for recordation under § 11303 of the Interstate Commerce Act, a bill or bills of sale of such Trust Equipment, dated the date of the Trust Equipment Closing, from the seller of such Trust Equipment to the Security Trustee, which bill or bills of sale shall contain a warranty or guaranty to the Security Trustee that the seller, had, immediately prior to the delivery of such Equipment, title to such Equipment free from all Liens;

(e) a copy of each Lease relating to the Trust Equipment settled for on such Trust Equipment Closing and the Lease Assignment with respect to such Lease, together with a supplement or schedule to such Lease and such Lease Assignment specifically describing such unit of Equipment by register number (and with respect to such Lease Assignment only, describing such Lease) if such Lease and such Lease Assignment do not so describe such unit and such Lease;

(f) an Opinion of Counsel for BRAE (in which such counsel may rely on the Officers' Certificate of the Owner Trustee delivered pursuant to Section 3.03(b) and on an opinion of counsel for the manufacturer and, as to the filing of documents with the Interstate Commerce Commission, and the effect thereof, and the results of any search of the register maintained under Section 11303 of the Interstate Commerce Act, on an opinion of Messrs. Steptoe & Johnson, Interstate Commerce Commission counsel, if in each case such counsel states that he is justified in relying on such opinion of other counsel and a copy of such opinion is attached to such counsel's opinion, and may assume the absence of any defeasance by the Security Trustee of its rights hereunder) to the effect that (i) title to such Trust Equipment, for the purpose of securing the obligations of the Owner Trustee hereunder, is vested in the Security Trustee free from all Liens other than Permitted Liens; (ii) BRAE has conveyed to the Owner Trustee good title to the Leases relating to such Trust Equipment as the lessor thereunder and the Owner Trustee is vested with all the right, title and interest of the lessor (including the right to receive all rents, moneys and proceeds payable thereunder) in and to such Leases, free from all Liens except the security interest of the Security Trustee therein, and the Security Trustee has a valid, prior, perfected security interest in the Owner Trustee's right, title and interest in and to such Leases, including the right to receive all rents, moneys and proceeds payable thereunder; and (iii) this Agreement (including Attachment A hereto), such Leases and the Lease Assignments relating thereto and all amendments of any thereof or supplements to any thereof have been duly filed or recorded with the Interstate Commerce Commission (which opinion shall set forth the dates and times of such filings and the recordation numbers assigned to such documents), and no further filing or recordation is necessary to establish, perfect, preserve and protect in the United States the rights of the Security Trustee and the Holders in and to such Trust Equipment and such Leases and such rents, moneys and proceeds payable thereunder;

(g) unless each unit of such Trust Equipment shall have been described by register number in Attachment A hereto, as theretofore supplemented or amended,

an amendment of or supplement hereto which describes each unit of such Trust Equipment by number;

(h) a release, in proper form for recording with the Interstate Commerce Commission, of any Lien which the seller may have retained with respect to any such unit to secure payment of the purchase price; and

(i) in the case of any unit of such Trust Equipment which is leased by the Owner Trustee under a Lease which presently or may in the future relate both to Trust Equipment and to railroad equipment which is not Trust Equipment, an acknowledgment from the lessee party to the Lease under which such unit is leased by the Owner Trustee acknowledging that the Owner Trustee has sold (or caused to be sold) such unit to the Security Trustee and consenting and acknowledging that the right, title and interest of the Owner Trustee under such Lease relating to such unit have been assigned to the Security Trustee and confirming that any assignment of any of the right, title and interest of the Owner Trustee under such Lease, to the extent that they relate to railroad equipment which is not Trust Equipment, shall not impair or offset the obligation to pay to the Security Trustee all rentals under such lease in respect of such unit as provided in Section 4.09 and a consent of such lessee to the effect that the right, title and interest of the Owner Trustee under such Lease, to the extent they relate to railroad equipment which is not Trust Equipment, may either be retained by the Owner Trustee or assigned to others, provided that such acknowledgment shall not be required if such Lease by its terms provides substantially to the effect set forth in this Section 3.03 (i).

In the event that the Security Trustee shall for any reason not make the payment set forth in Section 3.02 with respect to any unit of Equipment, upon Request of the Owner Trustee such Equipment shall be considered as having been excluded from the terms of this Agreement ab initio and shall not be deemed to have been Trust Equipment subject hereto at any time and the Security Trustee's interest in such unit shall be released without further transfer or action on the part of the Security Trustee, except that the Security Trustee, if requested by the Owner Trustee or any Owner, will execute and deliver to the Owner

Trustee, at the expense of the Owner Trustee or such Owner, an appropriate instrument confirming such release in recordable form, in order that the Owner Trustee may make clear upon the public records the release of the Security Trustee's interest in such unit.

Section 3.04. Application of Remaining Deposited Cash. On any Business Day after January 30, 1981 and before March 31, 1981, the Owner Trustee may, and if not, on March 31, 1981, the Owner Trustee shall, upon written notice thereof to the Security Trustee and the Holders given not less than 15 nor more than 30 days prior thereto, prepay, as set forth in Section 2.07(b), the Trust Certificates in an amount equal to all the Deposited Cash remaining in the hands or to the credit of the Security Trustee, provided that the failure of the Owner Trustee to give the notice provided for by this Section shall not relieve the Owner Trustee of the obligation to prepay the Trust Certificates in the manner provided for in this Section 3.04 on March 31, 1981. The Owner Trustee will pay to the Security Trustee accrued interest to be paid by the Security Trustee in respect of the portion of the Trust Certificates to be prepaid hereunder, it being the intention that accrued interest shall not be charged against Deposited Cash applied toward the prepayment of Trust Certificates pursuant hereto.

Section 3.05. Warranties; Patent Indemnity. The Owner Trustee hereby assigns to the Security Trustee the same warranties and indemnities with respect to each unit of Trust Equipment, and any Parts, Required Alterations (as defined in the Management Agreement) or additions thereto, that the builder thereof or the Manager extends to the Owner Trustee with respect to (a) freedom from defects in material or workmanship, (b) compliance with all performance and construction requirements, specifications and standards and (c) the noninfringement by such Trust Equipment, or Parts, Required Alterations or additions, or the manufacture, assembly, design or use thereof, of patent or other similar rights of others.

ARTICLE IV

Lease of Trust Equipment to the Owner Trustee

Section 4.01. Lease of Trust Equipment. The Security Trustee does hereby let and lease to the Owner

Trustee all of the Trust Equipment, for a term commencing on the date such Equipment is delivered to the Security Trustee pursuant to Sections 3.01 and 3.03(a) and ending (except as otherwise provided herein) December 31, 1998.

Section 4.02. Equipment Automatically Subjected. As and when any Equipment shall from time to time be delivered hereunder to the Security Trustee or its agent or agents, the same shall, ipso facto, and without further instrument of lease or transfer (but without limiting the requirements of Section 4.03), pass under and become subject to all the terms and provisions hereof.

Section 4.03. Additional Equipment Subjected Hereto. In the event that the Owner Trustee shall, as provided in Section 3.01, sell or transfer to the Security Trustee other Equipment in addition to or in substitution for any of the Trust Equipment specified on Attachment A hereto as this Agreement was originally executed, such other Equipment shall be included as part of the Trust Equipment by amendment of or supplement to Attachment A to be executed by the Security Trustee and the Owner Trustee and to be filed with the Interstate Commerce Commission in accordance with all applicable requirements. Such Equipment shall be subject to all the terms and conditions hereof in all respects as though it had originally been part of the Trust Equipment specified on Attachment A hereto.

Section 4.04. Rental Payments. The Owner Trustee hereby accepts the lease of all the Trust Equipment, and covenants and agrees to accept delivery and possession hereunder of the Trust Equipment; and, subject always to the provisions of Section 8.01, the Owner Trustee covenants and agrees to pay to the Security Trustee at the Corporate Trust Office (or, in the case of taxes, to the proper taxing authority), in immediately available funds, 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 Owner Trustee of any of the Trust Equipment):

(a) from time to time upon demand of the Security Trustee (i) the necessary and reasonable out-of-pocket

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

(b) from time to time upon demand of the Security Trustee any and all taxes (other than income taxes on the compensation of the Security Trustee for its services in connection with this Agreement), assessments and governmental charges upon or on account of the income or property of the trust created hereby, or upon or on account of this Agreement, which the Security Trustee as such may be required to pay;

(c) the semiannual installment of interest or of combined principal and interest payable in respect of the Trust Certificates on each Payment Date; and

(d) all other payments of principal, premium and interest in respect of the Trust Certificates when and as the same shall become due and payable (whether at stated maturity or at a date fixed for any installment payment or any required or optional prepayment or by declaration or otherwise) in accordance with the terms of the Trust Certificates and this Agreement.

Nothing contained herein or in the Trust Certificates shall be deemed to impose on the Security Trustee or on the Owner Trustee or on any Owner any obligation to pay to any Holder any income or franchise tax, 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 on behalf of, or withheld from the amount payable to, such Holder except the Owner Trustee or either Owner shall pay any such tax which is in substitution for or relieves the Owner Trustee or such Owner from the payment of taxes which it would otherwise be obligated to pay or indemnify for as herein provided or is imposed by reason of activities of the Owner Trustee, such Owner or the Manager.

The Owner Trustee shall not be required to pay any tax, assessment or governmental charge of the nature specified in paragraph (b) of this Section 4.04 so long as

the proviso to the first paragraph of Section 5.05 is complied with.

Section 4.05. Termination of Lease. At the termination of the lease provided for in Section 4.01 and after all payments due or to become due from the Owner Trustee hereunder shall have been completed and fully made to the Security Trustee (a) such payments shall be applied and treated as purchase money and as the full purchase price of the Trust Equipment, (b) any moneys remaining in the hands of the Security Trustee after providing for all outstanding Trust Certificates and after paying the reasonable out-of-pocket expenses of the Security Trustee, including its reasonable compensation, shall be paid to the Owner Trustee, (c) title to all the Trust Equipment shall vest in the Owner Trustee and (d) the Security Trustee shall execute for record in public offices, at the expense of the Owner Trustee, such instrument or instruments as reasonably shall be requested by the Owner Trustee in order to make clear upon public records the Owner Trustee's title to all the Trust Equipment and to the Leases permitted by Section 4.09 related thereto under the laws of any jurisdiction; provided that until that time, except as provided in Sections 2.07(i) and 4.07(b), title to the Trust Equipment shall not pass to or vest in the Owner Trustee, but title to and ownership of all the Trust Equipment shall be and remain in the Security Trustee, notwithstanding the delivery of the Trust Equipment to and the possession and use thereof by the Owner Trustee.

Section 4.06. Marking of Trust Equipment. The Owner Trustee will cause each unit of the Trust Equipment to be kept numbered with the appropriate identifying number as set forth in Attachment A hereto (or any amendment hereof or supplement hereto) and will cause to 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 shall be otherwise plainly, distinctly, permanently and conspicuously marked on each side of such unit, in either case in letters not less than one inch in height:

> OWNED BY A BANK OR TRUST COMPANY, AS TRUSTEE, AND SUBJECT TO A SECURITY AGREEMENT FILED WITH THE INTERSTATE COMMERCE COMMISSION

or other appropriate words reasonably designated by the

Security Trustee in order to protect the interests of the Owner Trustee and the Security Trustee in such unit and the rights of the Security Trustee under this Agreement.

In case, prior to the termination of the lease provided for in Section 4.01, any of such plates or marks shall at any time be removed, defaced or destroyed, the Owner Trustee shall forthwith cause the same to be restored or replaced. The Owner Trustee shall not change or permit to be changed the numbers of any of the Trust Equipment (or any numbers which may have been substituted as herein provided) except in accordance with a statement of new numbers to be substituted therefor and an amendment of or supplement to Attachment A which previously shall have been filed with the Security Trustee by the Owner Trustee and which shall be filed and recorded with the Interstate Commerce Commission in accordance with all applicable requirements or otherwise as required by Section 5.04.

The Trust Equipment may be marked or lettered in some appropriate manner for convenience of identification of the interest of the Manager under the Management Agreement, the leasehold interest of the Owner Trustee therein, or, in case of a Lease of any Trust Equipment made pursuant to Section 4.09, the leasehold interest therein created by such Lease (including markings with the insignia of any railroad or shipper which is the lessee thereunder), but the Owner Trustee, during the continuance of the lease provided for in Section 4.01, will not (unless required by applicable law) allow the name of any Person to be placed on any of the Trust Equipment as a designation which might be interpreted as a claim of ownership thereof by the Owner Trustee or by any Person other than the Security Trustee.

Section 4.07. Maintenance of Trust Equipment, etc. (a) Maintenance and Casualty Occurrence. The Owner Trustee will maintain and keep or cause to be maintained and kept all the Trust Equipment in good order and proper repair and in compliance with all applicable standards of the Association of American Railroads and of the United States Department of Transportation and all other applicable laws and regulations at its own cost and expense, unless and until it becomes worn out, unsuitable for use, lost, destroyed or condemned, seized or expropriated for a period exceeding 90 days (except for a period exceeding 180 days, if such Trust Equipment is condemned, seized or expropriated by the United States Government) (a "Casualty Occurrence"). The

rights and remedies of the Security Trustee to enforce or to recover any of the rental payments payable under Section 4.04 shall not be affected by reason of any Casualty Occurrence. For all purposes of this Section 4.07, the term "unsuitable for use" shall include any condition in which Trust Equipment is no longer usable for the purpose or purposes for which the same was designed (or an alternate purpose or alternate purposes provided that no material impairment in value shall arise therefrom), whether by virtue of its physical condition or of the effect of any applicable law, rule, regulation or order.

The Security Trustee, either individually or by its agents, shall have the right once in each calendar year, but shall be under no duty, to inspect the Trust Equipment at the then existing locations thereof.

The Owner Trustee covenants and agrees to furnish or cause to be furnished to the Security Trustee, on or before April 15, 1981 and on or before April 15 in each calendar year thereafter during the continuance of the lease provided for in Section 4.01, an Officers' Certificate of the Manager or any Owner, (i) setting forth as of the preceding December 31 the amount, description, numbers and Casualty Value of all Trust Equipment that may have suffered a Casualty Occurrence by accident or otherwise since the date as of which the last preceding statement was prepared (or the date of this Agreement in the case of the first such statement), and (ii) stating that in the case of all Trust Equipment repainted or repaired since the date as of which the last preceding statement was prepared (or the date of this Agreement in the case of the first such statement) the plates or marks required by Section 4.06 have been preserved, or that such Trust Equipment when repainted or repaired has been again plated or marked as required thereby.

(b) Payment of Casualty Value. The Owner Trustee

(i) may, on any Payment Date occurring at least fifteen days following a Casualty Occurrence (exclusive of a Casualty Occurrence in respect of which a payment shall have been made to the Security Trustee pursuant to this Section 4.07(b)), and

(ii) shall, on the First Payment Date occurring at least fifteen days immediately after the total Casualty

Value of all units of Trust Equipment having suffered Casualty Occurrences at any time (exclusive of any unit having suffered a Casualty Occurrence in respect of which a payment shall have been made to the Security Trustee pursuant to this Section 4.07(b)) shall exceed $350,000,

deliver to and deposit with the Security Trustee (x) an Officers' Certificate of the Manager or any Owner describing each such unit of Trust Equipment and the nature of the Casualty Occurrence and stating the Casualty Value of such unit and (y) payment equal to the total of such Casualty Value or Values. The Owner Trustee shall, or shall cause the Manager or any Owner to, give at least ten days prior written notice to the Security Trustee of the aggregate amount of such prepayment. As applied to any unit of Trust Equipment on any date, the "Casualty Value" thereof shall mean the amount obtained by multiplying the aggregate unpaid principal amount of the Trust Certificates outstanding on such date by a fraction, the numerator of which is the Cost of such unit and the denominator of which is the aggregate Cost of all units of Trust Equipment remaining subject hereto immediately prior to such deposit. Amounts deposited with the Security Trustee pursuant to this Section 4.07(b) shall be held and applied in accordance with Sections 2.07(c) and 2.07(e) on such Payment Date to prepay the Trust Certificates at the time outstanding at the principal amount thereof to be so prepaid, together with accrued and unpaid interest thereon to the date fixed for such prepayment, but without premium. Upon any such prepayment the Security Trustee's interest in the unit in respect of which such prepayment was made and the Leases permitted by Section 4.09 to the extent related thereto shall be released without further transfer or action on the part of the Security Trustee (except that the Security Trustee, if requested by the Owner Trustee, will execute and deliver to the Owner Trustee, at the expense of the Owner Trustee, an appropriate instrument confirming such release in recordable form, in order that the Owner Trustee or the Manager may make clear upon the public records the release of the Security Trustee's interest in such unit).

(c) Condemnation Payments. The Security Trustee shall be entitled to receive any condemnation payments receivable in respect of any unit of Trust Equipment which shall have suffered a Casualty Occurrence and shall, if no Event of Default shall have occurred and be continuing, either upon receipt of payment of the Casualty Value for

such unit or upon receipt of an Officers' Certificate of the Manager or any Owner to the effect that the sum of the Casualty Value of such unit and the aggregate Casualty Values of all units of Trust Equipment having suffered Casualty Occurrences in respect of which payment of Casualty Values shall not have been made to the Security Trustee, does not exceed $350,000, pay such condemnation payments to the Owner Trustee. If an Event of Default shall have occurred and be continuing, the Security Trustee may either retain any such payments or proceeds until the preceding sentence of this Section 4.07(c) becomes applicable and then apply such payments or proceeds accordingly or may apply such payments or proceeds as set forth in Section 6.03.

(d) Alterations. For the purpose of enabling the Owner Trustee to meet the transportation requirements of present and future lessees under Leases, the Owner Trustee may from time to time make, or cause to be made, changes and alterations in the design, structure and equipment of any of the Trust Equipment, all at no expense to the Security Trustee, provided that (i) no material impairment in value shall result therefrom and (ii) with respect to any part or material used to effect any such change or alteration title to which is vested in any Person other than the Security Trustee, such part or material can be removed from such Trust Equipment without causing material damage to such Trust Equipment and without diminishing or impairing the value or state of repair required to be maintained by the terms of this Agreement. Title to any such part or material which is not removed by the Owner Trustee prior to the taking of possession of such Trust Equipment by the Security Trustee pursuant to Section 6.02 shall be deemed abandoned by such Person and shall, without further act, vest in the Security Trustee upon such taking of possession.

Section 4.08. Insurance. The Owner Trustee shall at all times cause the Security Trustee, as trustee for the benefit of the Holders, to be named, at no expense to any of them, as an additional insured under such policies of public liability insurance in respect of the Trust Equipment as are being maintained pursuant to the Management Agreement. Any such policy shall provide that if such policy be cancelled or materially changed for any reason whatsoever, the insurer will promptly notify the Security Trustee,

and such cancellation or change will not be effective as to the Security Trustee or the Holders for 30 days after receipt by the Security Trustee of such notice. Any such insurance may be evidenced by blanket insurance policies covering the Trust Equipment and other property or assets of the Manager.

As soon as practicable after the execution of this Agreement, and in any event on the date of the first Closing under the Purchase Agreements, and thereafter not less than 15 Business Days prior to the expiration dates of the expiring policies theretofore delivered pursuant to this Section 4.08, the Owner Trustee shall deliver or shall cause the Manager to deliver to the Security Trustee duplicate originals of all policies (or in the case of blanket policies, certificates thereof issued by the insurers thereunder) for the insurance, if any, maintained pursuant to this Section 4.08, provided that if the delivery of a formal policy or certificate, as the case may be, is delayed, the Owner Trustee shall deliver, or cause the Manager to deliver, an executed binder with respect thereto and shall deliver or shall cause the Manager to deliver to the Security Trustee the formal policy or certificate, as the case may be, upon receipt thereof.

Section 4.09. Possession of Trust Equipment; Subleases. Except as provided in this Section 4.09 and in Section 4.10, the Owner Trustee will not assign or transfer its rights hereunder, or transfer or lease the Trust Equipment or any part thereof, or part with the possession of, or suffer or allow to pass out of its possession or control, any of the Trust Equipment, or assign, pledge, transfer or otherwise dispose of any of its rights under any Lease, without the prior written consent of the Security Trustee.

So long as an Event of Default shall not have occurred and be continuing and subject to the provisions of Section 6.02, the Owner Trustee shall be entitled to the possession and use of the Trust Equipment in accordance with the terms hereof and of the Owner Trust Agreement and the Management Agreement, and the Owner Trustee may also in the future (a) furnish the Trust Equipment or any part thereof to railroad companies for use upon the lines of railroad owned or operated by them or over which they have trackage rights and upon connecting and other carriers in the usual interchange of traffic, or to persons other than

railroad companies for use in their businesses, or (b) sublet to others all or any part of the Trust Equipment pursuant to a Lease but only, in either case, upon and subject to all the terms and conditions of this Agreement, the Owner Trust Agreement and the Management Agreement, and subject to all rights of the Security Trustee hereunder; provided that the Owner Trustee shall not permit (x) more than 10% (in number) of the units of Trust Equipment to be at any one time in Canada or (y) more than 10% (in number) of the units of Trust Equipment to be at any one time in Mexico or (z) more than 15% (in number) of the units of Trust Equipment to be at any one time outside of the United States of America.

The term "Lease" shall mean a present or future lease, sublease, usage agreement, car contract or other agreement for the lease or use of any of the Trust Equipment (except the Management Agreement) made by the Owner Trustee or the Manager or any predecessor in title as lessor to a railroad, shipper or other user which expressly subjects the rights of the lessee under such lease or other agreement to the rights of the Security Trustee in respect of the Trust Equipment covered by such lease or other agreement upon the happening of an Event of Default, by including in such lease or an amendment thereof or supplement thereto substantially the following clauses:

Either:

(a) "Lessor's rights hereunder may be assigned, mortgaged or otherwise transferred, either in whole or in part, and Lessor may assign, mortgage or otherwise transfer title to any Car with or without notice to Lessee; and

"This Lease and all of Lessee's rights under this Lease, and all rights of any person who claims rights under this Lease through lessee are subject and subordinate to the terms, covenants and conditions of all chattel mortgages, conditional sales agreements, assignments, equipment trust agreements, finance leases or other security documents covering the Cars or any of them heretofore or hereafter created and entered into by Lessor and to all of the rights of any such chattel mortgagee, assignee, trustee, owner or other holder of interest in the Cars. In the event of any such assignment, mortgage or transfer, Lessee agrees to execute any and all documents required by the assignee, mortgagee

or transferree to confirm such third party's interest in and to the Cars and this Lease, and to confirm the subordination provisions contained in this section;"

or:

(b) "Lessee's rights shall be subject and subordinate to the rights of any owner or secured party under any financing agreement entered into by Lessor in connection with the acquisition of some or all of Cars, i.e., upon notice to Lessee from any such secured party or owner that an event of default has occurred and is continuing under such financing agreement, such party may require that all rent shall be made directly to such party and/or that Cars be returned to such party. Lessee agrees to acknowledge, upon receipt, any assignment of this Agreement by Lessor to an owner or secured party under any financing agreement entered into by Lessor in connection with the acquisition of all or part of the Cars leased hereunder.";

provided that, if any such lease or other agreement relates to any equipment which is not Trust Equipment, for all purposes hereof the term "Lease" shall mean the rights, obligations and interests in and under such agreement only to the extent that they relate to Trust Equipment and shall not include the rights, obligations or interests in and under such agreement to the extent that they relate to such other equipment.

Any Lease may provide that the lessee, so long as it shall not be in default under such Lease, shall be entitled (subject to the rights of the Security Trustee upon the happening of an Event of Default) to the possession of the Trust Equipment included in such Lease and the use thereof, and, subject to the provisions of Section 4.06, may provide for lettering or marking upon such Equipment for convenience of identification of the leasehold interest of such lessee therein.

The Security Trustee shall have the right to declare the lease provided for in Section 4.01 terminated in case of any unauthorized assignment or transfer of the Owner Trustee's rights hereunder or in case of any unauthorized transfer or lease of any of the Trust Equipment. The election of the Security Trustee to terminate the lease provided for in Section 4.01 shall have the same effect as

the retaking of the Trust Equipment by the Security Trustee as hereinafter provided.

Section 4.10. Assignment of Leases. As further security for the Trust Certificates, the Owner Trustee hereby transfers and assigns to the Security Trustee, and grants to the Security Trustee a charge on and security interest in, for the equal and proportionate benefit of the Holders, all of its right, title and interest as lessor in and to, under or in respect of each and every Lease (including but not limited to the Leases described in any of the Lease Assignments as the same may from time to time be amended, and which Leases and Lease Assignments, including all amendments thereof and supplements thereto, are filed and recorded with the Interstate Commerce Commission pursuant to 49 U.S.C. §11303) and each and every existing and future guarantee of all or any of the obligations of any lessee under any such Lease, and in and to, under or in respect of any amendment thereof or supplement thereto, including, without limitation, the right to all rents, proceeds and other moneys now due and payable or hereafter to become due and payable and all claims, rights, remedies, powers and privileges on the part of the Owner Trustee, whether arising under the Leases or by statute or at law or in equity or otherwise, consequent on any failure on the part of any lessee under any such Lease or any guarantor under any such guarantee to perform or comply with any of the provisions of any of the Leases or guarantees to be performed or complied with by it, together with the full power and authority, in the name of the Security Trustee, the Owner Trustee, the Manager or any of them, or otherwise to demand, sue for, enforce, collect, receive and receipt for any and all of the foregoing, provided that (a) so long as no Event of Default shall have occurred and be continuing, the Owner Trustee shall be entitled to collect and receive all such rents, proceeds and moneys, and to exercise all other rights of lessor as to the use and operation of the Trust Equipment, and (b) during the continuance of any Event of Default, all such rents, proceeds and moneys shall be paid to the Security Trustee and applied to the payment or prepayment of the principal of, and/or to the payment of interest due and owing on, the Trust Certificates, all as may be specified in Section 6.03(a), if applicable, or, if not, as may be determined by the Security Trustee.

The Owner Trustee will under no circumstance permit any other railroad equipment to be delivered under

any Lease unless the Security Trustee shall have received from the lessee to such Lease an acknowledgment that the Owner Trustee has sold (or caused to be sold) the units of Trust Equipment covered by such Lease to the Security Trustee and that the right, title and interest of the Owner Trustee under such Lease, to the extent relating to such units, have been assigned to the Security Trustee; a confirmation that any assignment of any of the right, title and interest of the Owner Trustee under such Lease, to the extent relating to railroad equipment which is not Trust Equipment, shall not impair or offset the obligation to pay to the Security Trustee all rentals under such Lease in respect of each unit of Trust Equipment; and a consent of such lessee to the effect that the right, title and interest of the Owner Trustee under such Lease, to the extent relating to railroad equipment which is not Trust Equipment, may either be retained by the Owner Trustee or assigned to others; provided that such acknowledgment shall not be required if such lease by its terms provides substantially to the effect set forth in this paragraph or if the Owner Trustee provides the Security Trustee, at the time of assignment of such Lease to the Security Trustee, with an Opinion of Counsel to the effect that such assignment is valid and enforceable in accordance with its terms despite the lack of such acknowledgment or such provision in such Lease.

The foregoing assignment shall be subject to the following additional provisions:

(i) It is expressly agreed that, anything herein contained to the contrary notwithstanding, the Owner Trustee and the Manager (in its capacity as Manager and subject to the terms of the Management Agreement and the Lease Assignments) shall each remain liable under the Leases to which it is a party to perform all of the obligations assumed or to be assumed by it thereunder and the Security Trustee shall have no obligations or liability under any Lease by reason of or arising out of this assignment, nor shall the Security Trustee be required or obligated in any manner to perform or fulfill any obligation of the Owner Trustee or the Manager under or pursuant to any Lease, or to make any payment, or to make any inquiry as to the nature or sufficiency of any payment received by it, or present or file any claim, or take any other action to collect or enforce the payment of any amounts which may have been assigned to it or to which it may be entitled hereunder at any time or times, and the Owner Trustee

shall and does hereby agree to indemnify and hold the Security Trustee harmless from any and all liability, loss or damage which it might incur with respect to or arising under any Lease or this assignment (other than such as may result from its own negligent actions, negligent failure to act or wilful misconduct).

(ii) The Owner Trustee agrees to mark or cause the Manager to mark each executed counterpart of each Lease held by it under which it or the Manager is lessor and each executed counterpart of each Lease under which it or the Manager is lessor hereafter executed by it or the Manager with the following:

> "This lease has been assigned to the holder of the superior lien from time to time on each car as determined with reference to the filings under Section 11303 of the Interstate Commerce Act."

(iii) The Owner Trustee at its expense shall, during the first 90 days of each calendar year, cause any document confirmatory of this assignment or such other instruments which may be reasonably requested by the Security Trustee, to be recorded, registered and filed in such manner and in such places, and will pay all such recording, registration, filing or other taxes, fees and other charges, and will comply with all such statutes and regulations, as may be reasonably requested by the Security Trustee for the proper protection of the security interest under this assignment, and of the rights of the Security Trustee, its successors and assigns, and the Holders.

(iv) The Owner Trustee covenants that on or before April 15th of each year, it will deliver, or cause the Manager to deliver, to the Security Trustee an Officers' Certificate of the Manager or any Owner containing as of the preceding December 31 (i) a report of the percentage of all units of Trust Equipment not then subleased to a Person under a Lease with an original term of 30 days or more, (ii) a report of the percentage of all units of Trust Equipment out of service for repairs, (iii) a list describing each Lease with a term of three or more years executed during the preceding calendar year, and (iv) at the request of the holders of 25% in principal amount of Trust Certificates at

the time outstanding, a document or documents in form satisfactory to the Security Trustee stating all rents, proceeds and other moneys due or to become due in respect of the Trust Equipment under any existing Leases (irrespective of the terms of such Leases).

(v) The Owner Trustee hereby irrevocably constitutes and appoints the Security Trustee the attorney-in-fact of the Owner Trustee for the purposes of exercising, when an Event of Default hereunder shall have occurred and be continuing, all rights with respect to the Leases. Any instrument made, executed and delivered by the Security Trustee on behalf of the Owner Trustee within the scope of such appointment shall be binding upon the Owner Trustee and all persons claiming by, through or under the Owner Trustee, with the same effect as if the Owner Trustee had itself made, executed and delivered the same.

ARTICLE V

Additional Covenants and Agreements by the Owner Trustee

Section 5.01. Guaranty of Owner Trustee. Subject always to the provisions of Section 8.01, the Owner Trustee covenants, agrees and guarantees that each holder of Trust Certificates shall receive the principal amount thereof, and premium, if any, 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 (whether at stated maturity or at a date fixed for an optional prepayment or by declaration or otherwise), in accordance with the provisions thereof or of this Agreement (and, if not so paid, with interest thereon until paid at the rate of 12 1/8% per annum to the extent legally enforceable), and shall receive interest thereon in like money at the rate specified therein, at the times and places and otherwise as expressed in the Trust Certificates (and, if not so paid, with interest thereon until paid at the rate of 12 1/8% per annum to the extent legally enforceable); and the Owner Trustee further covenants and agrees to endorse upon each of the Trust Certificates, at or before the issuance and delivery thereof by the Security Trustee, its guaranty of

the prompt payment of the principal and premium, if any, thereof and of the interest thereon, in substantially the form hereinbefore set forth. Such guaranty is an absolute, present and continuing guaranty of payment and not of collectibility and is in no way conditioned or contingent upon any attempt to collect from the Security Trustee or to realize upon any security provided therefor, or upon any other condition or contingency, but is subject always to the provisions of Section 8.01. Such guaranty so endorsed shall be signed in the name and on behalf of the Owner Trustee by the manual signature of its President, a Vice President or a Trust Officer. In case any officer of the Owner Trustee whose signature shall appear on such guaranty shall cease to be such officer before the Trust Certificates shall have been issued and delivered by the Security Trustee, or shall not have been acting in such capacity on the date of the Trust Certificates, such guaranty shall nevertheless be as effective and binding upon the Owner Trustee as though the person who signed such guaranty had not ceased to be or had then been such officer.

Section 5.02. Rights Under Collateral Documents. The Owner Trustee will maintain the validity and effectiveness of the Owner Trust Agreement, and, so long as any Trust Certificates remain outstanding, will not discharge or terminate the Owner Trust Agreement or consent to or accept or permit any discharge or termination thereof. The Owner Trustee will maintain the validity and effectiveness of the Management Agreement, provided that the Owner Trustee may exercise its rights under the Management Agreement upon the occurrence of an Event of Default or an Event of Termination (both as therein defined), except that the Owner Trustee will not terminate the Management Agreement unless it has given the Security Trustee and the Holders not less than 30 days' prior written notice of its intent so to do, accompanied by an Officers' Certificate of the Owner Trustee or any Owner setting forth the proposed termination date, the reason for termination and the proposed substitute arrangement for the management of the Trust Equipment, and neither the Security Trustee nor the holder or holders of at least 60% of the unpaid principal amount of the Trust Certificates shall have reasonably objected to the proposed arrangement by written notice to the Owner Trustee prior to the proposed termination date. The Owner Trustee will diligently enforce its rights under the Owner Trust Agreement, the Management Agreement, the Lease Assignments and (subject to the provisions of the Management Agreement, including

without limitation Section 3 thereof) the Leases in accordance with their respective terms and will take all such action to that end as from time to time may be requested by the Security Trustee. If any other party to the Owner Trust Agreement, the Management Agreement, the Lease Assignments or any Lease shall fail to perform any act required to be performed by it thereunder or shall otherwise default in any of its obligations thereunder and such failure or default has a material and adverse effect on the interest of the Owner Trustee therein or its rights thereunder or the rights and interests of the Security Trustee or the Holders under this Agreement or the Guaranty Agreement, the Owner Trustee will, or (in the case of the Leases) will cause the Manager pursuant to Section 3(c) of the Management Agreement to, give notice of such failure or default to the Security Trustee promptly after obtaining knowledge thereof. The Owner Trustee will not (i) amend, modify or otherwise change any term of the Owner Trust Agreement or the Management Agreement or the Lease Assignments, (ii) give any waiver, consent or approval under any thereof, or (iii) take any other action in connection with any thereof, if, in any such case, the effect thereof would be materially to impair the value of the Owner Trustee's interest therein or its rights thereunder or the value of the rights and interests of the Security Trustee or the Holders under this Agreement or the Guaranty Agreement, provided that, without the written consent of the holders of at least 60% of the Trust Certificates at the time outstanding, the Owner Trustee will not amend, modify or otherwise change Section 1.02, 2.01 (proviso only), 2.02 (proviso only), 2.03, 6.01, 6.03, 7.01(c), 9.02, 9.13, 9.15 or 9.16 of the Owner Trust Agreement, Section 3(b) (last sentence), 4 (last two sentences) or 16 (last sentence) of the Management Agreement or Section 1, 2, 3 or 6 of the Lease Assignments.

The Owner Trustee shall, promptly after the execution and delivery of any amendment to the Owner Trust Agreement, the Management Agreement or the Lease Assignments deliver to the Security Trustee copies thereof.

Section 5.03. Leases. Promptly after the execution and delivery of any Lease not previously described in the Lease Assignments or any amendment thereof or supplement thereto, the Owner Trustee shall, or shall cause the Manager to, deliver to the Security Trustee (i) a copy of such Lease and a list of the register numbers of all units

of Trust Equipment subject thereto, (ii) a Lease Assignment describing such Lease and (iii) an amendment of or supplement to Attachment A describing the register numbers of the Trust Equipment subject to such Lease if not previously described in Attachment A.

Section 5.04. Recording. (a) The Owner Trustee, promptly after the execution and delivery thereof, will cause this Agreement (including Attachment A hereto), all Leases and Lease Assignments and any amendments of any thereof and supplements to any thereof to be filed or recorded with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303 and to be appropriately cross-indexed; and the Owner Trustee will from time to time do and perform, or cause the Manager to do and perform, any other act and will execute, acknowledge, deliver, file, register, deposit and record any and all further instruments reasonably requested by the Security Trustee (upon request of the Holders) for the purpose of proper protection under the laws of the United States, to the satisfaction of counsel for the Security Trustee or the Holders, of their rights under this Agreement and their interest in the Trust Equipment and in the Leases and the rental payments thereunder or for the purpose of carrying out the intention of this Agreement. The Owner Trustee will promptly furnish or cause the Manager to furnish to the Security Trustee certificates or other evidence satisfactory to the Security Trustee of such filing, registering, depositing and recording.

(b) The Owner Trustee will furnish or cause the Manager to furnish to the Security Trustee, not more than 120 days after the anniversary in each year, commencing with the year 1981, of the first recording or filing of this Agreement, an Opinion of Counsel stating either that, in the opinion of such counsel, (i) such action has been taken with respect to the recording, filing, rerecording and refiling of this Agreement (including Attachment A hereto), all Leases and Lease Assignments and each amendment of or supplement to any thereof as is necessary for the proper perfection and protection in the United States of the title and interests of the Security Trustee under this Agreement in and to the Trust Equipment and the Leases and the rental payments under such Leases and the rights of the Security Trustee and the Holders hereunder and thereunder and reciting the details of such action, or (ii) no such action is necessary for any of such purposes, and in rendering such opinion, such counsel may rely upon an Officers'

Certificate as to all factual matters relating to the assignments required by Section 4.10.

Section 5.05. Payment of Taxes; Discharge of Liens. The Owner Trustee

(a) shall promptly pay and discharge, or cause to be paid and discharged, when due, or make adequate provision for the satisfaction or discharge of, all taxes, assessments and other governmental charges which may be imposed upon or with respect to any Trust Equipment or any other property of the trust created by the Owner Trust Agreement or upon or with respect to the use or operation of the Trust Equipment or upon or with respect to the transfer of title thereto to or from the Security Trustee, which if unpaid might become a Lien upon or against any of the Trust Equipment or any part thereof, or the Owner Trustee's interest in the Trust Equipment or in any Lease or the payments due and to become due thereunder, or any part thereof, other than Permitted Liens and will promptly discharge any such Lien which arises; and

(b) will not directly or indirectly create or permit or suffer to be created or to remain, and will pay or discharge any and all sums claimed by any Person from, through or under the Owner Trustee or its successors or assigns which, if unpaid, might become, a Lien on or with respect to any unit of Trust Equipment or any part thereof, or the Owner Trustee's interest in the Trust Equipment or in any Lease or the payments due and to become due thereunder, or any part thereof, other than Permitted Liens, and will promptly discharge any such Lien which arises;

provided that the Owner Trustee shall not be required to pay or discharge any such tax, charge, assessment, claim or Lien so long as (i) the validity thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner, (ii) prompt notice of such contest is given to the Security Trustee, (iii) the nonpayment or nondischarge of such tax, charge, assessment, claim or Lien does not materially adversely affect the interest of the Owner Trustee or the security interest or rights of the Security Trustee in or to the Trust Equipment or proceeds thereof or any other rights of the Security Trustee under this Agreement or in and to any Lease and the payments due

or to become due thereunder, (iv) adequate reserves have been provided by the Owners for the payment or discharge of such tax, charge, assessment, claim or Lien to the extent required by generally accepted accounting principles, and (v) if such tax, charge, assessment, claim or Lien involves amounts in excess of $100,000, the Owner Trustee shall have furnished the Security Trustee with an Opinion of Counsel to the effect set forth in clause (iii) of this Section 5.05.

The Security Trustee may, in its discretion, on five days' prior written notice to the Owner Trustee, discharge any Liens on or with respect to the Trust Equipment or the Owner Trustee's interest in any Lease which have arisen in breach of this Section 5.05, which endanger the rights or interest of the Security Trustee and the Holders hereunder and which are not being contested in a manner permitted by this Section 5.05, and the Owner Trustee shall reimburse the Security Trustee for any amounts paid by the Security Trustee to discharge such Liens. Any such amounts so paid by the Security Trustee or incurred in connection with such payment, together with interest on such amount at the rate of 12 1/8% per annum, to the extent legally enforceable, shall constitute additional indebtedness of the Owner Trustee secured hereunder and shall be payable by the Owner Trustee upon demand.

The Owner Trustee's obligations under this Section 5.05, insofar as they relate to any Lien resulting from claims against the Owner Trustee in its individual capacity and not related to the ownership of the Trust Equipment or the administration of the Trust Estate (as defined in the Owner Trust Agreement), shall constitute obligations of Manufacturers National Bank of Detroit in its individual capacity which Manufacturers National Bank of Detroit shall perform at its own cost and expense, without being limited by the provisions limiting liability contained in Section 8.01.

Section 5.06. Compliance with Laws and Rules. The Owner Trustee shall, or shall cause the Manager to, comply in all material respects with the laws of all jurisdictions in which the Trust Equipment may be operated and with all lawful rules, regulations and orders of all governmental bodies having power to regulate or supervise any of the Trust Equipment, provided that the Owner Trustee may in good faith contest, or cause the Manager to contest,

the validity of any such law, rule, regulation or order or the application thereof to the Trust Equipment or any part thereof in any reasonable manner which will not materially endanger the rights or interests of the Security Trustee or of the Holders.

Section 5.07. Further Assurances. The Owner Trustee covenants that from time to time it will do all such acts and execute all such instruments of further assurance as it shall be reasonably requested by the Security Trustee to do or execute for the purpose of fully carrying out and effectuating this Agreement and the intent hereof.

Section 5.08. Notice of Failure to Comply. The Owner Trustee covenants forthwith to give written notice to the Security Trustee and to each of the Holders of any failure, to the Owner Trustee's knowledge, of the Owner Trustee, BRAE or any Owner to comply with any covenant in this Agreement, the Purchase Agreements or the Guaranty Agreement or of the existence, to the Owner Trustee's knowledge, of any condition or event which constitutes, or which with demand or lapse of time or both would constitute, an Event of Default under this Agreement, or an Event of Default or Event of Termination under the Management Agreement.

Section 5.09. Security Trustee's Right to Perform for the Owner Trustee. If the Owner Trustee fails to perform or comply with any of its agreements contained herein, the Security Trustee may upon 10 days' prior written notice to the Owner Trustee (other than a failure to comply with Section 5.05, in which case with five days' such notice) itself perform or comply with such agreement, and the amount of the reasonable costs and expenses of the Security Trustee incurred in connection with such performance or compliance, together with interest on such amount at the rate of 12 1/8% per annum, to the extent legally enforceable, shall constitute additional indebtedness of the Owner Trustee secured hereunder and shall be payable by the Owner Trustee upon demand.

ARTICLE VI

Events of Default and Remedies

Section 6.01. Events of Default. The Owner Trustee covenants and agrees that in case:

(a) the Owner Trustee or any agent acting in its behalf shall default in the payment of any part of the rental payable hereunder when the same shall have become due and payable; or

(b) the Owner Trustee shall default in the performance of any covenant contained in Section 4.07 (other than a default in the giving of the notice required by the second sentence of Section 4.07(b)), 4.09, 4.10 (other than clause (iv) thereof), 5.02, 5.04(a) or 5.05; or

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

(d) the Owner Trustee or Ford Credit makes an assignment for the benefit of creditors or fails to pay its debts generally as they become due; or

(e) any order, judgment or decree is entered under any bankruptcy, reorganization, compromise, arrangement, insolvency, readjustment of debt, dissolution or liquidation or similar law (the "bankruptcy law") of any jurisdiction adjudicating the Owner Trustee or Ford Credit bankrupt or insolvent; or

(f) the Owner Trustee or Ford Credit petitions or applies to any tribunal for, or consents to, the appointment of, or taking possession by, a trustee, receiver, custodian, liquidator or similar official of the Owner Trustee or Ford Credit, or of any substantial part of the assets of the Owner Trustee or Ford Credit, or commences any proceedings relating to the Owner Trustee or Ford Credit under the bankruptcy law of any jurisdiction, whether now or hereafter in effect; or

(g) any such petition or application is filed, or any such proceedings are commenced, against the Owner Trustee or Ford Credit and by any act the Owner Trustee or Ford Credit indicates its approval thereof, consent thereto or acquiescence therein, or an order

for relief is entered in an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, or an order, judgment or decree is entered appointing any such trustee, receiver, custodian, liquidator or similar official, or approving the petition in any such proceedings, and such order, judgment or decree remains unstayed and in effect for more than 60 days; or

(h) any order, judgment or decree is entered in any proceedings against the Owner Trustee or Ford Credit decreeing the dissolution of the Owner Trustee or Ford Credit and such order, judgment or decree remains unstayed and in effect for more than 60 days; or

(i) under the provision of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Owner Trustee or Ford Credit or of the whole or any substantial part of the Trust Equipment, and such custody or control shall not be terminated within 60 days from the date of assumption of such custody or control; or

(j) default shall be made by the Owner Trustee, an Owner or BRAE in the performance of or compliance with any of the covenants or agreements contained in Section 4 of the Purchase Agreements or Sections 1.1, 2, 3, 6, 8 or 11 of the Guaranty Agreement required to be performed or complied with by it; or

(k) the Owner Trustee, an Owner or BRAE shall, for more than 30 days after the Security Trustee shall have demanded in writing performance thereof or compliance therewith, fail or refuse to perform or comply with any other of the covenants or agreements in the Purchase Agreements or the Guaranty Agreement required to be performed with by it; or

(l) any representation or warranty made by the Owner Trustee hereunder or under the Purchase Agreements or by any Owner in the Purchase Agreements or by Ford Credit or BRAE in the Guaranty Agreement or by any officer or representative of the Owner Trustee, any Owner or BRAE in any document or certificate furnished to the Security Trustee or any Purchaser or any assignee

thereof in connection herewith or therewith or pursuant hereto or thereto, shall prove at any time to have been incorrect in any material respect as of the date made,

then, in any such case (an "Event of Default"), if such Event of Default is continuing, the Security Trustee in its discretion may, and upon the written request of any of the Purchasers or the Holders of not less than 25% in principal amount of the then outstanding Trust Certificates shall, by notice in writing delivered to the Owner Trustee and each Holder, declare to be due and payable forthwith the entire amount of the rentals thereafter payable by the Owner Trustee as set forth in Section 4.04 and not theretofore paid (but not including any rentals required for the payment of interest accruing after the date of payment of all amounts due), and the principal of all the Trust Certificates then outstanding (together with all interest accrued thereon). Thereupon the amount of such rentals, and (without duplication) the principal of all the Trust Certificates then outstanding (together with all interest accrued thereon), shall forthwith become and shall be due and payable immediately without further demand, together with interest at the rate of 12 1/8% per annum, to the extent legally enforceable, on any portion thereof overdue.

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

In case there shall be pending proceedings for the bankruptcy or for the reorganization of the Owner Trustee or Ford Credit under the bankruptcy law or any other applicable law, or in case a receiver, custodian or

trustee shall have been appointed for the property of the Owner Trustee or Ford Credit, or in case of any other judicial proceedings of the character referred to in paragraphs (e) through (i), inclusive, of this Section 6.01 relative to the Owner Trustee or Ford Credit, or to the creditors or property of the Owner Trustee or Ford Credit, the Security 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 Security Trustee shall have made any demand or declaration pursuant to the provisions of this Section 6.01, shall be entitled and empowered, by intervention in such proceedings or otherwise, to file a claim or claims for the entire amount of the rentals (but not including any rentals required for the payment of interest accruing after the date of payment of all amounts due) and (without duplication) the principal of all the Trust Certificates then outstanding (together with all interest accrued thereon) and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Security Trustee (including any claim for reasonable compensation to the Security Trustee, its agents, attorneys and counsel, and for reimbursement of all reasonable out-of-pocket expenses and liabilities incurred, and all advances made, by the Security Trustee except as a result of its negligence or wilful misconduct) and of the Holders 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 and of the Security Trustee on their behalf; and any receiver, custodian, assignee or trustee in bankruptcy or reorganization is hereby authorized by each of the Holders to make payments to the Security Trustee, and, in the event that the Security Trustee shall consent to the making of payments directly to the Holders, to pay to the Security Trustee such amount as shall be sufficient to cover reasonable compensation to the Security Trustee, its agents, attorneys and counsel, and all other reasonable out-of-pocket expenses and liabilities incurred, and all advances made, by the Security Trustee except as a result of its negligence or wilful misconduct.

All rights of action under this Agreement or under any of the Trust Certificates may be enforced by the Security Trustee without the possession of any of the

Trust Certificates or the production thereof at any trial or other proceedings relative thereto, and any such action or proceedings instituted by the Security Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall be for the ratable benefit of the Holders. In any proceedings brought by the Security Trustee (and also any proceedings involving the interpretation of any provision of this Agreement to which the Security Trustee shall be a party) the Security Trustee shall be held to represent all the Holders, and it shall not be necessary to make any Holder a party to such proceedings.

Section 6.02. Remedies. In case of the happening of any Event of Default, the Security Trustee may by its agents enter upon the premises of any Owner or the Manager or of any other Person where any of the Trust Equipment may be and take possession of all or any part of the Trust Equipment and withdraw the same from such premises, using and employing in connection with such removal any supplies, services and aids and any available trackage and other facilities or means of any Owner or the Manager or other Person in possession of such Equipment. The Security Trustee may retain all payments which up to that time may have been made on account of rental for the Trust Equipment and otherwise, and shall be entitled to collect, receive and retain all unpaid per diem, mileage or other charges of any kind earned by the Trust Equipment or any part thereof (including, without limitation, the rents, proceeds and other moneys assigned pursuant to Section 4.10), and may lease the Trust Equipment or any part thereof, or with or without retaking possession thereof (but only after declaring due and payable the entire amount of rentals and the principal of all the Trust Certificates then outstanding (together with all interest accrued thereon) payable by the Owner Trustee as provided in Section 6.01), may sell the same or any part thereof, free from any and all claims of the Owner Trustee or the Owners at law or in equity, in one lot and as an entirety or in separate lots, insofar as may be necessary to perform and fulfill the trust hereunder, at public or private sale, for cash or upon credit, in its discretion, and may proceed otherwise to enforce its rights and the rights of the Holders in the manner herein provided. Upon any such sale, the Security Trustee itself or any Holder may bid for the property offered for sale or any part thereof and shall have the right to credit on the purchase price any and all sums of money due and payable on the Trust Certificates or otherwise

hereunder. Any such sale may be held or conducted at such place and at such time as the Security 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 Security Trustee may determine, but so that the Owner Trustee, the Owners and the Manager may and shall have reasonable written notice of and a reasonable opportunity to bid at any such sale. Except to the extent otherwise provided in Sections 6.03(b) and 6.11(b), upon such taking possession or withdrawal or lease or sale of the Trust Equipment, the Owner Trustee, the Owners and the Manager shall cease to have any rights or remedies in respect of the Trust Equipment hereunder, and all such rights and remedies shall be deemed thenceforth to have been waived and surrendered by the Owner Trustee, the Owners and the Manager, and no payments theretofore made by the Owner Trustee, the Owners or the Manager for the rent or use of the Trust Equipment or any of it shall, in case of the happening of any Event of Default and such taking possession, withdrawal, lease or sale by the Security Trustee, give to the Owner Trustee, the Owners or the Manager any legal or equitable interest or title in or to the Trust Equipment or any of it or any cause of action at law or in equity in respect of the Trust Equipment against the Security Trustee or the Holders. No such taking possession, withdrawal, lease or sale of the Trust Equipment by the Security Trustee shall be a bar to the recovery by the Security Trustee from the Owners of rents collected under any Lease from the last Payment Date until the Trust Certificates shall have been paid in full or from the Owner Trustee of rentals then or thereafter due and payable, or of principal and interest in respect of the Trust Certificates, and the Owner Trustee shall be and remain liable for the same until such sums have been realized as, with the proceeds of the lease or sale of the Trust Equipment, shall be sufficient for the discharge and payment in full of all the obligations of the Owner Trustee under this Agreement.

In the case of the happening of any Event of Default, the Security Trustee may, whether or not the Security Trustee shall concurrently exercise any other remedy provided for in this Article VI or by law, collect the rentals, proceeds and other moneys assigned pursuant to Section 4.10.

Section 6.03. Application of Proceeds. (a) If, in case of the happening of any Event of Default, the

Security Trustee shall exercise any of the powers conferred upon it by Sections 6.01 and 6.02, all payments made by the Owner Trustee or any Owner to the Security Trustee hereunder and under the Guaranty Agreement (including the Ford Credit Payment, as defined in the Guaranty Agreement, and payments under Section 1.2 thereof) after such Event of Default, and the proceeds of any judgment collected from the Owner Trustee by the Security Trustee, the proceeds of every sale or lease by the Security Trustee of any of the Trust Equipment, together with any other sums which may then be held by the Security Trustee under any of the provisions hereof (including any amount ("Cross Payment Amount No. 2") payable to the Security Trustee pursuant to Section 6.03(b)(i) of The American Road Security Trust No. 2 Equipment Trust Agreement and Assignment of Leases ("Equipment Trust Agreement No. 2"), dated as of June 10, 1980, between Manufacturers National Bank of Detroit, as owner trustee, and Bankers Trust Company, as security trustee, but other than sums held in trust hereunder for the payment of specific Trust Certificates) shall be applied by the Security Trustee to the payment, in the following order of priority,

(i) of all proper reasonable charges, compensation, out-of-pocket expenses or advances (together with interest on such advances at the rate of 12 1/8% per annum from the date of such advance to the date of payment) made or incurred by the Security Trustee in accordance with the provisions of this Agreement, including but not limited to amounts set forth in Sections 4.04(a) and (b) and Section 5.05; and

(ii) of the interest then due, with interest on overdue interest at the rate of 12 1/8% per annum to the extent legally enforceable, and of the principal and premium, if any, then due on the outstanding Trust Certificates, with interest on any overdue principal and premium at the rate of 12 1/8% per annum to the extent legally enforceable, all such payments to be in full if such proceeds shall be sufficient, and if not sufficient, then first, to the payment of all amounts of interest then due and, second, to the payment of all amounts of principal (including premium, if any) then due, in each case without preference or priority of any installment of interest or principal (including premium, if any), as the case may be, over any other such installment

and in each case ratably to the Holders without priority of one such Holder over another.

(b) After all Trust Certificates and all other amounts set forth in clauses (i) and (ii) of Section 6.03(a) shall have been paid in full, the title to any of the Trust Equipment remaining unsold and any Leases and other collateral remaining subject hereto shall be conveyed by the Security Trustee to the Owner Trustee free from any further liabilities or obligations to the Security Trustee hereunder. If after applying as set forth in Section 6.03(a) the sums of money realized by the Security Trustee there shall remain a surplus in the possession of the Security Trustee, such surplus shall be paid as follows:

(i) if a payment under Section 1.1(b) of the Guaranty Agreement was required to be made at substantially the same time as a payment under Section 1.1(b) of Guaranty Agreement No. 2 (as defined in the Guaranty Agreement) was required to be made, and if the trust certificates issued under Equipment Trust Agreement No. 2 and all other amounts set forth in clauses (i) and (ii) of Section 6.03(a) of Equipment Trust Agreement No. 2 shall not have been paid in full, the Security Trustee shall pay an amount equal to the Ford Credit Payment (or if such surplus is less than the Ford Credit Payment, equal to such surplus) to the security trustee under Equipment Trust Agreement No. 2 to be applied in accordance with Section 6.03(a) of that Agreement, and any remainder thereafter to the Owner Trustee; and

(ii) in all other cases, the Security Trustee shall pay an amount equal to the sum of the Ford Credit Payment and Cross Payment Amount No. 2, if any, or if such surplus is less than such sum, an amount equal to such surplus, to Ford Credit, and any remainder thereafter to the Owner Trustee.

Section 6.04. Waivers of Default. Prior to the declaration of the acceleration of the maturity of the rentals and of the maturity of all the Trust Certificates by their terms or through acceleration as provided in Section 6.01, the holders of not less than 60% in aggregate principal amount of the Trust Certificates at the time

outstanding may on behalf of all the Holders (but subject to the provisions of Section 10.01 which require the consent of the holder of each outstanding Trust Certificate with respect to certain waivers) waive any past Event of Default and its consequences, but no such waiver shall extend to or affect any subsequent default or impair any right consequent thereon.

If at any time after the principal of all the Trust Certificates shall have been declared and become due and payable or if at any time after the entire amount of rentals shall have been declared and become due and payable, all as provided in Section 6.01, but before December 31, 1998, all arrears of rent (with interest at the rate of 12 1/8% per annum upon any overdue installments, to the extent legally enforceable), the reasonable out-of-pocket expenses and reasonable compensation of the Security Trustee, together with all expenses of the trust occasioned by the Owner Trustee's default, and all other sums which shall have become due and payable by the Owner Trustee hereunder (other than the principal of Trust Certificates, and any other rental installments, which shall not at the time have matured according to their terms) shall be paid by the Owner Trustee, the Owners or the Manager before any sale or lease by the Security Trustee of any of the Trust Equipment, and every other default in the observance or performance of any covenant or condition hereof shall be made good or secured to the satisfaction of the Security Trustee, or provision deemed by the Security Trustee to be adequate shall be made therefor, then, and in every such case, the Security Trustee, if so requested by the Holders of not less than 60% in principal amount of the Trust Certificates then outstanding, shall by written notice to the Owner Trustee waive the default by reason of which there shall have been such declaration or declarations and the consequences of such default, but no such waiver shall extend to or affect any subsequent default or impair any right consequent thereon.

Section 6.05. Obligations of Owner Trustee Not Affected by Remedies. No retaking of possession of the Trust Equipment by the Security Trustee, or any withdrawal, lease or sale thereof, nor any action or failure or omission to act against the Owner Trustee, any Owner or the Manager or in respect of the Trust Equipment, on the part of the Security Trustee or on the part of any Holder, nor any delay or indulgence granted to the Owner Trustee, any Owner

or the Manager by the Security Trustee or by any Holder, shall affect the obligations of the Owner Trustee hereunder or Ford Credit or BRAE under the Guaranty Agreement or the obligations of the Owner Trustee under the guaranty endorsed on the Trust Certificates. The Owner Trustee hereby waives presentation and demand in respect of any of the Trust Certificates and waives notice of presentation, of demand and of any default in the payment of the principal of and interest on the Trust Certificates.

Section 6.06. Owner Trustee to Deliver Trust Equipment to Security Trustee. In case the Security Trustee shall demand possession of any of the Trust Equipment pursuant to this Agreement, the Owner Trustee, the Owners or the Manager will, at their own expense and risk, forthwith and in the usual manner and at usual speed, cause such Trust Equipment to be transported to such point or points as shall reasonably be designated by the Security Trustee and will there deliver or cause to be delivered the same to the Security Trustee; or, at the option of the Security Trustee, the Security Trustee may keep such Trust Equipment, at the expense of the Owner Trustee, on any lines of railroad or premises approved by the Security Trustee until the Security Trustee shall have leased, sold or otherwise disposed of the same.

This agreement to deliver the Trust Equipment and furnish facilities as hereinbefore provided is of the essence of this Agreement and, upon application to any court of equity having jurisdiction in the premises, the Security Trustee shall be entitled to a decree against the Owner Trustee requiring specific performance hereof. The Owner Trustee hereby expressly waives any and all claims against the Security Trustee and its agent or agents for damages of whatever nature in connection with any retaking of Trust Equipment in any reasonable manner, except for damages arising from the negligence or wilful misconduct of the Security Trustee.

Section 6.07. Security Trustee to Give Notice of Default. The Security Trustee shall promptly give to the Holders notice of each default hereunder known to the Security Trustee whether or not such default shall have been remedied or cured before the giving of such notice.

Section 6.08. Limitations on Suits by Holders of Trust Certificates. No Holder shall have any right by

virtue of or by availing itself of any provision of this Agreement to institute any action or proceedings at law or in equity or in bankruptcy or otherwise, upon or under or with respect to this Agreement, or for the appointment of a receiver, custodian or trustee, or for any other remedy hereunder, unless such Holder previously shall have given to the Security Trustee written notice of default and of the continuance thereof, as hereinbefore provided, and unless also the Holders of not less than 60% in aggregate principal amount of the Trust Certificates then outstanding shall have made written request to the Security Trustee to institute such action or proceedings in its own name as trustee hereunder and shall have offered to the Security Trustee such reasonable indemnity as it may require against the costs, expenses and liabilities to be incurred therein or thereby, and the Security Trustee for 30 days after its receipt of such notice, request and offer of indemnity shall have failed to institute any such action or proceedings and no direction inconsistent with such written request shall have been given to the Security Trustee pursuant to Section 6.10; it being understood and intended that no one or more Holders shall have any right in any manner whatever, by virtue or by availing itself of any provision of this Agreement, to affect, disturb, or prejudice the rights of any other Holder, or to obtain or seek to obtain priority over or preference to any other Holder or to enforce any right under this Agreement, except in the manner herein provided and for the equal, ratable and common benefit of all Holders. For the protection and enforcement of the provisions of this Section 6.08, each and every Holder and the Security Trustee shall be entitled to such relief as can be given either at law or in equity.

Section 6.09. Unconditional Right of Holders of Trust Certificates to Sue for Principal and Interest. Notwithstanding any other provision in this Agreement, the right of any Holder to receive payment of the principal of and interest on the Trust Certificates held by it on or after the respective due dates expressed in such Trust Certificates, or to institute suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder, except no such suit shall be instituted or prosecuted if and to the extent that the institution or prosecution thereof or the entry of judgment therein would, under applicable law, result in the surrender, impairment, waiver or loss of the title reserved under this Agreement upon any property subject hereto.

Section 6.10. Control by Holders. The holders of not less than 60% in aggregate principal amount of the Trust Certificates at the time outstanding shall have the right to direct the time, method, and place of conducting any proceeding for any remedy available to the Security Trustee, or exercising any trust or power conferred on the Security Trustee; provided that the Security Trustee shall have the right to decline to follow any such direction if the Security Trustee being advised by counsel shall determine that the action so directed may not lawfully be taken.

Section 6.11. Remedies Cumulative. (a) The remedies in this Agreement provided in favor of the Security Trustee and the Holders, or any of them, including any rights under the Guaranty Agreement or under the guaranty of the Owner Trustee as provided in Section 5.01 and endorsed on the Trust Certificates, shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in their favor existing at law or in equity, and any such remedies and rights shall be subject in all respects to any mandatory requirements of law and the legal rights of third parties at the time applicable thereto, to the extent such requirements may not be waived on the part of the Owner Trustee.

(b) Without limiting the foregoing, the Security Trustee shall have the rights, options, duties and remedies of a secured party, and the Owner Trustee shall have the rights and duties of a debtor, under the Uniform Commercial Code of New York (regardless of whether such Code or a law similar thereto has been enacted in a jurisdiction wherein the rights or remedies are asserted).

ARTICLE VII

Evidence of Holders' Rights

Section 7.01. Evidence of Holders' Rights. Any demand, request, waiver, consent or other instrument which this Agreement may require or permit to be signed and executed by the Holders may be in any number of concurrent instruments of similar tenor and may be signed or executed by the Holders in person or by attorney appointed in writing. Proof of the execution of any such demand, request, waiver, consent or

other instrument, or of a writing appointing any such attorney, and of the holding by any person of the Trust Certificates shall be sufficient for any purpose of this Agreement if made in the following manner:

(a) The fact and date of the execution by any person of such demand, request, waiver, consent or other instrument or writing may be proved by the certificate of any notary public, or other officer authorized to take acknowledgments of deeds to be recorded in the jurisdiction in which he acts, that the person signing the same acknowledged to him the execution thereof, or by an affidavit of a witness of such execution. The Security Trustee may nevertheless in its discretion require further proof in cases where it deems further proof desirable.

(b) The ownership of Registered Trust Certificates shall be proved by the registry books.

The Security Trustee shall not be bound to recognize any person as a Holder unless and until his title to the Trust Certificates held by him is proved in the manner in this Article VII provided.

Any demand, request, waiver, consent or other instrument of the holder of any Trust Certificate shall bind all future holders of the same Trust Certificate, or any Trust Certificate or Trust Certificates issued in exchange therefor or in lieu thereof in respect of anything done or suffered by the Owner Trustee or the Security Trustee pursuant thereto.

In determining whether the holders of the requisite aggregate principal amount of Trust Certificates have concurred in any demand, request, waiver, consent or other instrument provided for by this Agreement, Trust Certificates which are owned by the Owner Trustee or any Owner, any other obligor upon the Trust Certificates (whether or not theretofore issued) or any Affiliate of an Owner shall be disregarded and deemed not to be outstanding for the purpose of any such determination, except that for the purpose of determining whether the Security Trustee shall be protected in relying on any such demand, request, waiver, consent or other instrument, only Trust Certificates which the Security Trustee knows are so owned shall be disregarded.

ARTICLE VIII

Limitations of Liability

Section 8.01. Limitations of Liability. It is expressly understood and agreed by and between the Owner Trustee and the Security Trustee that (a) except as set forth below, this Agreement is executed and delivered by Manufacturers National Bank of Detroit, not individually or personally but solely as trustee under the Owner Trust Agreement, in the exercise of the powers and authority conferred and vested in it as such trustee, (b) each of the representations, undertakings and agreements herein made on the part of the Owner Trustee is made and intended not as personal representations, undertakings and agreements by Manufacturers National Bank of Detroit but is made and intended for the purpose of binding only the trust estate created by the Owner Trust Agreement, (c) nothing herein contained shall be construed as creating any liability on Manufacturers National Bank of Detroit, individually or personally, to perform any covenant either express or implied contained herein, all such liability, if any, being expressly waived by the Security Trustee and by any Person claiming by, through or under the Security Trustee, and (d) so far as Manufacturers National Bank of Detroit individually or personally is concerned, the Security Trustee and any person claiming by, through or under the Security Trustee shall look solely to the trust estate under the Owner Trust Agreement for the performance of any obligation imposed upon the Owner Trustee under this Agreement, the Purchase Agreement or any other document referred to herein; provided that the limitations of liability contained in this Section 8.01 shall not limit (i) in scope or substance the representations and warranties of Manufacturers National Bank of Detroit made in its individual capacity under section 7 of the Purchase Agreements or (ii) the obligation of the Owner Trustee undertaken in its individual capacity pursuant to Section 5.05 or (iii) the liability of the Owner Trustee for negligence or wilful misconduct in violation of the terms of this Agreement or inconsistent with its role as trustee under the Owner Trust Agreement.

For all purposes of this Agreement, the Owner Trustee shall not be deemed to have knowledge of any condition or event unless and until an officer of the trust

division of the Owner Trustee who customarily handles corporate trusts shall have actual knowledge thereof or the Owner Trustee shall have received written advice thereof from the Security Trustee, a Holder, an Owner or the Manager.

ARTICLE IX

The Security Trustee

Section 9.01. Expenses, Compensation and Certain Rights and Obligations. The Security Trustee accepts the trusts created by this Agreement upon the terms and conditions hereof, including the following, to all of which the parties hereto and the holders from time to time of the Trust Certificates agree:

(a) The Security Trustee shall be entitled to reasonable compensation for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust), as well as the reasonable compensation of its counsel, and all other reasonable out-of-pocket expenses incurred by the Security Trustee hereunder, and all taxes which may have been assessed against the Security Trustee as such (other than income taxes on the compensation of the Security Trustee received hereunder) or against any funds on deposit with the Security Trustee hereunder which the Security Trustee may be required or permitted by law to deduct from such deposit and to pay, all of which the Owner Trustee agrees to pay promptly on demand from time to time as such services shall be rendered and as such out-of-pocket expenses shall be incurred. In default of such payment by the Owner Trustee, the Security Trustee shall have a lien therefor on the property and moneys held by the Security Trustee hereunder prior to any rights in such property or moneys of the Holders. The Owner Trustee also agrees to indemnify the Security Trustee for and to hold it harmless against any loss, liability or expense incurred without negligence or wilful misconduct on the part of the Security Trustee arising out of or in connection with the acceptance or administration of the trusts contained in this Agreement, as well as the costs and reasonable out-of-pocket expenses

(including reasonable compensation of its counsel) of defending against any claim of liability in the premises.

(b) The Security Trustee may execute any of the trusts or powers hereof and perform any duty hereunder either directly or indirectly or, if reasonably necessary, by or through its agents or attorneys.

(c) The Security Trustee shall not be responsible in any manner whatsoever for the correctness of the recitals herein or in the Trust Certificates; and the Security Trustee shall not be responsible or accountable in any manner whatsoever for or with respect to the validity or execution or sufficiency of this Agreement, or of any trust agreement supplemental hereto, or of the Trust Certificates (except for its due execution thereof), or of the Owner Trustee's guaranty on the Trust Certificates or for the value of the property held by the Security Trustee hereunder or any part thereof, or for the title of the Security Trustee thereto, or for the security afforded thereby and hereby, or for the validity of any securities at any time held hereunder, or for the validity or sufficiency of any assignment of any interest to the Security Trustee hereunder, and the Security Trustee makes no representation with respect thereto nor shall the Security Trustee be liable (except from any funds held by it pursuant to this Agreement) as assignee of any lease or sublease assigned hereunder.

(d) The Security Trustee shall not be under any obligation to exercise any of the trusts or powers hereof at the request, order or direction of any of the Holders, pursuant to the provisions of this Agreement, unless such Holders shall have offered to the Security Trustee, upon request, security or indemnity satisfactory to it (in the case of a Purchaser or Holder which is an insurance company, or which is an institutional investor (other than an insurance company) with a net worth of at least $100,000,000, the written personal guaranty of such Purchaser or Holder shall be satisfactory) against the costs, expenses and liabilities to be incurred therein or thereby; nothing herein contained shall, however, relieve the Security Trustee of the obligation, upon the occurrence of an Event of Default (which has not

been cured), to exercise such of the rights and powers vested in it by this Agreement, and to use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(e) The Security Trustee, to the extent permitted by Section 9.02, may rely upon the certificate of the Secretary or one of the Assistant Secretaries of an Owner or the Manager as to the adoption of any resolution by the Board of Directors or stockholders thereof. The Security Trustee may assume, and shall be fully protected in assuming, that the Owner Trustee is authorized under the Owner Trust Agreement to enter into this Agreement and to take all action to be taken by it pursuant to the provisions hereof, and shall not be under any duty to inquire into the authorization of the Owner Trustee with respect thereto.

(f) Any action taken by the Security Trustee pursuant to any provision hereof at the request or with the consent of any person who at the time is the holder of any Trust Certificate shall be conclusive and binding in respect of such Trust Certificate upon all future holders thereof, or of any Trust Certificate or Trust Certificates issued in exchange therefor, or in lieu thereof, whether or not any such Trust Certificate or Trust Certificates shall have noted thereon the fact that such request or consent had been made or given.

(g) The Security Trustee shall not be personally liable in case of entry by it upon or possession and operation of property constituting the trust estate for debts contracted or liability or damages incurred in the management or operation of said property, except for its negligence or wilful misconduct.

(h) The Security Trustee, to the extent permitted by Section 9.02, may rely and shall be protected in acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, Trust Certificate or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties, provided, however, that to the knowledge of the Security Trustee, the foregoing instruments are not contrary to the

express provisions of this Agreement applicable thereto. In all cases where this Agreement does not make other express provisions as to evidence on which the Security Trustee may act or refrain from acting, the Security Trustee shall be protected, to the extent permitted by Section 9.02, in acting or refraining from acting under any provision of this Agreement in reliance upon an Officers' Certificate as to the existence or non-existence of any fact or facts.

(i) Any moneys at any time held by the Security Trustee shall, until paid out or invested by the Security Trustee as herein provided, be held by it in trust as herein provided for the benefit of the Holders and the Owner Trustee as their respective interests may appear.

(j) The Security Trustee shall not be deemed to have knowledge of any condition or event which constitutes, or which with notice or lapse of time or both would constitute, an Event of Default hereunder (other than a failure to pay any installment of rent) unless and until an officer of the trust division of the Security Trustee who customarily handles corporate trusts shall have actual knowledge thereof or the Security Trustee shall have received written advice thereof from the Owner Trustee, an Owner or any Holder.

Section 9.02. Duties of Security Trustee; Extent of Liability. No provision of this Agreement shall be construed to relieve the Security Trustee from liability for its own negligent action, its own negligent failure to act or its wilful misconduct, except that:

(a) unless and until an Event of Default shall have occurred and be continuing,

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

(ii) the Security Trustee may conclusively rely, as to the truth of the statements and the

correctness of the opinions expressed therein, in the absence of bad faith on the part of the Security Trustee, upon certificates or opinions furnished to it pursuant to the express provisions of and conforming to the requirements of this Agreement; but in the case of any such certificates or opinions, which, by the provisions of this Agreement, are specifically required to be furnished to the Security Trustee, the Security Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Agreement; and

(b) the Security Trustee shall not be personally liable to any Holder with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the holders of at least 60% (or such greater or lesser percentage as is expressly provided elsewhere in this Agreement with respect to any specific action taken, suffered or omitted to be taken by the Security Trustee) in principal amount of Trust Certificates at the time outstanding, relating to the time, method and place of conducting any proceeding for any remedy available to the Security Trustee or exercising any trust or power conferred upon the Security Trustee by this Agreement.

If an Event of Default hereunder shall have occured, then, so long as the same shall be continuing, the Security Trustee shall exercise such of the rights and powers vested in it by this Agreement, and shall use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

Section 9.03. Application of Rentals. The Security Trustee agrees to apply the rentals received by it under Section 4.04 and any payment pursuant to Section 1.1(a) of the Guaranty Agreement when and as the same shall be received, and to the extent that such rentals or payment shall be sufficient therefor, for the purposes specified in Section 4.04.

Section 9.04. Funds May be Held by Security Trustee; Investments. Any funds at any time paid to or held by the Security Trustee hereunder until paid out by the Security Trustee as herein provided may be carried by

the Security Trustee on deposit with itself, and the Security Trustee will not be responsible for any interest thereon, provided that any interest actually earned shall be applied by the Security Trustee in the manner provided herein for interest on Investment Securities.

At any time, and from time to time, if at the time no Event of Default shall have occurred and be continuing, the Security Trustee, on Request, or if an Event of Default shall have occurred and be continuing, upon the direction of the holders of at least 60% of the Trust Certificates at the time outstanding, shall invest and reinvest Deposited Cash held by it or cash deposited with it ("Replacement Funds") in Investment Securities, at such prices, not in excess of the market price at the time of investment, including any premium and accrued interest, as are set forth in such Request, such Investments to be held by the Security Trustee in trust for the benefit of the Holders. Such Investment Securities may be purchased from or through the bond department of the Security Trustee.

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

The Security Trustee shall restore to Deposited Cash or Replacement Funds, as the case may be, out of rent received by it for that purpose under the provisions of Section 4.04(a), an amount equal to any expenses incurred in connection with any purchase or sale of Investment Securities and also an amount equal to any loss of principal (for which it shall not be liable) incident to the sale or redemption of any Investment Securities for a sum less than the amount paid therefor, including accrued interest.

The Owner Trustee, if the Security Trustee has no knowledge of any condition or event which constitutes,

or which with notice or lapse of time or both would constitute, an Event of Default, shall be entitled to receive any interest (in excess of accrued interest paid from Deposited Cash at the time of purchase) or other profit which may be earned or realized from any sale or redemption of Investment Securities.

Section 9.05. Security Trustee Not Liable for Delivery Delays or Defects in Equipment or Title. The Security Trustee shall not be liable to anyone for any delay in the delivery of any of the Trust Equipment, or for any default on the part of the manufacturers thereof or of the Owner Trustee, or for any defect in any of the Trust Equipment or in the title thereto, NOR SHALL ANYTHING HEREIN BE CONSTRUED AS A WARRANTY (EITHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS) on the part of the Security Trustee in respect thereof or as a representation on the part of the Security Trustee in respect of the value thereof or in respect of the title thereto or otherwise.

The Security Trustee may perform its powers and duties with respect to the delivery and acceptance of the Trust Equipment by or through such attorney, agents and servants as it shall find it reasonably necessary to appoint, and shall be answerable only for its own acts, negligence and wilful defaults and not for the default or misconduct of any attorney, agent or servant appointed by it in respect thereof in good faith and without negligence.

Section 9.06. Resignation of Security Trustee upon Failure to Maintain Certain Qualifications. If the Security Trustee shall at any time (i) cease to be a bank or trust company in good standing organized and doing business under the laws of the United States of America or of any State and having a combined capital and surplus of not less than $100,000,000 which is authorized under the laws of the jurisdiction of incorporation to exercise corporate trust powers and is subject to supervision or examination by Federal or state authority or (ii) otherwise become incapable of acting as trustee hereunder, then the Security Trustee shall resign within 30 days thereafter, such resignation to become effective upon the appointment of a successor trustee and such successor's acceptance of such appointment. If the Security Trustee publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining

authority, the combined capital and surplus of the Security Trustee shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If the Security Trustee shall fail or refuse to resign within such period, then (a) the Security Trustee shall, within ten days after the expiration of said period, transmit notice of such failure or refusal to the Holders in the manner and to the extent provided in Section 9.10; (b) the Security Trustee may be removed in accordance with Section 9.07; and (c) any Holder who has been the bona fide holder of a Trust Certificate for at least six months, may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Security Trustee so failing or refusing to resign and the appointment of a successor.

Section 9.07. Resignation and Removal; Successor Security Trustees. The Security Trustee or any successor may resign and be discharged from the trust hereby created by giving notice thereof to the Owner Trustee and to the Holders, in the manner and to the extent provided in Section 9.10, such resignation and discharge to become effective upon the appointment of a successor trustee and such successor's acceptance of such appointment. All rights of the Security Trustee to be indemnified by the Owner Trustee pursuant to this Agreement in respect of any event which shall have occurred or condition which shall have existed prior to the resignation or removal of the Security Trustee shall survive the removal or resignation of the Security Trustee.

The Security Trustee or any successor may be removed at any time by an instrument or instruments in writing delivered to the Security Trustee and to the Owner Trustee and a successor may be appointed by an instrument or instruments in writing delivered to such successor and to the Owner Trustee, in each case signed by the holders of at least 60% in principal amount of Trust Certificates at the time outstanding or by their duly authorized attorneys-in-fact.

Until a successor shall be appointed by the Holders or a court of competent jurisdiction as herein authorized, the Owner Trustee, by an instrument executed by order of a majority in interest of the Owners, shall appoint a successor to fill the vacancy. The Owner Trustee shall not be answerable for the default or misconduct of any Security

Trustee so appointed so long as such Security Trustee, at the time of such appointment, meets the qualifications set forth below in Section 9.08.

If in a proper case no appointment of a successor shall be made pursuant to the foregoing provisions of this Article IX within six months after a vacancy shall have occurred, any Holder or the Security Trustee so retiring may apply to any court of competent jurisdiction to appoint a successor. Said court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor.

Section 9.08. Successor Trustees. Every successor to the Security Trustee so appointed by the Holders, by a court of competent jurisdiction or by the Owner Trustee shall be a bank or trust company in good standing organized and doing business under the laws of the United States of America or of any State and having a combined capital and surplus of not less than $100,000,000, which is authorized under the laws of the jurisdiction of incorporation to exercise corporate trust powers and is subject to supervision or examination by a Federal or state authority. If such successor publishes reports of condition at least annually, pursuant to law or to the requirements of such supervising or examining authority, the combined capital and surplus of each successor shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

Any successor trustee appointed under any of the methods herein provided shall execute, acknowledge and deliver to its predecessor trustee and to the Owner Trustee an instrument in writing accepting such appointment hereunder and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with the estates, properties, rights, powers and trusts of its predecessor in the trust hereunder with like effect as if originally named as the Security Trustee herein; but such predecessor shall, nevertheless, at the written request of the successor, execute and deliver an instrument transferring to the successor all the estates, properties, rights, powers and trusts of such predecessor hereunder and shall duly assign, transfer and deliver all property and moneys held by it to its successor. Should any instrument in writing from the Owner Trustee be reasonably required by any successor for more fully and effectually vesting in and

confirming to it all estates, properties, rights, powers and duties as Security Trustee hereunder, the Owner Trustee upon the request of such successor or any Holder, shall make, execute and deliver the same. The Owner Trustee shall promptly give notice of the appointment of such successor to the Holders in the manner and to the extent provided in Section 9.10.

Section 9.09. Merger or Consolidation of Security Trustee. Any corporation into which the Security Trustee or any successor to it in the trust created by this Agreement may be merged, or with which it or any successor to it may be consolidated, or any corporation resulting from any merger or consolidation to which the Security Trustee or any successor to it shall be a party, shall be the successor trustee under this Agreement without the execution or filing of any instruments or any further act on the part of any of the parties hereto.

Section 9.10. Transmission of Reports to Holders. All reports, requests or notices which are required by any other provision of this Agreement to be transmitted in accordance with the provisions of this Section 9.10, shall be transmitted by mail to all Holders, in the case of holders of Registered Trust Certificates, as the names and addresses of such Holders appear upon the registration books maintained by the Security Trustee, and in the case of holders of Order Trust Certificates, to such address as each such Holder shall have furnished to the Owner Trustee and the Security Trustee, or, until an address is so furnished, to the address of the last Holder of such Trust Certificate so furnishing an address to the Owner Trustee and the Security Trustee.

Section 9.11. Right to Acquire and Hold Trust Certificates. The Security Trustee may acquire and hold Trust Certificates and otherwise deal with the Owner Trustee in the same manner and to the same extent and with like effect as though it was not Security Trustee hereunder.

Section 9.12. Additional Security Trustees. (a) If at any time or times it shall be necessary or prudent in order to conform to any law of any jurisdiction in which the Trust Equipment or any part thereof is located, or the Security Trustee shall be advised by counsel, satisfactory to it, that it is so necessary or prudent in the interest of the Holders, or the holders of a majority in principal

amount of Trust Certificates at the time outstanding shall in writing so request the Security Trustee and the Owner Trustee, the Security Trustee and the Owner Trustee shall execute and deliver all instruments and agreements necessary or proper to constitute another bank or trust company or one or more persons approved by the Security Trustee and the Owner Trustee either to act as co-trustee or co-trustees of all or any of the Trust Equipment, jointly with the Security Trustee originally named herein or any successor or successors, or to act as separate trustee or trustees of any such property. In the event the Owner Trustee shall not have joined in the execution of such instruments and agreements within 30 days after the receipt of a written request from the Security Trustee so to do, or in case an Event of Default hereunder shall have occurred and be continuing, the Security Trustee may act under the foregoing provisions of this Section 9.12 without the concurrence of the Owner Trustee; and the Owner Trustee hereby appoints the Security Trustee its agent and attorney-in-fact to act for it under the foregoing provisions of this Section 9.12 in either of such contingencies.

(b) Every additional trustee hereunder shall, to the extent permitted by law, be appointed and act and be such and the Security Trustee and its successors shall act and be such, subject to the following provisions and conditions, namely:

(i) the Trust Certificates shall be issued and delivered and all powers, duties, obligations and rights conferred upon the Security Trustee in respect of the custody, control and management of moneys, papers or securities, shall be exercised solely by Bankers Trust Company or its successor as Security Trustee hereunder;

(ii) all rights, powers, duties and obligations conferred or imposed upon the Security Trustee shall be conferred or imposed upon and exercised or performed by Bankers Trust Company, or its successor as Security Trustee, and such additional trustee or trustees jointly, except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed, Bankers Trust Company, or its successor as Security Trustee, shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obliga-

tions shall be exercised and performed by such additional trustee or trustees;

(iii) no power given hereby to, or which is provided hereby, may be exercised by such additional trustee or trustees, except jointly with, or with the consent in writing of, Bankers Trust Company, or its successor as Security Trustee, anything herein contained to the contrary notwithstanding;

(iv) no security trustee hereunder shall be personally liable by reason of any act or omission of any other security trustee hereunder; and

(v) the Owner Trustee and the Security Trustee, at any time, by an instrument in writing, executed by them jointly, may remove any such additional trustee, and in that case, by an instrument in writing executed by them jointly, may appoint a successor or successors to such trustee or trustees, as the case may be, anything herein contained to the contrary notwithstanding; in the event that the Owner Trustee shall not have joined in the execution of any such instrument within ten days after the receipt of a written request from the Security Trustee so to do, the Security Trustee shall have the power to remove any such trustee and to appoint a successor to such trustee without the concurrence of the Owner Trustee, the Owner Trustee hereby appointing the Security Trustee its agent and attorney-in-fact to act for it in such connection in such contingency; in the event that the Security Trustee alone shall have appointed a successor additional trustee or trustees or co-trustee or co-trustees as above provided, it may at any time, by an instrument in writing, remove any such trustee or co-trustee, the successor to any such trustee or co-trustee so removed to be appointed by the Owner Trustee and Bankers Trust Company, or its successor as Security Trustee, or by Bankers Trust Company, or its successor as Security Trustee alone, as hereinbefore in this Section 9.12 provided.

(c) Any additional trustee or any successor thereof may at any time by an instrument in writing constitute the Security Trustee his agent or attorney-in-fact, with full power and authority, to the extent which may be authorized by law, to do all acts and

things and exercise all discretion which he is authorized or permitted to do or exercise, for and in his behalf and in his name. In case any additional trustee or any successor thereof shall die, become incapable of acting, resign or be removed, all the assets, property, rights, powers, trusts, duties and obligations of such additional trustee or such successors, as the case may be, so far as permitted by law, shall vest in and be exercised by whomsoever the Security Trustee shall appoint, without the appointment of a new successor to such additional trustee or such successor, unless and until a successor is appointed in the manner hereinbefore provided.

ARTICLE X

Miscellaneous Provisions

Section 10.01. Amendment or Waiver. Without the consent of the Holders, the Security Trustee shall, upon Request of the Owner Trustee, amend Attachment A of this Agreement to add Equipment thereto, to change the register or serial numbers of any Trust Equipment pursuant to the second paragraph of Section 4.06, to delete therefrom Trust Equipment which has been duly released pursuant to Section 2.07(i) or 4.07(b), and, so long as no application of Deposited Cash has been made pursuant to Section 3.02 with respect to a unit of Trust Equipment, to delete therefrom such unit of Trust Equipment. Any other provision of this Agreement may be amended or waived with the consent of the holders of at least 60% in principal amount of the Trust Certificates at the time outstanding, provided, however, that no such amendment or waiver shall, without the consent of the holder of each outstanding Trust Certificate affected thereby,

(a) change the stated maturity of the principal of, or the date for payment of any installment of principal of or premium or interest on, any Trust Certificate, or change the dates upon which rentals are payable with respect to principal, premium or interest, or reduce the principal amount thereof or any premium or interest thereon, or any rentals payable with respect to principal, premium or interest, or change the coin or currency in which any Trust

Certificate or any interest thereon or any rentals relating thereto is payable, release or provide for the release of any of the Trust Equipment or any property or cash held by the Security Trustee in trust, otherwise than as expressly permitted by the present terms of this Agreement, or impair the right to institute suit for the enforcement of such payment on or after the stated maturity or date of payment thereof (or, in the case of any installment payment, on or after the date fixed for such payment), or modify any of the provisions of Section 6.01(a) through (l), or increase the percentage of the principal amount of Trust Certificates the Holders of which may declare, or affect the right of any Holder to declare, Trust Certificates to be due and payable as provided in Section 6.01, or decrease the percentage of the principal amount of Trust Certificates the Holders of which may rescind and annul any declaration accelerating any Trust Certificates as provided in Section 6.04; or

(b) modify any of the provisions of the guaranty of the Owner Trustee in respect of the Trust Certificates; or

(c) permit the creation of any Lien (other than a Lien permitted by Section 5.05) with respect to the Trust Equipment or any Lease, or deprive any Holder of the benefit of the security interest created by this Agreement in all or any part of the Trust Equipment, Deposited Cash, Investment Securities or any Lease; or

(d) reduce the percentage in principal amount of the outstanding Trust Certificates, the consent of whose holders is required for any amendment or waiver of any term of this Agreement; or

(e) modify any of the provisions of this Section 10.01, except to increase any percentage established herein or to provide that certain other provisions of this Agreement cannot be modified or waived without the consent of the Holders of each Trust Certificate affected thereby.

Section 10.02. Benefits Restricted to Parties and Holders. Nothing in this Agreement, expressed or implied, is intended or shall be construed to confer upon,

or give to, any Person, other than the parties hereto, the Holders and the Owners, any right, remedy or claim under or by reason of this Agreement or any covenant, condition or stipulation hereof; and the covenants, stipulations and agreements in this Agreement contained are and shall be for the sole and exclusive benefit of the parties hereto, the Holders, the Owners, and their respective successors and assigns.

Section 10.03. Illegality or Invalidity of Provision. In case any one or more of the provisions contained in this Agreement or in the Trust Certificates, the Purchase Agreements or the Guaranty Agreement shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby.

Section 10.04. Date of Actual Execution. Although this Agreement, for convenience and for the purpose of reference, is dated as of June 10, 1980, the actual date of execution by the Owner Trustee and by the Security Trustee is as indicated by their respective acknowledgments hereto annexed.

Section 10.05. Certificates. The same officer or officers of the Owner Trustee or the same accountant, auditor, engineer or counsel or other person, as the case may be, may, but need not, certify to all the matters required to be certified under any Article, Section, subdivision or other portion hereof, but different officers, accountants, auditors, engineers, counsel or other persons may certify to different facts, respectively. Where any Person or Persons are required to make, give or execute two or more orders, requests, certificates, opinions or other instruments under this Agreement, any such orders, requests, certificates, opinions, or other instruments may, but need not, be consolidated and form one instrument.

Except as otherwise expressly provided in this Agreement, any request, opinion, consent, demand, notice order, appointment or other direction required or permitted to be made or given by the Owner Trustee shall be deemed to have been sufficiently made or given if executed on behalf of the Owner Trustee by its Chairman of the Board, its President or any of its Vice Presidents or its Treasurer or any of its Assistant Treasurers or any Trust Officer.

Section 10.06. Notices. All notices and other communications hereunder shall be in writing and shall be mailed by registered or certified mail, postage prepaid, addressed (a) if to the Owner Trustee at 100 Renaissance Center, Detroit, Michigan 48243 to the attention of its Corporate Agencies Administration or at such other address as may hereafter be furnished to the Security Trustee in writing by the Owner Trustee and (b) if to the Security Trustee at One Bankers Trust Plaza, New York, New York 10006, to the attention of its Corporate Trust Division, or at such other address as may hereafter be furnished to the Owner Trustee in writing by the Security Trustee. An affidavit by any person representing or acting on behalf of the Owner Trustee or the Security Trustee, as to such mailing, having the return receipt attached, shall be conclusive evidence of the giving of such notice or other communication.

Section 10.07. Successors and Assigns. Whenever in this Agreement any of the parties hereto is named or referred to, the successors (including, without limitation, any successor trustee appointed pursuant to Article VII of the Owner Trust Agreement or Article IX hereof) and assigns of such party shall be deemed to be included, and all the covenants, promises and agreements in this Agreement contained by or on behalf of the Owner Trustee or by or on behalf of the Security Trustee, shall bind and inure to the benefit of their respective successors (including, without limitation, any successor trustee appointed pursuant to Article VII of the Owner Trust Agreement or Article IX hereof) and assigns, whether so expressed or not.

Section 10.08. Effect of Table of Contents and Headings. The table of contents preceding this Agreement and the Article and Section headings are for convenience only and shall not affect the construction thereof.

Section 10.09. Applicable Law. The provisions of this Agreement, and all the rights and obligations of the parties hereunder, shall be governed by and construed in accordance with the laws of the State of New York.

Section 10.10. Counterparts. This Agreement is being executed in several counterparts, each of which is an original and all of which are identical. Each counterpart of this Agreement is to be deemed an original hereof

and all counterparts collectively are to be deemed but one instrument. It shall not be necessary in making proof of this Agreement to produce or account for more than one counterpart.

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

(CORPORATE SEAL)

MANUFACTURERS NATIONAL BANK OF DETROIT, Owner Trustee

Attest:

By _____
VICE PRESIDENT &Trust Officer

By _____
Title: GORDON F. BROKER
SECOND VICE PRESIDENT & TRUST OFFICER

BANKERS TRUST COMPANY, Security Trustee

(CORPORATE SEAL)

By _____
Assistant Vice President

Attest:

By _____
Assistant Secretary

The American Road Security Trust No. 1

Attachment A
to
Equipment Trust Agreement and
Assignment of Leases, dated as of
June 10, 1980, between Manufacturers
National Bank of Detroit, as Owner Trustee
and Bankers Trust Company, as Security Trustee

Number of Units of Equipment	Identification Nos. (Inclusive)	Physical Description	AAR Designation
100	ADN 4100-ADN 4199 (both inclusive)	100 ton, 7025 cubic foot Wood Chip Cars	GT
100	GMRC 2000-GMRC 2099 (both inclusive)	3500 cubic foot, 100 ton Covered Hoppers	LO
100	WAR 15200-WAR 15299 (both inclusive)	4650 cubic foot, 100 ton Covered Hoppers	LO
400	WAR 16100-WAR 16499 (both inclusive)	4650 cubic foot, 100 ton Covered Hoppers	LO
200	ATW 7000-ATW 7199 (both inclusive)	4700 cubic foot, 100 ton Covered Hoppers	LO

STATE OF MICHIGAN)
) ss.:
COUNTY OF WAYNE)

On this ~~21st~~ day of ~~June~~ July, 1980, before me personally appeared JOSEPH F. BECK to me personally known, who, being by me duly sworn, says that he is a Trust Officer of MANUFACTURERS NATIONAL BANK OF DETROIT, that one of the seals affixed to the foregoing instrument is the seal of said national banking association and that said instrument was on ~~June~~ July 21, 1980 signed and sealed on behalf of said national banking association by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national banking association.

Taylor C. Segue
Notary Public

My Commission Expires

TAYLOR C. SEGUE
Notary Public Wayne County, Mich.
My Commission Expires Feb. 14, 1983

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

On this 18 th day of ~~June~~ July, 1980, before me personally appeared CARL H. NASIB to me personally known, who, being by me duly sworn, says that he is Assistant VICE PRESIDENT ~~Secretary~~ of BANKERS TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the seal of said New York banking corporation and that said instrument was on ~~June~~ July 18, 1980 signed and sealed on behalf of said New York banking 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 New York banking corporation.

Lorraine Kapuzyski
Notary Public

My Commission Expires

LORRAINE KAPUZYSKI
Notary Public, State of New York
No. 43-4639783
Qualified in Richmond County
Certificate filed in New York County
Commission Expires March 30, 1982

RECORDATION NO. 11833-F Filed & Recorded

JUL 25 1980 -9 15 AM

INTERSTATE COMMERCE COMMISSION

THE AMERICAN ROAD SECURITY TRUST NO. 1

MANUFACTURERS NATIONAL BANK OF DETROIT,

as Owner Trustee

to

BANKERS TRUST COMPANY,

as Security Trustee

EQUIPMENT TRUST AGREEMENT AND ASSIGNMENT OF LEASES

Dated as of June 10, 1980

THE AMERICAN ROAD SECURITY TRUST NO. 1

$29,700,000 11 1/8% Equipment Trust Certificates due December 31, 1998