LOUISVILLE & NASHVILLE RAILROAD COMPANY

908 W. BROADWAY • LOUISVILLE, KENTUCKY 40232 TELEPHONE (502) 587-5235

LAW DEPARTMENT

DAVID M. YEARWOOD
GENERAL ATTORNEY

July 30, 1980

No. 213A047

Date JUL 31 1980

Fee $ 50.00

ICC Washington, D. C.

12062-A

RECORDATION NO. ..... Filed & Recorded

JUL 31 1980 -2 30 PM

INTERSTATE COMMERCE COMMISSION

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

Dear Madam Secretary:

There are transmitted to you herewith for filing and recordation, pursuant to 49 U.S.C. Section 11303, duly executed counterparts of a Trust Indenture and Security Agreement dated as of January 1, 1980 between First Security State Bank, as Owner Trustee, whose address is 79 South Main Street, Salt Lake City, Utah 84111, and First Security Bank of Utah, N. A., as Security Trustee, whose address is 79 South Main Street, Salt Lake City, Utah 84111.

The equipment covered by said Trust Indenture and Security Agreement is set forth in Schedule I to said Trust Indenture and Security Agreement, a copy of which is attached hereto.

Attached hereto is a draft in the amount of $50 payable to the Interstate Commerce Commission to cover the recordation fee for said Trust Indenture and Security Agreement.

This letter of transmittal is signed by an officer of Louisville and Nashville Railroad Company designated for the purpose hereof who has knowledge of the matters set forth herein.

After recordation, please return the recorded counterparts of said Trust Indenture and Security Agreement to:

Sidley & Austin
1730 Pennsylvania Avenue, N. W.
Washington, D. C. 20006

Respectfully yours,

Louisville and Nashville Railroad Company

By David M. Yearwood
David M. Yearwood
General Attorney

RECEIVED
JUL 31 2 24 PM '80
I.C.C.
FEE OPERATION BR.

Attachments

Contact Jeffrey M. Anderson

SCHEDULE I to
Security Agreement

DESCRIPTION OF THE EQUIPMENT

Quantity	AAR Mechanical Designation	Description	Lessee's Road Numbers (both incl.)	Category
65	XL	50-Ton Box Car	96335-96387 110288-110290 111887-111895	10
50	XM	50-Ton Box Car	96388-96395 110291-110332	10
14	LC	70-Ton Box Car	94000-94013	13
23	XF	70-Ton Box Car	112768-112787 113889-113891	13
59	XL	70-Ton Box Car	111987-111989 112253-112257 112522 112528-112537 112543-112573 112759-112767	13
51	XM	70-Ton Box Car	112538-112542 112746-112758 112788-112820	13
3	XL	100-Ton Box Car	113955 113961 114080	14
20	XP	100-Ton Box Car	113956-113960 114069-114079 114302-114305	14
92	HT	70-Ton Open Top Hopper	76525-76554 76556-76617	12
46	HT	80-Ton Open Top Hopper	189448-189493	12

DESCRIPTION OF THE EQUIPMENT

Quantity	AAR Mechanical Designation	Description	Lessee's Road Numbers (both incl.)	Category
12	HT	100-Ton Open Top Hopper	192111-192122	14
82	GB	70-Ton Gondola Car	27449-27452 28601-28620 29052-29054 29202-29205 29566-29615 29621	12
2	GBS	70-Ton Gondola Car	27453-27454	12
17	LG	70-Ton Gondola Car	27777-27789 29616-29618 29620	12
1	GBS	100-Ton Gondola Car	27979	12
1	GBSR	100-Ton Gondola Car	29619	12
50	LO	70-Ton Ballast	45201-45250	10
10	LO	70-Ton Covered Hopper	37173-37176 201888-201893	10
86	LO	100-Ton Covered Hopper	201656-201681 201894-201899 201983-201984 204300-204313 205216-205249 250520-250523	14

DESCRIPTION OF THE EQUIPMENT

Quantity	AAR Mechanical Designation	Description	Lessee's Road Numbers (both incl.)	Category
33	LP	50-Ton Ribbon Rail	42867-42873 42875-42900	10
11	FMS	70-Ton Bulkhead Flat Car	990610-990611 990835-990836 990911-990914 991009-991010 991200	12
3	FB	100-Ton Bulkhead Flat Car	990317-990319	12
1	FMS	100-Ton Bulkhead Flat Car	990404	12
12	GBSR	100-Ton Covered Gondola	26375-26386	13
25	LP	70-Ton Pulpwood Car	20013-20021 20100-20101 20194-20197 20286-20295	11
769				

Cell numbers changed see 12062-B

Nos same as in 12062 + 11555

12062/A

RECORDATION NO. ..... Filed & Recorded

JUL 31 1980 -2 30 PM

INTERSTATE COMMERCE COMMISSION

TRUST INDENTURE AND
SECURITY AGREEMENT

Dated as of January 1, 1980

Between

FIRST SECURITY STATE BANK,
not in its individual capacity but
solely as Owner Trustee,

as Owner Trustee

and

FIRST SECURITY BANK OF UTAH, N.A.,
as Security Trustee

Reconstructed Freight Cars

[L&N TRUST B]

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TRUST INDENTURE AND SECURITY AGREEMENT

THIS TRUST INDENTURE AND SECURITY AGREEMENT dated as of January 1, 1980 between FIRST SECURITY STATE BANK, a Utah corporation, not in its individual capacity but solely as Trustee (hereinafter, together with its successors and assigns, called "Owner Trustee") under a Trust Agreement dated as of the date hereof (hereinafter called the "Trust Agreement") with WESTINGHOUSE CREDIT CORPORATION, a Delaware corporation (hereinafter, together with its successors and assigns permitted by the Trust Agreement, called "Owner"), and FIRST SECURITY BANK OF UTAH, N.A., as Trustee (hereinafter, together with its successors and assigns, called "Security Trustee").

W I T N E S S E T H:

WHEREAS;

(a) Owner Trustee, Owner, Security Trustee, LOUISVILLE AND NASHVILLE RAILROAD COMPANY, a Kentucky corporation (hereinafter called "Lessee"), and the note purchasers named in Appendix I thereto (hereinafter called the "Note Purchasers") are entering into a Participation Agreement dated as of the date hereof (hereinafter called the "Participation Agreement") relating to the financing of the purchase and reconstruction of the Hulks referred to below. The commitments of the Note Purchasers are to be evidenced by Owner Trustee's 12 1/4% Secured Equipment Notes (hereinafter called the "Notes"); the Notes are to be secured by this Agreement, to be subject to prepayment and redemption only as herein provided and to be substantially in the forms set forth in Section 2.02.

(b) Owner Trustee and Lessee are entering into a Hulk Purchase Agreement dated as of the date hereof (hereinafter called the "Hulk Purchase Agreement"), in substantially the form of Annex A hereto, pursuant to which Owner Trustee will purchase from Lessee certain used railroad freight cars (hereinafter called collectively the "Hulks" and individually a "Hulk") to be selected by Lessee from the group listed on Schedule A to the Hulk Purchase Agreement.

(c) Owner Trustee and L&N INVESTMENT CORPORATION, a Delaware corporation ("Builder"), are entering into a Reconstruction Agreement dated as of the date hereof (hereinafter called the "Reconstruction Agreement"), in substantially the form of Annex B hereto, pursuant to which Builder will reconstruct the Hulks for the account of Owner Trustee. The Hulks so reconstructed are hereinafter called the "Equipment"; provided, however, that such term shall not include any unit excluded from the Reconstruction Agreement in accordance with the terms thereof.

(d) The proceeds from the sale of the Notes will be applied by Owner Trustee toward the purchase of the Hulks and the reconstruction thereof into units of the Equipment, which units are more particularly described in Schedule I hereto, or under certain circumstances may be applied for a comparable purpose under the Other Participation Agreement (as hereinafter defined).

(e) Owner Trustee and Lessee are entering into a Lease of Railroad Equipment dated as of the date hereof (hereinafter called the "Lease"), in substantially the form of Exhibit C to the Participation Agreement, pursuant to which Owner Trustee will lease the Equipment to Lessee.

NOW, THEREFORE, Owner Trustee, in consideration of the premises and intending to be legally bound hereby, and in order to secure the payment of the principal of and interest on the Notes according to their tenor and effect and to secure the payment of all other indebtedness secured hereby and the performance and observance of all the covenants and conditions contained in the Notes, this Agreement and the Participation Agreement, does hereby grant, bargain, sell, transfer, convey, assign, pledge and hypothecate unto Security Trustee, its successors in trust and assigns, forever, and grants to Security Trustee, its successors in trust and assigns, forever, a first security interest in, all and singular the following described properties, rights, interests and privileges (hereinafter called the "Trust Estate"):

DIVISION I

All the Equipment described in Schedule I hereto and which is leased or to be leased under the Lease, together with all accessories, equipment, parts and appurtenances appertaining or attached to any of such Equipment, whether now owned or (subject to Lessee's rights of removal under Section 9 of the Lease) hereafter acquired, and all substitutions, renewals and replacements of and additions, improvements, accessions and accumulations to any and all of such Equipment, together with all the rents, issues, income, profits and avails thereof.

DIVISION II

All right, title, interest, claims and demands of Owner Trustee, as lessor, in, to and under the Lease, including all extensions of the term of the Lease, together with all rights, powers, privileges, options and other benefits of

Owner Trustee, as lessor, under the Lease, including, without limitation (i) the immediate and continuing right to receive and collect all rents, income, revenues, issues, casualty payments, insurance proceeds, condemnation awards and other payments, tenders and security now or hereafter payable to or receivable by the Lessor under the Lease pursuant thereto (other than payments due to Owner Trustee or Owner pursuant to Sections 6, 7 (with respect to public liability insurance) and 9 thereof) and (ii) subject to the right of Owner Trustee to cure certain Defaults as permitted by Section 10 of the Lease, the right, upon the happening and during the continuance of a Default or an Event of Default specified in the Lease, to make all waivers, amendments and agreements, to give all notices, consents and releases, to take all action and to do any and all other things whatsoever which Owner Trustee as lessor is or may become entitled to do under the Lease; it being the intent and purpose hereof that this assignment and transfer to Security Trustee shall be effective and operative immediately and shall continue in full force and effect, and Security Trustee shall have the right to collect and receive said rents and other sums for application in accordance with the provisions of this Agreement, at all times until the indebtedness secured hereby has been fully paid and discharged.

DIVISION III

All the cash proceeds derived by Owner Trustee from the sale of the Notes pursuant to the Participation Agreement, all Investments acquired with such cash proceeds pursuant to Section 3.01 and all cash and other proceeds and products from the sale, redemption or other disposition of such Investments.

EXCEPTED PROPERTY AND RIGHTS

There is expressly excepted and reserved from the security interest granted hereby and excluded from the Trust Estate and from the operation of this Agreement payments due to Owner Trustee or Owner pursuant to Sections 6, 7 (with respect to public liability insurance) and 9 of the Lease, which shall be made directly to Owner Trustee or Owner, as the case may be, and so long as an Event of Default or a Default under the Lease or this Agreement has not occurred and is not then continuing, nothing herein shall be construed to prohibit Owner Trustee or Owner from (1) proceeding directly against Lessee for payments due Owner

Trustee or Owner for indemnification pursuant to Sections 6 or 9 of the Lease, (2) proceeding directly against any insurer with respect to the public liability insurance to be maintained by Lessee pursuant to Section 7 of the Lease or (3) proceeding directly against Lessee for specific performance of Lessee's covenants to maintain insurance pursuant to such Section 7 or to maintain the Equipment in the manner required by such Section 9.

TO HAVE AND TO HOLD the Trust Estate unto Security Trustee, its successors and assigns, forever, IN TRUST, NEVERTHELESS, upon the terms and trusts herein set forth, for the equal and proportionate benefit, security and protection of all present and future Holders of the Notes without preference, priority or distinction of any Note over any other Note by reason of priority of the time of issue, sale, registration of transfer or otherwise for any cause whatsoever; provided always, however, that these presents are upon the express condition that if Owner Trustee shall pay or cause to be paid all the indebtedness secured hereby and shall observe, keep and perform all the terms, conditions, covenants and agreements herein and in the Notes contained, then these presents and the Trust Estate hereby granted and conveyed shall cease and this Agreement shall become null and void; otherwise this Agreement shall remain in full force and effect.

ARTICLE I
INTERPRETATIONS

Section 1.01. Definitions. In this Agreement, unless the context otherwise requires:

(a) The term "this Agreement" means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more agreements supplemental hereto entered into pursuant to the applicable provisions hereof;

(b) All references in this Agreement to designated "Articles", "Sections" and other subdivisions are to the designated Articles, Sections and other subdivisions of this Agreement; the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision;

(c) The terms defined in this Article I include the plural as well as the singular;

(d) All the agreements or instruments hereinafter defined shall mean such agreements or in-

struments as the same may from time to time be supplemented or amended or the terms thereof waived or modified to the extent permitted by, and in accordance with, the terms thereof and of this Agreement;

(e) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles at the date hereof; and

(f) The following terms shall have the following meanings for all purposes of this Agreement:

Builder, Equipment, Hulk, Hulk Purchase Agreement, Hulks, Lease, Lessee, Note Purchasers, Notes, Owner, Owner Trustee, Participation Agreement, Reconstruction Agreement, Security Trustee, Trust Agreement and Trust Estate shall have the meanings defined above.

Basic Rent, Casualty Occurrence, Casualty Value, Category and Interim Rent shall have the meanings defined in the Lease.

Additional Deposits, Business Day, Cut-Off Date, Date of Deposit, Deposits, Other Participation Agreement, Other Security Agreement and Tax Indemnity Agreement shall have the meanings defined in the Participation Agreement.

Hulk Purchase Price shall have the meaning defined in the Hulk Purchase Agreement.

Closing Date, Reconstruction Cost and Total Cost shall have the meanings defined in the Reconstruction Agreement.

Affiliate of any Person means any Person directly or indirectly owning or controlling or having the right to vote at least 20% of any class of voting shares of such Person, or directly or indirectly controlled by or under common control with such Person.

Control (including the terms "controlling", "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person whether through the ownership of voting stock, by contract or otherwise.

Corporate Trust Office means the corporate trust office of Security Trustee at 79 South Main Street, Salt Lake City, Utah 84111 or such other principal office of Security Trustee as Security Trustee or any successor trustee shall have designated by notice to Owner Trustee pursuant to the provisions of Section 13.04.

Default means any event which, after the giving of notice, demand and/or lapse of time, would become an Event of Default.

Directive means an instrument in writing executed in one or more counterparts by the Holders of Notes representing not less than 51% of the unpaid principal balance of the Notes then Outstanding directing Security Trustee to take action as specified therein or otherwise advising Security Trustee or others.

Event of Default has the meaning established in Section 8.01.

Investments means any one or more of the following:

> (i) 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 principal and interest, (ii) open market commercial paper given the highest rating by Standard & Poor's Corporation or Moody's Investors Service, Inc., or the successor of either of them, or (iii) certificates of deposit of domestic commercial banks having a combined capital, surplus and undivided profits in excess of $250,000,000,

in each case maturing in not more than 90 days from the date of such investment and not later than the Cut-Off Date.

Lien hereof means the security interest and all other right, title and interest created or granted to Security Trustee pursuant to this Agreement.

Noteholders or Holders means the Persons in whose names the Registered Notes are registered from time to time on the Note register referred to

in Section 2.09, and in the case of Order Notes the owners thereof.

Order Notes mean Notes in the form set forth in Section 2.02(b).

Outstanding when used with respect to Notes means, as of the date of determination, all Notes theretofore issued and delivered by Owner Trustee and secured by this Agreement, except (i) Notes theretofore cancelled by Security Trustee or delivered to Security Trustee for cancellation, (ii) Notes or portions thereof for the payment of which Security Trustee holds (and has notified the Holders thereof that it holds) in trust for that purpose an amount sufficient to make full payment thereof when due and (iii) Notes in exchange for or in lieu of which other Notes have been issued and delivered pursuant to this Agreement; provided, however, that in determining whether the Holders of the requisite principal amount of Notes Outstanding have given any request, demand, authorization, direction, notice, consent or waiver hereunder Notes owned by Owner, Owner Trustee, Lessee or any Affiliate of any thereof shall be disregarded and deemed not to be Outstanding unless all of the Notes are at the time owned by Owner, Owner Trustee, Lessee or any Affiliate of any thereof, as the case may be, except that, in determining whether Security Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Notes which Security Trustee knows to be so owned shall be so disregarded. Notes owned by Owner, Owner Trustee, Lessee or any Affiliate of any thereof which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of Security Trustee the pledgee's right so to act with respect to such Notes and that the pledgee, if not the pledgee of all of the Notes, is not Owner, Owner Trustee, Lessee or an Affiliate of any thereof.

Person means an individual, a corporation, a partnership, a government or any department or agency thereof, a trustee or any unincorporated organization.

Registered Notes mean Notes in the form set forth in Section 2.02(a).

Special Counsel for the Note Purchasers means Messrs. Sidley & Austin or such other counsel as may be specified from time to time in a Directive.

Trustee's Expenses means the compensation of Security Trustee in accordance with Section 9.02; and any and all liabilities, obligations, losses, damages, penalties, taxes (other than income, gross receipts or similar taxes based on or measured by any fees or other compensation received by Security Trustee for services rendered hereunder), claims, actions, suits, costs, expenses and disbursements (including legal fees and expenses) of whatsoever kind and nature imposed on, incurred by or asserted against Security Trustee, or any of its successors, assigns, agents or servants, in any way relating to or arising out of this Agreement or the ownership, delivery, lease, possession, use, operation, condition, sale or other disposition of the Trust Estate or any part thereof (including, without limitation, claims indemnified against by Lessee under Sections 6 and 9 of the Lease or on account of latent and other defects in the Equipment, whether or not discoverable by Owner, Owner Trustee, Security Trustee or Lessee, and any claim for patent, trademark or copyright infringement), or in any way relating to or arising out of the administration of the Trust Estate or the action or inaction of Security Trustee under this Agreement other than those resulting from willful misconduct or negligence on the part of Security Trustee, together, in each case where expense has been incurred by Security Trustee, with interest at the rate of 13 1/4% per annum from the date such expense was incurred to the date of reimbursement.

Unamortized Debt Commitment has the meaning established in Section 4.02.

SECTION 1.02. Section Headings. The division of this Agreement into Articles and Sections, the provision of a table of contents hereto and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

SECTION 1.03. Applicable Law. The terms of this Agreement and all rights and obligations hereunder shall be governed by the laws of the State of Utah; provided, however, that the parties shall be entitled to all rights conferred by Section 11303(a) of Title 49, United States Code, and such additional rights arising out of the filing, recording,

registering or depositing, if any, of this Agreement as shall be conferred by the laws of the several jurisdictions in which this Agreement shall be filed, recorded, registered or deposited.

ARTICLE II
ISSUE, PAYMENT, REGISTRATION, TRANSFER, EXCHANGE AND OWNERSHIP OF NOTES

SECTION 2.01. Denominations of Notes. Except for (i) a Note issued to any Holder holding an aggregate principal amount of less than $100,000 or (ii) a Note issued under the Participation Agreement pursuant to an Additional Deposit under Section 2(a) thereof, Notes shall be issued only in denominations of $100,000 or more.

SECTION 2.02. Forms of Notes. (a) The Registered Notes and the certificate of authentication of Security Trustee thereon shall each be substantially in the respective forms set forth below, and the Registered Notes shall bear the legend set forth in Section 2.11 to the extent required thereby:

[FORM OF REGISTERED NOTES]

FIRST SECURITY STATE BANK
OWNER TRUSTEE UNDER TRUST AGREEMENT
DATED AS OF JANUARY 1, 1980
L&N TRUST B

12 1/4% SECURED EQUIPMENT NOTE

$ No. R-_____

FIRST SECURITY STATE BANK, a Utah corporation, not in its individual capacity but solely as trustee (hereinafter called "Owner Trustee") under a Trust Agreement dated as of January 1, 1980 (hereinafter called the "Trust Agreement") with WESTINGHOUSE CREDIT CORPORATION, (hereinafter called "Owner"), for value received, hereby promises to pay to _____ _____, or registered assigns, but only from the funds designated below, the principal sum of _____ _____ Dollars ($_____) in lawful money of the United States of America, together with interest in such money on the amount of said principal sum remaining unpaid from time to time from the date of this Secured Equipment Note until due at the rate of 12 1/4% per annum. Interest shall be payable, and principal may be payable, hereunder on the Cut-Off Date (as defined in the Security Agreement referred to below), interest only shall be payable

hereunder on February 1, 1981 and thereafter principal and interest shall be payable hereunder in 27 consecutive semi-annual installments on February 1 and August 1 in each year, commencing August 1, 1981 and ending August 1, 1994, such installments (consisting of principal and interest) to be in amounts computed in accordance with Schedule II of the Security Agreement referred to below, provided that the last such payment shall be in an amount sufficient to discharge the accrued interest on, and all unpaid principal of, this Secured Equipment Note in full. Owner Trustee has furnished or promptly will furnish to the holder of this Secured Equipment Note a schedule of payments reflecting the dates and amounts of principal and interest payments to be made on this Secured Equipment Note. To the extent permitted by applicable law, this Secured Equipment Note shall bear interest at the rate of 13 1/4% per annum on any part of the principal hereof or interest hereon not paid when due for any period when the same shall be overdue. All interest payments shall be computed on the basis of a 360-day year of twelve 30-day months.

All payments of principal and interest to be made by Owner Trustee hereunder and under the Security Agreement dated as of January 1, 1980 (hereinafter called the "Security Agreement") between Owner Trustee and FIRST SECURITY BANK OF UTAH, N.A., as Trustee (hereinafter called "Security Trustee") for the benefit of the holder of this Secured Equipment Note and the holders of other Secured Equipment Notes outstanding thereunder (hereinafter called the "Secured Equipment Notes"), shall be made only from the income and proceeds from the Trust Estate (as defined in the Security Agreement) and only to the extent that Security Trustee shall have sufficient income or proceeds from the Trust Estate to make such payments in accordance with the terms of Article IV of the Security Agreement; and each holder hereof, by acceptance of this Secured Equipment Note, agrees that it will look for payment solely to the income and proceeds from the Trust Estate to the extent available for distribution to the holder hereof as above provided, that Owner, Owner Trustee and Security Trustee are not personally liable, either jointly or severally, to the holder hereof for any amounts payable under this Secured Equipment Note or the Security Agreement and that Owner Trustee shall not be accountable under any circumstances except for its willful misconduct or negligence.

Unless other arrangements for payment are made pursuant to the Security Agreement, principal and interest shall be payable at the corporate trust office

of Security Trustee at 79 South Main Street, Salt Lake City, Utah 84111, or at the office of any successor Security Trustee, in immediately available funds.

This Secured Equipment Note is one of the Secured Equipment Notes referred to in the Security Agreement which have been or are to be issued by Owner Trustee pursuant to the terms of the Security Agreement. The Trust Estate is held by Security Trustee as security for the Secured Equipment Notes. Reference is made to the Security Agreement for a statement of the rights of the holders of, and the nature and the extent of the security for, the Secured Equipment Notes and of certain rights of Owner Trustee, as well as for a statement of the terms and conditions of the trusts created by the Security Agreement, to all of which terms and conditions each holder hereof agrees by its acceptance of this Secured Equipment Note.

This Secured Equipment Note is not subject to prepayment except upon the occurrence of certain events as provided in Article V of the Security Agreement.

In case an Event of Default (as defined in the Security Agreement) shall occur and be continuing, the principal of this Secured Equipment Note may become or be declared due and payable in the manner, with the effect and subject to the conditions provided in the Security Agreement.

This Secured Equipment Note is transferable by the registered holder hereof in person, or by his attorney duly authorized in writing, on the register maintained at the corporate trust office of Security Trustee upon surrender and cancellation of this Secured Equipment Note as provided in Section 2.10 of the Security Agreement; and upon any such transfer, a new Secured Equipment Note or Secured Equipment Notes in order or registered form of authorized denominations for the same aggregate principal amount will be issued in exchange herefor.

Each holder hereof, by its acceptance of this Secured Equipment Note, agrees that each payment received by it hereunder shall be applied, <u>first</u>, to the payment of accrued interest on this Secured Equipment Note (as well as any interest on overdue principal or interest) to the date of such payment, <u>second</u>, to the payment or prepayment of the principal amount of this Secured Equipment Note then due and, <u>third</u>, the balance, if any, remaining thereafter to the payment of the principal amount of this Secured Equipment Note remaining unpaid in the manner set forth in Section 2.07 of the Security Agreement.

The Security Agreement permits amendment thereof and modification of the rights and obligations of Owner Trustee and the rights of the holders of the Secured Equipment Notes with the consent of less than all such holders under certain circumstances.

IN WITNESS WHEREOF, Owner Trustee has caused this Secured Equipment Note to be executed and sealed with its corporate seal by its authorized officers as of the date hereof.

Dated: _____

FIRST SECURITY STATE BANK,
not in its individual capacity
but solely as Owner Trustee

By_____
Authorized Officer

(Corporate Seal)

ATTEST:

_____
Authorized Officer

[FORM OF SECURITY TRUSTEE'S
CERTIFICATE OF AUTHENTICATION]

This is one of the Notes referred to in the within mentioned Security Agreement.

FIRST SECURITY BANK OF UTAH, N.A.,
as Security Trustee

By_____
Authorized Officer

(b) The Order Notes and the certificate of authentication of Security Trustee thereon shall each be substantially in the respective forms set forth below, and the Order Notes shall bear the legend set forth in Section 2.11 to the extent required thereby:

[FORM OF ORDER NOTES]

FIRST SECURITY STATE BANK
OWNER TRUSTEE UNDER TRUST AGREEMENT
DATED AS OF JANUARY 1, 1980
L&N TRUST B

12 1/4% SECURED EQUIPMENT NOTE

$

FIRST SECURITY STATE BANK, a Utah corporation, not in its individual capacity but solely as trustee (hereinafter called "Owner Trustee") under a Trust Agreement dated as of January 1, 1980 (hereinafter called the "Trust Agreement") with WESTINGHOUSE CREDIT CORPORATION (hereinafter called "Owner"), for value received, hereby promises to pay to _____ _____, or order, but only from the funds designated below, the principal sum of

_____ _____ Dollars ($_____)

in lawful money of the United States of America, together with interest in such money on the amount of said principal sum remaining unpaid from time to time from the date of this Secured Equipment Note until due at the rate of 12 1/4% per annum. Interest shall be payable, and principal may be payable, hereunder on the Cut-Off Date (as defined in the Security Agreement referred to below), interest only shall be payable hereunder on February 1, 1981 and thereafter principal and interest shall be payable hereunder in 27 consecutive semi-annual installments on February 1 and August 1 in each year, commencing August 1, 1981 and ending August 1, 1994, such installments (consisting of principal and interest) to be in amounts computed in accordance with Schedule II of the Security Agreement referred to below, provided that the last such payment shall be in an amount sufficient to discharge the accrued interest on, and all unpaid principal of, this Secured Equipment Note in full. Owner Trustee has furnished or promptly will furnish to the holder of this Secured Equipment Note a schedule of payments reflecting the dates and amounts of principal and interest payments to be made on this Secured Equipment Note. To the extent permitted by applicable law, this Secured Equipment Note shall bear interest at the rate of 13 1/4% per annum on any part of the principal hereof or interest hereon not paid when due for any period when the same shall be overdue. All interest payments shall be computed on the basis of a 360-day year of twelve 30-day months.

All payments of principal and interest to be made by Owner Trustee hereunder and under the Security Agreement dated as of January 1, 1980 (hereinafter called the "Security Agreement") between Owner Trustee and FIRST SECURITY BANK OF UTAH, N.A., as Trustee (hereinafter called "Security Trustee") for the benefit of the holder of this Secured Equipment Note and the holders of other Secured Equipment Notes outstanding thereunder (hereinafter called the "Secured Equipment Notes"), shall be made only from the income and proceeds from the Trust Estate (as defined in the Security Agreement) and only to the extent that Security Trustee

shall have sufficient income or proceeds from the Trust Estate to make such payments in accordance with the terms of Article IV of the Security Agreement; and each holder hereof, by acceptance of this Secured Equipment Note, agrees that it will look for payment solely to the income and proceeds from the Trust Estate to the extent available for distribution to the holder hereof as above provided, that Owner, Owner Trustee and Security Trustee are not personally liable, either jointly or severally, to the holder hereof for any amounts payable under this Secured Equipment Note or the Security Agreement and that Owner Trustee shall not be accountable under any circumstances except for its willful misconduct or negligence.

Unless other arrangements for payment are made pursuant to the Security Agreement, principal and interest shall be payable at the corporate trust office of Security Trustee at 79 South Main Street, Salt Lake City, Utah 84111, or at the office of any successor Security Trustee, in immediately available funds.

This Secured Equipment Note is one of the Secured Equipment Notes referred to in the Security Agreement which have been or are to be issued by Owner Trustee pursuant to the terms of the Security Agreement. The Trust Estate is held by Security Trustee as security for the Secured Equipment Notes. Reference is made to the Security Agreement for a statement of the rights of the holders of, and the nature and the extent of the security for, the Secured Equipment Notes and of certain rights of Owner Trustee, as well as for a statement of the terms and conditions of the trusts created by the Security Agreement, to all of which terms and conditions each holder hereof agrees by its acceptance of this Secured Equipment Note.

This Secured Equipment Note is not subject to prepayment except upon the occurrence of certain events as provided in Article V of the Security Agreement.

In case an Event of Default (as defined in the Security Agreement) shall occur and be continuing, the principal of this Secured Equipment Note may become or be declared due and payable in the manner, with the effect and subject to the conditions provided in the Security Agreement.

This Secured Equipment Note is transferable by endorsement and delivery. Any transferee hereof shall promptly notify Security Trustee with respect thereto.

Upon any such transfer, a new Secured Equipment Note or Secured Equipment Notes in order or registered form of authorized denominations for the same aggregate principal amount will be issued in exchange herefor upon surrender and cancellation hereof to Security Trustee as provided in Section 2.10 of the Security Agreement.

Each holder hereof, by its acceptance of this Secured Equipment Note, agrees that each payment received by it hereunder shall be applied, first, to the payment of accrued interest on this Secured Equipment Note (as well as any interest on overdue principal or interest) to the date of such payment, second, to the payment or prepayment of the principal amount of this Secured Equipment Note then due and, third, the balance, if any, remaining thereafter to the payment of the principal amount of this Secured Equipment Note remaining unpaid in the manner set forth in Section 2.07 of the Security Agreement.

The Security Agreement permits amendment thereof and modification of the rights and obligations of Owner Trustee and the rights of the holders of the Secured Equipment Notes with the consent of less than all such holders under certain circumstances.

IN WITNESS WHEREOF, Owner Trustee has caused this Secured Equipment Note to be executed and sealed with its corporate seal by its authorized officers as of the date hereof.

Dated: _____

FIRST SECURITY STATE BANK,
not in its individual capacity
but solely as Owner Trustee

By_____
Authorized Officer

(Corporate Seal)

ATTEST:

_____
Authorized Officer

[FORM OF SECURITY TRUSTEE'S
CERTIFICATE OF AUTHENTICATION]

This is one of the Notes referred to in the within mentioned Security Agreement.

FIRST SECURITY BANK OF UTAH, N.A.,
as Security Trustee

By _____
Authorized Officer

SECTION 2.03. Terms of Notes. The Notes shall bear interest at the rate of 12 1/4% per annum, shall be payable as to interest (and may be payable as to principal) on the Cut-Off Date as provided in Section 9 of the Participation Agreement, shall be payable as to interest only on February 1, 1981 and thereafter as to principal and interest in 27 consecutive semi-annual installments (consisting of principal and interest), commencing August 1, 1981 and ending August 1, 1994, and shall be otherwise as provided in the forms thereof set forth in Section 2.02. The installment payments shall be calculated on such a basis that the amount and allocation of principal and interest payable on each payment date shall be substantially in proportion to the amount and allocation of principal and interest set forth on Schedule II hereto for units of Equipment subject hereto, provided that the last such payment shall be in an amount sufficient to discharge the accrued interest on, and all unpaid principal of, the Notes in full. Promptly following the Cut-Off Date, Security Trustee will furnish the Noteholders a composite payment schedule showing the respective amounts of principal and interest payable on each payment date. Notes originally issued on account of the deposits of the Note Purchasers shall be dated as provided in Section 2(a) of the Participation Agreement. Notes issued pursuant to Section 9(b) of the Participation Agreement shall be dated as provided therein. Notes issued in replacement or substitution therefor or upon the transfer thereof shall be dated as provided in Sections 2.08 and 2.10.

SECTION 2.04. Payment of Notes. The principal of and interest on each Note shall be payable at the Corporate Trust Office of Security Trustee in immediately available funds at the times provided in Section 2.03. Notwithstanding the foregoing or any provision in any Note to the contrary, but subject to Section 2.06, Security Trustee will pay, if so requested by any Noteholder by written notice (including Appendix I to the Participation Agreement) to Security Trustee, all amounts payable on such Note either (i) by crediting the amount to be distributed to such Holder

to an account maintained by such Holder with Security Trustee or by transferring such amount by wire to such other bank in the United States of America as shall have been specified in such notice, for credit to the account of such Holder maintained at such bank or (ii) by mailing a check payable in Salt Lake City Clearing House funds to such Holder at such address as such Holder shall have specified in such notice, in either case without any presentment or surrender of such Note; but such Holder (or the Person for whom such Holder is nominee) will (a) in connection with the sale, transfer or other disposition of such Note, present such Note for registration of transfer and notation in accordance with and to the extent required by Section 2.10, and (b) in connection with the final payment of any such Note, surrender such Note to Security Trustee at its Corporate Trust Office in accordance with Section 2.16.

If any Holder of Order Notes requests such direct payment, thereafter Security Trustee shall be entitled to presume conclusively that such Holder remains the Holder of the Order Notes in respect of which the request was made until (i) Security Trustee shall have received notice of the transfer of such Order Notes and of the name and address of the transferee or (ii) such Order Notes shall have been presented to Security Trustee as evidence of the transfer.

Security Trustee is hereby appointed the agent of Owner Trustee for the payment of the Notes. All payments made in accordance with the two immediately preceding paragraphs shall be valid and effectual to satisfy and discharge liability upon the Notes to the extent of the sums so paid. Security Trustee is authorized to act in accordance with the provisions of such paragraphs and shall not be liable or responsible to any Holder, to Owner Trustee or to any other Person for any act or omission on the part of Owner Trustee or any Holder in connection therewith.

SECTION 2.05. Execution of Notes. The Notes shall be signed in the name and on behalf of Owner Trustee by the manual signature of one of its authorized officers and its corporate seal shall be affixed thereon and attested by the manual signature of one of its authorized officers. In case any officer of Owner Trustee whose signature shall appear on any of the Notes shall cease to be such officer of Owner Trustee before the Notes shall have been issued and delivered by Owner Trustee or shall not have been acting in such capacity on the date of the Notes, such Notes may be adopted by Owner Trustee and be issued and delivered as though such person had not ceased to be or had then been such officer of Owner Trustee.

At any time and from time to time after the execution and delivery of this Agreement, Owner Trustee may deliver Notes executed by it to Security Trustee for authentication; and Security Trustee shall authenticate such Notes as in this Agreement provided and not otherwise. No Note shall be entitled to any benefit under this Agreement or be valid or obligatory for any purpose unless there appears on such Note a certificate of authentication substantially in the form provided for herein executed by Security Trustee by manual signature; and such certificate upon any Note shall be conclusive evidence, and the only evidence, that such Note has been duly authenticated and delivered hereunder.

SECTION 2.06. Notes Non-recourse. All payments to be made by Owner Trustee under this Agreement on account of the Notes shall be made solely from the income and the proceeds from the Trust Estate and only to the extent that Security Trustee shall have sufficient income or proceeds from the Trust Estate to enable Security Trustee to make such payments in accordance with the terms of Article IV. Each Holder of a Note, by its acceptance of such Note, agrees that it will look, as against Owner, Owner Trustee and Security Trustee, solely to the income and proceeds from the Trust Estate to the extent available for distribution to such Holder as herein provided and that Owner, Owner Trustee and Security Trustee are not personally liable, either jointly or severally, to the Holder of any Note.

SECTION 2.07. Application of Payments on Notes. (a) Each payment on any Note shall be applied, first, to the payment of accrued interest to the date of such payment (as well as any interest on overdue principal or interest), second, to the payment or prepayment of the principal amount then due and, third, the balance, if any, to the payment of the principal amount of such Note remaining unpaid. The payments on any Note becoming due after any prepayment of principal shall be adjusted as provided in Section 5.04.

(b) All distributions to the Holders of the Notes shall be made ratably, without preference, priority or distinction of any Note over any other Note for any reason whatsoever, in the proportion that the unpaid principal amount of the Notes held by each Holder bears to the aggregate unpaid principal amount of all the Notes then Outstanding.

SECTION 2.08. Replacement of Notes. If any Note shall become mutilated, destroyed, lost or stolen, Owner Trustee shall, upon the written request of the Holder of such Note and the surrender of any mutilated Note, execute and deliver in replacement thereof a new Note of the same form payable in the same original principal amount and dated

the same date as the Note so mutilated, destroyed, lost or stolen and, upon the written request of Owner Trustee, Security Trustee shall authenticate such new Note. Security Trustee shall make a notation on each new Note of the amount of all payments of principal previously made on the Note so mutilated, destroyed, lost or stolen and the date to which interest on such old Note has been paid. If the Note being replaced has been destroyed, lost or stolen, the Holder of such Note shall furnish to Owner Trustee and Security Trustee such security or indemnity as may be required by them to save Owner Trustee and Security Trustee harmless and evidence satisfactory to Owner Trustee and Security Trustee of the destruction, loss or theft of such Note and of the ownership thereof; provided, however, that if the Holder of such Note is a Note Purchaser, the written undertaking of such Note Purchaser delivered to Owner Trustee and Security Trustee shall be sufficient security and indemnity.

SECTION 2.09. Note Register. There shall be maintained at the Corporate Trust Office of Security Trustee a register for the purpose of registration, exchange or registration of transfer of the Registered Notes, in which shall be entered the names and addresses of the Holders of the Registered Notes and particulars (including the notations made on the Registered Notes pursuant to Sections 2.08 and 2.10 with respect to payments of principal or interest, if any) of the Registered Notes held by them. Security Trustee is hereby appointed transfer agent and registrar for the Registered Notes, and no transfer of any Registered Note shall be valid until registered on such register by Security Trustee. Initially, the names and addresses of the Note Purchasers set forth in Appendix I to the Participation Agreement shall be entered on the Note Register as the names and addresses of the Holders of the Registered Notes.

SECTION 2.10. Transfer of Notes. Subject to Section 2.19, any Holder desiring to transfer any Registered Note held by such Holder, or to exchange any Registered or Order Note for a new Note or Notes of authorized denominations, shall surrender such Note at the Corporate Trust Office of Security Trustee, together with a written request, and if required by Security Trustee a written assignment thereof, in form acceptable to Security Trustee, from such Holder for the issuance of a new Note or Notes, specifying the authorized denomination or denominations of the same and the name and address of the Person or Persons in whose name or names the new Note or Notes are to be registered or specifiying Order Notes. Promptly upon receipt of such documents, and upon satisfaction of the requirements of Section 2.11, Owner Trustee will issue, and Security Trustee will authenticate, a new Note or Notes in the requested form in the same aggre-

gate original principal amount and dated the same date as the Note surrendered, and in such denomination or denominations and, in the case of a Registered Note, registered in the name of such Person or Persons as shall be specified in the written request from such Holder. All Notes surrendered for transfer or exchange shall be cancelled. Security Trustee shall make a notation on each new Note of the amount of all payments of principal previously made on the old Note or Notes with respect to which such new Note is issued and the date to which interest on such old Note or Notes has been paid. Order Notes may, at the election of the Holder thereof, be transfered by endorsement and delivery.

SECTION 2.11. Securities Act Compliance. The Notes are being issued pursuant to the Participation Agreement under the express understanding, and the specific representation and warranty by each Note Purchaser therein, that such Note Purchaser is acquiring the Notes for its own account for investment, and not with a view to distribution or resale thereof, subject to any requirement of law that the disposition of such Notes be at all times within the control of such Note Purchaser. Subject to Section 2.19, any new Note in a principal amount of less than $500,000 executed and delivered pursuant to Section 2.10 may, at the election of Owner Trustee or Security Trustee, be stamped or imprinted with a legend to the effect that such Note has not been registered under the Securities Act of 1933, as amended, and may not be offered or sold in contravention of that Act.

SECTION 2.12. Expenses of Transfer. Subject to Section 2.19, upon the transfer or exchange of any Note, the Holder thereof shall (i) pay to Security Trustee the charge specified by Security Trustee as necessary to cover the cost of such transfer or exchange and (ii) reimburse Security Trustee and Owner Trustee for any stamp taxes or governmental charges required to be paid with respect to such transfer or exchange; provided, however, that no Note Purchaser shall be required to make the payment referred to in clause (i) in connection with the first transfer or exchange of any Note originally issued in accordance with the Participation Agreement.

SECTION 2.13. Inspection of Note Register. The Note register shall at all reasonable times be open for inspection by any Noteholder. Upon request by any Noteholder, Security Trustee shall furnish such Noteholder with a list of the names and addresses of the Holders of the Notes entered on the register, indicating the principal amount and serial number of each Note held by each Holder.

SECTION 2.14. Limitation on Note Transfers. Subject to Section 2.19, Security Trustee shall not be required to make transfers or exchanges of Notes on any date fixed for the payment of interest thereon or during the ten preceding days.

SECTION 2.15. Status of Holders. Prior to due presentment for registration of transfer of any Note, or, in the case of any Order Note, written notice from the Holder thereof of change of ownership and display of such Note, Owner Trustee and Security Trustee may deem and treat the Holder of such Note as the absolute owner thereof for the purpose of making payment of all amounts payable by Owner Trustee with respect to such Note and for all other purposes. Owner Trustee and Security Trustee may, in their discretion, treat the Holder of any Registered Note as the owner thereof without the actual production of such Note for inspection.

Any new Note issued by Owner Trustee pursuant to this Article II in exchange for or in substitution or in lieu of any Note originally issued pursuant to the Participation Agreement shall be entitled to the benefits and security of this Agreement to the same extent as such originally issued Note.

Neither Owner Trustee nor Security Trustee shall be bound to take notice of or see to the execution of any trust in respect of any Note, and may transfer the same on the direction of the Person registered as the Holder thereof, whether named as trustee or otherwise, as though that Person were the beneficial owner thereof.

The Holder of any Note shall be entitled to the principal and interest evidenced by such Note free from all equities or rights of set-off or counterclaim between Owner Trustee or Security Trustee and any prior Holder thereof, and the receipt of any such Holder for any payment of principal or interest shall be a good discharge to Owner Trustee and Security Trustee for the same.

SECTION 2.16. Cancellation of Notes. All Notes shall forthwith after full payment thereof be delivered to Security Trustee and cancelled by it. All Notes cancelled or required to be cancelled under this or any other provision of this Agreement may be destroyed by or under the direction of Security Trustee by cremation or otherwise (in the presence of a representative of Owner Trustee if Owner Trustee shall so require), and Security Trustee shall prepare and retain a certificate evidencing such destruction and shall deliver a duplicate thereof to Owner Trustee.

SECTION 2.17. Moneys Held in Trust. In case the Holder of any Note shall fail to present the same for payment on any date on which the principal thereof or interest thereon becomes payable, Security Trustee may set aside in trust the moneys then due thereon and shall pay such moneys to the Holder of such Note upon due presentation or surrender thereof in accordance with the provisions of this Agreement, subject always, however, to the provisions of Sections 2.04 and 2.18.

SECTION 2.18. Return of Trust Moneys. Any moneys set aside under Section 2.17 and not paid to Noteholders as therein provided shall be held by Security Trustee in trust until the later of (i) the date six years after the date of such setting aside or (ii) the date Owner Trustee shall have fully performed and observed all its covenants and obligations contained in this Agreement, and shall thereafter be repaid to Owner Trustee by Security Trustee on demand; and thereupon Security Trustee shall be released from all further liability with respect to such moneys; and the Holders of the Notes in respect of which such moneys were so repaid to Owner Trustee shall have no rights in respect thereof except such rights as may then exist to obtain payment from Owner Trustee or Owner.

SECTION 2.19. Adjustment of Notes Under Participation Agreement. The adjustment of Notes provided for in Section 9 of the Participation Agreement shall not be deemed to be a transfer or exchange of Notes for the purposes of Sections 2.10, 2.11, 2.12 or 2.14.

ARTICLE III
INVESTMENTS; PAYMENT OF TOTAL COST OF THE EQUIPMENT

SECTION 3.01. Investments. Owner Trustee shall deposit with Security Trustee on each Date of Deposit the cash proceeds from the sale of the Notes. So long as, to the actual knowledge of Security Trustee, an Event of Default or Default under the Lease or this Agreement or a default under the Participation Agreement has not occurred and is not then continuing, Security Trustee will, upon the written direction of Owner Trustee, invest and reinvest such cash proceeds in such Investments as shall be specified in such direction. Security Trustee shall not purchase any Investment at a price exceeding the par value thereof and, except as provided in Section 3.02, shall not sell any Investment prior to maturity if the proceeds of such sale (including interest received on such Investment) shall be less than the cost thereof (including accrued interest thereon). Upon any sale or payment at maturity of any Investment, the proceeds thereof, plus any interest received by Security Trustee thereon, shall, unless reinvested as permitted by this

Section 3.01, be held by Security Trustee for application pursuant to Section 3.02 or Section 5.02 or as provided in Section 9 of the Participation Agreement and Appendix I thereto. If such proceeds (plus such interest) shall be less than the cost (including accrued interest thereon) of such Investment, Owner Trustee will, on the Cut-Off Date, pay to Security Trustee an amount equal to such deficiency. Any payment in respect of such deficiency shall be held and applied by Security Trustee in like manner as the proceeds of the sale of Investments. Any funds and proceeds and interest thereon received by Security Trustee remaining after application pursuant to Sections 3.02 and 5.02 and Section 9 and Appendix I of the Participation Agreement, and after payment as provided in the next sentence, shall be paid by Security Trustee to Lessee provided Security Trustee has no actual knowledge of a Default or Event of Default. Owner Trustee will pay any fees and expenses incurred by Security Trustee in connection with the purchase and sale of Investments, which shall be payable on the Cut-Off Date.

SECTION 3.02. Application of Certain Moneys; Sale of Investments. Upon receipt of the moneys due from Owner on each Closing Date and fulfillment of the conditions specified in Section 8.3 of the Participation Agreement, Security Trustee shall, subject to Section 2(c) of the Participation Agreement, pay to Lessee and Builder, respectively, the Hulk Purchase Price and the Reconstruction Cost of the Equipment for which settlement is being made on such Closing Date, but only to the extent of funds actually so received from Owner and from funds available for such purpose under Section 3.01; provided, however, that the respective amounts of funds payable from each such source towards the Total Cost of each unit of the Equipment shall be in the ratios set forth opposite the designated Category of such unit in Schedule III hereto. If the moneys then on deposit with Security Trustee as the proceeds from the sale of the Notes are insufficient to make such payment, promptly on receipt of notice of such Closing Date Security Trustee shall sell such portion of the Investments then held by it as, together with the moneys then so on deposit, including interest received on the Investments and any deficiency paid by Owner Trustee as contemplated by Section 3.01, may be necessary in order to provide sufficient funds for such payment. Any proceeds arising from the sale of Notes under the Other Participation Agreement which are to be applied hereunder in accordance with Section 9 of the Participation Agreement and Appendix I thereto shall be deemed to constitute proceeds from the sale of the Notes for all purposes of this Agreement. Any funds received from Owner pursuant to Section 2(b) of the Participation Agreement and not utilized hereunder to purchase Equipment shall be promptly refunded to Owner.

ARTICLE IV
RECEIPT, DISTRIBUTION AND APPLICATION OF INCOME AND PROCEEDS FROM THE TRUST ESTATE

SECTION 4.01. Payments of Rent. Except as otherwise provided in Section 4.04, the payment of Interim Rent pursuant to Section 3 of the Lease and each payment of Basic Rent pursuant to such Section 3, as well as any payment of interest on overdue installments thereof, received by Security Trustee at any time and any reimbursement by Lessee of a cure payment made by Owner Trustee under the Lease shall be distributed by Security Trustee on the date such payment is received in the following order of priority: first, to the payment of accrued interest due on the Notes on the date of such payment (as well as any interest due on account of overdue principal or interest), second, to the payment of the principal amount of the Notes then due and, third, the balance, if any, to Owner Trustee or as Owner Trustee shall direct in writing. All distributions to the Holders of the Notes shall be made ratably, without preference, priority or distinction of any Note over any other Note for any reason whatsoever, in the proportion that the unpaid principal amount of the Notes held by each Holder bears to the aggregate unpaid principal amount of all the Notes then Outstanding.

SECTION 4.02. Payments on Account of Casualty Occurrences. (a) Except as otherwise provided in Section 4.04, each payment received by Security Trustee at any time of the Casualty Value of one or more units of the Equipment pursuant to Section 7 of the Lease shall be distributed by Security Trustee on the date such payment is received in the following order of priority: first, to the prepayment of Notes in a principal amount equal to the Unamortized Debt Commitment (determined as hereinafter provided in this paragraph (a)) of the units in respect of which such payment shall be made, including accrued interest thereon to the date of such prepayment, and, second, the balance, if any, to Owner Trustee or as Owner Trustee shall direct in writing. All distributions to the Holders of the Notes shall be made ratably, without preference, priority or distinction of any Note over any other Note for any reason whatsoever, in the proportion that the unpaid principal amount of the Notes held by each Holder bears to the aggregate unpaid principal amount of all the Notes then Outstanding.

For the purpose of this paragraph (a), the "Unamortized Debt Commitment" for any unit of the Equipment shall be equal to (i) an amount equal to the debt portion of the Total Cost of such unit, as set forth in Schedule III, less (ii) an amount determined by multiplying the originally scheduled aggregate principal payments on the Notes in respect of units of the same Category through and including

the date as of which the "Unamortized Debt Commitment" is being computed by a fraction the numerator of which is such Total Cost and the denominator of which is the sum of the Total Cost for each of the units of the Equipment in such Category. Security Trustee shall be entitled to rely on a computation in form and substance satisfactory to Security Trustee, of Lessee and Owner Trustee as to the amount of the Unamortized Debt Commitment for any unit of the Equipment.

(b) Except as otherwise provided in Section 4.04, any payment received by Security Trustee directly or through Lessee from any governmental authority or other party as the result of a Casualty Occurrence, and any payment of insurance proceeds received by Security Trustee directly or through Lessee from any insurer as the result of a Casualty Occurrence, but only if such payment is not at the time required to be paid to Lessee pursuant to Section 7 of the Lease, shall, except as otherwise provided in the next sentence, be distributed by Security Trustee in the order of priority set forth in paragraph (a) of this Section 4.02 at the same time and to the same extent that a Casualty Value payment by Lessee would be so distributed. Any portion of any payment referred to in the preceding sentence which is not required to be paid to Lessee pursuant to Section 7 of the Lease solely because a Default or Event of Default under the Lease shall have occurred and be continuing shall be held by Security Trustee as security for the obligations of Lessee under the Lease, and at such time as there shall not be continuing any such Default or Event of Default, such portion shall be paid to Lessee, unless Security Trustee (as assignee from Owner Trustee of the Lease) shall have theretofore terminated the Lease or Lessee's right of possession thereunder pursuant to Section 10 thereof, in which event such portion shall be distributed forthwith upon such declaration in accordance with the provisions of Section 4.04; provided, however, that when this Agreement shall have been terminated pursuant to Section 11.01, all such amounts shall be paid over to Owner Trustee.

SECTION 4.03. Special Prepayment at Par after Event of Default. A payment received by Security Trustee pursuant to Section 5.02(b) shall be distributed by Security Trustee on the date such payment is received to the payment in full of the principal of the Notes, plus accrued interest on the Notes to the date of such payment (as well as any interest due on account of overdue principal or interest).

SECTION 4.04. Payments after Event of Default. Except as otherwise provided in Section 4.03, all payments received and amounts realized by Security Trustee after an Event of Default shall have occurred and be continuing and after Security Trustee has (as assignee from Owner Trustee

of the Lease) terminated the Lease pursuant to Section 10 thereof, any amounts realized by Security Trustee from the exercise of any remedies pursuant to such Section 10, as well as all payments or amounts then held by Security Trustee as part of the Trust Estate, shall be distributed forthwith by Security Trustee in the following order of priority:

first, to reimburse Security Trustee for any Trustee's Expenses (to the extent not previously reimbursed);

second, to pay the then existing Holders of the Notes the amounts payable to them (or their respective predecessor Holders) pursuant to the provisions of Sections 6 and 9 of the Lease and, in case the aggregate amount available for distribution to the existing Noteholders in accordance with this clause second shall be insufficient to pay all such amounts in full, then ratably, without preference, priority or distinction of any Holder over any other Holder for any reason whatsoever;

third, to pay in full the accrued and unpaid interest on the Notes to the date of distribution and then the aggregate unpaid principal amount of the Notes, and, in case the aggregate amount available for distribution shall be insufficient to pay all such amounts in full, then ratably, without preference, priority or distinction of any Note over any other Note for any reason whatsoever, in the proportion that the aggregate unpaid principal amount of and interest on all Notes held by each Holder bears to the aggregate unpaid principal amount of and interest on all the Notes then Outstanding; and

fourth, the balance, if any, to Owner Trustee or as Owner Trustee shall direct in writing.

SECTION 4.05. Other Lease, Hulk Purchase Agreement, Reconstruction Agreement and Participation Agreement Payments. Except as otherwise provided in Section 4.04, any payments received by Security Trustee for which provision as to the application thereof is made in the Lease, the Hulk Purchase Agreement, the Reconstruction Agreement or the Participation Agreement or any documents referred to therein shall be applied forthwith to the purpose for which such payment was made in accordance with the terms of the Lease, the Hulk Purchase Agreement, the Reconstruction Agreement or the Participation Agreement, as the case may be.

SECTION 4.06. Unspecified Payments. Except as otherwise provided in Sections 4.03, 4.04 and 4.05:

(a) any payments received by Security Trustee for which no provision as to the application thereof is made herein or in the Lease, the Participation Agreements, the Hulk Purchase Agreement or the Reconstruction Agreement, and

(b) all payments received and amounts realized by Security Trustee under the Lease or otherwise with respect to the Equipment, to the extent received or realized at any time after payment in full of the principal of, and interest on, all the Notes and the Trustee's Expenses, as well as any other amounts remaining as part of the Trust Estate after such payment,

shall be distributed forthwith by Security Trustee in the following order of priority: first, in the manner provided in clause second of Section 4.04 and, second, in the manner provided in clause fourth of Section 4.04.

SECTION 4.07. Withholding of Owner Trustee's Payments. Anything in this Article IV to the contrary notwithstanding, after Security Trustee shall have knowledge of a Default, all amounts which, but for the provisions of this Section 4.07, would otherwise be distributable by Security Trustee to Owner Trustee shall be held by Security Trustee as part of the Trust Estate and, if such Default shall be waived or shall cease to be continuing prior to the time such amounts may become distributable pursuant to Section 4.04, or if the Notes are not declared due and payable within 180 days of the occurrence of such Default, such amounts shall be distributable as elsewhere in this Article IV provided.

SECTION 4.08. Owner's and Owner Trustee's Indemnity Payments. Anything in this Article IV to the contrary notwithstanding, any payments received by Security Trustee in respect of indemnities payable to Owner or Owner Trustee pursuant to Sections 6, 7 (with respect to public liability insurance) or 9 of the Lease or the Tax Indemnity Agreement shall be paid directly to Owner or Owner Trustee, as the case may be, in accordance with the terms of the Lease or the Tax Indemnity Agreement, as the case may be.

ARTICLE V
PREPAYMENT OF NOTES

SECTION 5.01. Limitation on Rights of Prepayment. The Notes are subject to prepayment only as provided in this

Agreement, and every prepayment shall be made in accordance with this Article V.

SECTION 5.02. Prepayments. (a) The Notes shall be prepaid at their principal amount, plus accrued interest thereon to the date fixed for prepayment, but without premium, from payments received and distributable by Security Trustee in the manner provided by Sections 4.02 and 4.04.

(b) If an Event of Default under the Lease shall have occurred and be continuing, the Notes may be prepaid, in whole but not in part, at their principal amount, plus accrued interest thereon to the date fixed for prepayment, but without premium, from payments received by Security Trustee from Owner Trustee for such purpose within 40 days after Owner Trustee shall have received written notice from Security Trustee of Security Trustee's intention to exercise its remedies under paragraphs (b), (c) or, with respect to foreclosure, (d) of Section 8.03.

(c) The Notes shall be prepaid at their principal amount, plus all accrued interest thereon to the date fixed for prepayment, but without premium, as and to the extent provided in Section 9 of the Participation Agreement. In the event of a prepayment of the Notes pursuant to this paragraph (c), Security Trustee shall sell all Investments then held by it as promptly as possible and shall apply on the Cut-Off Date (or as promptly as possible thereafter) to such prepayment an aggregate amount equal to the difference between (i) the total Deposits and Additional Deposits theretofore made by all the Note Purchaser under the Participation Agreement and the Other Participation Agreement and (ii) the portion of such total theretofore applied toward the purchase of Equipment pursuant to Section 3.02 and Section 3.02 of the Other Security Agreement.

SECTION 5.03. Notices of Prepayment. In the case of any prepayment of the Notes (other than pursuant to Section 4.01), telegraphic notice thereof shall be sent by Security Trustee, as agent for Owner Trustee, to each Holder of Registered Notes at its address set forth in the Note register, and to each Holder of Order Notes at its last address known to Security Trustee, as promptly as possible. Any such notice shall specify (a) the prepayment date, (b) the aggregate principal amount of Notes to be prepaid, (c) the principal amount of Notes of such Holder to be prepaid, (d) the applicable provisions of this Agreement under which such prepayment is being effected, (e) that on the date fixed for prepayment the specified principal amount of Notes of such Holder will become due and after such date shall cease to bear interest and (f) the place where the Notes are to be surrendered for prepayment if other arrangements have

not been made with Security Trustee pursuant to Section 2.04. Any notice telegraphed as herein provided shall be conclusively presumed to have been given whether or not actually received.

SECTION 5.04. Partial Prepayments. Any partial prepayment of the Notes in accordance with this Article V shall be applied to prepay each remaining installment of the principal of the Notes Outstanding ratably in accordance with the unpaid balance thereof, and the remaining installments of principal payable on each subsequent principal payment date shall be recalculated consistent with Schedule II hereof and shall completely amortize the remaining balance of principal due on the Notes. Security Trustee will promptly furnish to each Noteholder a revised schedule of payments of installments of principal and interest thereafter to be made on its Note or Notes.

ARTICLE VI
COVENANTS AND REPRESENTATIONS OF OWNER TRUSTEE

SECTION 6.01. Payment of Notes. Owner Trustee will duly and punctually pay the principal of and interest on the Notes at the times and places and in the manner specified in the Notes and herein and in any notice as to prepayment provided for in the Notes or herein.

SECTION 6.02. Authority to Execute Agreement; No Conflicting Liens. Owner Trustee has the right, power and authority under the Trust Agreement to grant a first security interest in the Trust Estate to Security Trustee for the uses and purposes herein set forth. Owner Trustee will not directly or indirectly create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance, lease, exercise of rights or security interest in or with respect to any of the properties or assets of the Trust Estate resulting from the acts or negligence of Owner Trustee or Owner or resulting from the nonpayment of any taxes based on or measured by the income of Owner Trustee or Owner, except this Agreement and the Lease and any mortgage, pledge, lien, charge, encumbrance, lease, exercise of rights or security interest permitted hereby or thereby. Owner Trustee will not sign or file any financing statement under the Uniform Commercial Code of any jurisdiction which names Owner Trustee or Owner as debtor and relates to all or any part of the Trust Estate, or file or record any other similar instrument relating to all or any part of the Trust Estate, or sign any security agreement, mortgage or other agreement authorizing any secured party thereunder to file or record any such financing statement or other instrument, except any financing statement or other instrument required to be filed or recorded to perfect and protect the security interest intended to be created by this Agreement.

SECTION 6.03. Compliance with Undertakings. Owner Trustee will fully comply with and perform all of its obligations under this Agreement, the Participation Agreement, the Trust Agreement, the Hulk Purchase Agreement, the Reconstruction Agreement and the Lease, and under each and every supplement thereto or amendment thereof which may at any time or from time to time be executed and delivered by the parties thereto or their successors and assigns, to the same extent as though all such obligations were now or hereafter fully set forth herein. Owner Trustee will not, without the express written consent of the Holders of at least 66-2/3% of the aggregate principal amount of the Notes then Outstanding (unless such action will not affect in any way the rights, security or priorities of the Noteholders hereunder), enter into, consent to or acquiesce in any amendment, modification, supplement, change, termination or surrender of the Trust Agreement, the Hulk Purchase Agreement or the Reconstruction Agreement.

SECTION 6.04. Privileges Under the Lease. Owner Trustee will not (a) declare a default or exercise the remedies of the lessor under, or amend, modify, supplement, change, terminate or accept a surrender of, or offer or agree to any amendment, modification, supplement, change, termination or surrender of, the Lease (except as otherwise expressly provided herein), (b) receive or collect or permit the receipt or collection of any rental or other payment under the Lease prior to the date for the payment thereof provided by the Lease or assign, transfer or hypothecate (other than to Security Trustee) any rental or other payment assigned to Security Trustee then due or to accrue in the future under the Lease or (c) except as permitted by Section 7 of the Lease, sell, transfer or assign (other than to Security Trustee) its interest in the Equipment or any part thereof or in any amount to be received by it from the use or disposition of the Equipment.

Owner Trustee does hereby irrevocably constitute and appoint Security Trustee its true and lawful attorney, with full power of substitution, for it and in its name, place and stead, to ask, demand, collect, receive, receipt for, sue for, compound and give acquittance for any and all rentals, income and other sums which are assigned under the granting clauses hereof, with full power to settle, adjust or compromise any claim thereunder as fully as Owner Trustee could itself do, and in its discretion to file any claim or take any other action or proceeding, either in its own name or in the name of Owner Trustee or otherwise, which Security Trustee may deem necessary or appropriate to protect and preserve the right, title and interest of Security Trustee in and to such rentals, income and other sums and the security intended to be afforded hereby.

To protect the security afforded by this Agreement, Owner Trustee further agrees as follows:

(1) Owner Trustee will faithfully abide by, perform and discharge each and every obligation, covenant and agreement which the Lease provides are to be performed by Owner Trustee; and, without the express written consent of Security Trustee, Owner Trustee will not waive, excuse, condone, forgive or in any manner release or discharge Lessee thereunder of or from the obligations, covenants, conditions and agreements to be performed by Lessee, including, without limitation, the obligation to pay the rents in the manner and at the times and place specified therein;

(2) at Owner Trustee's sole cost and expense, Owner Trustee will appear in and defend every action or proceeding arising under, growing out of or in any manner connected with the obligations, duties or liabilities of Owner Trustee under the Lease if such action or proceeding shall arise out of the willful misconduct or negligence of Owner Trustee; and

(3) should Owner Trustee fail to make any payment or to do any act which this Agreement, the Lease, the Hulk Purchase Agreement or the Reconstruction Agreement require Owner Trustee to make or do, then Security Trustee may (but shall not be obligated to), after first making written demand upon Owner Trustee and affording Owner Trustee a reasonable period of time within which to make such payment or do such act, and without releasing Owner Trustee from any obligation hereunder or under the Lease, the Hulk Purchase Agreement or the Reconstruction Agreement, make such payment or do such act in such manner and to such extent as Security Trustee may deem necessary to protect the security hereof, including, without limitation, the right to appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Security Trustee and also the right to perform and discharge each and every obligation, covenant and agreement of Owner Trustee contained herein or in the Lease, the Hulk Purchase Agreement or the Reconstruction Agreement. In exercising any such powers, Security Trustee may pay necessary costs and expenses, employ counsel and incur and pay reasonable attorney's fees, and Owner Trustee will reimburse Security Trustee for such costs, expenses and fees out of

the Trust Estate. Owner Trustee agrees with Security Trustee that in any suit, proceeding or action brought by Security Trustee under the Lease for any installment of, or interest on, any rental or other sum owing thereunder, or to enforce any provisions of the Lease, Owner Trustee will indemnify, protect and hold harmless Security Trustee out of the Trust Estate from and against all reasonable expense (including without limitation counsel fees), loss or damage suffered by reason of any defense, set-off, counterclaim or recoupment whatsoever claimed by Lessee arising out of a breach by Owner Trustee of any obligation under the Lease or arising by reason of any other indebtedness or liability at any time owing to Lessee from Owner Trustee.

SECTION 6.05. Recording and Filing. Owner Trustee shall cooperate with Lessee in causing this Agreement and the Lease and all supplements hereto and thereto and all financing or continuation statements and similar notices hereof and thereof required or advisable under applicable law at all times to be kept recorded and filed, at no expense to Security Trustee or the Noteholders, in such manner and in such places as may be required or advisable under law in order fully to perfect, preserve and protect the rights of Security Trustee and the Noteholders hereunder, and will, if requested by Security Trustee, at no expense to Security Trustee or the Noteholders furnish to Security Trustee promptly after the execution and delivery of this Agreement and the Lease and each supplement hereto and thereto an opinion of counsel (who may be counsel for Lessee or Owner Trustee) stating that in the opinion of such counsel this Agreement, the Lease or such supplement (and any necessary financing or continuation statements and other notices), as the case may be, have been properly recorded or filed for record so as to make effective the perfected first security interest intended to be created in the Trust Estate.

SECTION 6.06. Further Assurances. At the request of Security Trustee, Owner Trustee will, at no expense to Security Trustee or the Noteholders, do, execute, acknowledge and deliver all and every further acts, deeds, conveyances, transfers and assurances necessary or proper for the perfection and preservation of the lien and security interest herein provided for in the Trust Estate, whether now owned or hereafter acquired. Without limiting the foregoing but in furtherance of the security interest herein granted in the rental and other payments assigned hereunder due and to become due under the Lease, Owner Trustee covenants and agrees that it will require Lessee to make all payments of such rental and other payments due and to become due under

the Lease directly to Security Trustee or as Security Trustee may direct. In the event of the occurrence of any of the events described in Section 10(D) of the Lease, Owner Trustee will take such actions as may be reasonably requested by Security Trustee to permit the realization of the remedies provided for herein and in the Lease.

SECTION 6.07. After-Acquired Property. Any and all property described or referred to in the granting clauses hereof which is hereafter acquired shall ipso facto, and without any further conveyance, assignment or act on the part of Owner Trustee or Security Trustee, become and be subject to the lien and security interest herein granted as fully and completely as though specifically described herein, but nothing in this Section 6.07 shall be deemed to modify or change the obligations of Owner Trustee under Section 6.06.

SECTION 6.08. Notices of Default. In the event Owner Trustee shall have knowledge of a Default or an Event of Default hereunder or under the Lease, Owner Trustee shall give prompt written notice thereof to Security Trustee.

ARTICLE VII
PARTIAL RELEASE OF EQUIPMENT

SECTION 7.01. Lease Permitted. It is expressly understood that the use and possession of the Equipment by Lessee under and subject to the Lease shall not constitute a violation of this Agreement.

SECTION 7.02. Casualty Occurrences. So long as no Default or Event of Default under Section 10 of the Lease shall have occurred and be continuing to the knowledge of Security Trustee, Security Trustee shall execute a release in respect of any unit or units of the Equipment having suffered a Casualty Occurrence upon receipt of (i) written notice from Lessee and Owner Trustee designating the unit or units in respect of which the Lease will terminate, (ii) cash payment by Lessee of the Casualty Value of such unit or units in compliance with Section 7 of the Lease, (iii) if requested by Security Trustee, (x) a certificate, in form and substance satisfactory to Security Trustee, of Lessee and Owner Trustee, and (y) an opinion of counsel (who may be counsel for Lessee or Owner Trustee), both to the effect that all necessary actions hereunder have been or are being concurrently taken to warrant the release of such unit or units and (iv) the computation provided for in Section 4.02.

SECTION 7.03. Good Faith Purchaser Protected. No purchaser in good faith of any unit or units of the Equipment purporting to be released hereunder shall be bound to ascertain the authority of Security Trustee to execute such

release or to inquire as to any facts required by the provisions hereof for the exercise of such authority; nor shall any such purchaser in good faith be obligated to inquire as to the application of the proceeds of its purchase.

ARTICLE VIII
EVENTS OF DEFAULT; REMEDIES

SECTION 8.01. Events of Default. "Event of Default", wherever used herein, means any of the following events, whatever the reason therefor and whether voluntary or involuntary, by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body:

(a) default in the payment of the principal of, or the interest on, any Note when and as the same shall become due and payable, whether at the due date thereof, at a date fixed for prepayment, by acceleration or otherwise, and the continuance of such default unremedied for a period of five Business Days after there has been given to Owner, Owner Trustee and Lessee by Security Trustee or any Noteholder a written notice specifying such default and requiring it to be remedied;

(b) an Event of Default specified in Section 10(A) of the Lease which is not cured by Lessee, or by Owner or Owner Trustee as permitted by the Lease, within a period of five Business Days after there has been given to Owner, Owner Trustee and Lessee by Security Trustee or any Noteholder a written notice specifying such default and requiring it to be remedied; or any other Event of Default under Section 10 of the Lease except a default by Lessee in making any payment to Owner or Owner Trustee pursuant to Section 6 or 9 of the Lease;

(c) default in the due observance or performance by Owner Trustee of any other covenant or agreement of Owner Trustee in this Agreement, and such default shall continue unremedied for 30 days after there has been given to Owner, Owner Trustee and Lessee by Security Trustee, or to Owner, Owner Trustee, Lessee and Security Trustee by Directive, a written notice specifying such default and requiring it to be remedied;

(d) default in the due observance or performance by Owner Trustee of any covenant or agreement of Owner Trustee in the Participation Agreement, the Lease, the Hulk Purchase Agreement or the Reconstruction Agreement which is material to the rights of Security Trustee or any Noteholder, and such default shall continue unremedied for 30 days after there has been given to Owner, Owner Trustee and Lessee by Security Trustee, or to

Owner, Owner Trustee, Lessee and Security Trustee by Directive, a written notice specifying such default and requiring it to be remedied;

(e) default in the due observance or performance by Owner of any covenant or agreement of Owner in the Participation Agreement or the Trust Agreement which is material to the rights of Security Trustee or any Noteholder, and such default shall continue unremedied for 30 days after there has been given to Owner, Owner Trustee and Lessee by Security Trustee, or to Owner, Owner Trustee, Lessee and Security Trustee by Directive, a written notice specifying such default and requiring it to be remedied; or

(f) any representation or warranty of Owner Trustee or Owner made herein or in the Participation Agreement, the Trust Agreement, the Hulk Purchase Agreement, the Reconstruction Agreement or the Lease which is material to the rights of Security Trustee or any Noteholder shall be false or misleading in any material respect as of the date made and shall not be remedied within 30 days after there has been given to Owner, Owner Trustee and Lessee by Security Trustee, or to Owner, Owner Trustee, Lessee and Security Trustee by Directive, a written notice specifying such false or misleading representation or warranty and requiring it to be remedied.

SECTION 8.02. Duty of Security Trustee upon Event of Default. Upon the occurrence and during the continuance of an Event of Default, Security Trustee may, and when required pursuant to the provisions of Section 9.01 shall, exercise any or all of the rights and powers and pursue any and all of the remedies provided for in this Article VIII; and, in the event such Event of Default is an Event of Default referred to in clause (b) of Section 8.01, may exercise, for the use and benefit of Security Trustee, any and all of the remedies provided for in Section 10 of the Lease.

SECTION 8.03. Remedies. Upon the occurrence and during the continuance of an Event of Default, Security Trustee shall have the rights, options, duties and remedies of a secured party, and Owner Trustee shall have the rights and duties of a debtor, under the Uniform Commercial Code of Utah (regardless of whether such Code or a law similar thereto has been enacted in any jurisdiction where the same are asserted), and without limiting the foregoing may exercise any one or more or all, and in any order, of the remedies

hereinafter set forth, it being expressly understood that no remedy herein conferred is intended to be exclusive of any other remedy or remedies; but each and every remedy shall be cumulative and shall be in addition to every other remedy given herein or now or hereafter existing at law or in equity or by statute:

(a) Security Trustee shall, if ordered by a Directive, by notice in writing to Owner and to Owner Trustee, declare the entire unpaid balance of the Notes to be immediately due and payable, and thereupon all such unpaid balance, together with all accrued interest thereon, shall be and become immediately due and payable;

(b) Subject always to the then existing rights, if any, of Lessee under the Lease, Security Trustee personally, or by agents or attorneys, shall have the right (subject to compliance with any applicable mandatory legal requirements) to take immediate possession of the Trust Estate, or any portion thereof, and for that purpose may pursue the same wherever it may be found, and may enter any of the premises of Lessee, with or without notice, demand, process of law or legal procedure, and search for, take possession of, remove, keep and store the same, or use and operate or lease the same until sold;

(c) Subject always to the then existing rights, if any, of Lessee under the Lease, Security Trustee may, if at the time such action be lawful and subject to compliance with any mandatory legal requirements, either with or without taking possession and either before or after taking possession, and without instituting any legal proceedings whatsoever, and having first given notice of such sale by registered mail to Owner and Owner Trustee once at least 10 days prior to the date of such sale, and any other notice which may be required by law, sell and dispose of the Trust Estate, or any part thereof, at public auction to the highest bidder, in one lot as an entirety or in separate lots, and either for cash or on credit and on such terms as Security Trustee may determine, and at any place (whether or not it be the location of the Trust Estate or any part thereof) designated in the notice above referred to; and any such sale or sales may be adjourned from time to time by announcement at the time and place appointed for such sale or sales, or for any such adjourned sale or sales, without further notice, and Owner, Owner

Trustee, Security Trustee or the Holder or Holders of any Notes, or of any interest therein, may bid and become the purchaser at any such sale;

(d) Subject always to the then existing rights, if any, of Lessee under the Lease, Security Trustee may proceed to protect and enforce this Agreement and the Notes by suit or suits or proceedings in equity, at law or in bankruptcy, whether for the specific performance of any covenant or agreement herein contained or in execution or aid of any power herein granted, for foreclosure hereunder, for the appointment of a receiver or receivers of the Trust Estate or any part thereof, for the recovery of judgment on the Notes or for the enforcement of any other proper legal or equitable remedy available under applicable law and may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of Security Trustee and of the Noteholders asserted or upheld in any bankruptcy, receivership or other judicial proceedings; and

(e) Subject always to the then existing rights, if any, of Lessee under the Lease, Security Trustee may proceed to exercise all rights, powers, privileges and remedies of Owner Trustee under the Lease, either in its own name or in the name of Owner Trustee.

This Section 8.03 is subject to the conditions that (i) if at any time after the principal of the Notes shall have been declared due and payable, and before any judgment or decree for the sale of the Equipment or for the payment of the money so due, or any thereof, shall be entered, all arrears of interest upon the Notes and all other sums payable upon the Notes (except the principal of the Notes which by such declaration shall have become payable) shall have been duly paid, and every other Default and Event of Default shall have been made good or cured, then and in every such case Security Trustee's declaration and its consequences may, by Directive filed with Security Trustee, be rescinded and annulled, but no such rescission or annulment shall extend to or affect any subsequent Default or Event of Default or impair any right consequent thereon; and (ii) Security Trustee will not exercise any of its remedies under paragraphs (b), (c) or, with respect to foreclosure, (d) of this Section 8.03 until 40 days after it shall have given written notice to Owner Trustee of its intention to do so.

SECTION 8.04. Acceleration; Use of Notes in Payment: In case of any sale of the Trust Estate, or of any part thereof, pursuant to any judgment or decree of any court or otherwise in connection with the enforcement of any of the terms of this Agreement, the principal of the Notes, if not previously due, and the interest accrued thereon and all other sums required to be paid by Owner Trustee pursuant to this Agreement shall become and be immediately due and payable; also, in the case of any such sale, the purchaser or purchasers, for the purpose of making settlement for or payment of the purchase price, shall be entitled to turn in and use any Note or Notes and any claims for interest matured and unpaid thereon, in order that there may be credited as paid on the purchase price the sum apportionable and applicable to such Note or Notes for principal and interest thereon out of the net proceeds of such sale.

SECTION 8.05. Waiver by Owner Trustee. Owner Trustee covenants that it will not at any time insist upon or plead, or in any manner whatsoever claim or take any benefit or advantage of, any stay or extension law now or at any time hereafter in force; nor claim, take or insist upon any benefit or advantage of or from any law now or hereafter in force providing for the valuation or appraisal of the Trust Estate, or any part thereof, prior to any sale or sales thereof to be made pursuant to any provision herein contained or to the decree, judgment or order of any court of competent jurisdiction; nor, after such sale or sales, claim or exercise any right under any statute now or hereafter made or enacted by any state or otherwise to redeem the property so sold, or any part thereof; and Owner Trustee hereby expressly waives for itself, and on behalf of each and every Person (except decree or judgment creditors of Owner Trustee) acquiring any interest in or title to the Trust Estate, or any part thereof, subsequent to the date of this Agreement, all benefit and advantage of any such law or laws, and covenants that it will not invoke or utilize any such law or laws or otherwise hinder, delay or impede the execution of any power herein granted to Security Trustee, but will suffer and permit the execution of every such power as though no such law or laws had been made or enacted.

SECTION 8.06. Effect of Sale. Any sale, whether under any power of sale hereby given or by virtue of judicial proceedings, shall operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of Owner Trustee in and to the property sold and shall be a perpetual bar, both at law and in equity, against Owner Trustee, its successors and assigns unless bought by Owner Trustee, and against any and all Persons claiming the property sold, or any part thereof, under, by or through Owner Trustee, its successors or assigns (subject, however, to the then existing rights, if any, of Lessee under the Lease).

SECTION 8.07. Application of Proceeds. The purchase money proceeds and/or avails of any sale of the Trust Estate, or any part hereof, and the proceeds and the avails of any remedy hereunder, shall be paid and applied as specified in Section 4.04.

SECTION 8.08. Security Trustee to Act for Noteholders. All rights of action and to assert claims under this Agreement, or under any of the Notes, may be enforced by Security Trustee without the possession of any of the Notes or the production thereof on any trial or other proceedings instituted by Security Trustee, and any such trial or other proceedings shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall be for the ratable benefit of the Holders of the Notes. In any proceedings brought by Security Trustee (and also in any proceedings involving the interpretation of any provision of this Agreement to which Security Trustee shall be a party), Security Trustee shall be held to represent all the Holders of the Notes, and it shall not be necessary to make any such Holders parties to such proceedings.

SECTION 8.09. Remedies Cumulative. Each and every right, power and remedy herein specifically given to Security Trustee or otherwise in this Agreement provided shall be cumulative and shall be in addition to every other right, power and remedy herein specifically given or now or hereafter existing at law, in equity or by statute, and each and every right, power and remedy whether specifically herein given or otherwise existing may be exercised from time to time and as often and in such order as may be deemed expedient by Security Trustee, and the exercise or the beginning of the exercise of any right, power or remedy shall not be construed to be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy. No delay or omission by Security Trustee in the exercise of any right, power or remedy or in the pursuit of any remedy shall impair any such right, power or remedy or be construed to be a waiver of any default on the part of Owner, Owner Trustee or Lessee or to be an acquiescence therein.

SECTION 8.10. Discontinuance of Remedies. In case Security Trustee shall have proceeded to enforce any right, power or remedy under this Agreement by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to Security Trustee, then, and in every such case, Owner, Owner Trustee, Lessee, Security Trustee and the Noteholders shall be restored to their former positions and rights hereunder with respect to the Trust Estate, and all rights, powers and remedies of Security Trustee shall continue as if no such proceedings had been taken.

SECTION 8.11. Waiver of Events of Default. (a) Any existing Default or Event of Default and its consequences may be waived by a Directive, except (i) in respect of the payment of the principal of, or interest on, any Note, subject to the provisions of Section 8.03, or (ii) in respect of a covenant or provision hereof which, under Section 10.02, cannot be modified or amended without the consent of each Noteholder affected thereby. Upon any such waiver, any such Default shall cease to exist, and any such Event of Default shall be deemed to have been cured, for every purpose of this Agreement; but no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereon.

(b) Unless there exists an Event of Default under Section 8.01(a), Security Trustee will not waive any Event of Default under Section 10 of the Lease or consent to any act under the third paragraph of Section 12 of the Lease without the prior written consent of Owner Trustee.

(c) Nothing contained in this Agreement shall be construed to limit or impair Lessor's right to receive all certificates, opinions of counsel and other documents to be delivered to it pursuant to the provisions of the Lease, or to place any insurance permitted by the last paragraph of Section 7 of the Lease, or to exercise its rights under Section 8 and the second paragraph of Section 10 of the Lease or, so long as no Default or Event of Default under the Lease shall have occurred and be continuing, to exercise its rights under Section 13 or 14 of the Lease.

SECTION 8.12. Exercise of Right to Cure. Upon the cure by Owner Trustee of any default under the Lease, Owner Trustee shall be entitled to reimbursement by Lessee through application of payments received by Security Trustee pursuant to Section 4.01, priority third. Owner Trustee shall not, by virtue of exercising its right to cure under Section 10 of the Lease, obtain any security interest, lien, charge or encumbrance of any kind upon the Trust Estate in respect of any amount paid to Security Trustee, or for or on account of any costs or expenses incurred by Owner Trustee or Owner in connection therewith, except that upon payment of the Notes in full, including all accrued interest thereon, all Trustee's Expenses and all other amounts secured hereby, Owner Trustee shall be subrogated to the rights of Security Trustee and the Noteholders to the extent of any such cure payment.

SECTION 8.13. Limitation on Remedies. The foregoing provisions of this Article VIII are subject in all respects to all mandatory legal requirements at the time in force and applicable thereto.

ARTICLE IX
SECURITY TRUSTEE

SECTION 9.01. Certain Duties and Responsibilities. (a) Except during the continuance of an Event of Default of which Security Trustee has knowledge:

(1) Security Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Agreement, and no implied covenants or obligations shall be read into this Agreement against Security Trustee; and

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

(b) In case an Event of Default shall have occurred and be continuing of which Security Trustee has knowledge, Security Trustee shall exercise such of the rights and powers vested in it by this Agreement, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(c) No provision of this Agreement shall be construed to relieve Security Trustee from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that

(1) this paragraph (c) shall not be construed to limit the effect of paragraph (a) of this Section 9.01;

(2) Security Trustee shall not be liable for any error of judgment made in good faith by an officer of Security Trustee unless it shall be proved that Security Trustee was negligent in ascertaining the pertinent facts;

(3) Security Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with a Directive; and

(4) no provision of this Agreement shall require Security Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds to believe that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(d) Whether or not therein expressly so provided, every provision of this Agreement relating to the conduct or affecting the liability of or affording protection to Security Trustee shall be subject to the provisions of this Section 9.01.

(e) Security Trustee shall not be required to take any action under Articles VIII or IX, nor shall any other provision of this Agreement be deemed to impose a duty on Security Trustee to take any action, if Security Trustee shall have been advised by counsel that such action is contrary to the terms hereof, of the Lease, the Participation Agreement, the Hulk Purchase Agreement or the Reconstruction Agreement or is contrary to law.

(f) Subject to the terms of this Section 9.01, the Noteholders, by Directive, shall have the right to direct the time, method and place of conducting any proceeding or any remedy available to Security Trustee, or exercising any trust or power conferred upon Security Trustee, including the right to direct Security Trustee to request the termination of the Lease pursuant to Section 10 thereof; provided, however, that such Directive shall not be otherwise than in accordance with law and the provisions of this Agreement, the Participation Agreement, the Hulk Purchase Agreement, the Reconstruction Agreement and the Lease, and Security Trustee shall have the right to decline to follow any such Directive if Security Trustee, being advised by counsel, shall determine that the proceedings so directed may not be lawfully taken, or if Security Trustee in good faith shall determine that the proceedings so directed would involve it in personal liability, or if Security Trustee in good faith shall determine that the action so directed would be unjustly prejudicial to the Holders of the Notes not executing such Directive; and provided further, that nothing in this Agreement shall impair the right of Security Trustee to take any action deemed proper by Security Trustee and which is not inconsistent with such Directive.

SECTION 9.02. Compensation of Security Trustee. Security Trustee shall be entitled to reasonable compensation (which shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) for all services rendered, and to reimbursement for all other Trustee's Expenses. Owner Trustee agrees to pay or cause to be paid such compensation for services of Security Trustee and to reimburse it for all other Trustee's Expenses out of the Trust Estate if payment thereof is not made pursuant to the Participation Agreement or the Lease. Without limiting the foregoing and any provision of Article IV to the contrary notwithstanding, Security Trustee shall have a lien for Trustee's Expenses and indemnity on the Trust Estate prior to the lien and security interest for the benefit of the Notes.

SECTION 9.03. Certain Rights of Security Trustee. (a) Except as set forth in Section 7 of the Participation Agreement, Security Trustee shall not be responsible for any recitals herein or in the Participation Agreement, the Hulk Purchase Agreement, the Reconstruction Agreement, the Lease or the Notes or for insuring, inspecting or otherwise dealing with the Trust Estate or for paying or discharging any tax, assessment, governmental charge or lien affecting the Trust Estate or for the recording, filing or re-recording or re-filing of this Agreement or the Lease, or of any supplement hereto or thereto, or of any financing statement or continuation statement in respect hereof or thereof, nor shall Security Trustee be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements contained herein or in the Participation Agreement, the Hulk Purchase Agreement, the Reconstruction Agreement or the Lease, and, except in the case of a default in the payment of the principal of, or interest on, any Note or a Default of which Security Trustee has actual knowledge, Security Trustee shall be deemed to have knowledge of any Default in the performance or observance of any such covenants, conditions or agreements only upon receipt of written notice thereof from Owner, Owner Trustee, Lessee or one of the Holders of the Notes; provided, however, that upon receipt by Security Trustee of such written notice from Owner, Owner Trustee, Lessee or a Holder of a Note, Security Trustee shall promptly notify all Holders of such notice and the Default referred to therein by prepaid registered or certified mail addressed to them at their respective addresses set forth in the Note register or at their last address known to Security Trustee, as the case may be.

(b) Except as set forth in Section 7 of the Participation Agreement, Security Trustee makes no representation or warranty as to and is not responsible for the validity, sufficiency or enforceability of this Agreement,

the Notes, the Participation Agreement, the Hulk Purchase Agreement, the Reconstruction Agreement, the Lease or any instrument included in the Trust Estate, or as to or for the value, title, condition, maintenance or fitness for use of, or otherwise with respect to, any unit of the Equipment, or whether the same constitutes sufficient security for the Notes. Security Trustee shall not be accountable to anyone for the use or application of any of the Notes or for the use or application of any property or the proceeds thereof which shall be released from the lien and security interest hereof in accordance with the provisions of this Agreement.

(c) Security Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note or other paper or document conforming to any applicable provision hereof or of the Lease and believed by it to be genuine and to have been signed or presented by the proper party or parties.

(d) Any request, direction or authorization by Owner, Owner Trustee or Lessee shall be sufficiently evidenced by a request, direction or authorization in writing, delivered to Security Trustee, and signed in the name of Owner, Owner Trustee or Lessee, as the case may be, by its Chairman of the Board, its President, any Assistant Vice President or Vice President, its Treasurer, its Comptroller, any Assistant Comptroller or Treasurer, its Secretary, any Assistant Secretary or any Trust Officer; and any resolution of the Board of Directors of Owner, Owner Trustee or Lessee shall be sufficiently evidenced by a copy of such resolution, certified by its Secretary, an Assistant Secretary or a Trust Officer to have been duly adopted and to be in full force and effect on the date of such certification, delivered to Security Trustee.

(e) Whenever in the administration of the trusts herein provided for Security Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate purporting to be signed by the Chairman of the Board, the President, any Assistant Vice President or Vice President, the Treasurer, the Comptroller, any Assistant Comptroller or Treasurer, the Secretary, any Assistant Secretary or any Trust Officer of Owner, Owner Trustee or Lessee and delivered to Security Trustee, and such certificate shall be full warrant to Security Trustee or any other person for any action taken, suffered or omitted on the faith thereof, but in its discre-

tion Security Trustee may accept, in lieu thereof, other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable.

(f) Security Trustee may consult with, and in all cases pay reasonable compensation to, counsel, appraisers, engineers, accountants and other skilled persons to be selected by Security Trustee, and the written advice of any thereof shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by Security Trustee in good faith and in reliance thereon.

(g) Security Trustee shall be under no obligation to take any action to protect, preserve or enforce any rights or interests in the Trust Estate or to take any action towards the execution or enforcement of the trusts hereunder or otherwise hereunder, whether on its own motion or on the request of any other Person, which in the opinion of Security Trustee may involve loss, liability or expense to Security Trustee, unless Owner, Owner Trustee or one or more Holders of the Notes shall offer and furnish reasonable security or indemnity against loss, liability and expense reasonably satisfactory to Security Trustee.

(h) Subject to Section 9.01(b), Security Trustee shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Agreement; and the possession by Security Trustee of the right to do any act enumerated in this Agreement shall not be construed as creating a duty to exercise any such right.

(i) Security Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note or other paper or document, or as to whether any act therein referred to has been performed, unless requested to do so by a Directive

(j) Security Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through, and pay reasonable compensation to, agents or attorneys, and Security Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed by it with due care.

SECTION 9.04. Other Evidence. Security Trustee shall have the right, but shall not be required, to demand in respect of the withdrawal of any cash, the release of any property, the subjection of any after acquired property to the lien of this Agreement or any other action whatsoever within the purview hereof any showings, certificates, opin-

ions, appraisals, corporate action or other information by Security Trustee deemed necessary or appropriate in addition to the matters by the terms hereof required as a condition precedent to such action.

SECTION 9.05. Status of Money Received. All moneys received by Security Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated in any manner from any other moneys, except to the extent required by law, and may be deposited by Security Trustee under such general conditions as may be prescribed by law in Security Trustee's general banking department, and Security Trustee shall be under no liability for interest on any moneys received by it hereunder; provided, however, that if Security Trustee reasonably anticipates that it will hold any such moneys for 30 days or longer, it shall, at the request of the Person for which it is holding such moneys and upon the furnishing to it of indemnity reasonably satisfactory to it with respect thereto, invest such moneys in Investments. Security Trustee and any affiliated corporation may become the Holder of any Note and be interested in any financial transaction with Owner or any affiliated corporation, and Security Trustee may act as depositary or otherwise in respect to other securities of Owner or any affiliated corporation, all with the same rights which it would have if not Security Trustee.

SECTION 9.06. Appointment of Additional Trustee. (a) At any time or times, for the purpose of meeting the legal requirements of any jurisdiction in which any part of the Trust Estate may at the time be located, Security Trustee shall have power to appoint one or more Persons to act as co-trustee of all or any part of the Trust Estate or to act as separate trustee of any property constituting a part thereof, in either case with such powers as may be provided in the instrument of appointment, and to vest in such Person or Persons any property, title, right or power deemed necessary or desirable, subject to the remaining provisions of this Section 9.06.

(b) Every separate trustee or co-trustee shall, to the extent permitted by law, be appointed subject to the following terms:

(1) The rights, powers, duties and obligations conferred or imposed upon any such separate trustee or co-trustee shall not be greater than those conferred or imposed upon Security Trustee, and such rights and powers shall be exercisable only jointly with Security Trustee, except to the extent that, under any law of any jurisdiction in

which any particular act or acts are to be performed, Security Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights and powers shall be exercised by such separate trustee or co-trustee subject to the provisions of subparagraph (4) of this paragraph (b);

(2) Security Trustee may at any time, by an instrument in writing executed by it, accept the resignation of or remove any separate trustee or co-trustee appointed hereunder;

(3) No trustee hereunder shall be liable by reason of any act or omission of any other trustee hereunder; and

(4) No power given to such separate trustee or co-trustee shall be separately exercised hereunder by such separate trustee or co-trustee except with the consent in writing of Security Trustee.

(c) Upon the acceptance in writing of such appointment by any such separate trustee or co-trustee, he or it shall be vested with the estates or property specified in the instrument of appointment subject to all the terms of this Agreement.

SECTION 9.07. Resignation or Removal. (a) Security Trustee or any successor thereto may resign at any time without cause by giving at least 30 days' prior written notice to Owner, Owner Trustee and each Noteholder, such resignation to be effective upon the payment of all sums payable to Security Trustee under Section 9.02 and acceptance of the trusteeship by a successor trustee. In addition, Security Trustee may be removed without cause by a Directive delivered to Owner, Owner Trustee and Security Trustee, such removal to be effective upon payment of all sums payable to Security Trustee under Section 9.02, and Security Trustee shall promptly notify each Noteholder thereof in writing. In the case of the resignation or removal of Security Trustee, a successor trustee may be appointed by a Directive. If a successor trustee shall not have been appointed within 30 days after such notice of resignation or removal, Owner, Owner Trustee, any Noteholder or Security Trustee may apply to any court of competent jurisdiction to appoint a successor trustee to act until such time, if any, as a successor shall have been appointed by Directive. The successor trustee appointed by such court shall immediately and without further act be superseded by any successor trustee appointed by Directive within one year from the date of appointment by such court.

(b) Any successor trustee, however appointed, shall execute and deliver to Owner Trustee and to the predecessor trustee an instrument accepting such appointment, and thereupon such successor trustee, without further act, shall become vested with all the estates, properties, rights, powers and duties of the predecessor trustee hereunder with like effect as if originally named the trustee herein; but nevertheless, upon the written request of such successor trustee, such predecessor trustee shall execute and deliver an instrument transferring to such successor trustee, upon the trusts herein expressed, all the estates, properties, rights and powers of such predecessor trustee, and such predecessor trustee shall duly assign, transfer, deliver and pay over to such successor trustee all moneys or other property then held by such predecessor trustee hereunder.

(c) Any successor trustee, however appointed, shall be a bank or trust company having a combined capital, surplus and undivided profits of at least $100,000,000, if there be such an institution willing, able and legally qualified to perform the duties of the trustee hereunder upon reasonable or customary terms.

(d) Any corporation into which Security Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which Security Trustee shall be a party, or any corporation to which substantially all the business of Security Trustee may be transferred, shall, subject to the terms of paragraph (c) of this Section 9.07, be the trustee under this Agreement without further act.

SECTION 9.08. Notices Upon Certain Lease Defaults. Security Trustee shall, immediately upon the occurrence of an Event of Default under Section 10(A) of the Lease, notify Owner by telephone (confirmed on the same day in writing, with copies to the Holders of the Notes) and stating the date by which such Event will become an Event of Default under Section 8.01(a) hereunder if not cured. Failure to give such notice or any defect therein shall not affect the rights and remedies of Security Trustee or the Holders of the Notes.

ARTICLE X
SUPPLEMENTAL AGREEMENTS

SECTION 10.01. Supplements without Consent of Noteholders. Owner Trustee and Security Trustee from time to time and at any time, subject to the restrictions contained in this Agreement, may enter into an agreement or agreements supplemental hereto, without the consent of the Noteholders, to subject to the lien of this Agreement addi-

tional property hereafter acquired by Owner Trustee and intended to be subject to the lien of this Agreement, or to correct and amplify the description of any property subject to the lien of this Agreement.

No restriction or obligation imposed upon Owner Trustee may, except as otherwise provided in this Agreement, be waived or modified by such supplemental agreement or otherwise.

SECTION 10.02. Supplements with Consent of Noteholders. Upon receipt of a Directive, Owner Trustee and Security Trustee may enter into an agreement or agreements supplemental hereto for the purpose of adding, changing or eliminating any provisions of this Agreement or of any agreement supplemental hereto or modifying in any manner the rights and obligations of the Holders of the Notes and Owner Trustee; provided that no such supplemental agreement shall (i) impair or affect the right of any Holder to receive payments or prepayments of the principal of and payments of the interest on its Note as therein and herein provided without the consent of such Holder, (ii) permit the creation of any lien with respect to any of the Trust Estate without the consent of the Holders of all the Notes then Outstanding, (iii) deprive the Holder of any Note of the benefit of the lien of this Agreement upon all or any part of the Trust Estate without the consent of such Holder, (iv) reduce the percentage of the aggregate principal amount of Notes the Holders of which are required to consent to any action hereunder, or change the definition of "Directive", without the consent of the Holders of all of the Notes then Outstanding or (v) modify the rights, duties or immunities of Security Trustee without the consent of the Holders of all of the Notes then Outstanding.

SECTION 10.03. Notice of Supplements. Promptly after the execution by Owner Trustee and Security Trustee of any supplemental agreement pursuant to the provisions of Section 10.01 or 10.02, Security Trustee shall mail a written notice setting forth in general terms the substance of such supplemental agreement, together with a conformed copy thereof, first class postage prepaid, to each Holder of Registered Notes at its address set forth in the Note register and to each Holder of Order Notes at its last address known to Security Trustee. Any failure of Security Trustee to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental agreement.

SECTION 10.04. Execution by Security Trustee. Security Trustee is hereby authorized to join with Owner Trustee in the execution of any supplemental agreement

authorized or permitted by the terms of this Agreement and to make the further agreements and stipulations which may be therein contained, and Security Trustee may receive an opinion of counsel selected by Security Trustee (who may be counsel for Lessee or Owner Trustee) as conclusive evidence that any supplemental agreement executed pursuant to the provisions of this Article X complies with the requirements hereof.

SECTION 10.05. Supplements Adversely Affecting Security Trustee or Owner Trustee. If in the opinion of Security Trustee or Owner Trustee any document required to be executed pursuant to the terms of Section 10.01 or 10.02 affects any right, duty, immunity or indemnity in its favor under this Agreement, the Participation Agreement, the Hulk Purchase Agreement, the Reconstruction Agreement or the Lease, Security Trustee or Owner Trustee, as the case may be, may in its discretion decline to execute such document.

SECTION 10.06. Form of Supplements. It shall not be necessary for any Directive furnished pursuant to Section 10.02 to specify the particular form of the proposed document to be executed pursuant to Section 10.02, but it shall be sufficient if such request shall indicate the substance thereof.

ARTICLE XI
RELEASE OF AGREEMENT

SECTION 11.01. Release by Security Trustee. Upon receiving evidence satisfactory to it that (i) Owner Trustee has fully performed and observed its covenants and obligations contained in this Agreement, (ii) Owner and Owner Trustee have fully performed and observed their respective covenants and obligations contained in the Participation Agreement, (iii) all Holders have received full payment of all principal and interest and other sums payable to them hereunder and under the Notes or Security Trustee holds (and shall have notified the Holders that it holds) in trust for that purpose an amount sufficient to make full payment thereof when due and (iv) all Trustee's Expenses shall have been paid in full, Security Trustee shall, at the request and at the expense of Owner Trustee, execute and deliver to Owner Trustee such deeds or other instruments as shall be requisite to evidence the satisfaction and discharge of this Agreement and the security hereby created, to release or reconvey all the Trust Estate to Owner Trustee freed and discharged from the trusts and provisions herein contained and to release Owner Trustee from its covenants herein contained.

ARTICLE XII
LIMITATION OF OWNER TRUSTEE'S AND OWNER'S LIABILITY

SECTION 12.01. Limitation of Liability. (a) It is expressly understood and agreed by and between Owner Trustee, Security Trustee and the Holders of the Notes from time to time Outstanding that this Agreement is executed by First Security State Bank, not in its individual capacity but solely as Trustee under the Trust Agreement in the exercise of the power and authority conferred and vested in it as such Trustee (and First Security State Bank hereby warrants that it possesses full power and authority to enter into and perform this Agreement); it is further understood and agreed that, except as otherwise expressly provided herein or in the Participation Agreement and except in the case of negligence or willful misconduct of Owner Trustee for which Owner Trustee alone shall be liable, nothing herein contained shall be construed as creating any liability on First Security State Bank in its individual capacity or on Owner to perform any covenant contained herein, all such liability being expressly waived by Security Trustee and the Holders of the Notes; and so far as First Security State Bank or Owner is concerned, Security Trustee and the Holders of the Notes shall look solely to the Trust Estate for payment of the indebtedness evidenced by the Notes and the performance of the other obligations herein. First Security State Bank agrees that it will discharge, in its individual capacity and at its own expense, any liens or encumbrances on the Trust Estate arising by, through or under Owner Trustee other than this Agreement or any lien specifically permitted by the terms hereof.

(b) Any obligations of Owner Trustee hereunder which are required to be performed by Lessee under the Lease or the Participation Agreement or by Comdisco Financial Services, Inc. as contemplated in the Participation Agreement shall be satisfied upon performance by Lessee thereunder or Comdisco Financial Services, Inc., as the case may be.

ARTICLE XIII
MISCELLANEOUS

SECTION 13.01. Interest of Noteholders in Trust Estate. No Holder of any Note shall have legal title to any part of the Trust Estate. No transfer, by operation of law or otherwise, of any Note or other right, title and interest of any Holder of a Note in and to the Trust Estate or hereunder shall operate to terminate this Agreement or the trusts hereunder or entitle any successor or transferee of such Holder to an accounting or to the transfer to it of legal title to any part of the Trust Estate.

SECTION 13.02. Sale of Equipment Divests All Prior Interests. Any sale or other conveyance of the Equipment by Security Trustee made pursuant to the terms of this Agreement or of the Lease shall bind the Holders of the Notes and shall be effective to transfer or convey all right, title and interest of Security Trustee, Owner, Owner Trustee and such Holders in and to the Equipment (subject, however, to the then existing rights, if any, of Lessee under the Lease).

SECTION 13.03. No Interest of Third Persons. Nothing in this Agreement, whether express or implied, shall be construed to give to any Person other than Owner, Owner Trustee, Security Trustee and the Holders of the Notes any legal or equitable right, remedy or claim under or in respect of this Agreement or any Note.

SECTION 13.04 Notices. Any notice hereunder to any of the persons designated below shall be deemed to have been properly served if delivered personally or if mailed, certified mail postage prepaid, at the following specified addresses:

(a) To Security Trustee at 79 South Main Street, Salt Lake City, Utah 84111, Attention: Corporate Trust Department;

(b) To Owner Trustee at 79 South Main Street, Salt Lake City, Utah 84111, Attention: Corporate Trust Department;

(c) To each Note Purchaser at its address set forth in the Note register or last known to Security Trustee; and

(d) To Owner at Three Gateway Center, Pittsburgh, Pennsylvania 15222, attention: Manager of Lease Operations;

or to such other address as may have been furnished in writing by any of the foregoing to the other persons named above.

SECTION 13.05. Partial Invalidity. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 13.06. Successors and Assigns. All covenants and agreements contained herein shall be binding upon, and inure to the benefit of, Owner Trustee, Security

Trustee and their respective successors and permitted assigns and each Holder of any Note. Any request, notice, direction, consent, waiver or other instrument or action by any Holder of any Note shall bind the successors and assigns of such Holder.

SECTION 13.07. Counterparts. This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same instrument, which shall be sufficiently evidenced by any such original counterpart.

IN WITNESS WHEREOF, the parties hereto, each pursuant to due corporate authority, have caused this Agreement to be signed in their respective corporate names by duly authorized officers and their respective corporate seals to be hereunto affixed and duly attested, all as of the date first above written.

FIRST SECURITY STATE BANK,
not in its individual capacity
but solely as Owner Trustee

(Corporate Seal)

By _____
Authorized Officer

ATTEST:

Randy R. Marchant
Authorized Officer

FIRST SECURITY BANK OF UTAH, N.A.,
as Security Trustee

(Corporate Seal)

By _____
Authorized Officer

ATTEST:

_____
Authorized Officer

STATE OF UTAH)
) SS
COUNTY OF SALT LAKE)

On this 30th day of June, 1980, before me personally appeared Fuchia B. Eichers, to me personally known, who, being by me duly sworn, says that he is an authorized officer of First Security State Bank, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed on behalf of said corporation by authority of its By-laws, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Casey H. Knobel
Notary Public

(Notarial Seal)

My Commission Expires 7/17/82

STATE OF UTAH)
) SS
COUNTY OF SALT LAKE)

On this 30th day of June, 1980, before me personally appeared John R. Sager, to me personally known, who, being by me duly sworn, says that he is an authorized officer of First Security Bank of Utah, N.A., that one of the seals affixed to the foregoing instrument is the corporate seal of said association and that said instrument was signed and sealed on behalf of said association by authority of its By-laws, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said association.

Casey H. Knobel
Notary Public

(Notarial Seal)

My Commission Expires 7/17/82

SCHEDULE I to
Security Agreement

DESCRIPTION OF THE EQUIPMENT

Quantity	AAR Mechanical Designation	Description	Lessee's Road Numbers (both incl.)	Category
65	XL	50-Ton Box Car	96335-96387 110288-110290 111887-111895	10
50	XM	50-Ton Box Car	96388-96395 110291-110332	10
14	LC	70-Ton Box Car	94000-94013	13
23	XF	70-Ton Box Car	112768-112787 113889-113891	13
59	XL	70-Ton Box Car	111987-111989 112253-112257 112522 112528-112537 112543-112573 112759-112767	13
51	XM	70-Ton Box Car	112538-112542 112746-112758 112788-112820	13
3	XL	100-Ton Box Car	113955 113961 114080	14
20	XP	100-Ton Box Car	113956-113960 114069-114079 114302-114305	14
92	HT	70-Ton Open Top Hopper	76525-76554 76556-76617	12
46	HT	80-Ton Open Top Hopper	189448-189493	12

DESCRIPTION OF THE EQUIPMENT

Quantity	AAR Mechanical Designation	Description	Lessee's Road Numbers (both incl.)	Category
12	HT	100-Ton Open Top Hopper	192111-192122	14
82	GB	70-Ton Gondola Car	27449-27452 28601-28620 29052-29054 29202-29205 29566-29615 29621	12
2	GBS	70-Ton Gondola Car	27453-27454	12
17	LG	70-Ton Gondola Car	27777-27789 29616-29618 29620	12
1	GBS	100-Ton Gondola Car	27979	12
1	GBSR	100-Ton Gondola Car	29619	12
50	LO	70-Ton Ballast	45201-45250	10
10	LO	70-Ton Covered Hopper	37173-37176 201888-201893	10
86	LO	100-Ton Covered Hopper	201656-201681 201894-201899 201983-201984 204300-204313 205216-205249 250520-250523	14

DESCRIPTION OF THE EQUIPMENT

Quantity	AAR Mechanical Designation	Description	Lessee's Road Numbers (both incl.)	Category
33	LP	50-Ton Ribbon Rail	42867-42873 42875-42900	10
11	FMS	70-Ton Bulkhead Flat Car	990610-990611 990835-990836 990911-990914 991009-991010 991200	12
3	FB	100-Ton Bulkhead Flat Car	990317-990319	12
1	FMS	100-Ton Bulkhead Flat Car	990404	12
12	GBSR	100-Ton Covered Gondola	26375-26386	13
25	LP	70-Ton Pulpwood Car	20013-20021 20100-20101 20194-20197 20286-20295	11
769				

SCHEDULE II to
Security Agreement

COMPUTATION OF NOTE PAYMENTS

Principal and interest payments on the Notes due on each payment date from August 1, 1981 through August 1, 1994 shall be equal to the sum of the principal and interest payment components of the debt service due on such date in respect of the debt portion of the Total Cost of each unit of Equipment, as set forth in Schedule III. The payment schedule by Category of Equipment for each $1,000,000 of debt portion of Total Cost is set forth below:

Category 10 Equipment

Payment Date	Debt Service	Debt Service Components Interest	Debt Service Components Principal	Remaining Principal Balance
8/1/81	$ 89,925.11	$61,250.00	$28,675.11	$971,324.89
2/1/82	89,925.11	59,493.65	30,431.46	940,893.43
8/1/82	89,925.11	57,629.72	32,295.39	908,598.04
2/1/83	89,925.11	55,651.63	34,273.48	874,324.56
8/1/83	89,925.11	53,552.38	36,372.73	837,951.83
2/1/84	89,925.11	51,324.55	38,600.56	799,351.27
8/1/84	89,925.11	48,960.27	40,964.84	758,386.43
2/1/85	89,925.11	46,451.17	43,473.94	714,912.49
8/1/85	89,925.11	43,788.39	46,136.72	668,775.77
2/1/86	89,925.11	40,962.52	48,962.59	619,813.18
8/1/86	89,925.11	37,963.56	51,961.55	567,851.68
2/1/87	89,925.11	34,780.91	55,144.20	512,707.43
8/1/87	89,925.11	31,403.33	58,521.78	454,185.65
2/1/88	89,925.11	27,818.87	62,106.24	392,079.41
8/1/88	89,925.11	24,014.86	65,910.25	326,169.16
2/1/89	89,925.11	19,977.86	69,947.25	256,221.91
8/1/89	89,925.11	15,693.59	74,231.52	181,990.39
2/1/90	89,925.11	11,146.91	78,778.20	103,212.19
8/1/90	89,925.11	6,321.75	83,603.36	19,608.83
2/1/91	20,809.87	1,201.04	19,608.83	-0-
8/1/91	-0-	-0-	-0-	-0-
2/1/92	-0-	-0-	-0-	-0-
8/1/92	-0-	-0-	-0-	-0-
2/1/93	-0-	-0-	-0-	-0-
8/1/93	-0-	-0-	-0-	-0-
2/1/94	-0-	-0-	-0-	-0-
8/1/94	-0-	-0-	-0-	-0-

Category 11 Equipment

Payment Date	Debt Service	Debt Service Components Interest	Debt Service Components Principal	Remaining Principal Balance
8/1/81	$ 85,625.58	$61,250.00	$24,375.58	$975,624.42
2/1/82	85,625.58	59,757.00	25,868.58	949,755.84
8/1/82	85,625.58	58,172.55	27,453.03	922,302.81
2/1/83	85,625.58	56,491.05	29,134.53	893,168.28
8/1/83	85,625.58	54,706.56	30,919.02	862,249.26
2/1/84	85,625.58	52,812.77	32,812.81	829,436.45
8/1/84	85,625.58	50,802.98	34,822.60	794,613.85
2/1/85	85,625.58	48,670.10	36,955.48	757,658.37
8/1/85	85,625.58	46,406.58	39,219.00	718,439.37
2/1/86	85,625.58	44,004.41	41,621.17	676,818.20
8/1/86	85,625.58	41,455.11	44,170.47	632,647.73
2/1/87	85,625.58	38,749.67	46,875.91	585,771.82
8/1/87	85,625.58	35,878.52	49,747.06	536,024.76
2/1/88	85,625.58	32,831.52	52,794.06	483,230.70
8/1/88	85,625.58	29,597.88	56,027.70	427,203.00
2/1/89	85,625.58	26,166.18	59,459.40	367,743.60
8/1/89	85,625.58	22,524.30	63,101.28	304,642.32
2/1/90	85,625.58	18,659.34	66,966.24	237,676.08
8/1/90	85,625.58	14,557.66	71,067.92	166,608.16
2/1/91	85,625.58	10,204.75	75,420.83	91,187.33
8/1/91	85,625.58	5,585.22	80,040.36	11,146.97
2/1/92	11,829.72	682.75	11,146.97	-0-
8/1/92	-0-	-0-	-0-	-0-
2/1/93	-0-	-0-	-0-	-0-
8/1/93	-0-	-0-	-0-	-0-
2/1/94	-0-	-0-	-0-	-0-
8/1/94	-0-	-0-	-0-	-0-

Category 12 Equipment

Payment Date	Debt Service	Debt Service Components Interest	Debt Service Components Principal	Remaining Principal Balance
8/1/81	$ 82,325.29	$61,250.00	$21,075.29	$978,924.71
2/1/82	82,325.29	59,959.14	22,366.15	956,558.56
8/1/82	82,325.29	58,589.21	23,736.08	932,822.48
2/1/83	82,325.29	57,135.38	25,189.91	907,632.57
8/1/83	82,325.29	55,592.49	26,732.80	880,899.77
2/1/84	82,325.29	53,955.11	28,370.18	852,529.59
8/1/84	82,325.29	52,217.44	30,107.85	822,421.74
2/1/85	82,325.29	50,373.33	31,951.96	790,469.78
8/1/85	82,325.29	48,416.27	33,909.02	756,560.76
2/1/86	82,325.29	46,339.35	35,985.94	720,574.82
8/1/86	82,325.29	44,135.21	38,190.08	682,384.74
2/1/87	82,325.29	41,796.07	40,529.22	641,855.52
8/1/87	82,325.29	39,313.65	43,011.64	598,843.88
2/1/88	82,325.29	36,679.19	45,646.10	553,197.78
8/1/88	82,325.29	33,883.36	48,441.93	504,755.85
2/1/89	82,325.29	30,916.30	51,408.99	453,346.86
8/1/89	82,325.29	27,767.50	54,557.79	398,789.07
2/1/90	82,325.29	24,425.83	57,899.46	340,889.61
8/1/90	82,325.29	20,879.49	61,445.80	279,443.81
2/1/91	82,325.29	17,115.93	65,209.36	214,234.45
8/1/91	82,325.29	13,121.86	69,203.43	145,031.02
2/1/92	82,325.29	8,883.15	73,442.14	71,588.88
8/1/92	75,973.70	4,384.82	71,588.88	-0-
2/1/93	-0-	-0-	-0-	-0-
8/1/93	-0-	-0-	-0-	-0-
2/1/94	-0-	-0-	-0-	-0-
8/1/94	-0-	-0-	-0-	-0-

Category 13 Equipment

Payment Date	Debt Service	Debt Service Components Interest	Debt Service Components Principal	Remaining Principal Balance
8/1/81	$ 79,550.83	$61,250.00	$18,300.83	$981,699.17
2/1/82	79,550.83	60,129.07	19,421.76	962,277.41
8/1/82	79,550.83	58,939.49	20,611.34	941,666.07
2/1/83	79,550.83	57,677.05	21,873.78	919,792.29
8/1/83	79,550.83	56,337.28	23,213.55	896,578.74
2/1/84	79,550.83	54,915.45	24,635.38	871,943.36
8/1/84	79,550.83	53,406.53	26,144.30	845,799.06
2/1/85	79,550.83	51,805.19	27,745.64	818,053.42
8/1/85	79,550.83	50,105.77	29,445.06	788,608.36
2/1/86	79,550.83	48,302.26	31,248.57	757,359.79
8/1/86	79,550.83	46,388.29	33,162.54	724,197.25
2/1/87	79,550.83	44,357.08	35,193.75	689,003.50
8/1/87	79,550.83	42,201.46	37,349.37	651,654.13
2/1/88	79,550.83	39,913.82	39,637.01	612,017.12
8/1/88	79,550.83	37,486.05	42,064.78	569,952.34
2/1/89	79,550.83	34,909.58	44,641.25	525,311.09
8/1/89	79,550.83	32,175.30	47,375.53	477,935.56
2/1/90	79,550.83	29,273.55	50,277.28	427,658.28
8/1/90	79,550.83	26,194.07	53,356.76	374,301.52
2/1/91	79,550.83	22,925.97	56,624.86	317,676.66
8/1/91	79,550.83	19,457.70	60,093.13	257,583.53
2/1/92	79,550.83	15,776.99	63,773.84	193,809.69
8/1/92	79,550.83	11,870.84	67,679.99	126,129.70
2/1/93	79,550.83	7,725.44	71,825.39	54,304.31
8/1/93	57,630.45	3,326.14	54,304.31	-0-
2/1/94	-0-	-0-	-0-	-0-
8/1/94	-0-	-0-	-0-	-0-

Category 14 Equipment

Payment Date	Debt Service	Debt Service Components Interest	Debt Service Components Principal	Remaining Principal Balance
8/1/81	$ 77,463.43	$61,250.00	$16,213.43	$983,786.57
2/1/82	77,463.43	60,256.93	17,206.50	966,580.07
8/1/82	77,463.43	59,203.03	18,260.40	948,319.67
2/1/83	77,463.43	58,084.58	19,378.85	928,940.82
8/1/83	77,463.43	56,897.63	20,565.80	908,375.02
2/1/84	77,463.43	55,637.97	21,825.46	886,549.56
8/1/84	77,463.43	54,301.16	23,162.27	863,387.29
2/1/85	77,463.43	52,882.47	24,580.96	838,806.33
8/1/85	77,463.43	51,376.89	26,086.54	812,719.79
2/1/86	77,463.43	49,779.09	27,684.34	785,035.45
8/1/86	77,463.43	48,083.42	29,380.01	755,655.44
2/1/87	77,463.43	46,283.90	31,179.53	724,475.91
8/1/87	77,463.43	44,374.15	33,089.28	691,386.63
2/1/88	77,463.43	42,347.43	35,116.00	656,270.63
8/1/88	77,463.43	40,196.58	37,266.85	619,003.78
2/1/89	77,463.43	37,913.98	39,549.45	579,454.33
8/1/89	77,463.43	35,491.58	41,971.85	537,482.48
2/1/90	77,463.43	32,920.80	44,542.63	492,939.85
8/1/90	77,463.43	30,192.57	47,270.86	445,668.99
2/1/91	77,463.43	27,297.23	50,166.20	395,502.79
8/1/91	77,463.43	24,224.55	53,238.88	342,263.91
2/1/92	77,463.43	20,963.66	56,499.77	285,764.14
8/1/92	77,463.43	17,503.05	59,960.38	225,803.76
2/1/93	77,463.43	13,830.48	63,632.95	162,170.81
8/1/93	77,463.43	9,932.96	67,530.47	94,640.34
2/1/94	77,463.43	5,796.72	71,666.71	22,973.63
8/1/94	24,380.76	1,407.13	22,973.63	-0-

SCHEDULE III to
Security Agreement

DEBT/EQUITY RATIOS

Equipment Category	Percentage of Total Cost by Source of Funds	
	Debt	Equity
10	73.45	26.55
11	74.25	25.75
12	72.55	27.45
13	71.02	28.98
14	69.74	30.26

ANNEX A

HULK PURCHASE AGREEMENT

Dated as of January 1, 1980

Between

LOUISVILLE AND NASHVILLE RAILROAD COMPANY

and

FIRST SECURITY STATE BANK,
not in its individual capacity but
solely as Owner Trustee

Reconstructed Freight Cars

[L&N TRUST B]

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SCHEDULE A -- DESCRIPTION OF THE HULKS

SCHEDULE B -- CERTIFICATE OF ACCEPTANCE UNDER HULK PURCHASE AGREEMENT

HULK PURCHASE AGREEMENT

THIS HULK PURCHASE AGREEMENT dated as of January 1, 1980 between LOUISVILLE AND NASHVILLE RAILROAD COMPANY, a Kentucky corporation (hereinafter called "Lessee"), and FIRST SECURITY STATE BANK, a Utah corporation, not in its individual capacity but solely as Trustee (hereinafter, together with its successors and assigns, called "Owner Trustee"), under a Trust Agreement dated as of the date hereof (hereinafter called the "Trust Agreement") with WESTINGHOUSE CREDIT CORPORATION, a Delaware corporation (hereinafter, together with its successors and assigns permitted by the Trust Agreement, called "Owner").

W I T N E S S E T H:

WHEREAS:

(a) Lessee, Owner Trustee, Owner, FIRST SECURITY BANK OF UTAH, N.A., as Trustee (hereinafter, together with its successors and assigns, called "Security Trustee") under the Security Agreement referred to below and the note purchasers named in Appendix I thereto (hereinafter called the "Note Purchasers") are entering into a Participation Agreement dated as of the date hereof (hereinafter called the "Participation Agreement") relating to the financing of the purchase and reconstruction of certain used railroad freight cars (hereinafter called collectively the "Hulks" and individually a "Hulk") to be selected by Lessee from the group listed on Schedule A hereto. The commitments of the Note Purchasers are to be evidenced by Owner Trustee's 12-1/4% Secured Equipment Notes (hereinafter called the "Notes") to be issued under and secured by the Security Agreement.

(b) Owner Trustee and L&N INVESTMENT CORPORATION, a Delaware corporation ("Builder"), are entering into a Reconstruction Agreement dated as of the date hereof (hereinafter called the "Reconstruction Agreement"), in substantially the form of Annex B to the Security Agreement, pursuant to which Builder will reconstruct the Hulks for the account of Owner Trustee. The Hulks so reconstructed are hereinafter called the "Equipment"; provided, however, that such term shall not include any unit excluded from the Reconstruction Agreement in accordance with the terms thereof.

(c) Owner Trustee and Security Trustee are entering into a Trust Indenture and Security Agreement dated as of the date hereof (hereinafter called the "Security Agreement"), in substantially the form of Exhibit B to the Participation Agreement, pursuant to which Owner Trustee will

provide for the issue of the Notes and Security Trustee will hold the right, title and interest of Owner Trustee in and to the Equipment, certain of Owner Trustee's rights in, to and under the Lease referred to below and certain other property as security for the Notes.

(d) Owner Trustee and Lessee are entering into a Lease of Railroad Equipment dated as of the date hereof (hereinafter called the "Lease"), in substantially the form of Exhibit C to the Participation Agreement, pursuant to which Owner Trustee will lease the Equipment to Lessee.

NOW, THEREFORE, in consideration of the premises and intending to be legally bound hereby, Owner Trustee and Lessee hereby agree as follows:

SECTION 1. Sale of the Hulks. Lessee will sell the Hulks to Owner Trustee, and Owner Trustee will purchase the Hulks from Lessee, pursuant to the terms and provisions of this Agreement, including the footnote to Schedule A hereto.

SECTION 2. Delivery of the Hulks. Lessee will deliver the Hulks from time to time to the authorized representative of Owner Trustee at the delivery point or points designated by Lessee and acceptable to Owner Trustee; provided, however, that no delivery of any Hulk shall be made hereunder until the Security Agreement and the Lease have been filed pursuant to Section 11303(a) of Title 49, United States Code.

SECTION 3. Delivery of Title Documents. Concurrently with the delivery of each Hulk hereunder, Lessee shall deliver to Owner Trustee and Security Trustee the following documents, in form and substance reasonably satisfactory to them:

(a) a Bill of Sale (which shall contain a description, including road number of Lessee, of such Hulk and the delivery point) of Lessee transferring title to such Hulk to Owner Trustee and containing the warranties of Lessee that at the time of delivery of such Hulk (i) Lessee had legal title to such Hulk and good and lawful right to sell the same and (ii) title to such Hulk was free and clear of all claims, liens, security interests, security titles and other encumbrances of any nature whatsoever (except Permitted Liens, as defined in the Participation Agreement);

(b) a written opinion, dated the date of such delivery and addressed to Owner Trustee and Owner, of counsel for Lessee to the effect that such Bill of Sale has been duly authorized, executed and delivered by Lessee and constitutes a legal, valid and binding agreement of Lessee enforceable in accordance with its terms, and that such Bill of Sale is valid and effective to transfer, and does transfer, good title to such Hulk to Owner Trustee free and clear of all claims, liens, security interests, security titles and other encumbrances of any nature whatsoever (except for Permitted Liens); and

(c) a Certificate of Acceptance in substantially the form attached hereto as Schedule B, dated the date of such delivery and signed by Owner Trustee's authorized representative (who may be an employee of Lessee).

SECTION 4. Payment for the Hulks. The purchase price for each Hulk, including freight charges, if any, to the place of delivery, shall be $4,500 (hereinafter called the "Hulk Purchase Price"). Subject to all of the terms and conditions of this Agreement and to the conditions set forth in Section 8 of the Participation Agreement, Owner Trustee shall pay the Hulk Purchase Price for each Hulk either on (i) the Closing Date relating to such Hulk fixed as provided in the Reconstruction Agreement or (ii) as may otherwise be agreed to pursuant to Section 2(e) of the Participation Agreement, whichever shall be earlier (hereinafter called the "Hulk Payment Date").

SECTION 5. Limitation on Owner Trustee's Obligation to Pay for the Hulks. Notwithstanding anything to the contrary contained herein, Owner Trustee shall have no obligation to accept or pay for any Hulk if such Hulk is delivered hereunder after a default under the Participation Agreement or a Default or an Event of Default under the Security Agreement or the Lease shall have occurred and is continuing.

SECTION 6. Assignment. Owner Trustee may assign and/or transfer any or all of its rights under this Agreement and/or any or all of its rights to ownership and possession of any of the Hulks. Any such assignment or transfer may be made by Owner Trustee without the assignee or transferee assuming any of the obligations of Owner Trustee hereunder. Lessee acknowledges that assignment or transfer of the Equipment to Security Trustee under the Security Agreement is contemplated, and Lessee acknowledges that its rights

hereunder shall be subject and subordinate to the rights of Security Trustee under the Security Agreement.

SECTION 7. Limitation of Liability of Owner Trustee. It is expressly understood and agreed by and between Owner Trustee and Lessee that this Agreement is executed by First Security State Bank, not in its individual capacity but solely as Trustee under the Trust Agreement in the exercise of the power and authority conferred and vested in it as such Trustee; it is further understood and agreed that, except as otherwise expressly provided herein or in the Participation Agreement and except in the case of negligence or willful misconduct of Owner Trustee for which Owner Trustee alone shall be liable, nothing herein contained shall be construed as creating any liability on First Security State Bank in its individual capacity or Owner to perform any covenant contained herein, all such liability being expressly waived by Lessee; and so far as First Security State Bank is concerned, Lessee shall look solely to the Estate (as defined in the Trust Agreement, but excluding payments due to Owner Trustee under Sections 6, 7 (with respect to public liability insurance) and 9 of the Lease) for the performance of the obligations of Owner Trustee hereunder.

SECTION 8. Notices. Any notice hereunder to any of the persons designated below shall be deemed to have been properly served if delivered personally or if mailed, certified mail postage prepaid, at the following specified addresses:

(a) To Lessee, (i) if delivered by hand, at 908 West Broadway, Louisville, Kentucky 40201, and (ii) if mailed, at P.O. Box 32290, Louisville, Kentucky 40232, attention: Finance Department;

(b) To Owner Trustee at 79 South Main Street, Salt Lake City, Utah 84111, attention: Corporate Trust Department; and

(c) To Security Trustee at its address set forth in the Security Agreement;

or to such other address as may have been furnished in writing by any of the foregoing to the other persons named above.

SECTION 9. Law Governing. The terms of this Agreement and all rights and obligations hereunder shall be governed by the laws of the Commonwealth of Kentucky.

SECTION 10. Execution. This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same instrument, which shall be sufficiently evidenced by any such original counterpart.

IN WITNESS WHEREOF, the parties hereto, each pursuant to due corporate authority, have caused this Agreement to be signed in their respective corporate names by duly authorized officers and their respective corporate seals to be hereunto affixed and duly attested, as of the date first above written.

LOUISVILLE AND NASHVILLE
RAILROAD COMPANY

By_____
Vice President

(Corporate Seal)

ATTEST:

_____
Assistant Secretary

FIRST SECURITY STATE BANK,
not in its individual capacity
but solely as Owner Trustee

By_____
Authorized Officer

(Corporate Seal)

ATTEST:

_____
Authorized Officer

SCHEDULE A to
Hulk Purchase
Agreement

DESCRIPTION OF THE HULKS*

Quantity	Description
115	50-Ton Box Cars
147	70-Ton Box Cars
23	100-Ton Box Cars
92	70-Ton Open-Top Hoppers
46	80-Ton Open-Top Hoppers
12	100-Ton Open-Top Hoppers
101	70-Ton Gondola Cars
2	100-Ton Gondola Cars
50	70-Ton Covered Hoppers to Ballast Cars
10	70-Ton Covered Hoppers
86	100-Ton Covered Hoppers
33	50-Ton Ribbon Rail Cars (converted from Flat Cars)
11	70-Ton Bulkhead Flat Cars
4	100-Ton Bulkhead Flat Cars
12	100-Ton Covered Gondola Cars
25	70-Ton Pulpwood Cars

* NOTE - Lessee will select used freight cars from the above list for sale to Owner Trustee hereunder as the Hulks; provided, however, that no such car shall be sold hereunder if (i) the estimated Total Cost of all Equipment theretofore sold and proposed to be sold under the Reconstruction Agreement would thereby exceed $8,542,000 or (ii) it is not

reasonably anticipated that such car can be reconstructed and settled for under the Reconstruction Agreement before February 1, 1981. Lessee and Builder shall not be obligated to deliver any Equipment hereunder until Equipment having an aggregate Total Cost of at least $7,850,000 shall have been delivered under the Other Reconstruction Agreement. If Equipment having such aggregate Total Cost (but less than $9,285,000) shall have been delivered, Equipment may be delivered under either the Reconstruction Agreement or the Other Reconstruction Agreement; provided, however, that if Equipment having an aggregate Total Cost of at least $7,850,000 shall have been delivered by July 31, 1980, all additional Equipment shall be delivered under the Reconstruction Agreement.

SCHEDULE B to
Hulk Purchase
Agreement

DATE:

CERTIFICATE OF ACCEPTANCE UNDER
HULK PURCHASE AGREEMENT

(TRUST B)

TO: Louisville and Nashville Railroad Company ("Lessee"), the seller under the Hulk Purchase Agreement dated as of January 1, 1980 between Lessee and First Security State Bank, as Owner Trustee as therein specified.

I, a duly appointed inspector and authorized representative of the aforesaid Owner Trustee, do hereby certify that I have this date duly inspected and accepted delivery on behalf of such Owner Trustee of the following Hulks at Louisville, Kentucky:

DESCRIPTION OF HULKS:

ROAD NUMBERS:

_____

Inspector and Authorized
Representative of Owner
Trustee

ANNEX B

RECONSTRUCTION AGREEMENT

Dated as of January 1, 1980

Between

L&N INVESTMENT CORPORATION

and

FIRST SECURITY STATE BANK,
not in its individual capacity but
solely as Owner Trustee

Reconstructed Freight Cars

(L&N TRUST B)

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SCHEDULE A -- DESCRIPTION OF THE EQUIPMENT		

RECONSTRUCTION AGREEMENT

THIS RECONSTRUCTION AGREEMENT dated as of January 1, 1980 between L&N INVESTMENT CORPORATION, a Delaware corporation (hereinafter called "Builder"), and FIRST SECURITY STATE BANK, a Utah corporation, not in its individual capacity but solely as Trustee (hereinafter, together with its successors and assigns, called "Owner Trustee") under a Trust Agreement dated as of the date hereof (hereinafter called the "Trust Agreement") with WESTINGHOUSE CREDIT CORPORATION, a Delaware corporation (hereinafter, together with its successors and assigns permitted by the Trust Agreement, called "Owner").

W I T N E S S E T H:

WHEREAS:

(a) Lessee, Owner Trustee, Owner, FIRST SECURITY BANK OF UTAH, N.A., as Trustee (hereinafter, together with its successors and assigns, called "Security Trustee") under the Security Agreement referred to below and the note purchasers named in Appendix I thereto (hereinafter called the "Note Purchasers") are entering into a Participation Agreement dated as of the date hereof (hereinafter called the "Participation Agreement") relating to the financing of the purchase and reconstruction of the Hulks referred to below. The commitments of the Note Purchasers are to be evidenced by Owner Trustee's 12-1/4% Secured Equipment Notes (hereinafter called the "Notes") to be issued under and secured by the Security Agreement.

(b) Owner Trustee and Lessee are entering into a Hulk Purchase Agreement dated as of the date hereof (hereinafter called the "Hulk Purchase Agreement"), in substantially the form of Annex A to the Security Agreement, pursuant to which Owner Trustee will purchase from Lessee certain used railroad freight cars (hereinafter called collectively the "Hulks" and individually a "Hulk") to be selected by Lessee from the group listed on Schedule A to the Hulk Purchase Agreement.

(c) Owner Trustee and Security Trustee are entering into a Trust Indenture and Security Agreement dated as of the date hereof (hereinafter called the "Security Agreement"), in substantially the form of Exhibit B to the Participation Agreement, pursuant to which Owner Trustee will provide for the issue of the Notes and Security Trustee will hold the right, title and interest of Owner Trustee in and

to the Equipment referred to below, certain of Owner Trustee's rights in, to and under the Lease referred to below and certain other property as security for the Notes.

(d) Owner Trustee and Lessee are entering into a Lease of Railroad Equipment dated as of the date hereof (hereinafter called the "Lease"), in substantially the form of Exhibit C to the Participation Agreement, pursuant to which Owner Trustee will lease the Equipment to Lessee.

(e) The Hulks are to be reconstructed by Builder for the account of Owner Trustee in accordance with the specifications therefor referred to in Schedule A hereto (hereinafter, with such modifications as may be approved by the parties hereto and Lessee, called the "Specifications"). The term "Equipment" shall mean the Hulks as reconstructed in accordance with the terms and provisions of this Agreement; provided, however, that such term shall not include any unit excluded from this Agreement in accordance with the terms hereof.

NOW, THEREFORE, in consideration of the premises and intending to be legally bound hereby, Owner Trustee and Builder hereby agree as follows:

SECTION 1. Reconstruction of the Hulks. Builder shall (a) reconstruct each Hulk in accordance with the Specifications for the account of Owner Trustee (which Builder represents and warrants will, upon completion, cause such unit to qualify as rebuilt standard gauge railroad equipment under the Rules and Regulations of the Association of American Railroads), (b) number each unit of the Equipment in accordance with Lessee's road numbers specified in Schedule A hereto, (c) cause each unit of the Equipment to be plainly, distinctly, permanently and conspicuously marked upon each side of each unit, in letters not less than one inch in height, the following legend: "Leased from a Bank or Trust Company and Subject to a Security Interest recorded with the I.C.C.", or other appropriate words satisfactory to Owner Trustee and Security Trustee, and (d) deliver each unit of the Equipment to Owner Trustee as and when so reconstructed, numbered and marked. Builder warrants to Owner Trustee that the design, quality and component parts of the Equipment will conform to all United States Department of Transportation and Interstate Commerce Commission requirements and specifications and to all standards recommended by the Association of American Railroads reasonably interpreted as being applicable to railroad equipment of the character of the Equipment as of the date of delivery hereunder.

SECTION 2. Inspection and Delivery. Builder will deliver the units of the Equipment to Owner Trustee at Louisville, Kentucky, for settlement hereunder on or prior to the Cut-Off Date (as defined in the Participation Agreement), freight charges, if any, prepaid; provided, however, that no delivery of any unit of the Equipment shall be made hereunder until the Security Agreement and the Lease have been filed pursuant to Section 11303(a) of Title 49, United States Code.

Builder agrees not to commence reconstruction of any Hulk (a) if Builder does not reasonably anticipate that such Hulk will be fully reconstructed and settled for hereunder on or prior to the Cut-Off Date, (b) if Builder has received notice from Owner Trustee or Security Trustee that a default under the Participation Agreement or a Default or an Event of Default under the Security Agreement or the Lease has occurred and is continuing, (c) if Builder reasonably anticipates that the sum of the Total Cost (as hereinafter defined) therefor plus the Total Cost of all Equipment theretofore delivered hereunder would exceed the sum set forth in clause (i) of the footnote to Schedule A to the Hulk Purchase Agreement, (d) if any of the conditions contained in Section 8 of the Participation Agreement then or theretofore applicable have not been satisfied or waived or (e) if Owner Trustee is no longer obligated under the terms of the Hulk Purchase Agreement to accept delivery of and to pay for any additional Hulks thereunder for any reason therein provided.

Builder's obligation as to time of delivery is subject, however, to delays resulting from causes beyond Builder's reasonable control, including, but not limited to, acts of God, acts of government such as embargoes, priorities and allocations, war or war conditions, riot or civil commotion, sabotage, strikes, differences with workmen, accidents, fire, flood, explosion, damage to plants, equipment or facilities, delays in receiving necessary materials or delays of carriers or subcontractors.

During reconstruction, the Hulks shall be subject to inspection and approval by the authorized inspectors of Owner Trustee (who may be employees of Lessee) and Builder shall grant to such authorized inspectors reasonable access to its plant. Builder agrees to inspect all materials used in the reconstruction of the Hulks in accordance with the standard quality control practices of Builder. Upon completion of each unit or of a number of units, Builder shall present such unit or units to an inspector of Owner Trustee for inspection and delivery at the place specified for delivery of such unit or units, and if (a) title thereto is then vested in Owner Trustee free and clear of all claims,

liens, security interests and encumbrances of any nature whatsoever except the Security Agreement and the Lease and (b) each such unit conforms to the Specifications, requirements and standards applicable thereto, such inspector or an authorized representative of Owner Trustee (who may be an employee of Lessee) shall accept delivery thereof; provided, however, that Builder shall not thereby be relieved of its warranties set forth in Section 4. Upon such delivery and acceptance such unit or units shall thereby be deemed to have been delivered under and shall be subject to the Lease pursuant to Sections 2 and 4 thereof.

From the time of delivery of any Hulk to Builder hereunder until the delivery to Owner Trustee of the unit of Equipment into which such Hulk has been reconstructed, the risk of loss with respect thereto shall be borne by Builder.

SECTION 3. Reconstruction Cost and Total Cost; Payment. The "Reconstruction Cost" of a unit of Equipment shall mean Builder's actual cost of reconstructing such unit pursuant to this Agreement, plus a reasonable overhead and profit factor, as set forth in the invoice therefor described below. The term "Total Cost" of a unit of Equipment shall mean the sum of the Hulk Purchase Price (as defined in the Hulk Purchase Agreement) and the Reconstruction Cost for such unit, adjusted as hereinafter set forth. The estimated Total Cost of each unit is set forth in Schedule A hereto and is subject to increase; provided, however, that the average increase per unit in Total Cost will not exceed 10% of such estimated Total Cost.

The Equipment shall be settled for in not more than eight groups of units of the Equipment (each such group being hereinafter called a "Group") unless Builder, Owner Trustee and Security Trustee shall otherwise agree. The term "Closing Date" with respect to any Group shall mean such date, not later than the Cut-Off Date, occurring not more than 10 Business Days following presentation by Builder to Owner Trustee and Security Trustee of the invoice or invoices for such Group, as shall be fixed by Lessee by written notice delivered to Owner Trustee and Security Trustee at least six Business Days prior to the Closing Date designated therein. The term "Business Days" shall mean calendar days, excluding Saturdays, Sundays and any other day on which banking institutions in Salt Lake City, Utah or ~~Stamford, Connecticut~~ are authorized or obligated to remain closed. Pittsburgh, Pennsylvania

On the Closing Date with respect to each Group, an amount equal to the aggregate Hulk Purchase Price and the Reconstruction Cost of such Group shall be paid in Salt Lake

City Clearing House funds by Security Trustee, as agent for Owner Trustee, to Lessee and Builder, respectively, from the amounts available to Security Trustee for such purpose under and pursuant to the terms of (i) Section 8.3 of the Participation Agreement and (ii) Section 3.02 of the Security Agreement, provided that there shall have been delivered to Owner Trustee and Security Trustee the following documents, in form and substance satisfactory to Security Trustee and its counsel:

(a) copies of a legal opinion with respect to the Equipment in such Group to the effect that as of the respective dates of delivery and acceptance hereunder title to the Equipment was vested in Owner Trustee free of all claims, liens, security interests and encumbrances of any nature whatsoever except the Security Agreement and the Lease;

(b) Copies of a Certificate of Acceptance of an agent of Lessee under Section 2 of the Lease and of Owner Trustee hereunder to the effect that such agent has duly inspected such Equipment and determined that each unit of such Equipment conformed to the specifications, requirements and standards applicable thereto hereunder and was marked in accordance with Section 1 hereof and Section 5 of the Lease and that each such unit was accepted on behalf of Lessee under the Lease and Owner Trustee hereunder as of the respective dates of delivery hereunder;

(c) one or more invoices of Lessee for the Hulk Purchase Price and of Builder for the Reconstruction Cost of the Equipment in such Group, accompanied by the approval of Owner Trustee of the Total Cost thereof and a certification by Lessee that the invoiced Total Cost of such Group has been calculated as provided in the first paragraph of this Section 3; and

(d) a certificate of Lessee stating that all liens previously affecting such Equipment referred to under clause (iii) of the definition of Permitted Liens in the Participation Agreement have been released and discharged of record and further that either (i) there then exists no default under the Participation Agreement or a Default or Event of Default under the Security Agreement or the Lease or (ii) such default, Default or Event of Default occurred after each unit of Equipment in such Group was delivered under and subjected to the Lease pursuant to Section 2.

SECTION 4. Warranty. Builder warrants to Owner Trustee and Security Trustee that the Hulks will be reconstructed in accordance with the Specifications and standards referred to in Section 1 and warrants that the Equipment will be free from defects in design, material or workmanship under normal use and service. THIS WARRANTY IS EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES WITH RESPECT TO RECONSTRUCTION, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. Builder agrees to and does hereby, to the extent legally possible without impairing any claim, right or cause of action hereinafter referred to, transfer, assign, set over and deliver to Owner Trustee every claim, right and cause of action which Builder has or hereafter may have against any party who shall perform any of the reconstruction of the Hulks or furnish materials or any services in connection therewith, and Builder agrees to execute and deliver to Owner Trustee all and every such further assurance as may be reasonably requested more fully to effectuate the assignment, transfer and delivery of every such claim, right and cause of action. Builder further agrees with Owner Trustee and Security Trustee that neither any inspection as provided in Section 2 nor any examination or acceptance of any units of the Equipment as provided in Section 2 shall be deemed a waiver or modification by Owner Trustee or Security Trustee of any of their rights under this Section 4.

Builder agrees to indemnify, protect and hold harmless Owner Trustee, Security Trustee and all holders from time to time of the Notes or beneficial interests created by the Trust Agreement from and against any and all liability, including, without limitation, strict or absolute liability in tort or by statute imposed, claims, demands, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against any of such persons (i) because of the use in or about the construction or operation of the Equipment or the reconstruction of the Hulks, or any unit thereof, of any design, system, process, formula, article or material infringing or claimed to infringe on any patent or other right or (ii) arising out of any accident or tort in connection with the reconstruction, operation, use, lease, sublease, sale, condition, possession or storage of any of the Hulks or any unit of the Equipment resulting in losses, damage to property or injury or death to any person. Owner Trustee and Security Trustee will give notice to Builder of any claim known to it from which liability may be charged against Builder under this paragraph.

The warranties and indemnities contained in this Section 4 and in any other Sections hereof and all other

covenants and obligations of Builder contained herein shall inure to the benefit of, and be enforceable by any of the aforesaid persons and any lessor, lessee, assignee or transferee of this Agreement or of any units of the Equipment reconstructed by Builder hereunder.

SECTION 5. Assignment. Owner Trustee may assign all or any of its rights under this Agreement, including the right to receive any payment due to it under Section 4. In the event of such assignment, any immediate or subsequent assignee or assignees shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all the limitations of Owner Trustee hereunder.

No such assignment shall subject any assignee to, or relieve Builder from, any of the obligations of Builder to reconstruct and deliver the Equipment in accordance herewith or to respond to its warranties and indemnities contained herein; and none of such obligations shall at any time be assignable by Builder.

SECTION 6. Further Assurances. Builder agrees that it will from time to time and at all times, at the request of Owner Trustee or its successors or assigns, make, execute and deliver all such further instruments of assignment, transfer and assurance and do such further acts and things as may be necessary and appropriate in the premises to give effect to the provisions hereinabove set forth and more perfectly to confirm the rights, titles and interests of Owner Trustee or its successors or assigns in and to the Equipment reconstructed and delivered hereunder.

SECTION 7. Exclusion of Units. In the event any unit or units are not settled for on or prior to the Cut-Off Date for any reason whatsoever, it shall be excluded from this Agreement, the parties hereto shall execute an agreement supplemental hereto limiting this Agreement to Equipment not so excluded, and such excluded unit or units shall be settled for pursuant to Section 2(e) of the Participation Agreement.

SECTION 8. Notices. Any notice hereunder to any of the persons designated below shall be deemed to have been properly served if delivered personally at or mailed to the following specified addresses:

(a) To Builder, (i) if delivered by hand, at 908 West Broadway, Louisville, Kentucky 40201, and (ii) if mailed, at P. O. Box 32290, Louisville, Kentucky 40232, attention: Finance Department;

(b) To Owner Trustee at 79 South Main Street, Salt Lake City, Utah 84111, attention: Corporate Trust Department; and

(c) To Security Trustee at its address set forth in the Security Agreement;

or to such other address as may have been furnished in writing by any of the foregoing to the other persons named above.

SECTION 9. Limitation of Liability of Owner Trustee. It is expressly understood and agreed by and between Owner Trustee and Builder that this Agreement is executed by First Security State Bank, not in its individual capacity but solely as Trustee under the Trust Agreement in the exercise of the power and authority conferred and vested in it as such Trustee; it is further understood and agreed that, except as otherwise expressly provided herein or in the Participation Agreement and except in the case of negligence or willful misconduct of Owner Trustee for which Owner Trustee alone shall be liable, nothing herein contained shall be construed as creating any liability on First Security State Bank in its individual capacity or Owner to perform any covenant contained herein, all such liability being expressly waived by Builder; and so far as First Security State Bank is concerned, Builder shall look solely to the Estate (as defined in the Trust Agreement, but excluding payments due to Owner Trustee under Sections 6, 7 (with respect to public liability insurance) and 9 of the Lease) for the performance of the obligations of Owner Trustee hereunder.

SECTION 10. Law Governing. The terms of this Agreement and all rights and obligations hereunder shall be governed by the laws of the Commonwealth of Kentucky.

SECTION 11. Execution. This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same instrument, which shall be sufficiently evidenced by any such original counterpart.

IN WITNESS WHEREOF, the parties hereto, each pursuant to due corporate authority, have caused this Agreement to be signed in their respective corporate names by duly authorized officers and their respective corporate seals to be hereunto affixed and duly attested, all as of the date first above written.

L&N INVESTMENT CORPORATION

By_____
Vice President

(Corporate Seal)

ATTEST:

_____
Assistant Secretary

FIRST SECURITY STATE BANK,
not in its individual
capacity but solely as
Owner Trustee

By_____
Authorized Officer

(Corporate Seal)

ATTEST:

_____
Authorized Officer

SCHEDULE A to
Reconstruction Agreement

Not List To Search

DESCRIPTION OF THE EQUIPMENT

Quantity	AAR Mechanical Designation	Description	Lessee's Road Numbers (Both Inclusive)	Reconstruction Specifications	Estimated Total Cost Per Unit	Estimated Total Cost Total
65	XL	50-Ton Box Car	96335-96387 110288-110290 111887-111895	L&N 80-4	$23,810	$1,547,650
50	XM	50-Ton Box Car	96388-96395 110291-110332	L&N 80-4	23,810	1,190,500
14	LC	70-Ton Box Car	94000-94013	L&N 80-4	23,810	333,340
23	XF	70-Ton Box Car	112768-112787 113889-113891	L&N 80-4	23,810	547,630
59	XL	70-Ton Box Car	111987-111989 112253-112257 112522 112528-112537 112543-112573 112759-112767	L&N 80-4	23,810	1,404,790
51	XM	70-Ton Box Car	112538-112542 112746-112758 112788-112820	L&N 80-4	23,810	1,214,310
3	XL	100-Ton Box Car	113955-113961 114080	L&N 80-4	23,810	71,430
20	XP	100 Car Box Car	113056-113960 114069-114079 114302-114305	L&N 80-4	23,810	476,200
92	HT	70-Ton Open Top Hopper	76525-76554 76556-76617	L&N 80-9	18,479	1,700,068

Quantity	AAR Mechanical Designation	Description	Lessee's Road Numbers (Both Inclusive)	Reconstruction Specifications	Estimated Total Cost Per Unit	Estimated Total Cost Total
46	HT	80-Ton Open Top Hopper	189448-189493	L&N 80-9	$18,479	$ 850,034
12	HT	100-Ton Open Top Hopper	192111-192122	L&N 80-9	18,479	221,748
82	GB	70-Ton Gondola Car	27449-27452 28601-28620 29052-29054 29202-29205 29566-29615 29621	L&N 80-6	19,489	1,598,098
2	GBS	70-Ton Gondola Car	27453-27454	L&N 80-6	19,489	38,978
17	LG	70-Ton Gondola Car	27777-27789 29616-29618 29620	L&N 80-6	19,489	331,313
1	GBS	100-Ton Gondola Car	27979	L&N 80-6	19,489	19,489
1	GBSR	100-Ton Gondola Car	29619	L&N 80-6	19,489	19,489
50	LO	70-Ton Ballast	45201-45250	L&N 80-1	19,944	997,200
10	LO	70-Ton Covered Hopper	37173-37176 201888-201893	L&N 80-5	26,505	265,050

Quantity	AAR Mechanical Designation	Description	Lessee's Road Numbers (Both Inclusive)	Reconstruction Specifications	Estimated Total Cost Per Unit	Estimated Total Cost Total
86	LO	100-Ton Covered Hopper	201656-201681 201894-201899 201983-201984 204300-204313 205216-205249 250520-250523	L&N 80-5	$ 26,505	$2,279,430
33	LP	50-Ton Ribbon Rail	42867-42873 42875-42900	L&N 80-2	22,726	749,958
11	FMS	70-Ton Bulk-Head Flat Car	990610-990611 990835-990836 990911-990914 991009-991010 991200	L&N 80-7	21,191	233,101
3	FB	100-Ton Bulk-Head Flat Car	990317-990319	L&N 80-7	21,191	63,573
1	FMS	100-Ton Bulk-Head Flat Car	990404	L&N 80-7	21,191	21,191
12	GBSR	100-Ton Covered Gondola	26375-26386	L&N 80-8	24,040	288,480
25	LP	70-Ton Pulpwood Car	20013-20021 20100-20101 20194-20197 20286-20295	L&N 80-3	16,710	417,750
769						$16,880,800