

CRAVATH, SWAINE & MOORE

ONE CHASE MANHATTAN PLAZA

NEW YORK, N. Y. 10005

212 HANOVER 2-3000

TELEX

RCA 233663

WUD 125547

WUI 620976

CABLE ADDRESSES

CRAVATH, N. Y.

CRAVATH, PARIS

CRAVATH, LONDON E. C. 2

RECORDATION NO. 12344-C

NOV 10 1981 11 45 AM

INTERSTATE COMMERCE COMMISSION

1

1-314A088

NOV 10 1981
Date.....
Fee \$ 10.00

ICC Washington, D. C.

COUNSEL
MAURICE T. MOORE
CARLYLE E. MAW

ROSWELL L. GILPATRICK
ALBERT R. CONNELLY
L. R. BRESLIN, JR.
GEORGE B. TURNER
FRANK H. DETWEILER
GEORGE G. TYLER
JOHN H. MORSE
HAROLD R. MEDINA, JR.
CHARLES R. LINTON
WILLIAM B. MARSHALL
ROYALL VICTOR
ALLEN H. MERRILL

4, PLACE DE LA CONCORDE
75008 PARIS, FRANCE
TELEPHONE: 265-61-54
TELEX: 290530

33 THROGMORTON STREET
LONDON, EC2N 2BR, ENGLAND
TELEPHONE 1-806-1421
TELEX: 8814901

RALPH L. MCAFEE
HENRY W. DEKOSMIAN
ALLEN F. MAULSBY
STEWART R. BROSS, JR.
HENRY P. RIORDAN
JOHN R. HUPPER
SAMUEL C. BUTLER
WILLIAM J. SCHRENK, JR.
BENJAMIN F. CRANE
FRANCIS F. RANDOLPH, JR.
JOHN F. HUNT
GEORGE J. GILLESPIE, III
RICHARD S. SIMMONS
WAYNE E. CHAPMAN
THOMAS D. BARR
MELVIN L. BEDRICK
GEORGE T. LOWY
ROBERT ROSENMAN
JAMES H. DUFFY
ALAN J. HRUSKA
JOHN E. YOUNG
JAMES M. EDWARDS
DAVID G. ORMSBY
DAVID L. SCHWARTZ
RICHARD J. HIEGEL

FREDERICK A. O. SCHWARZ, JR.
CHRISTINE BESHAR
ROBERT S. RIFKIND
DAVID BOIES
DAVID O. BROWNWOOD
PAUL M. DODYK
RICHARD M. ALLEN
THOMAS R. BROME
ROBERT D. JOFFE
ROBERT F. MULLEN
ALLEN FINKELSON
RONALD S. ROLF
JOSEPH R. SAHID
PAUL C. SAUNDERS
MARTIN L. SENZEL
DOUGLAS D. BROADWATER
ALAN C. STEPHENSON
RICHARD L. HOFFMAN
JOSEPH A. MULLINS
MAX R. SHULMAN
WILLIAM P. DICKEY
STUART W. GOLD
JOHN W. WHITE
JOHN E. BEERBOWER

November 10, 1981

Mrs. Lee -
This one is
under 12344-C

Railbox Company
Equipment Trust Agreement Dated as of October 22, 1980
Series 7
Supplementing Equipment Trust Agreement
Filed Under Recordation No. 12344

Dear Madam:

Pursuant to 49 U.S.C. § 11303 and the Commission's rules and regulations thereunder, as amended, I enclose herewith on behalf of Railbox Company for filing and recordation counterparts of the following document:

First Supplemental Agreement dated as of November 1, 1981, between Continental Illinois National Bank and Trust Company of Chicago, as Trustee, and Railbox Company, as Company.

First Supplemental Agreement supplements an Equipment Trust Agreement dated as of October 22, 1980, previously filed and recorded with the Interstate Commerce Commission on October 27, 1980, at 10:55 a.m., Recordation Number 12344 and Equipment Trust Agreement Supplement No. 1 and No. 2, previously filed and recorded with the Interstate Commerce Commission on December 10, 1980, at 11:15 a.m., Recordation Number 12344-A and on May 13, 1981, at 12:05 p.m., recordation number 12344-B.

The First Supplemental Agreement permits the granting of a subordinated security interest in the equipment financed in this transaction.

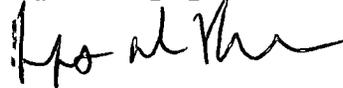
Counterpart -
John

Please file and record the First Supplemental Agreement submitted with this letter and assign it Recordation Number 12344-C.

Enclosed is a check for \$10 payable to the Interstate Commerce Commission for the recordation fee for the First Supplemental Agreement.

Please stamp all counterparts of the enclosed document with your official recording stamp. You will wish to retain one copy of the instrument and this transmittal letter for your files. It is requested that the remaining counterparts of the document be delivered to the bearer of this letter.

Very truly yours,



Robert A. Kindler
as Agent for Railbox Company

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

Encls.

70A

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

Robert A. Kindler
Cravath, Swaine & Moore
One Chase Manhattan Plaza
New York, N. Y. 10005

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 11/10/81 at 11:45AM , and assigned re-
recording number(s). 12344-C, & 12344-D

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

12344-C
D
NOTES

RECORDATION NO. 12344-C Filed 1425

NOV 10 1981 -11 45 AM
INTERSTATE COMMERCE COMMISSION

FIRST SUPPLEMENTAL AGREEMENT

to the

Equipment Trust Agreement

Dated as of October 22, 1980

Between

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY
OF CHICAGO

and

RAILBOX COMPANY

Dated as of November 1, 1981

FIRST SUPPLEMENTAL AGREEMENT dated as of November 1, 1981, by and between Continental Illinois National Bank and Trust Company of Chicago, a national banking association organized and existing under the laws of the United States of America, having its principal corporate trust office at 30 North La Salle Street, Chicago, Illinois 60693 (hereinafter called the Trustee), and Railbox Company, a Delaware corporation (hereinafter called the Company).

The Company and the Trustee have entered into an Equipment Trust Agreement dated as of October 22, 1980, filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303 on October 27, 1980 and assigned recordation number 12344 (hereinafter called the Equipment Trust Agreement) pursuant to which Railbox Company Equipment Trust Certificates, Series 7 (hereinafter called the Trust Certificates) were issued.

The proceeds from the issuance of the Trust Certificates were deposited by the Company with the Trustee and are being applied by the Trustee from time to time in part payment of the Trust Equipment (as defined in the Equipment Trust Agreement).

The Company and Mellon International Leasing Company (hereinafter called Mellon) propose to enter into an Agreement dated as of November 1, 1981 (hereinafter called the Agreement) substantially in the form of the draft thereof dated October 27, 1981, furnished to the Trustee by the Company, pursuant to which the Company will sell, solely for Tax Purposes (as hereinafter defined), the Trust Equipment to Mellon and Mellon will lease, solely for Tax Purposes, the Trust Equipment back to the Company. The term Tax Purposes means transactions effected solely for the purpose of complying with section 168(f)(8) of the Internal Revenue Code.

Pursuant to the Agreement, legal title to the Trust Equipment remains with the Trustee and Mellon has no right with respect to possession or use of the Trust Equipment.

The Company and Mellon propose to enter into a Subordinated Security Agreement dated as of November 1, 1981 (hereinafter called the Subordinated Agreement), substantially in the form of Exhibit A hereto, in order to secure, on a completely subordinated basis, the obligations

of the Company under the Agreement, under which the Company grants to Mellon a subordinated security interest in the Trust Equipment exercisable only (i) upon the occurrence of an Event of Default under the Equipment Trust Agreement whereby the rentals are accelerated and the Trust Equipment is sold pursuant to the terms thereof or (ii) after the obligations of the Company under the Trust Certificates are satisfied and title to the Trust Equipment vests in the Company free from the lien of the Equipment Trust Agreement.

Pursuant to Section 12.02 of the Equipment Trust Agreement, the Trustee and the Company are authorized to execute certain supplemental agreements with the consent of the holders of not less than 66-2/3% in aggregate principal amount of the Trust Certificates at the time outstanding.

Trailer Train Finance N.V. (hereinafter called N.V.) is authorized to vote 100% of the Trust Certificates which are pledged to Manufacturers Hanover Trust Company, as Trustee, under an Indenture and Pledge Agreement dated as of October 22, 1980, and to give consents, all pursuant to Section 1105 thereof.

N.V. has consented to the execution of this First Supplemental Agreement by the Trustee and the Company.

The agreements contained in this First Supplemental Agreement are permissible under Section 12.02 of the Equipment Trust Agreement.

NOW THEREFORE, pursuant to Section 12.02 of the Equipment Trust Agreement, the consent of N.V., and in consideration of the agreements hereinafter contained, the parties hereto agree as follows:

1. Notwithstanding Sections 5.09 and 7.02 of the Equipment Trust Agreement or any other provision therein limiting the Company's right to create a security interest with respect to the Trust Equipment which is subordinate to the security interest created by the Equipment Trust Agreement, the Trustee and the Company agree that the Company may enter into the Agreement and the Subordinated Agreement, it being understood that the Company is permitted to grant a security interest in the Trust Equipment which is subordinate to the security interest created by the Equipment Trust Agreement and the rights of the Trustee thereunder for the purpose of securing the Company's obligations under the Agreement.

2. The Company will promptly cause this First Supplemental Agreement to be filed in accordance with the provisions of Section 7.03 of the Equipment Trust Agreement.

3. Except as supplemented hereby, the Equipment Trust Agreement shall remain unaltered and in full force and effect.

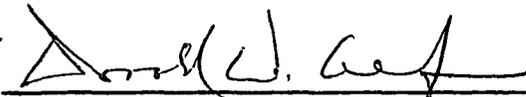
4. This First Supplemental Agreement may be executed in any number of counterparts, and such counterparts together shall constitute a single instrument. It shall not be necessary that any counterpart be signed by all the parties if each party shall sign at least one counterpart, in which case this First Supplemental Agreement shall become effective when both parties have delivered a signed counterpart to counsel for the Company.

5. The terms of this First Supplemental Agreement and all rights and obligations of the parties hereto hereunder shall be governed by and construed in accordance with the laws of the State of Illinois.

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

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO,

by


Vice President

[Seal]

Attest:


Trust Officer

RAILBOX COMPANY,

by


Title: Vice President - Finance

[Corporate Seal]

Attest:


Assistant Secretary

SUBORDINATED SECURITY AGREEMENT dated as of November 1, 1981, between RAILBOX COMPANY, a Delaware corporation (the "Lessee") and MELLON INTERNATIONAL LEASING COMPANY, a Pennsylvania corporation (the "Lessor").

The Lessee and the Lessor have entered into an Agreement dated as of the date hereof (the "Agreement") by the terms of which the Lessor is leasing, for Tax Purposes (as defined in the Agreement) only, certain property described therein (the "Property") to the Lessee.

The Lessee has agreed to execute and deliver a Subordinated Security Agreement for the benefit of the Lessor to secure performance of the Lessee's obligations under the Agreement.

NOW, THEREFORE, in consideration of the agreements hereinafter contained, the parties hereto hereby agree as follows:

SECTION 1. Definition of Terms.

(a) "Obligation" includes all obligations, due or to become due, of the Lessee to the Lessor pursuant to the Agreement, other than the Lessee's obligations to make Primary Rental Payments, Primary Option Payments and Casualty Payments (to the extent that a right of set off is provided

in Section 1.3 of the Agreement).

(b) "Proceeds" shall mean whatever is received, after Payment in Full, when Collateral is sold, exchanged, leased, collected or otherwise disposed of.

(c) "Collateral" shall mean the items of Property described in Exhibit A to the Agreement.

(d) "Payment in Full" shall mean payment in full and satisfaction of all obligations of the Company under the Prior Interest and payment in full of the principal of and interest on the trust certificates issued with respect of the Prior Interest.

(e) "Prior Interest" shall mean all obligations, due or to become due, of the Lessee under the Equipment Trust Agreement dated as of October 22, 1980, between Continental Illinois National Bank and Trust Company of Chicago, as trustee, and the Company establishing the "Railbox Equipment Trust, Series 7", to which the Collateral is subject.

(f) "Trustee" shall mean the trustee under the Prior Interest.

(g) Unless otherwise specifically set forth herein, capitalized items shall have the meanings set forth in the Agreement.

SECTION 2. Security Interest. As security for the performance of the Lessee's Obligations, the Lessee hereby

grants to the Lessor a security interest in the Collateral and the Proceeds; provided, however, that the Lessor hereby agrees that such security interest shall in all respects be subject and subordinate to the Prior Interest as set forth in Section 3 hereof.

SECTION 3. Subordination. The Lessor hereby agrees that the security interest granted to it under Section 2 hereof shall in all respects be subject and subordinate to the security interest in the Collateral and the Proceeds created by the Lessee in favor of the Prior Interest. In furtherance of the foregoing, the Lessor agrees with the Lessee (for the benefit of the Prior Interest) that unless and until Payment in Full the Trustee shall be entitled to sell, transfer or otherwise dispose of or deal with the Collateral and the Proceeds as provided in the Prior Interest without regard to the security interest of the Lessor therein, or any rights to which the Lessor would otherwise be entitled pursuant to such security interest. The Lessor further agrees that it shall not, and shall not attempt to, exercise any right with respect to the Collateral or the Proceeds, whether pursuant to this Subordinated Security Agreement or otherwise, until Payment in Full. The Trustee shall not have any duty to the Lessor in respect of, and the subordination provisions contained herein shall not be affected by (i) any revision,

waiver, amendment or modification of the Prior Interest or the indebtedness issued in respect thereto, (ii) any exercise or nonexercise of any right, remedy, power or privilege under or in respect of the Prior Interest and (iii) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or similar proceeding of, or effected by, the Lessee.

SECTION 4. Conflicting Interest. The Lessee covenants with the Lessor that, except with respect to the Prior Interest, the Lessee will protect and defend the security interest of the Lessor granted hereby from and against all other liens, claims, encumbrances and other charges against or in respect of the Collateral in the manner and as provided in the Prior Interest.

SECTION 5. Remedies on Default. The Lessor shall have no rights to the Collateral (i) unless the Collateral is sold pursuant to the terms of the Prior Interest or (ii) until the obligations of the Lessee under the Prior Interest are satisfied and title to the Collateral vests in the Lessee. Subject to the foregoing and Section 3 hereof, if, upon the occurrence of an Event of Default or thereafter, the Collateral or any part thereof should be sold at public sale, the proceeds

therefrom shall be applicable first to satisfy the obligations of the Lessee to the Trustee under the Prior Interest; second, to the extent any surplus of any such sale shall exist, to satisfy the Obligations of the Lessee to the Lessor; and third, to the extent any surplus of any such sale shall exist after the above-mentioned obligations shall have been satisfied, to pay such surplus to the Lessee.

SECTION 6. General Agreements.

(a) The Lessee will cause this Subordinated Security Agreement to be filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303.

(b) This Subordinated Security Agreement shall be governed by, and construed in accordance with, the laws of the State of Illinois.

(c) This Subordinated Security Agreement may be executed in several counterparts, such counterparts together constituting but one and the same instrument and it shall not be necessary that any counterpart be signed by both parties hereto so long as each party hereto shall have executed one counterpart hereof, in which case this Agreement shall become effective upon delivery by both parties of a counterpart thereof to counsel for the Lessee.

IN WITNESS WHEREOF, the parties hereto have

caused this Subordinated Security Agreement to be duly executed by their duly authorized officers or other persons as of the date first above written.

RAILBOX COMPANY,

by

[Corporate Seal]

Title: _____

Attest:

Title:

MELLON INTERNATIONAL LEASING COMPANY,

by

[Corporate Seal]

Title: _____

Attest:

Title:

