TIGER LEASING GROUP

RECORDATION NO. 8999 Filed & Recorded
SEP 16 1977 -3 40 PM
INTERSTATE COMMERCE COMMISSION

RECORDATION NO. 8999-A Filed & Recorded
SEP 16 1977 -3 40 PM
INTERSTATE COMMERCE COMMISSION

September 16, 1977

Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Re: Section 20c Filing: North American Car Corporation ("North American") Lease dated as of July 1, 1977, and assignment thereof.

7-259A083
Date SEP 16 1977
Fee $ 60
ICC Washington, D. C.

Dear Mr. Secretary:

Enclosed for recording under section 20c of the Interstate Commerce Act are executed counterparts of the Lease ("Lease") dated as of July 1, 1977, between North American, 222 S. Riverside Plaza, Chicago, Illinois 60606 and Bamerilease, Inc. ("Lessor"), Bank of America Center, P.O. Box 37070, San Francisco, California 94137, and the Assignment of Lease and Agreement ("Assignment") dated July 1, 1977, by and between Lessor and Continental Illinois National Bank and Trust Company of Chicago, as Agent ("Agent"), 231 S. LaSalle Street, Chicago, Illinois 60693.

Under the Lease, North American leases the equipment described therein from the Lessor in accordance therewith and assigns to the Lessor as security for North American's obligation under the Lease all amounts due and payable under any sublease of the Equipment or any guaranty thereof. Under the Assignment the Lessor assigns its interest in the Lease (including its interest in any sublease of the Equipment or guaranty of rentals thereunder) to and agrees with the Agent in accordance therewith.

Also enclosed is a check, payable to the Interstate Commerce Commission, in the amount of $60 as the recording fee for the Lease and the Assignment.

Pursuant to the Commission's rules and regulations for the recording of certain documents under Section 20c of the Interstate Commerce Act, you are hereby requested to duly file two of the enclosed counterparts for record in your office and to return the remaining counterparts, together with the Secretary's Certificate of Recording, to the messenger making this delivery.

If you have any questions, please contact me.

Very truly yours,

R A Noback

Certified - Joseph Brinton

ROGER A. NOBACK
VICE PRESIDENT—LAW

NORTH AMERICAN CAR CORPORATION
222 SOUTH RIVERSIDE PLAZA • CHICAGO, ILLINOIS 60606 U.S.A. • (312) 648-4105 • TELEX 25-5222

Interstate Commerce Commission

Washington, D.C. 20423

9/16/77

OFFICE OF THE SECRETARY

Roger A. NoBack
Vice Pres.-Law
North American Car Corp.
222 South Riverside Plaza
Chicago, Illinois 60606

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 20(c) of the Interstate Commerce Act, 49 U.S.C. 20(c), on 9/16/77 at 3:40pm, and assigned recordation number(s) 8999 & 8999-A

Sincerely yours,

H.G. Homme, Jr.
Acting Secretary

Enclosure(s)

SE-30-T
(6/77)

RECORDATION NO. 8999 Filed & Recorded

SEP 16 1977 3 40 PM

INTERSTATE COMMERCE COMMISSION

LEASE OF RAILROAD EQUIPMENT

Dated as of July 1, 1977,

BETWEEN

NORTH AMERICAN CAR CORPORATION,
Lessee

AND

BAMERILEASE, INC.,
Lessor

LEASE OF RAILROAD EQUIPMENT dated as of July 1, 1977, between NORTH AMERICAN CAR CORPORATION (hereinafter called the Lessee), and BAMERILEASE, INC. (hereinafter, together with its successors and assigns, called the Lessor).

WHEREAS the Lessor is entering into a conditional sale agreement dated as of the date hereof with CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, acting as Agent under a Finance Agreement dated as of the date hereof (such agreement, together with any supplements thereto, being hereinafter referred to as the Security Document and said bank so acting being hereinafter called the Vendor), wherein the Vendor will agree to acquire from and sell to the Lessor security title to the units of railroad equipment described in Schedule A hereto (hereinafter called the Units);

WHEREAS the Lessor has entered into an equipment purchase agreement dated as of the date hereof (hereinafter called the Equipment Purchase Agreement) pursuant to which the Lessor has acquired or will acquire the Units or such lesser number as are delivered, accepted and settled for thereunder not later than December 30, 1977;

WHEREAS the Lessee has entered into an interim lease dated July 1, 1977, with the Lessor (whose name was changed from BankAmerica Service Corporation) pursuant to which the Lessee is leasing certain of the Units;

WHEREAS the Lessee and the Lessor desire to amend and restate and supersede such interim lease in its entirety (including without limitation the provisions of the Interim Lease set forth in Schedule A thereto relating to amounts paid or accrued thereunder), such amended and restated lease to be at the rentals and for the terms and upon the conditions hereinafter provided;

WHEREAS the Lessor is assigning for security purposes under the Security Document its rights in, to, and under this Lease to the Vendor pursuant to an Assignment of Lease and Agreement dated as of the date hereof (hereinafter called the Lease Assignment);

WHEREAS the Lessee is entering into a Lessee's Consent and Agreement, dated the date hereof (hereinafter called the Consent), pursuant to which the Lessee is consenting to the assignment of the Lease to the Vendor;

NOW, THEREFORE, in consideration of the premises and of the rentals to be paid and the covenants hereinafter mentioned to be kept and performed by the Lessee, the Lessor hereby leases the Units to the Lessee upon the following terms and conditions:

§ 1. *Net Lease.* This Lease is a net lease and the Lessee shall not be entitled to any abatement of rent, reduction thereof or setoff against rent, including, but not limited to, abatements, reductions or setoffs due or alleged

to be due by reason of any past, present or future claims of the Lessee against the Lessor or the Vendor or otherwise whether under this Lease, the Security Document or otherwise nor, except as otherwise expressly provided herein, shall this Lease terminate, or the respective obligations of the Lessor or the Lessee be otherwise affected, by reason of any defect in or damage to or loss of possession or loss of use or destruction of all or any of the Units from whatsoever cause, any liens, encumbrances or rights of others with respect to any of the Units, the prohibition of or other restriction against the Lessee's use of all or any of the Units, the interference with such use by any person or entity, the invalidity or unenforceability or lack of due authorization of this Lease, any insolvency of or the bankruptcy, reorganization or similar proceeding against the Lessee, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the rents and other amounts payable by the Lessee hereunder shall continue to be payable in all events in the manner and at the times herein provided unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease. To the extent permitted by applicable law, the Lessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender the lease of any of the Units except in accordance with the express terms hereof. Each rental or other payment made by the Lessee hereunder shall be final and the Lessee shall not seek to recover all or any part of such payment from the Lessor for any reason whatsoever.

§ 2. *Delivery and Acceptance of Units.* The Lessor hereby appoints the Lessee its agent for inspection and acceptance of the Units pursuant to the Equipment Purchase Agreement. The Lessor will cause each Unit to be delivered to the Lessee at the point or points within the United States of America at which such Unit is delivered to the Lessor under the Equipment Purchase Agreement. Upon such delivery, the Lessee will cause an employee of the Lessee to inspect the same, and if such Unit is found to be acceptable, to accept delivery of such Unit and execute and deliver to the Lessor a certificate of acceptance substantially in the form of Annex B to the Equipment Purchase Agreement (hereinafter called the Certificate of Acceptance) stating that such Unit has been inspected and accepted on behalf of the Lessee and the Lessor on the date of such Certificate of Acceptance and is marked in accordance with § 5 hereof, whereupon such Unit shall be

deemed to have been delivered to and accepted by the Lessee and shall be subject thereafter to all the terms and conditions of this Lease.

§ 3. *Rentals.* The Lessee agrees to pay to the Lessor as rental for each Unit subject to this Lease 40 consecutive semiannual rental payments with respect to each Unit subject to this Lease, payable on January 1 and July 1 in each year commencing July 1, 1978. The 40 semiannual rental payments due on each January 1, and July 1 in each year commencing on July 1, 1978, with respect to each Unit subject to this Lease shall each be in an amount equal to 4.07560% of the Purchase Price (as defined in the Equipment Purchase Agreement) of such Unit; it being understood, however, that the amount of the rentals payable on any payment date shall in any event be an amount sufficient to satisfy the obligations of the Lessor under the Security Document due on such date.

The rentals payable hereunder are subject to adjustment as provided in a Participation Agreement dated as of the date hereof relating to the Units (hereinafter called the Participation Agreement) between the Lessor and the Lessee; *provided, however,* that no such adjustment shall reduce the amount of rentals due on any payment date below that which is necessary to satisfy the obligations of the Lessor under the Security Document on such date.

If any of the semiannual rental payment dates referred to above is not a business day the semiannual rental payment otherwise payable on such date shall be payable on the next succeeding business day. The term "business days" as used herein means calendar days, excluding Saturdays, Sundays and any other day on which banking institutions in New York, New York, San Francisco, California, or Chicago, Illinois are authorized or obligated to remain closed.

Unless the Lease Assignment is not executed and delivered and for so long as any of the Conditional Sale Indebtedness (as defined in the Security Document) shall remain unpaid, the Lessor irrevocably instructs the Lessee to make all the payments provided for in this Lease at the principal office of the Vendor, for the account of the Lessor, in care of the Vendor, with instructions to the Vendor first, to apply such payments to satisfy the obligations of the Lessor under the Security Document, known to the Vendor to be due and payable on the date such payments are due and payable hereunder, and second, so long as no event of default under the Security Document shall have occurred and be continuing, to pay any

balance promptly to the Lessor or to the order of the Lessor in immediately available funds at such place as the Lessor shall specify in writing. If the Lease Assignment is not executed and delivered, all payments provided for in this Lease shall be made at such place as the Lessor shall specify in writing. The Lessee agrees to make each payment provided for herein as contemplated by this paragraph in immediately available funds in the city where such payment is to be made.

§ 4. *Term of Lease.* The term of this Lease as to each Unit shall begin on the date of delivery and acceptance of such Unit hereunder and, subject to the provisions of §§ 7, 10 and 13 hereof, shall terminate on the date on which the final payment of rent in respect thereof is due pursuant to § 3 hereof.

Notwithstanding anything to the contrary contained herein, all rights and obligations of the Lessee under this Lease and in and to the Units are subject to the rights of the Vendor under the Security Document. If an event of default should occur under the Security Document, the Vendor may terminate this Lease (or rescind its termination), all as provided therein; *provided, however,* that so long as (i) no Event of Default exists hereunder, (ii) the Lessee is complying with the provisions of the Consent and (iii) the Vendor is entitled to apply the Payments as defined in the Lease Assignment in accordance with the Lease Assignment, this Lease may not be terminated and the Lessee shall be entitled to the rights of possession, use and assignment provided under § 12 hereof in respect of such Units.

§ 5. *Identification Marks.* The Lessee will for the benefit of the Lessor and the Vendor cause each Unit to be kept numbered with the identifying number set forth in Schedule A hereto, or in the case of any Unit not there listed such identifying number as shall be set forth in any amendment or supplement hereto extending this Lease to cover such Unit, and will keep and maintain, plainly, distinctly, permanently and conspicuously marked on each side of each Unit, in letters not less than one inch in height, the words "Ownership Subject to a Security Agreement Filed under the Interstate Commerce Act, Section 20c" or other appropriate words designated by the Lessor, with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the Lessor's and Vendor's title to and property in such Unit and the rights of the Lessor under this Lease and of the Vendor under the Security Document. The Lessee will not place any such Unit in operation or exercise any control or dominion over the same until such words shall have been so marked on both sides thereof

and will replace promptly any such words which may be removed, defaced or destroyed. The Lessee will not change the identifying number of any Unit unless and until (i) a statement of new number or numbers to be substituted therefor shall have been filed with the Vendor and the Lessor and filed, recorded and deposited by the Lessee in all public offices where this Lease and the Security Document shall have been filed, recorded and deposited and (ii) the Lessee shall have furnished the Vendor and the Lessor an opinion of counsel to the effect that such statement has been so filed, recorded and deposited, such filing, recordation and deposit will protect the Vendor's and the Lessor's interests in such Units and no filing, recording, deposit or giving of notice with or to any other federal, state or local government or agency thereof is necessary to protect the interests of the Vendor and the Lessor in such Units while operating in any jurisdiction wherein the Security Document or any instrument in respect thereof has been or is required to be filed, registered, deposited or recorded as provided in Article 19 of the Security Document.

Except as provided in the immediately preceding paragraph, the Lessee will not allow the name of any person, association or corporation to be placed on any Unit as a designation that might be interpreted as a claim of ownership; *provided, however,* that the Units may be lettered with the names or initials or other insignia customarily used by the Lessee, its affiliates or any authorized sublessee.

§ 6. *Taxes.* All payments to be made by the Lessee hereunder will be free of expense to the Lessor for collection or other charges and will be free of expense to the Lessor with respect to the amount of any local, state, federal or foreign taxes (other than any United States federal income tax [and, to the extent that the Lessor receives credit therefor against its United States federal income tax liability, any foreign income tax] payable by the Lessor in consequence of the receipt of payments provided for herein and other than the aggregate of all state or city income taxes or franchise taxes measured solely by net income based on such receipts, or gross receipts taxes [other than gross receipts taxes in the nature of sales or use taxes], up to the amount of any such taxes which would be payable to the state and city in which the Lessor has its principal place of business without apportionment to any other state, except any such tax which is in substitution for or relieves the Lessee from the payment of taxes which it would otherwise be obligated to pay or reimburse as herein provided) or license fees, assessments,

charges, fines or penalties other than fines or penalties imposed on or with respect to taxes for which the Lessor is not indemnified under this § 6 (all such expenses, taxes, license fees, assessments, charges, fines and penalties being hereinafter called impositions) hereafter levied or imposed upon or in connection with or measured by this Lease or any sale (other than a voluntary disposition by the Lessor while no Event of Default shall have occurred and be continuing hereunder), rental, use, payment, shipment, delivery or transfer of title under the terms hereof or the Equipment Purchase Agreement or the Security Document, all of which impositions the Lessee assumes and agrees to pay on demand in addition to the payments to be made by it provided for herein. The Lessee will also pay promptly all impositions which may be imposed upon any Unit or for the use or operation thereof or upon the earnings arising therefrom (except as provided above) or upon the Lessor solely by reason of its ownership thereof and will keep at all times all and every part of such Unit free and clear of all impositions which might in any way affect the title of the Lessor or result in a lien upon any such Unit; *provided, however,* that the Lessee shall be under no obligation to pay any impositions of any kind so long as it is contesting in good faith and by appropriate legal proceedings such impositions and the nonpayment thereof does not, in the opinion of the Lessor, adversely affect the title, interest, property or rights of the Lessor hereunder or the Vendor under the Security Document or subject the Lessor or the Vendor to personal liability for which adequate indemnity shall not have been given. If any impositions shall have been charged or levied against the Lessor directly, are not being contested by the Lessee as hereinabove provided, and have been paid by the Lessor, then the Lessee shall reimburse the Lessor on presentation of an invoice therefor.

In the event that the Lessor shall become obligated to make any payment to the Vendor or otherwise pursuant to any correlative provision of the Security Document not covered by the foregoing paragraph of this § 6, the Lessee shall pay such additional amounts (which shall also be deemed impositions hereunder) to the Lessor as will enable the Lessor to fulfill completely its obligations pursuant to said provision.

In the event any reports with respect to impositions are required to be made, the Lessee will either make such reports in such manner as to show the interests of the Lessor and the Vendor in such Units or notify the Lessor and the Vendor of such requirement and make such reports in such manner as shall be satisfactory to the Lessor and the Vendor.

In the event that, during the continuance of this Lease, the Lessee becomes liable for the payment or reimbursement of any imposition, pursuant to this § 6, such liability shall continue, notwithstanding the expiration of this Lease, until all such impositions are paid or reimbursed by the Lessee.

§ 7. *Payment for Casualty Occurrences; Insurance.* In the event that any Unit shall be or become worn out, lost, stolen, destroyed, or irreparably damaged, or permanently rendered unfit from any cause whatsoever, or taken or requisitioned by condemnation or otherwise (such occurrences being hereinafter called Casualty Occurrences) during the term of this Lease, any extended term thereof or until such Unit shall have been returned in the manner provided in § 14 hereof, the Lessee shall promptly and fully notify the Lessor and the Vendor with respect thereto. On the rental payment date next succeeding such notice, the Lessee shall pay to the Lessor an amount equal to the rental payment or payments in respect of such Unit due and payable on such date plus a sum equal to the Casualty Value (as hereinafter defined) of such Unit as of the date of such payment in accordance with the schedule set out below in this § 7. Upon the making of such payment by the Lessee in respect of any Unit, the rental for such Unit shall cease to accrue, the term of this Lease as to such Unit shall terminate and (except in the case of the loss, theft or complete destruction of such Unit) the Lessor shall be entitled to recover possession of such Unit. If the date upon which the making of such payment by the Lessee in respect of any Unit is required as aforesaid shall be after the term of this Lease in respect of such Unit has expired, no rental for such Unit shall accrue after the end of such term but the Lessee, in addition to paying the Casualty Value for such Unit (which shall be the same percentage of the Purchase Price as is indicated in the schedule below opposite the last rental payment date), shall pay interest thereon from the end of such term to the date of such payment at the rate of 9.95% per annum. The Lessor hereby appoints the Lessee its agent to dispose of any Unit suffering a Casualty Occurrence or any component thereof, before or after the expiration of this Lease, at the best price obtainable on an "as is, where is" basis. Provided that the Lessee has previously paid the Casualty Value to the Lessor, the Lessee shall be entitled to the proceeds of such sale to the extent they do not exceed the Casualty Value of such Unit, and shall pay any excess to the Lessor after deduction from such excess of the reasonable expenses of the Lessee (and a reasonable profit thereon) incident to such sale.

The Casualty Value of each Unit as of the payment date on which payment is to be made as aforesaid shall be that percentage of the Purchase Price of each such Unit as is set forth in the following schedule opposite such date:

Date	Percentage: Units other than Section 48(d) Units	Percentage: Section 48(d) Units
July 1, 1978	109.263%	106.293%
January 1, 1979	109.822	105.137
July 1, 1979	111.115	104.414
January 1, 1980	112.109	103.430
July 1, 1980	112.855	102.374
January 1, 1981	113.314	101.264
July 1, 1981	108.006	99.746
January 1, 1982	107.953	98.522
July 1, 1982	107.667	97.238
January 1, 1983	107.129	95.892
July 1, 1983	99.581	94.129
January 1, 1984	98.279	92.651
July 1, 1984	96.737	91.103
January 1, 1985	95.118	89.484
July 1, 1985	86.381	87.439
January 1, 1986	84.610	85.668
July 1, 1986	82.759	83.817
January 1, 1987	80.822	81.881
July 1, 1987	78.798	79.856
January 1, 1988	76.681	77.739
July 1, 1988	74.467	75.525
January 1, 1989	72.152	73.210
July 1, 1989	69.731	70.789
January 1, 1990	67.237	68.259
July 1, 1990	64.701	65.677
January 1, 1991	62.123	63.041
July 1, 1991	59.481	60.351
January 1, 1992	56.796	57.606
July 1, 1992	54.046	54.807
January 1, 1993	51.252	51.951
July 1, 1993	48.392	49.039
January 1, 1994	45.487	46.068
July 1, 1994	42.514	43.040
January 1, 1995	39.494	39.951
July 1, 1995	36.403	36.802
January 1, 1996	33.264	33.590
July 1, 1996	30.051	30.315
January 1, 1997	26.788	26.976
July 1, 1997	23.449	23.572
January 1, 1998 and thereafter	20.000	20.000

* Query are the amounts affected by the half-year convention?

The Lessee agrees that it will in any event pay an amount in respect of the Casualty Value of any Unit at least equal to the Casualty Value payment required to be made by the Lessor under Article 7 of the Security Document. The Casualty Values hereinbefore set forth are subject to adjustment pursuant to the Participation Agreement; *provided* that no such adjustment shall reduce the Casualty Values below that which is necessary to satisfy the obligations of the Lessor under the Security Document.

Except as hereinabove in this § 7 provided, the Lessee shall not be released from its obligations hereunder in the event of, and shall bear the risk of, any Casualty Occurrence to any Unit from and after delivery and acceptance thereof by the Lessee hereunder.

The Lessee will, at all times while this Lease is in effect, at its own expense, cause to be carried and maintained property insurance in respect of the Units at the time subject hereto, and public liability insurance, in amounts and against risks customarily insured against by the Lessee in respect of similar equipment owned or operated by it and the benefits thereof shall be payable to the Vendor, the Lessor and the Lessee, as their interests may appear, so long as the indebtedness, if any, evidenced by the Security Document shall not have been paid in full, and thereafter to the Lessor and the Lessee as their interests may appear. Lessee will deliver certificates evidencing any insurance effected or in force in accordance with the provisions of this paragraph and will cause such certificates to be endorsed so as to obligate the insurers thereunder to notify the Lessor at least 30 days in advance of any pending cancelation or material modification. Any policies of insurance carried in accordance with this paragraph shall name the Lessor as an additional named insured as its interests may appear. If the Lessor shall receive any insurance proceeds or condemnation payments and the Lessee shall have made full payment pursuant to this § 7 without deduction for such insurance proceeds or such condemnation payments, the Lessor shall pay such proceeds or condemnation payments to the Lessee up to an amount equal to the sum of (x) the Casualty Value with respect to a Unit paid by the Lessee, plus (y) the reasonable expenses of the Lessee (and a reasonable profit thereon) incident to the handling of such proceeds or payments. Any balance of such proceeds or condemnation payments shall remain the property of the Lessor. All insurance proceeds received by the Lessor in respect of any Unit not suffering a Casualty

Occurrence shall be paid to the Lessee upon proof satisfactory to the Lessor that any damage to such Unit in respect of which such proceeds were paid has been fully repaired.

§ 8. *Reports.* On or before May 1 in each year commencing with the calendar year 1978, the Lessee will furnish to the Lessor and the Vendor an accurate statement (a) setting forth as at the preceding December 31 the amount, description and numbers of all Units then undergoing repairs (other than running repairs) or that are then withdrawn from use pending repairs (other than running repairs) and such other information regarding the condition and state of repair of the Units as the Lessor or the Vendor may reasonably request and (b) stating that, in the case of all Units repainted or repaired during the period covered by such statement, the numbers and the markings required by § 5 hereof and the Security Document have been preserved or replaced. The Lessor shall have the right by its agents and at its own expense to inspect the Units and the Lessee's records with respect thereto at such reasonable times as the Lessor may request during the continuance of this Lease; *provided, however,* that the Lessee shall not be required to assemble the Units of Equipment for purposes of such inspection.

The Lessee agrees to furnish the Lessor and the Vendor (i) as soon as practicable after the end of each of the first three quarterly fiscal periods in each fiscal year of the Lessee, and in any event within 60 days thereafter, copies of the consolidated balance sheet of the Lessee and its consolidated subsidiaries as of the end of each such quarter and consolidated statements of income and of surplus of the Lessee and its consolidated subsidiaries for each such quarter and (in the case of the second and third quarters) for the portion of the fiscal year ending with such quarter, setting forth in each case in comparative form, the figures for the corresponding periods in the previous fiscal year, all in reasonable detail and certified as complete and correct, subject to changes resulting from year-end adjustments, by a principal financial officer of the Lessee; (ii) as soon as practicable after the end of each fiscal year of the Lessee, and in any event within 120 days thereafter, copies of the consolidated balance sheet of the Lessee and its consolidated subsidiaries at the end of such year, and consolidated statements of income and of surplus of the Lessee and its consolidated subsidiaries for such year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and accompanied by an opinion thereon of independent certified public accountants of

recognized national standing selected by the Lessee which opinion shall state that such financial statements have been prepared in accordance with generally accepted accounting principles consistently applied (except for changes in accounting principles or in the application thereof in which such accountants concur) and that the examination of such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as were considered necessary in the circumstances; (iii) promptly upon receipt thereof, copies of each other opinion submitted to the Lessee by independent accountants in connection with any examination made by them of any other financial statements of the Lessee in accordance with generally accepted auditing standards; (iv) promptly upon their becoming available, copies of periodic reports and any registration statement or prospectus filed by the Lessee or any subsidiary of the Lessee with any securities exchange or with the Securities and Exchange Commission or any successor agency; (v) immediately upon becoming aware of the existence of any condition or event which constitutes an Event of Default under the Lease or an event of default under the Security Document, a written notice which specifies the nature of the claimed Event of Default and what action the Lessee is taking or proposes to take with respect thereto; (vi) immediately upon becoming aware that any holder of interest in the aggregate Conditional Sale Indebtedness then outstanding has given notice or taken any action in respect to a claimed Event of Default under the Lease or an event of default under the Security Document, a written notice specifying the notice given or action taken by such holder and the nature of the claimed event of default and what action the Lessee is taking or proposes to take with respect thereto; and (vii) with reasonable promptness, such other data as from time to time may be reasonably requested.

Each set of financial statements delivered to the Lessor and the Vendor will be accompanied by a certificate of the President or Vice President and Treasurer, an Assistant Treasurer, the Controller or an Assistant Controller of the Lessee setting forth that the signers have reviewed the relevant terms of this Lease, the Security Document, the Lease Assignment and the Consent and have made, or caused to be made, under their supervision a review of the transactions or conditions of the Lessee and its subsidiaries from the beginning of the accounting period covered by the income statements being

delivered therewith to the date of the certificate and that such review has not disclosed the existence during such period of any condition or event which constitutes an Event of Default under this Lease or an event of default under the Security Document or if any such condition or event existed or exists, or if an event has occurred which, with the giving of notice or the passage of time or both, would constitute such an Event of Default, specifying the nature and period of existence thereof and what action the Lessee has taken or proposes to take with respect thereto.

The Lessee will permit the Lessor, the Vendor or any representatives of the holders of interests in the Conditional Sale Indebtedness (as defined in the Security Document) then outstanding to examine all books and accounts, records and reports and other papers of the Lessee or any subsidiary, to make copies and extracts therefrom and to discuss its affairs, finances and accounts with its officers, employees and independent public accountants (and by this provision the Lessee authorizes its accountants to so discuss its affairs) all at such reasonable times and as often as may be reasonably requested.

The Lessor and the Vendor may deliver copies of any of the financial statements furnished pursuant to this § 8, as well as copies of any other information or reports furnished pursuant to this § 8 or any other provisions of this agreement, to any regulatory body, or to any agency, authority or commission, to whose jurisdiction they may be subject.

§ 9. *Disclaimer of Warranties; Compliance with Laws and Rules; Maintenance; Indemnification.* THE LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE DESIGN OR CONDITION OF, OR AS TO THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE UNITS DELIVERED TO THE LESSEE HEREUNDER, AND THE LESSOR MAKES NO WARRANTY OF MERCHANTABILITY OR FITNESS OF THE UNITS FOR ANY PARTICULAR PURPOSE OR AS TO TITLE TO THE UNITS OR ANY COMPONENT THEREOF it being agreed that all such risks, as between the Lessor and the Lessee, are to be borne by the Lessee; but the Lessor hereby irrevocably appoints and constitutes the Lessee its agent and attorney-in-fact during the term of this Lease to assert and enforce from time to time, in the name of and for the account of the Lessor and/or the Lessee, as their interests may appear, at the Lessee's sole cost and expense, whatever claims and rights the Lessor may have against the manufacturer of the Units. The Lessee's delivery of a Certificate of Acceptance shall be conclusive evidence as between the Lessee and the

Lessor that the Units described therein are in all the foregoing respects satisfactory to the Lessee, and the Lessee will not assert any claim of any nature whatsoever against the Lessor based on any of the foregoing matters.

The Lessee agrees, for the benefit of the Lessor and the Vendor, to comply in all respects (including, without limitation, with respect to the use, maintenance and operation of each Unit) with all laws of the jurisdictions in which its operations involving the Units may extend, with the interchange rules of the Association of American Railroads and with all lawful rules of the Department of Transportation, the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Units (including, without limitation, applicable statutes, regulations and orders relating to equal employment opportunities and environmental standards or controls), to the extent that such laws and rules affect the title, operation or use of the Units, and in the event that such laws or rules require any alteration, replacement or addition of or to any part of any Unit, the Lessee will conform therewith at its own expense; *provided, however,* that the Lessee may, in good faith, contest the validity or application of any such law or rule in any reasonable manner which does not, in the reasonable opinion of the Lessor or the Vendor, adversely affect the property or rights of the Lessor or the Vendor under this Lease or under the Security Document.

The Lessee agrees that, at its own cost and expense, it will maintain and keep each Unit (including any parts installed on or replacements made to any Unit and considered accessions thereto as hereinbelow provided) which is subject to this Lease in good order and repair, reasonable wear and tear excepted.

Except as hereinafter provided, any and all additions to any Unit and any and all parts installed on and additions and replacements made to any Unit shall constitute accessions to such Unit and, at the cost and expense of the Lessee, full ownership thereof free from any lien, charge, security interest or encumbrance (except for those created by or in accordance with the Security Document, this Lease or the Lease Assignment) shall immediately be vested in the Lessor and the Vendor as their respective interests appear in the Unit itself. The Lessee may make alterations or modifications to any Unit so long as they do not affect the value of such Unit adversely. The Lessee may make at its cost additions or improvements to any Unit that are readily removable without causing material damage to such Unit, and if the Lessee shall at its cost make such readily removable additions or improvements to any Unit, the Lessee agrees that it will, prior to the return

of such Unit to the Lessor hereunder, remove the same at its own expense without causing material damage to such Unit. Title to any such readily removable additions or improvements shall remain with the Lessee.

The Lessee agrees to indemnify, protect and hold harmless the Lessor and the Vendor from and against all losses, damages, injuries, liabilities, claims and demands whatsoever, regardless of the cause thereof, and expenses in connection therewith, including, but not limited to, counsel fees and expenses, patent liabilities, penalties and interest, arising out of or as the result of the entering into or the performance of the Equipment Purchase Agreement, the Security Document or this Lease, the ownership of any Unit, the ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage or return of any Unit or any accident in connection with the operation, use, condition, possession, storage or return of any Unit resulting in damage to property or injury or death to any person, except as otherwise provided in § 14 of this Lease. The indemnities arising under this paragraph shall continue in full force and effect notwithstanding the full payment of all obligations under this Lease or the termination of this Lease. The indemnities arising under this paragraph shall not be deemed to operate as a guaranty of the residual value of the Equipment or as a guaranty of the payment of the principal of or interest on the Conditional Sale Indebtedness (as defined in the Security Document).

The Lessee agrees to prepare and deliver to the Lessor within a reasonable time prior to the required date of filing (or, to the extent permissible, file on behalf of the Lessor) any and all reports (other than income tax returns) to be filed by the Lessor with any federal, state or other regulatory authority by reason of the ownership by the Lessor or the Vendor of the Units or the leasing thereof to the Lessee; *provided, however,* that the Lessor shall, to the extent appropriate, join in and execute such reports.

§ 10. *Default.* If, during the continuance of this Lease, one or more of the following events (each such event being hereinafter sometimes called an Event of Default) shall occur:

A. default shall be made in payment of any part of the rental provided in § 3 or § 13 hereof and such default shall continue for 5 business days;

B. the Lessee shall make or permit any unauthorized assignment or transfer of this Lease or of possession of the Units, or any thereof;

C. default shall be made in the observance or performance of any other of the covenants, conditions and agreements on the part of the Lessee contained herein or in the Consent, and such default shall continue for 30 days after written notice from the Lessor or the Vendor to the Lessee specifying the default and demanding that the same be remedied;

D. the Lessee shall (i) admit in writing its inability to pay its debts generally as they become due, (ii) file a petition in bankruptcy or commence proceedings under any bankruptcy, insolvency, reorganization, readjustment of debt, dissolution or liquidation law or statute now or hereafter in effect of the Federal government or any state or territorial government or any subdivision of either, (iii) make an assignment for the benefit of its creditors, (iv) consent to the appointment of a receiver, or (v) on a petition in bankruptcy filed against the Lessee, be adjudicated a bankrupt;

E. any proceedings shall be commenced against the Lessee for any relief which includes, or might result in, any modification of the obligations of the Lessee hereunder or under the Consent under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions or extension (other than a law which does not permit any readjustments of the obligations of the Lessee hereunder or under the Consent), and such proceedings shall not have been dismissed, nullified, stayed or otherwise rendered ineffective within 60 days after such proceedings shall have been commenced;

then, in any such case, the Lessor, at its option, may:

(a) proceed by appropriate court action or actions either at law or in equity, to enforce performance by the Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof including net after-tax losses of Federal and state income tax benefits to which the Lessor would otherwise be entitled under this Lease; or

(b) by notice in writing to the Lessee terminate this Lease, whereupon all rights of the Lessee to the use of the Units shall absolutely cease and terminate as though this Lease had never been made, but the Lessee shall remain liable as hereinafter provided; and thereupon the Lessor may by its agents enter upon the premises of the Lessee or other premises where any of the Units

may be and take possession of all or any of such Units and thenceforth hold, possess and enjoy the same free from any right of the Lessee, or its successors or assigns, to use the Units for any purposes whatever; but the Lessor shall, nevertheless, have a right to recover from the Lessee any and all amounts which under the terms of this Lease may be then due or which may have accrued to the date of such termination (computing the rental for any number of days less than a full rental period by multiplying the rental for such full rental period by a fraction of which the numerator is such number of days and the denominator is the total number of days in such full rental period) and also to recover forthwith from the Lessee as damages for loss of bargain and not as a penalty whichever of the following amounts the Lessor in its sole discretion shall specify (x) a sum, with respect to each Unit, which represents (A) the excess of the present value, at the time of such termination, of the entire unpaid balance of all rental for such Unit which would otherwise have accrued hereunder from the date of such termination to the end of the term of this Lease as to such Unit over the then present value of the rentals which the Lessor reasonably estimates to be obtainable for the Unit during such period, such present value to be computed in each case on the basis of a 5.27259% per annum discount, compounded semiannually from the respective dates upon which rentals would have been payable hereunder had this Lease not been terminated, plus (B) any damages and expenses, including reasonable attorneys' fees, in addition thereto which the Lessor shall have sustained by reason of the breach of any covenant, representation or warranty of this Lease other than for the payment of rental, or (y) an amount equal to the excess, if any, of the Casualty Value as of the rental payment date on or next preceding the date of termination over the net proceeds of the sale of the Equipment if sold, or, if not sold at such time, the amount the Lessor reasonably estimates to be the sales value of such Unit at such time.

The remedies in this Lease provided in favor of the Lessor shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in its favor existing at law or in equity. The Lessee hereby waives any mandatory requirements of law, now or hereafter in effect, which

might limit or modify the remedies herein provided, to the extent that such waiver is permitted by law. The Lessee hereby waives any and all existing or future claims to any offset against the rental payments due hereunder, and agrees to make rental payments regardless of any offset or claim which may be asserted by the Lessee or on its behalf.

The failure of the Lessor to exercise the rights granted it hereunder upon the occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or recurrence of any such contingencies or similar contingencies.

§ 11. *Return of Units Upon Default.* If this Lease shall terminate pursuant to § 10 hereof or pursuant to Article 16 of the Security Document, the Lessee shall forthwith deliver possession of the Units to the Lessor and shall comply with the provisions of this section upon such return. Each Unit returned to the Lessor pursuant to this § 11 shall (i) be in the same operating order, repair and condition as when originally delivered to the Lessee, reasonable wear and tear excepted, (ii) have attached or affixed thereto any accession as provided in § 9 hereof and (iii) meet the standards then in effect under the Interchange Rules of the Association of American Railroads, if applicable. For the purpose of delivering possession of any Unit or Units to the Lessor as above required, the Lessee shall at its own cost, expense and risk:

(a) forthwith and in the usual manner (including, but not by way of limitation, giving prompt telegraphic and written notice to the Association of American Railroads and all railroads to which any Unit or Units have been so interchanged) and at the usual speed place such Units upon such storage tracks or cause such Units to be transported to such point or points as the Lessor reasonably may designate;

(b) permit the Lessor to store such Units on such tracks or premises until such Units have been sold, leased or otherwise disposed of by the Lessor; or

(c) perform such other acts with respect to the Equipment as the Lessor may reasonably request.

The assembling, delivery, storage and transporting of the Units as hereinbefore provided shall be at the expense and risk of the Lessee and are of the essence of this Lease, and upon application to any court of equity

having jurisdiction in the premises the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to assemble, deliver, store and transport the Units. During any storage period, the Lessee will permit the Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser of any such Unit, to inspect the same. In the event that the Units or any thereof are sold pursuant to the exercise of the Vendor's remedies under the Security Document, the Lessee shall pay to the Vendor the per diem interchange for each such Unit which shall not have been assembled, delivered and stored, as hereinbefore provided, by the date of such sale for each day from the date of such sale to the date of delivery to the purchaser thereof.

The Lessee hereby expressly waives any and all claims against the Vendor and its agent or agents for damages of whatever nature in connection with any retaking of any Unit in any reasonable manner in accordance with the terms hereof or of the Security Document.

Without in any way limiting the obligation of the Lessee under the foregoing provisions of this § 11, the Lessee hereby irrevocably appoints the Lessor as the agent and attorney of the Lessee, with full power and authority, at any time while the Lessee is obligated to deliver possession of any Unit to the Lessor, to demand and take possession of such Unit in the name and on behalf of the Lessee from whomsoever shall be in possession of such Unit at the time.

§ 12. *Assignment; Possession and Use.* This Lease shall be assignable in whole or in part by the Lessor without the consent of the Lessee, but the Lessee shall be under no obligation to any assignee of the Lessor except upon written notice of such assignment from the Lessor. All the rights of the Lessor hereunder (including, but not limited to, the rights under §§ 6, 7, 9, 10 and 11 and the rights to receive the rentals payable under this Lease) shall inure to the benefit of the Lessor's assigns (including the Vendor).

The Lessee, at its own expense, will promptly pay or discharge any and all sums claimed by any party which, if unpaid, might become a lien, charge, security interest or other encumbrance (other than an encumbrance created by the Lessor or the Vendor or resulting from claims against the Lessor or the Vendor not related to the ownership of the Units) upon or with respect to any Unit, including any accession thereto, or the interest of the Lessor, the Vendor or the Lessee therein, and will promptly discharge any such lien,

claim, security interest or encumbrance which arises. The Lessee shall not, without the prior written consent of the Lessor, part with the possession or control of, or suffer or allow to pass out of its possession or control, any of the Units, except to the extent permitted by the provisions of the immediately succeeding paragraph.

So long as (i) no Event of Default exists hereunder, (ii) the Lessee is complying with the provisions of the Consent and (iii) the Vendor is entitled to apply the Payments as defined in the Lease Assignment in accordance with the Lease Assignment and the Consent, the Lessee and any of its affiliates shall be entitled to the possession and use of the Units in accordance with the terms hereof, and the Lessee may also (a) furnish any Unit or Units to railroad companies for use upon the lines of railroad owned or operated by them or over which they have trackage rights and upon connecting and other carriers in the usual interchange of traffic, or to others than railroad companies, or (b) sublease any Unit or Units to any person or entity, but only, in either case, upon and subject to all terms and conditions of this Lease and the Security Document, and to all rights of the Vendor under the Security Document and of the Lessor hereunder.

Any such sublease may provide that the sublessee, so long as it shall not be in default under such sublease, shall be entitled (subject to the rights of the Vendor and the Lessor referred to in the next preceding paragraph) to the possession of the Units included in such sublease and the use thereof, and, subject to the provisions of § 5, may provide for lettering or marking upon such Units for convenience of indentification of the leasehold interest of such sublessee therein. Every such sublease shall be subject to the rights of the Vendor under the Security Document and the Lessor under this Lease in respect of the Units covered by such sublease and the Lessee agrees that it will use its best efforts to cause substantially the following clause to be inserted in each such sublease and each guaranty thereof or of amounts due and payable thereunder. "Lessee [guarantor] agrees that no claim or defense which Lessee [and/or the guarantor] may have against North American Car Corporation shall be asserted or enforced against any assignee of this agreement." The Lessee hereby agrees to and does hereby transfer and assign to the Lessor as security for the Lessee's obligations hereunder all amounts due and payable under any such sublease or any guaranty thereof or of amounts due and payable thereunder. It is understood and agreed that the Lessee will act as the agent of the Lessor to

collect and receive all payments due and to become due under the subleases in respect of the Units, provided that if an Event of Default under this Lease shall occur and be continuing, the Lessor may terminate such agency and such agency shall terminate immediately upon notice of such termination from the Lessor to the Lessee and provided further that prior to receipt of such notice the Lessee may make such use of any moneys received pursuant to its agency as it would otherwise be entitled to except for the assignment of such moneys under the subleases.

The Lessor shall have the right to declare the lease provided for herein terminated in case of any unauthorized assignment or transfer of the Lessee's rights hereunder or in case of any unauthorized transfer or sublease of any of the Units.

The Lessee agrees not to use or permit the use at any one time of Units having a Purchase Price in excess of 10% of the aggregate Purchase Price of all the then existing Units in any jurisdictions in which the security interest of the Vendor or the title of the Lessor has not been effectively protected.

Notwithstanding any other provision of this § 12, in no event shall the Equipment be used otherwise than wholly or in part within the United States.

Nothing in this § 12 shall be deemed to restrict the right of the Lessee to assign or transfer its leasehold interest under this Lease in the Units or possession of the Units to any corporation incorporated under the laws of any state of the United States of America or the District of Columbia (which shall have duly assumed the obligations of the Lessee hereunder and under the Security Document) into or with which the Lessee shall have become merged or consolidated or which shall have acquired the property of the Lessee as an entirety or substantially as an entirety, provided that such assignee or transferee will not, upon the effectiveness of such merger or consolidation, be in default under any provision of this Lease.

§ 13. *Renewal Option and Right of First Refusal.* Provided that this Lease has not been earlier terminated and the Lessee is not in default hereunder, the Lessee may by written notice delivered to the Lessor not less than six months prior to January 1, 1998, elect to extend the term of this

Lease in respect of all but not fewer than all of the Units designated as hopper cars in Schedule A to this Lease and/or all but not fewer than all of the Units designated as tank cars in Schedule A to this Lease which shall then be covered by this Lease, for a renewal term of five years commencing on the scheduled expiration of the original term of this Lease at a rental equal to 2.03427% of the Purchase Price of each Unit so designated as a hopper car then subject to this Lease, for each such semiannual rental payment and at a rental equal to 2.03780% of the Purchase Price of each Unit so designated as a tank car then subject to this Lease, for each such semiannual rental payment. The Lessee may by written notice delivered to the Lessor not less than 6 months prior to the scheduled expiration of the extended term of this Lease elect to extend such extended term of this Lease in respect of all but not fewer than all of the Units so designated as tank cars then covered by this Lease for a further renewal term of five years commencing on the scheduled expiration of the extended term in respect of such Units at a rental equal to 1.52835% of the Purchase Price of each such Unit then subject to this Lease, for each such semiannual rental payment. The Lessee may by written notice delivered to the Lessor not less than six months prior to the scheduled expiration of any extended term of this Lease elect to extend such extended term of this Lease in respect of all but not fewer than all of the Units designated as tank cars or all but not fewer than all of the Units designated as hopper cars then covered by this Lease for an additional extended term of one year commencing on the scheduled expiration of the extended term in respect of such Units at a rental equal to the Fair Rental Value of each Unit then subject to this Lease. Renewal rentals shall be payable semiannually, in arrears, on January 1 and July 1 for each year of each renewal term.

Fair Rental Value shall be determined on the basis of, and shall be equal in amount to, the value which would obtain in an arm's-length transaction between an informed and willing lessee (other than a lessee currently in possession), and an informed and willing lessor, under no compulsion to lease and, in such determination, costs of removal from the location of current use shall not be a deduction from such value.

If on or before four months prior to the expiration of any extended term hereof, the Lessor and the Lessee are unable to agree upon a determination of the Fair Rental Value of the Units, such value shall be determined in accordance with the foregoing definition by a qualified independent Ap-

praiser. The term Appraiser shall mean such independent appraiser as the Lessor and the Lessee may mutually agree upon, or failing such agreement prior to the 90th day next preceding the expiration of the original term or extended term of this Lease, as the case may be, a panel of three independent appraisers, one of whom shall be selected by the Lessor, the second by the Lessee and the third by the first two so selected. The Appraiser shall be instructed to make such determination within a period of 30 days following appointment, and shall promptly communicate such determination in writing to the Lessor and the Lessee. The determination so made shall be conclusively binding upon both the Lessor and the Lessee. The expenses and fee of the Appraiser shall be borne by the Lessee.

The Lessor agrees that (provided no default hereunder shall have occurred and be continuing) it will not sell the Units, or any of them unless the Lessor shall have given the Lessee at least 30 business days' prior written notice of such sale, specifying the sale price and terms of such sale, and the Lessee shall have had the opportunity to purchase all of the Units relating to such sale at the same price and on the same terms as specified in such notice. Such opportunity of the Lessee shall continue for a period of 20 business days, commencing on the date it receives such notice from the Lessor. The foregoing right of the Lessee shall expire 360 days after the termination of this Lease or any renewal thereof. Upon payment of the purchase price of any Unit, the Lessor shall upon request of the Lessee execute and deliver to the Lessee, or to the Lessee's assignee or nominee, a bill of sale (without recourse, representation or warranties of any kind) for such Unit such as will transfer to the Lessee such title to such Unit as the Lessor derived from the Vendor, free and clear of all liens, security interests and other encumbrances arising through the Lessor.

§ 14. *Return of Units upon Expiration of Term.* As soon as practicable on or after the expiration of the original or extended term of this Lease with respect to any Unit, and in any event not later than 90 days thereafter, the Lessee will, at its own cost and expense, at the request of the Lessor, deliver possession of such Unit to the Lessor upon such storage tracks as the Lessor may reasonably designate, or, in the absence of such designation, as the Lessee may select, and permit the Lessor to store such Unit on such tracks for a period not exceeding four months, the movement and storage of such Unit to be at the expense and risk of the Lessee. During any such storage

period the Lessee will permit the Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser of such Unit, to inspect the same; *provided, however,* that the Lessee shall not be liable, except in the case of negligence of the Lessee or of its employees or agents, for any injury to, or the death of, any person exercising, either on behalf of the Lessor or any prospective purchaser, the rights of inspection granted under this sentence. The assembling, delivery, storage and transporting of the Units as hereinbefore provided are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises, the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to assemble, deliver, store and transport the Units. Each Unit returned to the Lessor pursuant to this § 14 shall (i) be in the same operating order, repair and condition as when originally delivered to the Lessee, reasonable wear and tear excepted, (ii) have attached or affixed thereto any accession as provided in § 9 hereof and (iii) meet the standards then in effect under the Interchange Rules of the Association of American Railroads, if applicable.

§ 15. *Representations and Warranties.* The Lessee represents and warrants (for the benefit of the Lessor and the Vendor) as follows:

A. the Lessee is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware and (to the Lessee's good faith knowledge) is duly qualified to do business and is in good standing in such other jurisdictions in which the business and activities of the Lessee require such qualification and furthermore, the Lessee agrees to qualify to do business in such other jurisdictions where it may subsequently be required to do so;

B. the Lessee has full power, authority and legal right to carry on its business as now conducted and is duly authorized and empowered to execute and deliver this Lease and the Consent;

C. there are no actions, suits or proceedings (whether or not purportedly on behalf of the Lessee) pending or (to the knowledge of the Lessee) threatened against or affecting the Lessee or any property rights of the Lessee at law or in equity, or before any commission or other administrative agency, which could materially and adversely affect the condition, financial or otherwise, of the Lessee; and the Lessee (to its knowledge) is not (i) in default in any material respect under any order or decree of any court or (ii) in default in any material

respect under any order, regulation or demand of any governmental commission, agency or instrumentality;

D. the Lessee is not a party to any agreement or instrument or subject to any charter or other corporate restriction materially and adversely affecting the business of the Lessee, or the operations, property or assets or condition, financial or otherwise, of the Lessee;

E. neither the execution and delivery of this Lease or the Consent nor the consummation of the transaction herein and therein contemplated or the fulfillment of, or compliance with, the terms and provisions hereof and thereof will conflict with, or result in a breach of, any of the terms, conditions or provisions of any law, or any regulation, order, injunction or decree of any court or governmental instrumentality, or of the corporate charter (as amended) or the by-laws (as amended) of the Lessee or of any bond, debenture, note, mortgage, indenture, agreement or other instrument to which the Lessee is now a party or by which it may be bound, or constitute (with the giving of notice or the passage of time or both) a default thereunder, or result in the creation or imposition of any lien, charge, security interest or other encumbrance of any nature whatsoever upon any property of the Lessee pursuant to the terms of any such agreement or instrument;

F. no existing mortgage, deed of trust, or other lien of any nature whatsoever which now covers or affects, or which may hereafter cover or affect, any property or interest therein of the Lessee, now attaches or hereafter will attach to the Units or in any manner affects or will affect adversely the Vendor's or the Lessor's right, title and interest therein; *provided, however,* that such liens may attach to the leasehold interest of the Lessee hereunder in and to the Units;

G. no authorization or approval is required from any governmental or public body with respect to the entering into or performance by the Lessee of this Lease or the Consent;

H. the Participation Agreement, this Lease and the Consent have been duly authorized, executed and delivered by the Lessee and, assuming due authorization, execution and delivery thereof by the other parties thereto, this Lease and the Consent constitute legal, valid and

binding agreements of the Lessee, enforceable in accordance with their respective terms, (subject to the enforcement of remedies to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally);

I. the Security Document, this Lease and the Lease Assignment have been or, promptly after the execution and delivery thereof and hereof, will be duly filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act and no other filing or recordation is necessary for the protection of the rights of the Vendor and the Lessor in and to the Units and the Lease in any state of the United States of America or in the District of Columbia;

J. The Lessee has furnished to the Lessor and the Original Investor named in the Finance Agreement referred to in the Security Document the consolidated balance sheets of the Lessee as of December 31, 1975, and 1976, and related consolidated statements of income for each of the five years ending December 31, 1976; such consolidated financial statements are in accordance with the books and records of the Lessee and have been prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods covered thereby (except for changes in accounting principles or in the application thereof in which the Lessee's independent certified public accountants concur); such statements present fairly the financial condition of the Lessee at such dates and the results of its operations for such periods; and no material adverse change has occurred in the condition, financial or otherwise, of the Lessee since December 31, 1976;

K. the Lessee has filed or has filed for an appropriate extension of such time to file or its parent has caused to be filed or has filed for an appropriate extension of such time to file all Federal, state and local tax returns which (to its knowledge) are required to be filed, and has paid, or made provisions for the payment of, all taxes which have or may become due pursuant to said returns or pursuant to any assessment received by it, other than taxes which are being contested in good faith and which in the aggregate do not involve material amounts;

L. the "net earnings available for fixed charges" of the Lessee (as the terms "net earnings available for fixed charges" and "fixed charges" are defined in subdivision 2 of section 81 of the New York Insurance Law) for the period of five fiscal years next preceding the date of this Lease have averaged per year not less than one and one-half times the average annual fixed charges of the Lessee applicable to such period and, during one of the last two years of such period, have been not less than one and one-half times the fixed charges of the Lessee for such year, either on a consolidated or non-consolidated basis;

M. the Lessee has not directly or through any agent offered or sold any interest in the aggregate Conditional Sale Indebtedness (as that term is defined in the Security Document) or similar interests from, or otherwise approached or negotiated in respect of the purchase or sale or other disposition of any interest in the Conditional Sale Indebtedness or similar interests with, any other persons, except the Original Investor (as defined in the Finance Agreement) and not more than three other institutional investors. Neither the Lessee nor any agent on its behalf will offer any interest in the Conditional Sale Indebtedness or similar interests to, or solicit any offer to buy any thereof from, any person or approach or negotiate with any other person in respect thereof, so as to bring the sale of the interests in the Conditional Sale Indebtedness or the certificates of interest delivered pursuant to the Finance Agreement within the registration provisions of the Securities Act of 1933, as amended; and

N. the Lessee has, to the best of its knowledge and belief, complied in all material respects with all applicable statutes, regulations, orders and restrictions of the United States of America and any state, municipality or agency thereof, in respect of the conduct of its business and ownership of its properties (including, without limitation, applicable statutes, regulations, orders and restrictions relating to equal employment opportunities and environmental standards or controls).

The Lessee's representations and warranties in this § 15 shall be true on and as of the Closing Date under the Security Document with the same effect as though such representations and warranties had been made on and as of such Closing Date and on such Closing Date the Lessee shall not be in

default under this Lease or the Consent. On the Closing Date under the Security Document the Lessee shall deliver to the Lessor and the Vendor a certificate of an officer to that effect.

On the Closing Date under the Security Document the Lessee will deliver to the Lessor counterparts of the written opinion of counsel for the Lessee, addressed to the Lessor and the Vendor, in scope and substance satisfactory to the Lessor, the Vendor and their respective counsel, to the effect set forth in clauses A, F, G, H and I in the immediately preceding paragraph, to the effect set forth in clauses C and E in the immediately preceding paragraph to the knowledge of such counsel after due inquiry and further to the effect that the Lessee has full corporate power and authority to carry on its business as now conducted and to execute and deliver the Participation Agreement, the Equipment Purchase Agreement, this Lease and the Consent.

§ 16. *Recording; Further Assurances.* The Lessee, at its own expense will cause this Lease, the Security Document and any assignment hereof or thereof to be filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act. The Lessee will undertake the filing, registering, deposit, and recording required of the Lessor under the Security Document and will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register, record (and will refile, re-register, deposit and redeposit or re-record whenever required) any and all further instruments required by law or reasonably requested by the Lessor or the Vendor for the purpose of proper protection, to their satisfaction, of the Vendor's and the Lessor's respective interests in the Units, this Lease, each sublease of any Units of the Equipment or any assignment hereof or thereof, or for the purpose of carrying out the intention of this Lease, the Security Document or the assignment thereof or of any such sublease; *provided, however,* that the Lessor and the Lessee shall not be required to take any such action referred to in Article 19 of the Security Document (other than filing and recording under Section 20c of the Interstate Commerce Act and other than the filing of financing statements and continuation statements in respect of the Vendor's interest in each sublease of the Units) if (1) it deems such action unduly burdensome, (2) after giving effect to the failure to take such action, all action required by law has been taken so as to protect the security interest

of the Vendor to units of Equipment having a Purchase Price of not less than 90% of the aggregate Purchase Price of all of the then existing Units, and the Lessee will (a) promptly after the execution and delivery of this Lease, each supplement hereto and each separate instrument of assignment of rentals or other payments under any such sublease required by this § 16 and (b) not later than May 1 in each year commencing with the year 1978, furnish to the Vendor and the Lessor evidence of all such filing, registering, depositing or recording, and an opinion or opinions of counsel for the Lessee with respect thereto satisfactory to the Vendor and the Lessor. This Lease and the Security Document shall be filed and recorded with the Interstate Commerce Commission promptly after the execution and delivery hereof and thereof.

§ 17. *Interest on Overdue Rentals.* Anything to the contrary herein contained notwithstanding, any nonpayment of rentals and other obligations due hereunder shall result in the obligation on the part of the Lessee promptly to pay, to the extent legally enforceable, an amount equal to interest at the rate of 9.95% per annum upon the overdue rentals and other obligations for the period of time which they are overdue or such lesser amount as may be legally enforceable.

§ 18. *Notices.* Any notice required or permitted to be given by either party hereto to the other shall be deemed to have been given when mailed, first-class certified, addressed as follows:

(a) if to the Lessor, at Bank of America Center, Leasing Department 656, P.O. Box 37070, San Francisco, California 94137, and

(b) if to the Lessee, at 222 South Riverside Plaza, Chicago, Illinois 60606, attention of Vice President—Finance;

or addressed to either party at such other address as such party shall hereafter furnish to the other party in writing. Any certificate, document or report required to be furnished by any party hereto to the other parties shall be delivered to the address set forth above such party. Any notice to the Lessee regarding the Lessee's failure to perform any obligation hereunder shall also be furnished to the Lessor.

§ 19. *No Recourse.* No recourse shall be had in respect of any obligation due under the Lease, or referred to herein, against any incorporator, stockholder, director or officer, as such, past, present or future, of the Lessor or the Lessee, whether by virtue of any constitutional provision,

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

§ 20. *Severability; Effect and Modification of Lease.* Any provision of this Lease which is prohibited or unenforceable in any jurisdiction, shall be, as to such jurisdiction, ineffective to the extent of such prohibition or enforceability 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.

This Lease exclusively and completely states the rights of the Lessor and the Lessee with respect to the leasing of the Units and supersedes all other agreements, oral or written, with respect thereto, except the Participation Agreement dated as of April 15, 1977, between the Lessee and the Lessor. No variation or modification of this Lease and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized signatories for the Lessor and the Lessee.

§ 21. *Execution.* The Lease may be executed in several counterparts, such counterparts together constituting but one and the same instrument, but the counterpart delivered to the Vendor shall be deemed to be the original counterpart. Although for convenience this Lease is dated as of the date first set forth above, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.

§ 23. *Law Governing.* The terms of this Lease and all rights and obligations hereunder shall be governed by the laws of the State of Illinois; *provided, however,* that the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act.

IN WITNESS WHEREOF, the parties hereto have executed or caused this instrument to be executed as of the date first above written.

NORTH AMERICAN CAR CORPORATION,

by James F. Compton
Vice President

[CORPORATE SEAL]
Attest:

Secretary

BAMERILEASE, INC.

by
Vice President

by
ASST. VICE PRES.

[CORPORATE SEAL]
Attest:

Assistant Secretary

MAY 12, 1986

STATE OF ILLINOIS
COUNTY OF COOK } ss.:

On this 12 day of August, 1977, before me personally appeared James F Compton, to me personally known, who, being by me duly sworn, says that he is a Vice President of NORTH AMERICAN CAR CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said company, that said instrument was signed and sealed on behalf of said company by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

Doris M Hebbraitz
Notary Public

[NOTARIAL SEAL]

My Commission expires 5-6-78

STATE OF CALIFORNIA
CITY AND COUNTY OF SAN FRANCISCO } ss.:

On this 17th day of August, 1977, before me personally appeared W.H. Buck and L.D. Oliver, Jr. to me personally known, who, being by me duly sworn, says that ~~he is~~ they are a Vice President and Assistant Vice President, of BAMERILEASE, INC., that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

OFFICIAL SEAL
MARY L. WILSON
NOTARY PUBLIC - CALIFORNIA
SAN MATEO COUNTY
My Commission Expires APR 27, 1980

Mary L. Wilson
Notary Public

[Notarial Seal]

My Commission expires 4-27-80

SCHEDULE A TO LEASE

Equipment

Manufacturer	Description	Quantity	Serial Numbers (Inclusive)	Month of Delivery	Specification
Union Tank Car Company	100-ton 25,000 Gallon Capacity Tank Cars	22	25251,25253, 25254, 25257, 25264-25281	July-August, 1977	NA-16
	100-ton 20,000 Gallon Capacity Tank Cars	60	72251-72310	August-Sept., 1977	NA-12
	100-ton 23,000 Gallon Capacity Tank Cars	170	76843-77012	Sept.-Dec., 1977	NA-13
Greenville Steel Car Company	3,000 Cu. Ft. Capacity Covered Hopper Cars	100	36075-36174	Sept.-Oct., 1977	L-2011-A
North American Car Corporation	5,750 Cu. Ft. Capacity Covered Hopper Cars	20	58731-58750	Sept., 1977	D-3388
	70-ton 10,000 Gallon Capacity Tank Cars	2	11817-11818	July, 1977	2254
	100-ton 34,000 Gallon Capacity Tank Cars	60	33342-33401	Oct.-Dec., 1977	2273
	5750 Cu. Ft. Capacity Covered Hopper Cars	23	58708-58730	July-Oct., 1977	HC-163
	4,000 Cu. Ft. Capacity P.D. Covered Hopper Cars	24	99857, 99866-99868, 99875-99894	July-Aug., 1977	BM4-26
	4,000 Cu. Ft. Capacity P.D. Covered Hopper Cars	25	99900-99924	Sept.-Dec., 1977	BM4-31
	4,000 Cu. Ft. Capacity P.D. Covered Hopper Cars	19	99925-99943	Sept.-Dec., 1977	BM4-32
	3,000 Cu. Ft. Capacity P.D. Covered Hopper Cars	25	93560-93584	Aug.-Sept., 1977	BM3-28
	3,000 Cu. Ft. Capacity P.D. Covered Hopper Cars	25	93585-93609	Sept., 1977	BM3-29
	3,000 Cu. Ft. Capacity P.D. Covered Hopper Cars	25	93610-93634	Sept.-Oct., 1977	BM3-30
TOTALS		600			