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INTERSTATE COMMERCE COMMISSION

LEASE OF RAILROAD EQUIPMENT

Dated as of March 15, 1975,

BETWEEN

NORTH AMERICAN CAR CORPORATION

AND

EXCHANGE NATIONAL BANK OF CHICAGO,
as Trustee

LEASE OF RAILROAD EQUIPMENT dated as of March 15, 1975, between NORTH AMERICAN CAR CORPORATION (hereinafter called the Lessee), and EXCHANGE NATIONAL BANK OF CHICAGO, as Trustee (hereinafter, together with its successors and assigns, called the Lessor), under a Trust Agreement dated as of the date hereof with GENERAL ELECTRIC CREDIT CORPORATION (hereinafter called the Beneficiary).

WHEREAS the Lessor is entering into a conditional sale agreement dated as of the date hereof with PULLMAN INCORPORATED (Pullman-Standard division) and NORTH AMERICAN CAR CORPORATION, in its capacity as builder (such agreement, together with any supplements thereto, being hereinafter referred to as the Security Document and such parties being hereinafter collectively called the Builders or severally called the Builder) wherein the Builders have severally agreed to manufacture, sell and deliver to the Vendee the units of railroad equipment described in Schedule A hereto (hereinafter called the Group A, C, and D Units and together called the Units);

WHEREAS each Builder is assigning its interest in the Security Document to American National Bank & Trust Company of Chicago, as agent under a Finance Agreement dated as of the date hereof (hereinafter called the Finance Agreement) with the Lessor and the parties named in Schedule A thereto (said bank, so acting, together with its successors and assigns, being hereinafter called the Vendor) pursuant to an Agreement and Assignment dated as of the date hereof (hereinafter called the Assignment);

WHEREAS the Lessee desires to lease all the Group A and C Units or such lesser number as are delivered, accepted and settled for under the Security Document on or prior to June 30, 1975, and all Group D Units as are delivered, accepted and settled for under the Security Document after June 30, 1975, and on or prior to December 31, 1975, 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, the Builder 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 Security Document. 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 Security Document. 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 (hereinafter called the Certificate of Acceptance) in accordance with the provisions of Article 3 of the Security Document, 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 (i) 34 consecutive semiannual rental payments with respect to each Unit subject to this Lease, payable on January 1 and July 1 in each year commencing January 1, 1976, in respect of the Group A and C Units and commencing on July 1, 1976, in respect of the Group D Units and (ii) one interim rental payment with respect to each Group D Unit subject to this Lease due and payable on January 1, 1976. Said interim rental payment shall be in an amount equal to the sum of (i) an amount equal to the product of the funds deposited by the Investors (as defined in the Security Document) on September 30, 1975, pursuant to the Finance Agreement multiplied by .0309028% for each day elapsed from and including September 30, 1975, to January 1, 1976, plus (ii) an amount equal to the product of 33% of the Purchase Price of each Group D Unit then subject to this Lease and settled for pursuant to the Security Document multiplied by .0263889% for each day elapsed from and including the date each such Unit was settled for under the Security Document to January 1, 1976. The 34 semiannual rental payments due on each January 1, and July 1 in each year commencing on January 1, 1976, with respect to each Group A and C Unit subject to this Lease and commencing July 1, 1976, with respect to each Group D Unit subject to this Lease shall each be in an amount equal to the Basic Lease Rate therefor set forth in Schedule B hereto multiplied by the Purchase Price of such Unit; *provided, however*, that on January 1, 1976, in respect to each Group A and C Unit subject to this Lease, an additional rental payment shall be made in an amount equal to the sum of (i) an amount equal to the product of the funds deposited by the Investors on June 30, 1975, pursuant to the Finance Agreement multiplied by .0309028% for each day elapsed from and including June 30, 1975 to July

1, 1975, plus (ii) an amount equal to the product of 33% of the Purchase Price of each Group A and C Unit then subject to this Lease and settled for pursuant to the Security Document multiplied by .0263889% for each day elapsed from and including the date each such Unit was settled for under the Security Document to July 1, 1975.

In addition to the foregoing rentals, the Lessee hereby agrees to pay to the Lessor as additional rentals amounts equal to the amounts required by the Vendor to make the payments provided for in the last paragraph of Paragraph 4 of the Finance Agreement on the dates required for such payments in said Paragraph 4 and the Lessor agrees to apply such rentals for such purposes.

The rentals payable hereunder are subject to adjustment pursuant to the sixth paragraph of § 9 hereof; *provided, however*, that no such adjustment shall reduce the amount of rentals below that which is necessary to satisfy the obligations of the Lessor under the Security Document.

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 or Chicago, Illinois are authorized or obligated to remain closed.

Unless the Lease Assignment is not executed and delivered, 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 or the Beneficiary 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.

§ 5. *Identification Marks.* The Lessee will for the benefit of the Lessor, the Beneficiary and the Vendee 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.

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 (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, rental, use, payment, shipment, delivery or transfer of title under the terms hereof 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. If any impositions shall have been charged or levied against the Lessor directly and paid by the Lessor, 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 Builder or 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 specified in the last paragraph of Article 15 of the Security Document. 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 incident to such sale.

The Casualty Value of each Group A, C and D 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 schedules opposite such date:

GROUP A UNITS

<u>Date</u>	<u>Percentage</u>
July 1, 1975	103.3029
January 1, 1976	103.7159
July 1, 1976	104.0379
January 1, 1977	104.1624
July 1, 1977	104.0649
January 1, 1978	103.7582
July 1, 1978	103.2445
January 1, 1979	102.5302
July 1, 1979	101.6148
January 1, 1980	100.5047
July 1, 1980	99.1996
January 1, 1981	97.7062
July 1, 1981	96.0243
January 1, 1982	94.1606
July 1, 1982	92.1152
January 1, 1983	89.8950
July 1, 1983	87.5272
January 1, 1984	85.0175
July 1, 1984	82.3651
January 1, 1985	79.5738
July 1, 1985	75.6426
January 1, 1986	73.5751
July 1, 1986	70.3704
January 1, 1987	67.0317
July 1, 1987	63.5576
January 1, 1988	59.9477
July 1, 1988	56.2065
January 1, 1989	52.3322
July 1, 1989	47.3193
January 1, 1990	44.1624
July 1, 1990	39.8555
January 1, 1991	35.3924
July 1, 1991	30.7667
January 1, 1992	25.9716
July 1, 1992	20.0000
January 1, 1993	19.6901
July 1, 1993	19.2906
January 1, 1994	18.8015
July 1, 1994	18.2229
January 1, 1995	17.5547
July 1, 1995 and thereafter.....	16.0399

GROUP-C UNITS

<u>Date</u>	<u>Percentage</u>
July 1, 1975	103.3029
January 1, 1976	104.2712
July 1, 1976	104.7679
January 1, 1977	105.0453
July 1, 1977	105.1887
January 1, 1978	105.2270
July 1, 1978	105.2613
January 1, 1979	98.3192
July 1, 1979	97.9916
January 1, 1980	97.4676
July 1, 1980	96.7540
January 1, 1981	89.1843
July 1, 1981	88.0989
January 1, 1982	86.8653
July 1, 1982	85.4933
January 1, 1983	76.3158
July 1, 1983	74.6702
January 1, 1984	73.9779
July 1, 1984	70.9346
January 1, 1985	68.7636
July 1, 1985	66.4642
January 1, 1986	64.0403
July 1, 1986	61.4910
January 1, 1987	58.8199
July 1, 1987	56.0258
January 1, 1988	53.1084
July 1, 1988	50.0726
January 1, 1989	46.9166
July 1, 1989	43.6355
January 1, 1990	40.2238
July 1, 1990	36.6760
January 1, 1991	32.9860
July 1, 1991	29.1478
January 1, 1992	25.1547
July 1, 1992	20.0000
January 1, 1993	19.6540
July 1, 1993	19.2079
January 1, 1994	18.6620
July 1, 1994	18.0159
January 1, 1995	17.2698
July 1, 1995 and thereafter.....	16.0399

GROUP D UNITS

<u>Date</u>	<u>Percentage</u>
January 1, 1976	103.2017
July 1, 1976	103.4935
January 1, 1977	104.3695
July 1, 1977	104.8075
January 1, 1978	105.0315
July 1, 1978	105.1435
January 1, 1979	105.1956
July 1, 1979	105.2196
January 1, 1980	98.0369
July 1, 1980	97.6584
January 1, 1981	97.0818
July 1, 1981	96.3123
January 1, 1982	88.6855
July 1, 1982	87.5748
January 1, 1983	86.3256
July 1, 1983	84.9410
January 1, 1984	76.1044
July 1, 1984	74.3230
January 1, 1985	72.4138
July 1, 1985	70.3776
January 1, 1986	68.2170
July 1, 1986	65.9329
January 1, 1987	63.5276
July 1, 1987	61.0019
January 1, 1988	58.3581
July 1, 1988	55.5941
January 1, 1989	52.7135
July 1, 1989	49.7184
January 1, 1990	46.6039
July 1, 1990	43.3650
January 1, 1991	39.9964
July 1, 1991	36.4924
January 1, 1992	32.8471
July 1, 1992	29.0543
January 1, 1993	25.1075
July 1, 1993	20.0000
January 1, 1994	19.6540
July 1, 1994	19.2079
January 1, 1995	18.6620
July 1, 1995	18.0159
January 1, 1996 and thereafter.....	17.2698

The Casualty Values hereinbefore set forth are subject to adjustment pursuant to the sixth paragraph of § 9 hereof; *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. If the Lessor shall receive any insurance proceeds or condemnation payments and the Lessee shall have made payments 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 Casualty Value with respect to a Unit paid by the Lessee and 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 March 31 in each year commencing with the calendar year 1976, 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 leased hereunder and covered by the Security Document, the amount, description and numbers of all Units that have suffered a Casualty Occurrence or are then undergoing repairs (other than running repairs) or have been withdrawn from use pending repairs (other than running repairs) during the preceding calendar year 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, 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.

The Lessee agrees to furnish the Lessor and the Vendor (i) as soon as practicable after the end of each quarterly fiscal period 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 application 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 report submitted to the Lessee or any subsidiary of the Lessee by independent accountants in connection with any annual, interim or special audit made by them of the books of the Lessee; (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 or an Assistant Treasurer of the Lessee setting forth that the signers have reviewed the relevant terms of this Lease, the Security Document, the Assignment, 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.

§ 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 Builders under the provisions of Items 3 and 4 of Annex A to the Security Document. 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, orders and restrictions 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 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.

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 the Security Document) 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 values of such Unit adversely.

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 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.

In the event that there are any losses, liabilities or expenses arising out of or resulting from the Investments made pursuant to Paragraph 1 of the Finance Agreement, including, but not limited to, any deficiency in respect thereof, the rentals and the casualty values thereafter payable by the Lessee in respect of Units settled for after such loss, liabilities, expenses or deficiency arose shall be increased by such amount as shall, in the reasonable opinion of the Beneficiary, cause the Beneficiary's net return (computed on the same assumptions as were utilized by the Beneficiary in originally evaluating this transaction) to equal the net return that would have been realized by the Beneficiary if such loss, liability or expense had not occurred.

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. any proceedings shall be commenced by or 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, unless such proceedings shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Lessee under this Lease or under the Consent shall not have been and shall not continue to have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees or receiver or receivers appointed (whether or not subject to ratification) for the Lessee or for the property of the Lessee in connection with any such proceedings in such manner that such obligations shall have the same status as obligations incurred by such a trustee or trustees or receiver or receivers, within 30 days after such appointment, if any, or 60 days after such proceedings shall have been commenced, whichever shall be earlier;

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 (i) as damages for loss of the bargain and not as a penalty, a sum, with respect to each Unit, which represents the excess of (x) 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 (y) 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 3.67% per annum discount, compounded semiannually from the respective dates upon which rentals would have been payable hereunder had this Lease not been terminated, (ii) 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. Notwithstanding anything to the contrary contained herein, if, upon the exercise of the remedies and payment of the damages contained herein, the amount realized by the Lessor does not equal an amount equal to the unpaid principal amount of the Conditional Sale Indebtedness (as defined in the Security Document) and interest accrued thereon, the Lessee covenants and agrees to pay an additional amount equal to such deficiency.

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; and

(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.

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.

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 no Event of Default hereunder or event of default under the Security Document occurs and is continuing and the Lessee shall have fully complied with the provisions of this § 12, 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 identification 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 hereby agrees to transfer and assign to the Vendor all amounts due and payable under any such sublease and the Lessor consents to such assignment. It is understood and agreed that the Lessee will act as the agent of the Vendor 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 Vendor may terminate such agency and such agency shall terminate immediately upon notice of such termination from the Vendor 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 any Unit be used predominantly outside the United States within the meaning of

section 48(a) of the Internal Revenue Code of 1954, as amended, nor shall the Lessee sublease any Unit to or permit the use by any person in whose hands such Unit would not qualify as "section 38" property within the meaning of such Code.

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.* 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 (a) to July 1, 1992, in respect of the Group A and C Units or (b) to January 1, 1993, in respect of the Group D Units, elect to extend the term of this Lease in respect of all but not fewer than all of the Group A and C Units or the Group D Units, as the case may be, then covered by this Lease, for one additional 7-year period commencing on the scheduled expiration of the original term of this Lease in respect of the Group A and C Units or the Group D Units, as the case may be, at a rental equal to 1.7164% 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 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 Group A and C Units or the Group D Units, as the case may be, then covered by this Lease for an extended term of no less than one year as may be agreed upon by the Lessor and the Lessee commencing on the scheduled expiration of the extended term in respect of the Group A and C Units or the Group D Units, as the case may be, at a rental equal to the Fair Rental Value of each Group A and Group C Unit or each Group D Unit then subject to the Lease, as the case may be. 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 the term of this Lease or 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 Appraiser. 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.

§ 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 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 three months and transport the same, at any time within such three-month period, to any reasonable place on the lines of any railroad within the United States at an expense not greater than the cost to return to Chicago for shipment, all as directed by the Lessor; 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, the Beneficiary 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 qualified to do business and 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 conditions, financial or otherwise, of the Lessee; and the Lessee (to its knowledge) is not in default with respect to any order or decree of any court or 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 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 in connection with it, with respect to the entering into or performance by the Lessee of this Lease or the Consent;

H. 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 and the assignment of the Lease to the Vendor 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 (and any assignment thereof) and this Lease (and any assignment hereof) have been duly filed and recorded with the Interstate Commerce Commission pursuant to Section 20c of the Interstate Commerce Act and such filing and recordation will protect the Vendor's and the Lessor's interest in and to the Units and no filing, recording or deposit (or giving of notice) with any other federal, state or local government or agency thereof is necessary in order to protect the interests of the Vendor or the Lessor in and to the Units in the United States of America;

J. no material adverse change has occurred in the condition, financial or otherwise, of the Lessee since December 31, 1974;

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 Investors (as

defined in the Finance Agreement) and not more than 23 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 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 each Closing Date with the same effect as though such representations and warranties had been made on and as of each Closing Date; and on each Closing Date the Lessee shall not be in default under this Agreement, the Lease or the Consent; and on each Closing Date the Lessee shall have delivered to the Lessor and the Vendor a certificate of an officer to that effect.

On each Closing Date 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 through I in the immediately preceding paragraph.

§ 16. *Recording.* 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, or for the purpose of carrying out the intention of this Lease, the Security Document or the assignment thereof to the Vendor; *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) 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 promptly 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 prior to the delivery and acceptance hereunder of any Unit.

§ 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 highest rate specified in the sixth paragraph of Article 4 of the Security Document, 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 130 South La Salle Street, Chicago, Illinois 60690, attention of Trust Department, with copies to the Beneficiary at P.O. Box 8300, Stamford, Connecticut 06904, attention of Manager—Operations, and Loan Officer—Rail, 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. *Lessor Acting as Trustee.* The representations, undertaking and agreement herein made on the part of the Lessor are made and intended for the purpose of binding only the Trust Estate as such term is used in the trust agreement pursuant to which the lessor is acting as trustee.

Whenever the term Lessor is used in this Lease it shall apply and refer to the Lessor and the Beneficiary and any assignee of the Lessor and, where the context so requires (including, but not limited to, certain of the provisions of §§ 6 and 10 hereof) shall refer only to the Beneficiary. The term Beneficiary as used herein shall include any affiliated group of corporations which includes the Beneficiary and which files a consolidated Federal income tax return.

§ 20. *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, or against the Beneficiary or any other beneficiary of a trust for which the Lessor is acting as trustee, 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.

§ 21. *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 Participa-

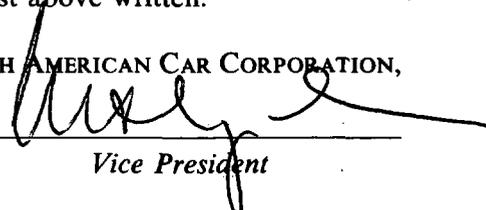
tion Agreement dated as of March 15, 1975, between the Lessee and the Beneficiary. No variation or modification of this Lease and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized signatories for the Lessor and the Lessee.

§ 22. *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,

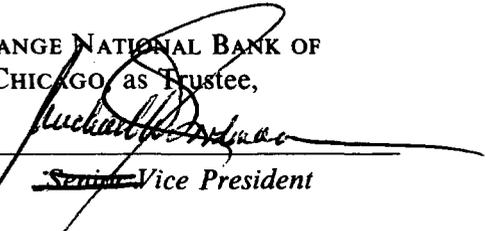
by 
Vice President

[CORPORATE SEAL]

Attest:

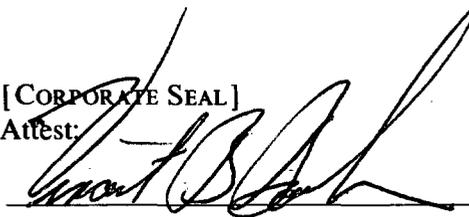

Secretary

EXCHANGE NATIONAL BANK OF
CHICAGO, as Trustee,

by 
~~Semi~~-Vice President

[CORPORATE SEAL]

Attest:


~~Assistant Secretary~~
Assistant Trust Officer

STATE OF ILLINOIS }
COUNTY OF COOK } ss.:

On this 5th day of June, 1975, before me personally appeared M. G. Lynch 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.

Alice R. Noble
Notary Public

[NOTARIAL SEAL]

My Commission expires 3/16/79

STATE OF ILLINOIS }
COUNTY OF COOK } ss.:

On this 6 day of June, 1975, before me personally appeared MICHAEL D. GOODMAN to me personally known, who, being by me duly sworn, says that he is a Vice President of EXCHANGE NATIONAL BANK OF CHICAGO, that one of the seals affixed to the foregoing instrument is the corporate seal of said bank, that said instrument was signed and sealed on behalf of said bank by authority of its By-Laws, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said bank.

Kathleen M. Nugent
Notary Public

[Notarial Seal]

My Commission expires

Oct. 1, 1976

SCHEDULE A TO LEASE

Group A Units

<u>Type and Mechanical Designation</u>	<u>Quantity</u>	<u>Lessee's Road Numbers (Both Inclusive)</u>
Class LO 100-ton 4,750 cubic foot capacity covered hopper car	50	NAHX 476254- 476303

Group C Units

Class LO 100-ton 4,750 cubic foot capacity covered hopper car	425	NAHX 56020- 56069 FSHX 56715- 56724 FSHX 475650- 475689 FSHX 476050- 476099 NAHX 476304- 476353 NAHX 476354- 476413 NAHX 476489- 476513 NAHX 477204- 477253 NAHX 477324- 477358 NAHX 477399- 477438 NAHX 477504- 477518
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*476344 -
476353
in 9946 -E*

over ↓

34

*Group D
deleted &
restored in
7946-F*

Group D Units

<u>Type and Mechanical Designation</u>	<u>Quantity</u>	<u>Lessee's Road Numbers (Both Inclusive)</u>
Class LO 100-ton 4,750 cubic foot capacity covered hopper car	400	NAHX 476100-476153 NAHX 477359-477398 NAHX 477950-477999 NAHX 478000-478099 NAHX 478400-478555
	63	NAHX 57491-57500 NAHX 477026-477035 NAHX 477054-477076 NAHX 477102-477111 NAHX 477117-477126
	220	NAHX 478243-478292 NAHX 478318-478367 NAHX 478387-478399 NAHX 478556-478595 NAHX 478700-478749 NAHX 478800-478816
	<hr/> 683	

SCHEDULE B—Lease

	Percentage of Purchase Price* of Group A Units	Percentage of Purchase Price* of Group C Units	Percentage of Purchase Price* of Group D Units
Basic Lease Rate	5.7908%	4.9461%	4.8950%

* As defined in the Security Document