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APR 30 1985 - 11 20 AM

INTERSTATE COMMERCE COMMISSION

File first

April 29, 1985

RECORDATION NO. 14636/A Filed 1425

APR 30 1985 - 11 20 AM

INTERSTATE COMMERCE COMMISSION

*NOT ADMITTED IN NEW YORK

Mr. James H. Bayne
Secretary
Interstate Commerce Commission
Washington, D.C.

Dear Mr. Bayne:

I have enclosed eight (8) originals of each of the two documents described below, each to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

The first document is a Master Equipment Lease, a primary document, dated as of April 1, 1985.

The names and addresses of the parties to this document are as follows:

Lessor: Security Pacific Financial Leasing, Inc.
Four Embarcadero Center, Suite 1200
San Francisco, California 94111

Lessee: Signal Capital Corporation
Pullman Leasing Company Division
200 South Michigan Avenue
Chicago, Illinois 60604

APR 30 11 13 AM '85

New member

Counterparts to G. H. Sherman

- A

Security Pacific

News No - A

The second document is a related Assignment of Lease and Agreement, dated as of April 1, 1985.

The names and addresses of the parties to this document are as follows:

Assignor: Security Pacific Financial Leasing, Inc.
Four Embarcadero Center, Suite 1200
San Francisco, California 94111

Assignee: Security Benefit Trust Company,
not in its individual capacity but
solely as Agent
700 Harrison Street
Topeka, Kansas 66636

A description of the equipment covered by these two documents follows:

Two hundred (200) 100-ton 5820 cubic foot capacity covered hopper cars bearing Pullman Leasing Company road numbers PLWX 44558 - 44757, inclusive

and

Sixteen (16) 20,514 gallon DOT111A100W3 exterior coiled and insulated railroad tank cars, bearing Pullman Leasing Company road numbers PLWX 220354 - 220369, inclusive.

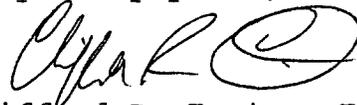
A short summary of the documents to appear in the index follows:

Covers 200 covered hopper cars - PLWX 44558 - 44757 and 16 tank cars - PLWX 220354 - 220369.

A total fee of \$20 is enclosed, to cover the filing fees for these two documents.

Please return to bearer the stamped counterparts not needed by the Commission for its files.

Very truly yours,



Clifford R. Ennico, Esq.

Interstate Commerce Commission
Washington, D.C. 20423

4/30/85

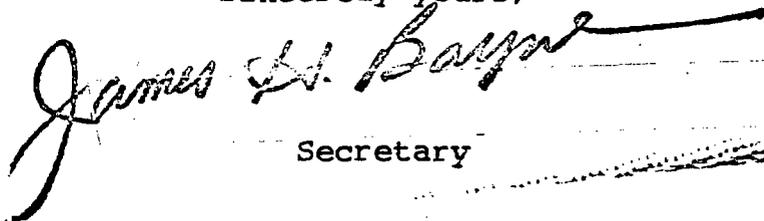
OFFICE OF THE SECRETARY

Clifford R. Ennico, Esq.
Thacher, Proffitt & Wood
40 Wall Street
New York, N.Y. 10005

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 4/30/85 at 11:20am and assigned re-
recording number (s) . 14636 & 14636-A, 14637

Sincerely yours,


Secretary

Enclosure(s)

APR 30 1985 - 11 20 AM

INTERSTATE COMMERCE COMMISSION

MASTER EQUIPMENT LEASE

Dated as of April 1, 1985

between

Security Pacific Financial Leasing, Inc.
as Lessor

and

Signal Capital Corporation,
acting through its
Pullman Leasing Company division,
as Lessee

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MASTER EQUIPMENT LEASE

THIS MASTER EQUIPMENT LEASE dated as of April 1, 1985 (the Lease) between Security Pacific Financial Leasing, Inc. (the Lessor) and Signal Capital Corporation, acting through its Pullman Leasing Company division (the Lessee).

W I T N E S S E T H:

SECTION 1. Definitions; Construction of References.

In this Lease, unless the context otherwise requires:

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

(b) The terms defined in this Section or elsewhere in this Lease shall, for purposes of this Lease and all Exhibits hereto, have the meanings assigned to them in this Section or elsewhere and include the plural as well as the singular.

(c) Except as otherwise indicated, all the agreements or instruments herein defined shall mean such agreements or instruments as the same may from time to time be supplemented or amended or the terms thereof waived or modified to the extent permitted by, and in accordance with, the terms thereof.

(d) The following terms shall have the following meanings for all purposes of this Lease:

Abatements shall have the meaning set forth in Section 10 hereof.

ACRS Deductions, Investment Tax Credit and Interest Deductions shall have the meanings set forth in the Tax Indemnity Agreement.

Agent shall mean Security Benefit Trust Company, a Kansas corporation, acting not in its individual capacity but solely as agent under an Agency Agreement, dated as of the date hereof, among the Agent and the Lenders.

Appraisal shall mean a procedure whereby three appraisers, none of whom shall be the Manufacturer

shall determine an amount in question. One appraiser shall be chosen by the Lessee and one by the Lessor. The Lessor or the Lessee, as the case may be, shall deliver a written notice to the other party appointing its appraiser within 15 days after receipt from the other party of a written notice appointing that party's appraiser. A third appraiser shall be chosen within five days thereafter by the mutual consent of such first two appraisers. The decision of the three appraisers so appointed and chosen shall be given within 30 days after the selection of such third appraiser and, upon receipt of such decision, the amount in question shall be definitively determined by averaging the decisions of all three appraisers, and thereafter such amount shall be binding and conclusive on the Lessor and the Lessee. The fees and expenses of the three appraisers shall be borne equally by the Lessor and the Lessee.

Basic Lease Rate Factor shall have the meaning set forth in Exhibit B hereto.

Basic Rent, Basic Rent Date, First Basic Rent Date and Last Basic Rent Date shall have the meanings set forth in Exhibit B hereto.

Bill of Sale shall mean the bill of sale for the Items of Equipment to be purchased by the Lessor hereunder, in substantially the form set forth as Attachment 1 to Exhibit D hereto.

Business Day shall mean any day other than a Saturday or Sunday or other day on which banks in the States of California, Illinois, Kansas, or South Carolina are authorized to close.

Daily Lease Rate Factors shall have the meaning set forth in Exhibit B hereto.

Casualty Value shall have the meaning set forth in Section 13 hereof.

Certificate of Acceptance shall mean a document in the form attached as Exhibit A hereto.

Claims shall have the meaning set forth in Section 22 hereof.

Closing Date shall mean the date or dates set forth in Exhibit B hereto with respect to each Item of Equipment (or such other date as may be set in accordance with Section 2.3 of the Participation Agreement).

Code shall mean the Internal Revenue Code of 1954, as amended.

Collateral shall have the same meaning as set forth in the Security Agreement, dated as of April 1, 1985, between the Lessor and the Agent.

Default shall mean an event which, after the giving of notice or lapse of time, or both, would become an Event of Default.

Equipment (individually an Item or Items of Equipment), Lessor ITC Hopper Cars, Lessee ITC Hopper Cars, Tank Cars, Date of Lease, Estimated First Delivery Date, Estimated Final Delivery Date, Estimated Lessor's Cost, Maximum Financing Cost, Late Payment Rate and Equipment Marking shall have the meanings with respect to the Equipment as set forth in Exhibit B hereto.

Event of Default shall have the meaning set forth in Section 23 hereof.

Expiration Date shall mean June 30, 2005.

Fair Market Rental Value of an Item of Equipment shall be determined on the basis of, and shall mean the amount which would be obtainable in, an arm's-length transaction between an informed and willing lessee under no compulsion to lease and an informed and willing lessor under no compulsion to lease, in accordance with a lease on terms and conditions as herein provided, except as to rent and term. If the Lessor and the Lessee are unable to agree upon a determination of the Fair Market Rental Value with respect to an Item of Equipment, such Fair Market Rental Value shall be determined in accordance with the procedure for Appraisal.

Fair Market Value of an Item of Equipment shall be determined on the basis of, and shall mean the amount which would be obtainable in, an arm's-length transaction between an informed and willing buyer or user under no compulsion to buy and an informed and willing seller under no compulsion to sell, and in such determination costs of removal from the location of current use shall not be a deduction from such value and all alternative uses in the hands of such buyer or user, including without limitation, the further leasing of such Item of Equipment, shall be taken into account in making such determination. If the Lessor and the Lessee are unable to agree upon a determination of Fair

Market Value with respect to an Item of Equipment, such Fair Market Value shall be determined in accordance with the procedure for Appraisal.

First Termination Date shall have the meaning set forth in Exhibit B hereto.

Hopper Cars shall mean Lessee ITC Hopper Cars and Lessor ITC Hopper Cars, collectively.

Impositions shall have the meaning set forth in Section 20 hereof.

Improvement shall have the meaning set forth in Section 11 hereof.

Indemnified Party shall have the meaning set forth in Section 22 hereof.

Interim Rent shall have the meaning set forth in Section 4(b)(1) hereof.

Interim Rent Payment Date shall have the meaning set forth in Exhibit B hereto.

Lenders shall mean The First Pyramid Life Insurance Company of America, Security Benefit Life Insurance Company, Liberty Life Insurance Company and their respective successors or assigns.

Liens shall mean any mortgage, lien, security interest, charge, claim or other encumbrance on or with respect to any Item of Equipment, the Lessor's title thereto or any interest of the Lessor therein.

Lessor's Assignee shall have the meaning set forth in Section 15 hereof.

Lessor's Liens shall mean any Lien on or disposition of any Item of Equipment that either (a) results from claims against the Lessor not related to the transactions contemplated by this Lease or (b) results from an affirmative act of the Lessor to create such a Lien or disposition and that is neither consented to by the Lessee nor taken in connection with any Event of Default.

Manufacturer shall have the meaning set forth in Exhibit B hereto.

Note shall have the meaning set forth in the Participation Agreement.

Participation Agreement shall mean the Participation Agreement, dated as of April 1, 1985, among the Lessee, the Lessor and the Lenders.

Person shall mean any individual, partnership, corporation, trust, unincorporated association or joint venture, a government or any department or agency thereof, or any other entity.

Purchase Documents shall mean, with respect to any Item of Equipment, the documents described in Exhibit D hereto.

Purchase Price shall have the meaning set forth in Section 18 hereof.

Replacement Part shall have the meaning set forth in Section 11 hereof.

Requisition of Use shall have the meaning set forth in Section 13 hereof.

Supplemental Rent and Rent shall have the meanings set forth in Section 4 hereof.

Tax Indemnity Agreement shall mean the Tax Indemnity Agreement, dated as of the date hereof, between the Lessor and the Lessee.

Termination Value shall have the meaning set forth in Section 16 hereof.

Total Invoice Cost shall mean \$ [REDACTED] per Item of Equipment in the case of Lessee ITC Hopper Cars and Lessor ITC Hopper Cars, \$ [REDACTED] per Item of Equipment in the case of the Tank Cars bearing road number PLWX 220354 through 220360, inclusive, and \$ [REDACTED] per Item of Equipment in the case of Tank Cars bearing road numbers PLWX 220361 through 220369, inclusive; provided, however, that the Total Invoice Cost of an Item of Equipment to be acquired by the Lessor after the first Closing Date shall be increased, by the amount, if any, by which the amount payable by the Lessee to the Manufacturer with respect thereto shall exceed the dollar amount contained in this definition; and provided further, however, that no such increase shall exceed 110% of such dollar amounts; and provided further, however, that in no event shall the aggregate Total Invoice Cost of the Equipment exceed \$11,011,473.

Total Loss shall have the meaning set forth in Section 13 hereof.

SECTION 2. Purchase and Lease of Equipment.

Subject to the terms and conditions of the Participation Agreement and this Lease, the Lessor hereby agrees to purchase each Item of Equipment from the Lessee on the Closing Dates with respect thereto, for a purchase price equal to the Total Invoice Cost thereof, and agrees to lease such Items of Equipment to the Lessee, and the Lessee hereby agrees to sell each Item of Equipment to the Lessor on the Closing Dates with respect thereto, for a purchase price equal to the Total Invoice Cost thereof, and agrees to lease such Items of Equipment from the Lessor.

SECTION 3. Appointment of Authorized Representative; Acceptance of Items of Equipment by Lessee.

On each Closing Date the Lessor shall, subject to the terms and conditions of this Lease and the Participation Agreement, accept delivery of each Item of Equipment with respect to which the Lessee shall have tendered to the Lessor a Bill of Sale. The Lessor hereby appoints the Lessee as its authorized representative to accept delivery of each Item of Equipment by executing a Certificate of Acceptance with respect thereto, subject to the last sentence of this Section 3. Simultaneously, by execution of such Certificate of Acceptance, the Lessee shall, in its own right, accept delivery under this Lease of the Items of Equipment covered thereby. If any of the conditions set forth in Section 6 hereof or in Section 5 of the Participation Agreement to be fulfilled on any Closing Date shall not have been fulfilled as set forth therein or waived, the authority of the authorized representative granted pursuant to this Section 3 shall terminate.

SECTION 4. Term and Rent.

(a) The term of this Lease with respect to any Item of Equipment shall begin on the Closing Date with respect thereto and, subject to the provisions of Sections 13, 17 and 24 hereof, shall end on the Expiration Date.

(b) The Lessee shall pay to the Lessor as Basic Rent for each Item of Equipment, the following:

(1) on the Interim Rent Payment Date, an amount ("Interim Rent") equal to the applicable Daily Lease Rate Factor multiplied by the Total Invoice Cost of such Item for each day elapsed from, and including, the Interim Rent Commencement Date with respect to such Item to, but excluding, the Interim Rent Payment Date;

(2) on the First Basic Rent Date, an amount equal to the applicable Basic Lease Rate Factor multiplied by the Total Invoice Cost of such Item; and

(3) on each Basic Rent Date thereafter to, and including, the Last Basic Rent Date, an amount equal to the applicable Basic Lease Rate Factor multiplied by the Total Invoice Cost of such Item.

(c) The Lessee shall pay to the Lessor the following amounts (herein referred to as Supplemental Rent and, together with all Basic Rent, as Rent):

(1) on demand, any amount payable hereunder (other than Basic Rent, Termination Value and Casualty Value) which the Lessee assumes the obligation to pay, or agrees to pay, under this Lease to the Lessor;

(2) on the date provided herein, any amount payable hereunder as Casualty Value or Termination Value; and

(3) on demand, to the extent permitted by applicable law, a late charge (computed on the basis of a 360-day year of actual days elapsed) at the Late Payment Rate on any payment of Rent or Casualty Value or Termination Value not paid when due for any period during which the same shall be overdue.

(d) All payments of Rent hereunder shall be made so that the Lessor shall have immediately available funds on the dates payable hereunder. Rent shall be paid to the Lessor at its address set forth herein or at such address or to such other Person as the Lessor may direct by notice in writing to the Lessee.

SECTION 5. Limitation of Lessor's Liability

The Lessor shall not be liable for loss or damage occasioned by any cause, circumstance or event of whatsoever nature, including, but not limited to, failure of or delay in delivery, delivery to wrong place, delivery of improper equipment or property other than the Equipment, damage to the Equipment, governmental regulations, strike, embargo or other cause, circumstance or event, whether of like or unlike nature. All charges, expenses and taxes incurred in connection with the Lessor's purchase of the Equipment and the shipment, delivery, installation and servicing of the Equipment by the Manufacturer or by any other party shall be the responsibility of the Lessee.

SECTION 6. Conditions Precedent to Payment for Items of Equipment.

The obligation of the Lessor to pay the Total Invoice Cost of any Item of Equipment which the Lessor has agreed to purchase pursuant to Sections 2 and 3 hereof on the Closing Date relating to such Item shall be subject to the fulfillment with respect to each such Item of Equipment of the conditions precedent set forth in Section 5 of the Participation Agreement and the following conditions precedent:

(1) The representations and warranties of the Lessee set forth in Section 7 and in the Participation Agreement, including without limitation Exhibit D thereto, hereof shall be true and correct in all material respects on each Closing Date, no Default or Event of Default shall have occurred and be continuing on such Closing Date, and the Lessor shall have received a representation of the Lessee to such effect and to the further effect that the Lessee has satisfied or complied with all requirements set forth in this Lease to be satisfied or complied with on or prior to such Closing Date.

(2) The Lessor shall have received from the Lessee, on or before the first Closing Date, appropriate evidence of authorization to enter into and execute this Lease, the Participation Agreement, the Tax Indemnity Agreement, the Bill of Sale and documents incidental hereto.

(3) The Lessor shall have received on each Closing Date the Purchase Documents for each Item of Equipment to be purchased on such Closing Date as described in Exhibit D hereto.

(4) The Lessor shall have received on each Closing Date a Certificate of Acceptance for each Item of Equipment to be purchased on such Closing Date.

(5) The Lessor and the Lessee shall have executed the Tax Indemnity Agreement.

(6) The Lessor shall have received an appraisal of such Items of Equipment in form and substance satisfactory to the Lessor.

(7) The Lessor shall have received an opinion of Morgan, Lewis & Bockius, its special tax counsel, in form and substance satisfactory to the Lessor.

(8) The recording of this Lease and documents evidencing the security interest of any Lessor's Assignee in the Equipment and in the Lease under

Section 11303 of the Interstate Commerce Act shall have occurred, both on or before the first Closing Date.

(10) The Lenders shall have made the investments contemplated by Sections 2.1 and 2.2 of the Participation Agreement.

SECTION 7. Certain Representations, Warranties and Agreements of the Lessee.

The Lessee represents, warrants, covenants and agrees as follows:

(a) Condition of the Equipment. Each Item of Equipment (i) is personal property and no Item of Equipment, when subjected to use by the Lessee under this Lease, will be or will become a fixture under applicable law; (ii) constitutes "section 38 property" as such term is defined in Section 48(a) of the Code and the Lessee will not at any time during the term of this Lease use or fail to use the Equipment in such a way as to disqualify it as "section 38 property"; (iii) will not have been "placed in service" within the meaning of Sections 46 and 48 of the Code by anyone other than the Lessee prior to the Closing Date with respect thereto and will have been placed in service by the Lessee only within the three-month period ending on such date; (iv) will be "new section 38 property" as defined in Section 48(b) of the Code on the date such Item of Equipment is accepted by the Lessee on the Lessor's behalf, and as such, each Item of Equipment as to which the Lessor intends to claim Investment Tax Credit will qualify for Investment Tax Credit in an amount not less than 10 percent of the Total Invoice Cost thereof; (v) each Item of Equipment will be deemed as having been placed in service by the Lessor on the Closing Date with respect thereto; and (vi) each Item of Equipment is either "five-year recovery property" or "ten-year recovery property" within the meaning of Section 168 of the Code as indicated in Exhibit B hereto. No Item of Equipment was subject to any contract with respect to the sale, purchase or construction thereof (x) to which the Lessee or any affiliate of the Lessee was a party and (y) which was effective on or before March 7, 1984. An amount equal to at least 20% of the Total Invoice Cost of each Item of Equipment is a currently reasonable estimate of what the Fair Market Value of such Item of Equipment will be on the Expiration Date without including in such value any increase or decrease for inflation or deflation and after subtracting from such value any cost to the Lessor for removal and delivery of possession of such Item of Equipment to the Lessor, and an amount equal to not more than 50.1 percent of the Total Invoice Cost of each Item of Equipment is a currently reasonable estimate of what the Fair Market Value of such Item will be on the Expiration Date after giving effect to reasonably anticipated inflation. It is currently reasonable to estimate that each Item of Equipment will have an expected useful life of

at least 25 years. The Equipment does not constitute "limited use property" within the meaning of Revenue Procedure 76-30. Each Item of Equipment will be used by the Lessee such that under Section 861(f) of the Code the Lessor will be entitled to treat all income and deductions in respect therewith as domestic source.

(b) Financial Statements. The balance sheet and the related statement of income and statement of changes in financial position of the Lessee, heretofore delivered to the Lessor, have been prepared in accordance with generally accepted accounting principles consistently applied and fairly present the financial position of the Lessee on and as of the date thereof and the results of its operations for the period or periods covered thereby. Since its most recent balance sheet and related statement of income and statement of changes in financial position reflecting the condition of the Lessee as of September 30, 1984, all as submitted to the Lessor, there has been no material adverse change in the financial condition or results of operations of the Lessee.

(c) Access to or Furnishing of Information. The Lessee agrees to furnish to the Lessor:

(1) within 120 days after the close of each fiscal year of the Lessee occurring after the date hereof, an audited balance sheet and statement of changes in financial position of the Lessee at and as of the end of such fiscal year, together with an audited statement of income of the Lessee for such fiscal year;

(2) within 60 days after the close of each of the first three quarters of each fiscal year of the Lessee, an unaudited balance sheet and statement of changes in financial position of the Lessee at and as of the end of such quarter, together with an unaudited statement of income of the Lessee for such quarter;

(3) on or before April 30, 1986 and on or before April 30 of each year during the term of this Lease, an accurate statement setting forth as of the preceding December 31, the amount, description and road numbers of all Items of Equipment then subject to this Lease, the amount, description and road numbers of all Items of Equipment which have suffered a Total Loss during the preceding calendar year and such other information regarding the condition and state of repair of the Equipment as the Lessor may reasonably request; and

(4) from time to time, such other information as the Lessor may reasonably request.

To the extent any financial information provided by Lessee hereunder is not public information, Lessor agrees to keep such information confidential.

(d) Merger, Sale, etc. Upon any consolidation or merger of the Lessee with or into any other corporation or corporations (whether or not affiliated with the Lessee), or successive consolidations or mergers in which the Lessee or its successor or successors shall be a party or parties, or upon any sale or conveyance of all or substantially all of the property of the Lessee to any other Person, the Lessee will cause the due and punctual payment of all Rent and the due and punctual performance and observance of all covenants and obligations of the Lessee hereunder to be assumed by the corporation (if other than the Lessee) formed by such consolidation, or the corporation into which the Lessee shall have been merged or by the Person which shall have acquired such property.

SECTION 8. Warranties of the Lessor.

(a) The Lessor warrants that (i) during the term of this Lease, if no Default or Event of Default has occurred and is continuing, the Lessee's use of the Equipment shall not be interrupted by the Lessor or anyone claiming by, through or under the Lessor (other than any Lender, the Agent or any successor or assign of any thereof) and (ii) it will not make any assignment under Section 15(b) hereof unless and until the Lessor's Assignee agrees to comply with the provisions of clause (i) hereof.

(b) This Lease has been duly authorized, executed and delivered by the Lessor and, assuming due authorization, execution and delivery by the Lessee is a legal, valid and binding obligation of the Lessor, enforceable in accordance with its terms.

(c) The warranties set forth in paragraphs (a) and (b) of this Section are in lieu of all other warranties of the Lessor, whether written, oral or implied with respect to this Lease or the Equipment, and the Lessor shall not be deemed to have modified in any respect the obligations of the Lessee pursuant to Section 10 hereof, which obligations are absolute and unconditional. THE LESSEE EXPRESSLY AGREES TO LEASE EACH ITEM OF EQUIPMENT "AS IS". THE LESSOR SHALL NOT BE DEEMED TO HAVE MADE, AND THE LESSOR HEREBY DISCLAIMS ANY OTHER REPRESENTATION OR WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE DESIGN OR CONDITION OF THE EQUIPMENT, ITS MERCHANTABILITY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE, THE QUALITY OF THE MATERIAL OR WORKMANSHIP OF THE EQUIPMENT OR CONFORMITY OF THE EQUIPMENT TO THE PROVISIONS AND SPECIFICATIONS OF ANY PURCHASE ORDER OR ORDERS RELATING THERETO, NOR SHALL THE LESSOR BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING STRICT OR ABSOLUTE LIABILITY IN TORT), but the

Lessor authorizes the Lessee, at the Lessee's expense, to assert for the Lessor's account, during the term of this Lease, so long as no Default or Event of Default shall have occurred and be continuing hereunder, all of the Lessor's rights under any applicable manufacturer's warranty, and the Lessor agrees to cooperate with the Lessee in asserting such rights; provided, however, that the Lessee shall indemnify the Lessor and hold the Lessor harmless from and against any and all claims, and all costs, expenses, damages, losses and liabilities incurred or suffered by the Lessor in connection with, as a result of, or incidental to, any action by the Lessee pursuant to the above authorization. Provided that no Default or Event of Default has occurred and is continuing, any amount received by the Lessee as payment under any such warranty shall be retained by the Lessee and applied to restore the Equipment to the condition required by Section 11 hereof.

SECTION 9. Survival of Representations and Warranties; Binding Effect.

(a) Survival. All agreements, representations and warranties contained in this Lease or any other agreement, document or certificate delivered pursuant hereto or in connection herewith shall survive, and shall continue in effect following the execution, delivery and term of this Lease.

(b) Binding Effect. All agreements, representations and warranties in this or in any agreement, document or certificate delivered concurrently with the execution of this Lease or from time to time thereafter shall bind the party making the same and its successors and assigns and shall inure to the benefit of each party for whom made and their respective successors and assigns.

SECTION 10. Net Lease.

This Lease is a net lease, and the Lessee acknowledges and agrees that the Lessee's obligation to pay all Rent hereunder, and the rights of the Lessor in and to such Rent, shall be absolute and unconditional and shall not be subject to any abatement, reduction, set-off, defense, counterclaim or recoupment (Abatements) for any reason whatsoever, including, without limitation, Abatements due to any present or further claims of the Lessee against the Lessor under this Lease or otherwise, against the Manufacturer, or against any other Person for whatsoever reason. Except as otherwise expressly provided in Sections 13 and 16 hereof, this Lease shall not terminate, nor shall the obligations of the Lessee be affected, by reason of any defect in or damage to, or any loss of or destruction to, any Item of Equipment from whatsoever cause, or the interference with the use thereof by the Lessor or any Person, or the invalidity or unenforceability or lack of due authorization of this Lease or lack of right, power, or authority of the Lessor to enter into this

Lease, or any failure of the Lessor to perform any obligation of the Lessor to the Lessee or any other Person under this Lease or any instrument or document executed in connection herewith, or for any other cause, whether similar or dissimilar to the foregoing, any present or future law or regulation to the contrary notwithstanding, it being the express intention of the Lessor and the Lessee that all Rent payable by the Lessee hereunder shall be, and shall continue to be, payable in all events unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease.

SECTION 11. Use, Maintenance and Operation;
Equipment Marking.

(a) The Lessee agrees that each Item of Equipment will be used in compliance with any and all statutes, laws, ordinances and regulations of any governmental agency applicable to the use thereof, and the Lessee agrees to prepare and deliver to the Lessor within a reasonable time prior to the required date of filing any and all reports to be filed by the Lessor with any Federal, state or other regulatory authority by reason of the ownership by the Lessor of the Items of Equipment or the leasing thereof to the Lessee. Throughout the term of this Lease, the possession, use and maintenance of each Item of Equipment shall be at the sole risk and expense of the Lessee.

(b) So long as no Default or Event of Default shall have occurred and be continuing, the Lessee shall be entitled to the possession and use of each Item of Equipment in accordance with the terms of this Lease. The Lessee shall be entitled to the use of each Item of Equipment upon lines of railroads over which the Lessee or any affiliate has trackage or other operating rights or over which railroad equipment of the Lessee or any such affiliate is operated pursuant to contract or otherwise, and the Lessee shall be entitled to permit the use of the Items of Equipment upon connecting and other carriers in the usual interchange of traffic or pursuant to run-through agreements; provided that any such use shall be substantially limited to the continental United States. So long as no Default or Event of Default shall have occurred and be continuing, the Lessee may receive and retain compensation for the use of any of the Items of Equipment from railroads or other entities so using such Items.

(c) The Lessee agrees to comply in all respects with all laws of the jurisdictions in which its operations involving the Items of Equipment may extend, with the Interchange Rules of the Association of American Railroads and with all lawful rules of the United States Department of Transportation, the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction

over the Items of Equipment. To the extent that such laws and rules affect the title, operation or use of the Equipment, and in the event that such laws or rules require any alteration, replacement or addition of or to any part on any Item of Equipment, the Lessee will conform therewith at its own expense; provided, however, that the Lessee may at its own expense, 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, adversely affect the property or rights of the lessor under this Lease.

(d) The Lessee shall use the Items of Equipment only in the manner for which they were designed and intended, and in no event in excess of any legal or manufacturer's tolerances. The Lessee will, at its own cost and expense, maintain each Item of Equipment so as (i) to keep it in as good condition as when delivered to the Lessee by the Manufacturer, ordinary wear and tear excepted and (ii) to keep it in compliance with the Interchange Rules of the Association of American Railroads and in the same condition as other similar equipment owned or leased by the Lessee. Any replacement made by the Lessee upon an Item of Equipment in connection with repairing such Item shall be considered an accession to such Item, and title to such replacement part (any such replacement part being herein referred to as a Replacement Part) shall, upon installation or affixation thereof, automatically vest in the Lessor. Effective upon installation or affixation of any Replacement Part, the Lessor shall be deemed to have disclaimed ownership of the original part so replaced.

(e) The Lessee may, without prior written consent of the Lessor, either (1) repair any Item of Equipment by the installation of a Replacement Part, or (2) affix or install any accessory, equipment or device on any item of Equipment or make any improvement or addition thereto (any such accessory, installed equipment or device, improvement or addition affixed or installed pursuant to this clause (2) being herein referred to as an Improvement), if such Improvement will not impair the originally intended function or use of any such Item and is readily removable without causing material damage to such Item of Equipment. Any other Improvement may be affixed or installed only with the prior written consent of the Lessor unless such Improvement is required to comply with the Interchange Rules of the Association of American Railroads, the United States Department of Transportation, the Interstate Commerce Commission or any other legislative, executive, administrative or judicial body exercising jurisdiction over the Items of Equipment. Improvements (i) which are not readily removable without causing material damage and which have been affixed to or installed on any Item or (ii) which are required for the operation or use of the Equipment by the Interchange Rules of the Association of American Railroads, the United States Department of Transportation, the

Interstate Commerce Commission or any other legislative, executive, administrative or judicial body exercising jurisdiction over the Items of Equipment, shall upon affixation or installation become the property of the Lessor and thereupon each such Improvement shall become a part of the Item of Equipment to which it is affixed or on which it is installed.

(f) The Lessee agrees, at its own cost and expense, within 180 days after the Closing Date with respect to each Item of Equipment, to (1) cause such Item of Equipment to be kept numbered with the identification number therefor as specified in the Certificate of Acceptance therefor, and provide Lessor or Lessor's Assignee with a facsimile of such marking and a certification of such application, and (2) maintain the Equipment Marking on such Item of Equipment and such other markings as from time to time may be required by law in order to protect the title of the Lessor to such Item of Equipment, the rights of the Lessor under this Lease and the Liens granted by the Lessor in financing the Total Invoice Cost of the Equipment. The Lessee will not place any Item of Equipment in operation or exercise any control or dominion over the same, if after the passage of said 180 days the Equipment Marking has not been placed thereon. The Lessee will replace promptly any such Equipment Marking which may have been removed, defaced or destroyed. Except as above provided, the Lessee will not allow the name of any person, association or corporation to be placed on any Item of Equipment as a designation that might be interpreted as a claim of ownership or lien thereon; provided, however, that the Lessee may permit each Item of Equipment to be lettered with the names, trademarks, initials or other insignias customarily used by the Lessee or its sublessees on railroad equipment used by it of the same or a similar type for convenience of identification of its rights to use the Item of Equipment under this Lease, and each Item of Equipment may be lettered in an appropriate manner for convenience of identification of the interest of the Lessee therein.

SECTION 12. Inspection.

The Lessor shall have the right, but not the duty, to inspect the Equipment. Upon the request of the Lessor, the Lessee shall confirm to the Lessor the location of each Item of Equipment and shall, within a reasonable time, make available to the Lessor for inspection at their present location the Equipment and the Lessee's records pertaining to the maintenance or operation of the Equipment.

SECTION 13. Loss or Destruction; Requisition of Use.

(a) The Lessee hereby assumes and shall bear the entire risk of direct and consequential loss and damage to the Equipment from any and every cause whatsoever. Except as provided in this Section, no loss or damage to the Equipment or any part thereof shall release or impair any obligations of the Lessee under this Lease, which shall continue in full force and effect and shall be absolute during the term hereof. The Lessee agrees that the Lessor shall not incur any liability to the Lessee for any loss of business, loss of profits, expenses or any other damages resulting to the Lessee by reason of any delay in delivery or any delay caused by any non-performance, defective performance or breakdown of the Equipment nor shall the Lessor at any time be responsible for personal injury or the loss or destruction of any other property resulting from the Equipment. In the event of loss or damage of any kind whatsoever to any Item of Equipment, the Lessee shall, at the Lessee's expense: (i) place the same in good repair, condition and working order; or (ii) for loss or damage occurring, replace the same with like equipment of the same make and model, of equivalent value and in good repair, condition and working order or (iii) pay the Casualty Value pursuant to subparagraph (b) hereof.

(b) The foregoing notwithstanding, in the event that (i) any Item of Equipment shall become worn out, lost, stolen, destroyed, rendered unfit for use or irreparably damaged or (ii) title thereto or use thereof is taken by any governmental authority under power of eminent domain or otherwise (hereinafter Requisition of Use) or (iii) any Claim is asserted by any Person with respect to an Item of Equipment in, or a Lien is imposed upon an Item of Equipment in, any proceeding before any court, tribunal or other governmental body or agency in Canada, the Republic of Mexico or any state, province, political subdivision or territory thereof (each of (i), (ii) and (iii) being hereinafter referred to as a Total Loss; provided, however, that any event described in (iii) above shall not be deemed a Total Loss hereunder unless and until the Lessee shall have received written notice from the Agent that the Agent or any Lender, in its sole judgment, has determined that the Lien of the Agent on such Item of Equipment is inadequate to protect the Agent's or such Lender's interest in such Item of Equipment and that the Agent or such Lender, as the case may be, is not adequately protected by the security interest of the Agent in any other Collateral) during the term of this Lease, the Lessee shall give prompt notice thereof to the Lessor. Thereafter, on the next Basic Rent Date, the Lessee shall pay to the Lessor the Basic Rent due on that date plus the Casualty Value of the Item or Items of Equipment with respect to which the Total Loss has occurred and any other sums due hereunder with respect to such Equipment.

(c) Upon making the payments required by Section 13(b) hereof and all other amounts payable in connection therewith, in respect of any Item of Equipment, and provided that at such time of payment no Default or Event of Default hereunder shall have occurred and be continuing, this Lease and the obligation to make future payments of Rent with respect to such Item of Equipment shall terminate solely with respect to the Equipment or Items thereof so paid for. The Lessee thereupon shall become entitled to the Equipment as is, where is. In furtherance thereof, the Lessor shall deliver to the Lessee a bill of sale with respect to the Item of Equipment, without recourse, representation or warranty, except that such Item of Equipment is free and clear of all Claims, Liens, security interests and other encumbrances by or in favor of any Person claiming by, through or under the Lessor and, at the Lessee's expense, such other documents as may reasonably be requested by the Lessee.

(d) As used in this Lease, Casualty Value shall mean the product of the Total Invoice Cost of the Item or Items of Equipment having suffered such Total Loss and the applicable percentage set forth in the "Casualty Value" column on Exhibit C-1 (with respect to Lessor ITC Hopper Cars), Exhibit C-2 (with respect to Lessee ITC Hopper Cars), or Exhibit C-3 (with respect to Tank Cars) hereto, as applicable. Casualty Value shall be determined as of the Basic Rent Date next succeeding the date of the Total Loss and the applicable percentage shall be that which is set forth in the "Casualty Value" column directly opposite such Basic Rent Date. After the Expiration Date, the Casualty Value shall be determined as of the last date appearing on Exhibit C-1, C-2 or C-3 hereto, as applicable.

(e) In the case of a Requisition of Use of an Item of Equipment for an indefinite period or for a stated period which does not exceed the term of this Lease, such Requisition of Use shall not terminate this Lease with respect to such Item, and each and every obligation of the Lessee with respect thereto shall remain in full force and effect. So long as no Default or Event of Default shall have occurred and be continuing under this Lease, the Lessee shall be entitled to all sums, attributable to the period such Item is subject to this Lease, received by reason of any such Requisition of Use.

SECTION 14. Insurance.

(a) The Lessee will, at all times prior to the return of the Equipment to the Lessor, carry and maintain or cause to be carried and maintained (i) "all risk" property damage insurance with respect to the Equipment, in an amount not less than the lesser of the Total Invoice Cost thereof or the applicable Casualty Value thereof, and (ii) public liability insurance with respect to third party personal and property damage in an amount not less than \$50,000,000, in each case with such deductibles,

and against such risks reasonably satisfactory to the Lessor and any Lessor's Assignee. To the extent of their respective interests in the Equipment, the Lessee agrees to name the Lessor and any Lessor's Assignee as additional insureds and/or loss payees in respect of any policy carried under (ii) above. All policies shall provide for 30-day notice of cancellation or material change, and for waiver of premiums against the Lessor and any Lessor's Assignee.

(b) In the event that the Lessee shall fail to maintain insurance as provided in this Section, the Lessor may at its option, but without obligation, provide such insurance (giving the Lessee prompt written notice thereof) and, in such event, the Lessee shall, upon demand from time to time, reimburse the Lessor for the cost thereof together with interest on the amount of such cost at the Late Payment Rate, computed from the date of such payment of such cost.

(c) If the Lessor shall receive any insurance proceeds in respect of a Total Loss as defined in Section 13 hereof, the Lessor shall pay such proceeds to the Lessee; provided, however, that no Default or Event of Default shall have occurred and be continuing and the Lessee shall have made payment of the Casualty Value. All casualty insurance proceeds received by the Lessor not in respect of a Total Loss shall be paid to the Lessee upon proof reasonably satisfactory to the Lessor that any damage to the Equipment in respect of which such proceeds were paid has been fully repaired.

SECTION 15. Sublease by the Lessee; Assignment by the Lessor.

(a) By the Lessee. So long as no Default or Event of Default hereunder shall have occurred and be continuing, the Lessee will be permitted, without the prior consent of the Lessor, to sublet any Items of Equipment; provided, however, that no sublease shall be permitted hereunder unless the rights of the sublessee are expressly subject and subordinate to the rights of the Lessor or any Lessor's Assignee under this Lease. The Lessee may not assign any of its rights or obligations under this Lease without the prior written consent of the Lessor; provided, however, that the Lessee may so assign such rights and obligations to The Signal Companies, Inc., a Delaware corporation, or an entity that acquires all of the assets and obligations of the Signal Companies, Inc., without such consent, upon notice of such assignment to the Lessor and any Lessor's Assignee. No assignment, sublease or other relinquishment of the possession of any Item of Equipment (whether or not authorized hereunder) shall in any way discharge or diminish any of the Lessee's obligations to the Lessor hereunder, and the Lessee shall continue to be primarily liable hereunder irrespective of any sublease.

(b) By the Lessor. Upon receipt of written notice of any assignment by the Lessor of this Lease, the Equipment or any portion of its interest herein or therein to any assignee (Lessor's Assignee), the Lessee shall acknowledge receipt of such written notice and thereupon shall be deemed to have acknowledged such assignment. The Lessor shall have the right to assign this Lease, the Equipment or any portion of its interest herein or therein, upon notice thereof to the Lessee and any Lessor's Assignee, subject to Section 5(e) of the Participation Agreement, without the prior written consent of the Lessee; provided, however, that if such assignment is to a Person other than Security Pacific Corporation, a Delaware corporation or any directly or indirectly wholly- or majority-owned subsidiary thereof, the Lessor shall remain liable for the performance of its obligations hereunder unless and until the Lessee consents and agrees to such assignment in writing. With respect to any such assignment, the Lessee agrees:

(i) To make each payment of Rent assigned thereby directly to such Lessor's Assignee as directed by the Lessor.

(ii) Not to seek to recover from the Lessor's Assignee any payment required by this Lease and made to such Lessor's Assignee once such payment is made.

(iii) That, to such extent as the Lessor's notice of such assignment shall indicate, all rights of the Lessor with respect to the Equipment shall be exercisable by such Lessor's Assignee.

(iv) To execute and deliver to the Lessor any financing statements, continuation statements or other documents prepared by the Lessor which are necessary to create, perfect, protect and preserve prior liens acquired, or intended to be acquired, by such Lessor's Assignee for the duration of such assignment.

(v) To execute and deliver such other documents as the Lessor or such Lessor's Assignee may reasonably request.

SECTION 16. Termination Option.

(a) The Lessee shall have the right, at any time on or after the First Termination Date, on at least 180 days' prior written notice to the Lessor, to terminate this Lease in respect of not less than 25 Hopper Cars, or not less than 16 Tank Cars, such termination to be effective on the Basic Rent Date next following the expiration of the 180-day notice period (the Termination Date); provided, however, that no Default or Event of Default shall have occurred and be continuing under this Lease and that such Item of Equipment shall have become obsolete or

surplus to the Lessee's requirements. During the period from the giving of such notice until the Termination Date, the Lessor may, and the Lessee as agent for the Lessor shall, use their best efforts to obtain bids for the purchase of the Equipment. The Lessee shall certify to the Lessor in writing the amount of each bid received by the Lessee and the name and address of the party submitting such bid. The Lessee may utilize agents for purposes of fulfilling its obligations set forth in this Section. On the Termination Date, the Lessor shall sell the Equipment, without recourse or warranty, for cash to whosoever (other than the Lessee or any affiliate of the Lessee) shall have submitted the highest cash bid prior to such date and shall transfer to such purchaser all of the Lessor's right, title and interest in and to the Equipment, and thereupon the Lessee shall deliver the Equipment so sold by the Lessor in accordance with the terms of Section 19 of this Lease. The Lessor shall certify in writing to the Lessee (i) the amount of such total sale price, (ii) the expenses incurred by the Lessor in connection with such sale, and (iii) that such total sale price represents the highest bid received by the Lessor for the purchase of the Equipment. The total sale price realized at such sale shall be retained by the Lessor, and in addition, on the Termination Date, the Lessee shall pay to the Lessor the installment of Basic Rent payable on such date and the amount, if any, by which (A) the Termination Value, computed as of the Termination Date, shall exceed (B) the proceeds of such sale less all expenses, including reasonable attorneys' fees and disbursements, if any, incurred by the Lessor in selling the Equipment. In the event no such sale takes place on or prior to the Termination Date, the Lessee shall pay to the Lessor the Termination Value of the Equipment, computed as of the Termination Date, plus any expenses, including out-of-pocket attorneys' fees, if any, incurred by the Lessor in connection herewith and the installment of Basic Rent then due, and the Lessor shall retain the Equipment free of any interest therein of the Lessee. Upon payment of all amounts required to be paid by the Lessee pursuant to this paragraph (a), the obligation of the Lessee for all Basic Rent accruing hereunder in respect of such Items of Equipment due and payable after, but not on or before, the Termination Date shall cease. As used in this paragraph, Termination Value shall mean the product of the Total Invoice Cost of the Item or Items of Equipment subject to sale by the Lessor pursuant to this paragraph multiplied by the applicable percentage set forth in the "Termination Value" column on Exhibit C-1 (with respect to Lessor ITC Hopper Cars), Exhibit C-2 (with respect to Lessee ITC Hopper Cars), or Exhibit C-3 (with respect to Tank Cars) hereto, as applicable. Termination Value shall be determined as of the Termination Date and the applicable percentage shall be that which is set forth in the "Termination Value" column directly opposite such Termination Date. After the Expiration Date, the Termination Value shall be determined as of the last date appearing on Exhibit C-1, C-2 or C-3 hereto, as applicable.

(b) Notwithstanding the foregoing, upon receipt of all bona fide bids for the purchase of the Items of Equipment, the Lessor may elect not to sell the Items of Equipment to the highest bidder on the Termination Date, in which case the Lessee shall deliver the Items of Equipment to the Lessor in accordance with the terms of Section 19 of this Lease. In addition, on the Termination Date, the Lessee shall pay to the Lessor the Basic Rent due on such Termination Date and the amount, if any, by which the Termination Value plus the amount of any expenses incurred by the Lessor directly or indirectly in connection therewith exceeds the highest bid, plus all out-of-pocket expenses incurred by the Lessor due to the giving of written notice of termination. Upon such redelivery and the payment of such amount, if any, the obligation of the Lessee to pay all Basic Rent in respect of such Items of Equipment accruing under this Lease due and payable after, but not on or before, the Termination Date shall cease, and the interest of the Lessee in such Items of Equipment shall cease.

(c) Notwithstanding the foregoing, provided that no Default or Event of Default shall have occurred and be continuing hereunder, upon written notification given to the Lessor not less than 60 days prior to the Termination Date, the Lessee may elect to rescind the Lessee's notice of termination, in which case this Lease shall not terminate as set forth in this Section, but shall continue in full force and effect as though no such notice of termination had been given by the Lessee.

SECTION 17. Lease Extension Option.

(a) Provided that no Default or Event of Default has occurred and is continuing hereunder, the Lessee shall have the option to extend the term of this Lease with respect to not less than 25 Hopper Cars or not less than 16 Tank Cars at the Expiration Date for up to two consecutive periods of five years each at a rental equal to the Fair Market Rental Value of the Equipment, determined as of the Expiration Date with respect to the first lease extension period or as of the end of the first lease extension period with respect to the second lease extension period; provided, however, that the aggregate term of all lease extension periods shall not exceed ten years.

(b) Not more than 270 days nor less than 180 days prior to the Expiration Date of this Lease or the end of the first lease extension period, as applicable, the Lessee shall indicate, by written notice to the Lessor, the Lessee's interest in exercising the Lessee's lease extension option described above, which notice shall set forth the Lessee's estimate of the Fair Market Rental Value of the Equipment as of the end of the applicable period. If, on or before a date 120 days prior to the end of the applicable period, the Lessor and the Lessee are unable to agree upon a determination of the Fair Market Rental

Value of such Equipment, such Fair Market Rental Value shall be determined in accordance with the procedure for Appraisal. Once the Fair Market Rental Value has been determined, whether by Appraisal or negotiation, the Lessee shall have 15 days in which to exercise its option for lease extension; provided, however, that notwithstanding any other provision of this Lease, if the Lessee shall elect not to exercise the option described in this Section, the costs of any such Appraisal shall be borne by the Lessee.

SECTION 18. Purchase Option.

(a) Provided that no Default or Event of Default shall have occurred and be continuing, the Lessee may, at its option, purchase not less than 25 Hopper Cars or not less than 16 Tank Cars at the Expiration Date or at the end of any applicable lease extension period provided in Section 17 hereof for a purchase price equal to (i) the Fair Market Value of the Equipment determined at such date or as of the end of such period, as applicable, or (ii) 50.1 percent of the Total Invoice Cost of such Items, whichever is less (for purposes of this Section, the Purchase Price).

(b) Not more than 270 days nor less than 180 days prior to the Expiration Date or the end of any applicable lease extension period provided in Section 17 hereof, the Lessee shall indicate, by written notice to the Lessor, the Lessee's interest in exercising its purchase option described above and requesting that the Lessor and the Lessee negotiate the Fair Market Value of the Equipment. In the event that such negotiation shall not determine the Fair Market Value of the Equipment on or before a date 120 days prior to the Expiration Date or the end of any such lease extension period, as applicable, such Fair Market Value shall be determined in accordance with the procedure for Appraisal. Once the Fair Market Value has been determined, whether by Appraisal or negotiation, the Lessee shall have 15 days in which to exercise its option to purchase hereunder; provided, however, that notwithstanding any other provision of this Lease, if the Lessee shall elect not to exercise the option described in this Section, the costs of any such appraisal shall be borne by the Lessee.

(c) If the Lessee has elected to purchase any Items pursuant to this Section and no Default or Event of Default shall have occurred and be continuing hereunder, the Lessee shall purchase from the Lessor and the Lessor shall sell to the Lessee the Equipment as is, where is, for a cash consideration equal to the Purchase Price. Upon payment of such Purchase Price, together with any applicable sales taxes, by the Lessee, the Lessor shall, upon request of the Lessee, execute and deliver to the Lessee, or the Lessee's assignee or nominee, a bill of sale without recourse, representation or warranty except that the Equipment is free and clear of all Claims, Liens, security interests and other

encumbrances by or in favor of any Person claiming by, through or under the Lessor and, at the Lessee's expense, such other documents as may be reasonably requested by the Lessee.

SECTION 19. Return of Equipment.

(a) Return After Default. If this Lease shall terminate pursuant to Sections 23 and 24 hereof in respect of any Item of Equipment, the Lessee shall forthwith deliver possession of such Item of Equipment to the Lessor. Each Item of Equipment so delivered 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 Improvement considered an accession thereto as provided in Section 11 hereof including without limitation such linings or other coatings as may have been installed in or applied to such Items of Equipment prior to the occurrence of such Event of Default, (iii) have removed therefrom at the Lessee's expense any Improvement which, as provided in Section 11 hereof, is owned by the Lessee or, if the same is not removed, it shall be deemed to be an accession and (iv) comply in all respects with Rule 88 of the Interchange Rules of the Association of American Railroads. For the purpose of delivering possession of any Item of Equipment as above required, the Lessee shall at its own cost, expense and risk:

(i) 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 such Item of Equipment has been interchanged or which may have possession thereof to return such Item of Equipment) and at the usual speed, place such Item of Equipment upon such storage tracks as the Lessor shall designate; provided, however, that not less than 20 Items of Equipment shall be so placed in any one location;

(ii) cause such Items to be stored on such tracks without charge for rent or storage until all such Items of Equipment have been sold, leased or otherwise disposed of by the Lessor; and

(iii) cause the Items of Equipment to be moved not more than once to such interchange point or points as shall be designated by the Lessor upon any sale, lease or other disposal of all or any of the Items of Equipment.

The assembling, delivery and storage of the Items of Equipment 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 and store the Items of Equipment. During the period of storage, the Lessee will, at its own cost and expense, maintain insurance in accordance with the standards of Section 14 hereof, maintain and keep the Items of Equipment in good order and repair and will permit the Lessor or any Person designated by it, including the authorized representative or representatives of any prospective purchaser of any such Items of Equipment, to inspect the same. All amounts earned in respect of all Items of Equipment after the date of termination of this Lease shall, to the extent that such amount exceeds the expenses of the Lessee incurred in generating such earnings, belong to the Lessor and, if received by the Lessee, shall be promptly turned over to the Lessor. In the event any Item of Equipment shall not be assembled, delivered and stored, within 60 days after such termination, the Lessee shall, in addition, pay to the Lessor for each day thereafter an amount equal to the amount, if any, by which the Basic Rent payable on the Basic Rent Date next succeeding the date of termination for such Items of Equipment divided by 180 shall exceed such earnings received by the Lessor for such Item of Equipment.

(b) Return After Other Termination. If this Lease shall expire or terminate (other than pursuant to the provisions of Sections 23 and 24 hereof) in accordance with the terms hereof in respect of any Item of Equipment, the Lessee shall forthwith deliver possession of such Item of Equipment to the Lessor. Each Item of Equipment so delivered 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 Improvement considered an accession thereto as provided in Section 11 hereof; (iii) have removed therefrom at the Lessee's expense any Improvement which, as provided in Section 11 hereof, is owned by the Lessee or, if the same is not so removed, it shall be deemed to be an accession and (iv) comply in all respects with Rule 88 of the Interchange Rules of the Association of American Railroads. For the purpose of delivering possession of any Item of Equipment as above required, the Lessee shall at its own cost, expense and risk 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 such Item of Equipment has been interchanged or which may have possession thereof to return such Item of Equipment) and at the usual speed, deliver such Item of Equipment to the Lessor at any place in the continental United States as the Lessor and Lessee may mutually agree upon (provided however, that not less than 20 Items of Equipment shall be so placed in any one location), the Lessee hereby agreeing to permit the Lessor to store such Equipment, free of cost, risk or expense for a period not to exceed 90 days (the Lessee hereby agrees to continue to provide the insurance required by Section 14 hereof and to continue to maintain the Equipment in the condition required by Section 11 hereof during such 90 day period). The assembling and delivery of the Items of

Equipment 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 and deliver the Items of Equipment. All amounts earned in respect of the Items of Equipment after the Expiration Date of this Lease shall, to the extent such amount exceeds the expenses of the Lessee incurred in generating such earnings, belong to the Lessor and, if received by the Lessee, shall be promptly turned over to the Lessor. In the event that any Item of Equipment shall not be assembled and delivered as hereinabove provided the Lessee shall, in addition, pay to the Lessor for each day thereafter an amount equal to the amount, if any, by which the Basic Rent payable on the Termination Date or the Last Basic Rent Date, as applicable, in respect of such Items of Equipment not so assembled and delivered divided by 180 shall exceed the actual earnings received by the Lessor for such Item of Equipment.

(c) Authority. Without in any way limiting the obligation of the Lessee under the foregoing provisions of this Section, at any time while the Lessee is obligated to deliver possession of any Item of Equipment to the Lessor pursuant to the provisions of subparagraph (a) of this Section, the Lessee hereby irrevocably appoints the Lessor as the agent and attorney of the Lessee, with full power and authority, to demand and take possession of such Item of Equipment in the name and on behalf of the Lessee from whomsoever shall be in possession of such Item of Equipment at the same time.

SECTION 20. Taxes.

The Lessee agrees to pay and to indemnify the Lessor for, and hold the Lessor harmless on an after-tax basis from and against, all franchise, sales, use, personal property, titling, recordation, ad valorem, value added, leasing, leasing use, stamp or other fees, taxes, levies, imposts, duties, charges or withholdings of any nature, together with any penalties, fines or interest thereon (Impositions) arising out of the transactions contemplated by this Lease and imposed against the Lessor, the Lessee or any Item of Equipment by any federal, state, local or foreign government or taxing authority upon or with respect to any Item of Equipment or upon the sale, purchase, ownership, delivery, leasing, possession, financing, sublease, manufacture, acceptance, rejection, maintenance, condition, registration, storage, use, operation, return or other disposition thereof, or upon the rentals, receipts or earnings arising therefrom, or upon or with respect to this Lease (excluding, however, taxes on, or measured by, the Lessor's net income or excess profits and taxes on gross receipts imposed by any jurisdiction in which the Lessor maintains its principal place of business, the imposition of which is not dependent upon the location of any Item of Equipment) unless, and only to the extent that, the Lessee shall

have given to the Lessor written notice of any such Imposition, which notice shall state that such Imposition is being contested by the Lessee in good faith with due diligence and by appropriate proceedings and the Lessor shall have determined that the nonpayment of any such tax or the contest of any such payment in such proceedings does not, in the opinion of the Lessor, adversely affect the title, property or rights of the Lessor. If a claim is made against the Lessee or the Lessor for any Imposition, the party receiving notice of such claim shall promptly notify the other. In case any report or return is required to be made with respect to any obligation of the Lessee under this Section or arising out of this Section, the Lessee, if permitted, will (after notice to the Lessor) make such report or return in such manner as will show the ownership of the Equipment in the Lessor and send a copy of such report or return to the Lessor or, if filing by the Lessee is not permitted, the Lessee shall deliver such report or return to the Lessor for filing. The Lessor agrees to cooperate fully with the Lessee in the preparation of any such report or return.

SECTION 21. Liens.

The Lessee shall not create, incur or suffer to exist upon or with respect to any Item of Equipment or title thereto or interest therein any Lien whatsoever other than (a) a Lien created by this Lease, (b) a Lien created by the rights of any sublessee or operator permitted by the terms of this Lease, (c) Lessor's Liens or Liens in favor of any Lessor's Assignee, (d) Liens for fees, taxes, levies, imposts, duties or other governmental charges of any kind which are not yet delinquent or are being contested in good faith by appropriate proceedings which suspend the collection thereof (provided, however, that such proceedings, in the sole judgment of the Lessor, do not pose any substantial risk of the sale, forfeiture or loss of such Item of Equipment or any interest therein), (e) Liens of mechanics, materialmen, laborers, employees or suppliers and similar Liens arising by operation of law incurred by the Lessee in the ordinary course of business for sums that are not yet delinquent or are being contested in good faith by negotiations or by appropriate proceedings which suspend the collection thereof (provided, however, the such contest, in the sole judgment of the Lessor, does not pose any substantial risk of the sale, forfeiture, or loss of such Item of Equipment or any interest therein) and (f) Liens arising out of any judgments or awards against the Lessee which have been adequately bonded to protect the Lessor's interests or with respect to which a stay of execution has been obtained pending an appeal or a proceeding for review.

SECTION 22. General Indemnification.

The Lessee agrees to defend and to assume liability for, and does hereby agree to indemnify, protect, save and keep harmless the Lessor, any Lessor's Assignee or any other Person making claim hereunder pursuant to the operation of Section 27 hereof (any such Person hereinafter referred to as an Indemnified Party) from and against any and all liabilities, obligations, losses, damages, penalties, claims (including, without limitation, claims involving strict or absolute liability in tort), actions, suits, costs, expenses and disbursements (including, without limitation, attorney's fees and expenses) of any kind and nature whatsoever (Claims) which may be imposed on, incurred by or asserted against such Indemnified Party, whether or not the Indemnified Party shall also be indemnified as to any such Claim by any other Person (provided that the foregoing shall not be construed to permit a double recovery by any Indemnified Party hereunder, but further provided that the Indemnified Party may proceed directly against the Lessee without first resorting to any other such right of indemnification), in any way relating to or arising out of this Lease or any document contemplated hereby, or the performance or enforcement of any of the terms hereof or thereof, or in any way relating to or arising out of the manufacture, purchase, acceptance, rejection, ownership, delivery, lease, sublease, possession, use, operation, maintenance, condition, registration, sale, return, storage or disposition of any Item of Equipment or any accident in connection therewith (including, without limitation, latent and other defects, whether or not discoverable and any Claim for patent, trademark or copyright infringement); provided, however, that the Lessee shall not be required to indemnify any Indemnified Party for (a) any Claim in respect of any Item of Equipment arising from acts or events which occur after possession of such Item of Equipment has been redelivered to the Lessor in accordance with Section 19 hereof (unless attributable to Lessee for acts or omissions of Lessee arising out of Lessee's possession or use of the Equipment), or (b) any Claim resulting from the willful misconduct or gross negligence of the Indemnified Party making claim hereunder or by its agents, servants or personal representatives except where Lessee is acting in such capacity under this Lease. To the extent that any Indemnified Party in fact receives indemnification payments from the Lessee under the indemnification provisions of this Section, the Lessee shall be subrogated, to the extent of such indemnity paid, to the Indemnified Party's rights with respect to the transaction or event requiring or giving rise to such indemnity. THE LESSEE AGREES THAT NO INDEMNIFIED PARTY SHALL BE LIABLE TO THE LESSEE FOR ANY CLAIM CAUSED DIRECTLY OR INDIRECTLY BY THE INADEQUACY OF ANY ITEM OF EQUIPMENT FOR ANY PURPOSE OR ANY DEFICIENCY OR DEFECT THEREIN OR THE USE OR MAINTENANCE THEREOF OR ANY REPAIRS, SERVICING OR ADJUSTMENTS THERETO OR ANY DELAY IN PROVIDING OR FAILING TO PROVIDE ANY THEREOF OR ANY INTERRUPTION

OR LOSS OF SERVICE OR USE THEREOF OR ANY LOSS OF BUSINESS RESULTING FROM ANY FAILURE OF ANY ITEM OF EQUIPMENT, ALL OF WHICH SHALL BE THE RISK AND RESPONSIBILITY OF THE LESSEE.

SECTION 23. Events of Default.

The term Event of Default, wherever used herein, shall mean any of the following events under this Lease (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary, or come about or be effected by operation of law, or be pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) The Lessee shall fail to make any payment of Rent as and when the same shall become due and such failure shall continue for five days; or

(b) The Lessee shall fail to carry and maintain or cause to be carried and maintained the insurance required by Section 14 hereof; or

(c) The Lessee shall fail to perform or observe any other covenant, condition or agreement to be performed or observed by it under this Lease or any agreement, document or certificate delivered by the Lessee in connection herewith and such failure shall continue for 30 days after written notice thereof from the Lessor to the Lessee; or

(d) Any representation or warranty made by the Lessee in this Lease, or in any agreement, document or certificate delivered by the Lessee in connection herewith shall prove to have been incorrect in any material respect when any such representation or warranty was made or given; or

(e) A petition in bankruptcy or for reorganization or arrangement shall be filed by the Lessee; or the Lessee shall make an assignment for the benefit of creditors or consent to the appointment of a trustee or a receiver, or a trustee or receiver shall be appointed for the Lessee, for a substantial part of the Lessee's property without its consent and any such trustee or receiver shall not be dismissed within a period of 60 days; or bankruptcy, reorganization or insolvency proceedings shall be instituted against the Lessee and shall not be dismissed within a period of 60 days;

(f) the Lessee shall make or permit any unauthorized assignment, sublease or transfer of this Lease, or any interest herein, or of the right to possession of the Items of Equipment, or any thereof; or

(g) the Lessee shall default in the payment or performance of any material obligation of the Lessee under any document, instrument or certificate for the repayment of borrowed money or for the lease or purchase of real or personal property, the effect of which is to permit any holder of indebtedness or vendor or lessor under such document, instrument or certificate or trustee for any thereof to cause such indebtedness, agreement, lease or portion thereof to become due prior to its stated maturity or its regularly scheduled dates of payment (an "Acceleration"), if, in the sole judgment of the Lessor, such Acceleration would have a material and adverse effect on the business or condition, financial or otherwise of the Lessee.

SECTION 24. Remedies.

(a) Upon the occurrence of any Event of Default and so long as the same shall be continuing, the Lessor may, at its option, declare this Lease to be in default, and at any time thereafter, the Lessor may exercise one or more of the following remedies, as the Lessor in its sole discretion shall lawfully determine:

(1) Proceed by appropriate court action, 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; and/or

(2) By notice in writing terminate this Lease, whereupon all rights of the Lessee to the use of the Equipment shall absolutely cease and terminate but the Lessee shall remain liable as hereinafter provided; and thereupon the Lessee, if so requested by the Lessor, shall at the Lessee's cost, risk and expense promptly return the Equipment to the possession of the Lessor as provided in Section 19 (a) hereof. The Lessee shall, without further demand, forthwith pay to the Lessor an amount equal to (i) all Rent then due and payable; plus (ii) the Rent due on the Basic Rent Date next succeeding the date on which the Lessor has declared this Lease to be in default multiplied by a fraction the numerator of which is equal to the number of days elapsed between the Basic Rent Date preceding such notice of termination and the date on which such notice is actually given, and the denominator of which is equal to 180; plus (iii) as liquidated damages for loss of a bargain and not a penalty, an amount equal to the Casualty Value or, if such Event of Default shall have occurred on or after the First Termination Date, the Termination Value of the Equipment then subject to this Lease, whichever is greater, computed as of the Basic Rent Date next succeeding the date on which the Lessor has declared this Lease to be in default; plus (iv)

interest at the Late Payment Rate on the full amount of the Casualty Value or, if such Event of Default shall have occurred on or after the First Termination Date, the Termination Value, whichever is greater, computed from the date as of which the Casualty Value or Termination Value is calculated to the date actually paid by the Lessee, to the extent permitted by applicable law. Following the return of the Equipment to the Lessor pursuant to this subparagraph (2), the Lessor shall (x) proceed to dispose of the Equipment in a commercially reasonable manner at public or private sale and with or without notice to the Lessee, and apply the net proceeds of such disposition (including, but not limited to, costs of transportation, possession, storage, refurbishing, advertising and brokers' fees) as hereinafter set forth, or (y) retain the Equipment and credit the Fair Market Value thereof as hereinafter set forth. If disposition pursuant to clause (x) above is other than pursuant to cash sale, the proceeds of disposition to be applied as hereinafter set forth shall be deemed to be the present value of any deferred payments discounted at a discount rate of 10% per annum. The proceeds of such disposition pursuant to clause (x) or the Fair Market Value of the Equipment pursuant to clause (y), plus any sums received by the Lessor under Section 19 (a) hereof, shall be applied by the Lessor (A) first, to pay all costs, charges and expenses, including reasonable attorneys' fees and disbursements incurred by the Lessor as a result of the Default and the exercise of its remedies with respect thereto, (B) second, to pay to the Lessor an amount equal to any unpaid amount required to be paid by the Lessee pursuant to this Lease, and (C) third, to reimburse the Lessee for all sums to the extent previously paid by the Lessee as liquidated damages hereunder. Any surplus remaining thereafter shall be retained by the Lessor.

(b) The Lessee shall be liable for all costs, charges and expenses, including reasonable attorneys' fees and disbursements, incurred by the Lessor by reason of the occurrence of any Event of Default or the exercise of the Lessor's remedies with respect thereto.

(c) No remedy referred to herein is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to above or otherwise available to the Lessor in law or in equity. No express or implied waiver by the Lessor of any Default or Event of Default hereunder shall in any way be, or be construed to be, a waiver of any future or subsequent Default or Event of Default. The failure or delay of the

Lessor in exercising any rights granted it hereunder upon any occurrence of any of the contingencies set forth in this Section shall not constitute a waiver of any such right upon the continuation or recurrence of any such contingencies or similar contingencies and any single or partial exercise of any particular right by the Lessor shall not exhaust the same or constitute a waiver of any other right provided herein.

SECTION 25. Terms in Exhibits.

The terms set forth in any Exhibits hereto shall be applicable to this Lease as though fully set forth herein.

SECTION 26. Notices.

All communications and notices provided for herein (excluding billings and communications in the ordinary course of business) shall be in writing and shall become effective when deposited in the United States mail, with proper postage for First Class Mail, certified and prepaid, return receipt requested, addressed (a) if to the Lessor, at its address set forth on the signature page hereof, and (b) if to the Lessee, at its address set forth on the signature page hereof. Copies of all such communications and notices shall be sent to any Lessor's Assignee.

SECTION 27. Successors, Assigns and Indemnified Parties.

This Lease, including all agreements, covenants, representations and warranties, shall be binding upon and inure to the benefit of, and may be enforced by, (1) the Lessor and its successors, assigns, agents, servants and personal representatives, and, where the context so requires, any Lessor's Assignee and the successors, assigns, agents, servants and personal representatives of such Lessor's Assignee and (2) the Lessee and its successors and, to the extent permitted hereby, assigns and sublessees. With respect to the provisions of Sections 9, 20 and 22 hereof, each Lessor's Assignee, any other holder of obligations of the Lessor issued in connection with the purchase or acquisition of the Equipment, and the successors, assigns, agents, servants and personal representatives of the foregoing shall each be indemnified thereunder and, with respect to clause (b) to the proviso to Section 22 hereof, the willful misconduct or gross negligence of the Lessor or any one such Person shall not affect the rights of any other Person indemnified under Section 22.

SECTION 28. Amendments and Miscellaneous.

(a) The terms of this Lease shall not be waived, altered, modified, amended, supplemented or terminated in any

manner whatsoever except by a written instrument signed by the Lessor and the Lessee.

(b) All agreements, indemnities, representations and warranties contained in this Lease or any agreement, document or certificate delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Lease and the expiration or other termination of this Lease.

(c) Any provision of this Lease which may be determined by competent authority to be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provision hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, the Lessee hereby waives any provision of law which renders any provision hereof prohibited or unenforceable in any respect.

(d) The parties hereto intend and expect that this Master Equipment Lease will constitute a true lease of each Item of Equipment for federal, state and local income tax purposes. This Lease shall constitute an agreement of lease and nothing herein shall be construed as conveying to the Lessee any right, title or interest in or to the Equipment, except as lessee only.

(e) This Lease may be executed in any number of counterparts and by the Lessor and the Lessee on separate counterparts; provided, however, that only the counterpart of this Lease marked or stamped "Counterpart No. 1" shall be deemed to constitute "chattel paper" for purposes of the Uniform Commercial Code of the State of California, all other numbered counterparts being deemed duplicates thereof.

(f) This Lease shall be governed by, and construed in accordance with, the laws of the State of California.

(g) The division of this Lease into sections, the provision of a table of contents and insertion of headings are for the convenience of reference only and shall not affect the construction or interpretation of this Lease.

(h) Although this Lease is dated as of the date first above written for convenience, the actual dates of execution hereof by the Lessor and the Lessee are respectively the dates set forth in the acknowledgments hereto, and this Lease shall be effective on the latest of such dates.

IN WITNESS WHEREOF, the parties hereto have each caused this Lease to be duly executed by their respective officers thereunto duly authorized.

SECURITY PACIFIC FINANCIAL
LEASING, INC., as Lessor

Attest: Marc L. Marker

Marc L. Marker
(Typed or Printed Name)
Secretary

[Corporate Seal]

By: Gail D. Smedal
Gail D. Smedal
(Typed or Printed Name)

Title: CONTRACT ADMINISTRATOR

Address:
Four Embaradero Center,
Suite 1200,
San Francisco, California
94111
Attention: Lease Investments Dept.

SIGNAL CAPITAL CORPORATION,
acting through its Pullman
Leasing Company division, as
Lessee

Attest: _____

(Typed or Printed Name)

[Corporate Seal]

By: _____

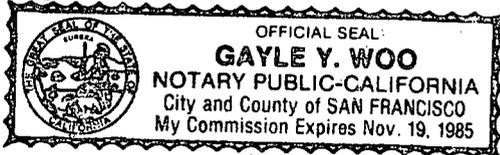
(Typed or Printed Name)

Title: _____

Address:
200 South Michigan Avenue
Chicago, Illinois 60604
Attention: Lease Administrator

STATE OF CALIFORNIA)
 : ss.:
COUNTY OF SAN FRANCISCO)

On the 25th day of April 1985, before me personally appeared Gail D. Smedal, who, being by me duly sworn, did say that ~~he~~/she is an Authorized Officer of SECURITY PACIFIC FINANCIAL LEASING, INC., that one of the seals affixed to the foregoing instrument is the seal of said Corporation, and that said instrument was signed and sealed on behalf of said Corporation, by authority of its by-laws and by resolution of its board of directors, and ~~he~~/she acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.



Gayle Y. Woo
Notary Public

[NOTARIAL SEAL] My Commission Expires: 11/19/85

STATE OF ILLINOIS)
 : ss.:
COUNTY OF COOK)

On the _____ day of April, 1985, before me personally appeared _____, who, being by me duly sworn, did say that he/she is an Authorized Officer of SIGNAL CAPITAL CORPORATION, acting through its Pullman Leasing Company division, that one of the seals affixed to the foregoing instrument is the seal of said Corporation, and that said instrument was signed and sealed on behalf of said Corporation, by authority of its by-laws and by resolution of its board of directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[NOTARIAL SEAL] My Commission Expires: _____

IN WITNESS WHEREOF, the parties hereto have each caused this Lease to be duly executed by their respective officers thereunto duly authorized.

SECURITY PACIFIC FINANCIAL
LEASING, INC., as Lessor

Attest: _____

(Typed or Printed Name)

[Corporate Seal]

By: _____

(Typed or Printed Name)

Title: _____

Address:
Four Embarcadero Center,
Suite 1200,
San Francisco, California
94111
Attention: Lease Invoicing Dept.

SIGNAL CAPITAL CORPORATION,
acting through its Pullman
Leasing Company division, as
Lessee

Attest: _____

Dennis Alexander
(Typed or Printed Name)

[Corporate Seal]

By: _____

Edward J. Whalen
(Typed or Printed Name)

Authorized Representative
Title: Vice President, Pullman Leasing Company

Address:
200 South Michigan Avenue
Chicago, Illinois 60604
Attention: Lease Administrator

STATE OF CALIFORNIA)
 : ss.:
COUNTY OF SAN FRANCISCO)

On the _____ day of April 1985, before me personally appeared _____, who, being by me duly sworn, did say that he/she is an Authorized Officer of SECURITY PACIFIC FINANCIAL LEASING, INC., that one of the seals affixed to the foregoing instrument is the seal of said Corporation, and that said instrument was signed and sealed on behalf of said Corporation, by authority of its by-laws and by resolution of its board of directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[NOTARIAL SEAL]

My Commission Expires: _____

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

On the 29th day of April, 1985, before me personally appeared Edward T. Whalen, who, being by me duly sworn, did depose and say that he/~~she~~ resides at 616 N. Cokora Ave. Chicago Illinois 60646 is an Authorized Representative of SIGNAL CAPITAL CORPORATION and a Vice President of the Pullman Leasing Company Division of Signal Capital Corporation, that he knows the seal of said Corporation, that one of the seals affixed to the foregoing instrument is the seal of said Corporation, and that said instrument was signed and sealed on behalf of said Corporation, by authority of its by-laws and by resolution of its board of directors, and that he/~~she~~ signed his/~~her~~ name thereto by like authority, and he/~~she~~ acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Elisabeth A. Tavss
Notary Public

[NOTARIAL SEAL]

My Commission Expires: _____

ELISABETH A. TAVSS
Notary Public, State of New York
No. 31-4787740
Qualified in New York County
Commission Expires March 30, 1985

1987

EXHIBIT A

CERTIFICATE OF ACCEPTANCE

TO: Security Pacific Financial Leasing, Inc., as Lessor

Signal Capital Corporation, acting through its
Pullman Leasing Company division, as Lessee

RE: Master Equipment Lease Dated as of April 1, 1985 ("Lease")
by and between Security Pacific Financial Leasing, Inc., as
Lessor ("Lessor") and Signal Capital Corporation, acting
through its Pullman Leasing Company division, as Lessee
("Lessee")

Gentlemen:

I have been appointed as the duly authorized representative
for the purpose of accepting the Items of Equipment (as defined
in the Lease) under the (i) Purchase Documents (as defined in the
Lease) and (ii) the Lease (pursuant to Section 3 of the Lease).

I do hereby certify that in respect of the Item(s) of
Equipment described below:

1. Each Item has been inspected and is in good order.
2. Based on my determination that each Item is in
compliance with all applicable specifications, each Item is
hereby accepted under the Lease at the offices of Pullman Leasing
Company in Chicago, Illinois.

Manufacturer: Trinity Industries, Inc.

Type of Equipment:

Date Accepted:

Number of Items:

Road Numbers:

The execution of this Certificate of Acceptance will in
no way relieve or decrease the responsibility of the Manufacturer
named above for any warranties it has made with respect to the
Equipment.

Authorized Representative
of Lessee and Lessor

EXHIBIT B

[RESERVED]

EXHIBIT C

[RESERVED]

EXHIBIT D
To Master Equipment Lease

PURCHASE DOCUMENTS

1. The Lessor shall have received, prior to each Closing Date, the originally executed documents listed below for each Item of Equipment to be purchased by the Lessor on such Closing Date:

a. A Bill of Sale for such Item of Equipment, duly executed by the Manufacturer, and delivered to the Lessee.

b. An invoice of the Manufacturer, on a form or forms customarily used by such Manufacturer.

c. Evidence satisfactory to the Lessor that the Manufacturer has received payment in full for such Item of Equipment.

d. A Bill of Sale, dated the Closing Date, for such Item of Equipment, substantially in the form set forth in Attachment 1 hereto, duly executed by the Lessee, and addressed to the Lessor.

e. An invoice of the Lessee, on a form or forms customarily used by such Lessee, setting forth the Total Invoice Cost of such Items of Equipment.

Attachment 1 to
EXHIBIT D
to Master Equipment Lease

BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS THAT SIGNAL CAPITAL CORPORATION, acting through its PULLMAN LEASING COMPANY Division (the Seller), for good and valuable consideration to it paid by or on behalf of Security Pacific Financial Leasing Inc. (the Purchaser), does hereby grant, bargain, sell, transfer and deliver unto the Purchaser, its successors and assigns, all of the Seller's right, title and interest in and to the Equipment described below:

TO HAVE AND TO HOLD the same unto the Purchaser, its successors and assigns, forever.

The receipt of consideration by Seller and the issuance of this Bill of Sale by Seller having occurred in Chicago, Illinois, this Sale shall be controlled by the law of the State of Illinois.

The Seller warrants that it is the lawful owner of the Equipment described above, that it has good right to sell the same, that such Equipment, at the time of delivery was new and unused and that title to all such Equipment is on the date hereof good and marketable and is free and clear of all claims, liens and encumbrances by or in favor of any person claiming by, through or under Seller and that the Seller will defend such title.

IN WITNESS WHEREOF, the Seller has caused this instrument to be executed by its duly authorized officer as of the ____ day of _____, 1985.

SIGNAL CAPITAL CORPORATION, acting
through its PULLMAN LEASING
COMPANY Division

By: _____

Title: _____

EXHIBIT E

[RESERVED]