3-264A015

No.
Date SEP 21 1983
Fee $ 50.00
ICC Washington, D.C.

14166
RECORDATION NO. Filed 1425

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INTERSTATE COMMERCE COMMISSION

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FEE OPERATION BR.

New No. 1 & 50

Agatha Mergenovich
Interstate Commerce Commission
Washington, D.c.

Dear Ms. Mergenovich:

Enclosed for recordation under the provisions of 49 USC 11303(a) are the original and eight counterparts of an Equipment Lease dated as of August 1, 1983.

A general description of the railroad equipment covered by the enclosed document is set forth in Schedule A attached to this letter and made a part hereof.

The names and addresses of the parties are:

Lessor: Valley Bank of Nevada
300 South 4th Street
Las Vegas, Nevada 89101

Lessee: General American Transporation Corporation
120 South Riverside Plaza
Chicago, Illinois 60606

The undersigned is the Lessor mentioned in the enclosed document and has knowledge of the matters set forth therein.

Please return the original and seven copies of the Equipment Lease to Deborah G. Page, Esq., Chapman and Cutler, 111 West Monroe Street, Chicago, Illinois 60603

Also enclosed is a check in the amount of $10.00 covering the required recording fee.

A short summary of the enclosed document to appear in the Index as follows:

Equipment Lease dated as of August 1, 1983 between Valley Bank of Nevada, as Lessor, 300 South 4th Street, Las Vegas, Nevada 89101, and General American Transportation Corporation, as

Counterparts - CT-Kansas

Lessee, 120 South Riverside Plaza, Chicago, Illinois 60606, covering 67 tank cars and 27 covered hopper cars.

Very truly yours,

VALLEY BANK OF NEVADA

By _____
Its SVP

LESSOR AS AFORESAID

Enclosures

## DESCRIPTION OF EQUIPMENT

| Number of Cars | Description | Identifying Mark and Numbers |
|---|---|---|
| | TANK CARS | |
| 10 | DOT 111A100W-1 13,750 gallon Rubber Lined. Super phosphoric acid. | GATX 17525 through 17534, inclusive |
| 30 | DOT 111A100W-5 20,000 gal. Rubber Lined. Hydrochloric Acid. | GATX 61111 through 61140, inclusive |
| 7 | DOT 111A60ALW-2 20,000 gal. Aluminum. Hydrogen peroxide. | GATX 73708 through 73714, inclusive |
| 5 | DOT 111A100W-5 20,000 gal. Rubber lined. Hydrochloric Acid. | GATX 12986 through 12990, inclusive |
| 15 | DOT 111A60W-1 11,350 gal. Titanium Dioxide. Slurry. | GATX 15671 through 15685, inclusive |
| | COVERED HOPPER CARS | |
| 20 | LO. Airslide 4,566 cu. ft. Polycloth lining. Flour. | GACX 56259 through 56278, inclusive |

SCHEDULE A

| Number of Cars | Description | Identifying Mark and Numbers |
|---|---|---|
| 3 | LO. Airslide 4,566 cu. ft. Polycloth lining. Starch. | GACX 56291 through 56293, inclusive |
| 4 | LO. Airslide 4,566 cu. ft. Polycloth lining. Starch. | GACX 56294 through 56297, inclusive |

Please do not separate Pages.

RECORDATION NO. 14166 Filed 1425

SEP 21 1983 -9 40 AM

INTERSTATE COMMERCE COMMISSION

# EQUIPMENT LEASE

Dated as of August 1, 1983

Between

VALLEY BANK OF NEVADA

LESSOR

And

GENERAL AMERICAN TRANSPORTATION CORPORATION

LESSEE

(GATC No. 83-3)
(67 tank cars and 27 covered hopper cars)

This Equipment Lease and certain of the sums due and to become due hereunder have been assigned to, and are subject to a security interest in favor of, The Connecticut Bank and Trust Company, National Association, as Security Trustee, pursuant to a Security Agreement-Trust Deed dated as of August 1, 1983, from Valley Bank of Nevada, as debtor, to said Security Trustee.

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# EQUIPMENT LEASE

THIS EQUIPMENT LEASE dated as of August 1, 1983 between VALLEY BANK OF NEVADA, a Nevada banking corporation (the "Lessor"), and GENERAL AMERICAN TRANSPORTATION CORPORATION, a New York corporation (the "Lessee");

## R E C I T A L S:

A. Pursuant to an Equipment Purchase Agreement dated as of August 1, 1983, the Lessor has agreed to purchase from the Lessee the Equipment referred to below.

B. The Lessee and the Lessor intend to enter into a Participation Agreement dated as of August 1, 1983 (the "Participation Agreement") with The Connecticut Bank and Trust Company, National Association, as security trustee (the "Security Trustee") and the institutional investor named in Schedule 2 thereto (the "Note Purchaser") providing for the commitment of the Note Purchaser which, together with funds provided by the Lessor, will permit the Lessor to obtain the funds necessary to purchase the equipment (collectively the "Equipment" and individually an "Item of Equipment") described in Schedule A hereto and made a part hereof. The Lessor will commit to advance an amount equal to 29.491416% of the Purchase Price of each Item of Equipment and the Note Purchaser will commit to purchase the 13.3% Secured Notes (the "Notes") of the Lessor in an amount equal to 70.508584% of each Item of Equipment. It is contemplated that the Participation Agreement will provide that the Notes will be secured by an assignment of the Lessor's right, title and interest in and to this Lease and any Permitted Subleases (as hereinafter defined) and in and to the Equipment pursuant to a Security Agreement-Trust Deed dated as of August 1, 1983 (the "Security Agreement") from the Lessor to the Security Trustee.

## SECTION 1. LEASE AND DELIVERY OF EQUIPMENT.

1.1. Intent to Lease and Hire. Upon delivery of each Item of Equipment by the manufacturer thereof identified in Schedule A hereto (hereinafter referred to as the "Manufacturer"), the Lessee shall lease and let and the Lessor shall hire to the Lessee such Item of Equipment for the rental and on and subject to the terms and conditions herein set forth.

1.2. Inspection and Acceptance. The Lessor hereby appoints the Lessee as its agent for inspection and acceptance of the equipment pursuant to the Purchase Agreement. The Lessor will cause each Item of Equipment to be tendered to the Lessee. Upon

such tender, the Lessee will cause an inspector designated and authorized by the Lessee to inspect the same, and, if such Item of Equipment is found to be in good order, to accept delivery of such Item of Equipment and to execute and deliver to the Lessor a Certificate of Acceptance (the "Certificate of Acceptance") in the form attached hereto as Schedule B with respect to such Item of Equipment; provided, however, that the Lessee shall not accept and the Lessor shall have no obligation to lease any Item of Equipment delivered after the Outside Delivery Date set forth in Schedule A.

1.3. Certificate of Acceptance. The Lessee's execution and delivery of a Certificate of Acceptance with respect to each Item of Equipment pursuant to Section 1.2 hereof shall conclusively establish that, as between the Lessor and the Lessee, but without limiting or otherwise affecting the Lessee's or the Lessor's rights, if any, against the manufacturer thereof, such Item of Equipment is acceptable to and accepted by the Lessee under this Lease, notwithstanding any defect with respect to design, manufacture, condition or in any other respect, and that such Item of Equipment is in good order and condition and appears to conform to the specifications applicable thereto and to all applicable United States Department of Transportation and Interstate Commerce Commission requirements and specifications, if any, and to all standards recommended by the Association of American Railroads applicable to new railroad equipment of the character of the Equipment as of the date of this Lease. By execution and delivery of such Certificate of Acceptance, the Lessee represents that it has no knowledge of any such defect.

SECTION 2. RENTALS AND PAYMENT DATES.

2.1. Rent for Equipment. The Lessee agrees to pay the following rent for each Item of Equipment:

(a) Fixed Rental. For each Item of Equipment, the Lessee shall pay to the Lessor 40 semiannual installments of fixed rental (the "Fixed Rental"), payable in arrears, the first through the twentieth installments, both inclusive, each in an amount equal to 5.112937% of the Purchase Price (as defined in the Participation Agreement) thereof and the twenty-first through the fortieth installments, both inclusive, each in an amount equal to 6.249031% of the Purchase Price thereof; and

(b) Supplemental Rent. As supplemental rent hereunder (the "Supplemental Rent"), the Lessee shall pay to the person entitled to receive the same, an amount equal to (i) all fees and expenses of the Security Trustee and its successors (other than the initial fees and expenses payable by the Lessor pursuant to Section 2.6 of the Participation Agreement) incurred in

connection with its services as Secured Party under the Security Agreement; and (ii) the amount by which the fees and expenses listed in Section 2.6 of the Participation Agreement exceed .25% of the Purchase Price of the Equipment.

2.2. Rent Payment Dates. The first installment of Fixed Rental for each Item of Equipment shall be due and payable six months following the Term Lease Commencement Date (as defined in the Participation Agreement) and the balance of said installments shall be payable at six month intervals thereafter with the final such installment payable 20 years following the Term Lease Commencement Date. If any of the rent payment dates is not a business day, the rent payment otherwise payable on such date shall be payable on the next succeeding business day. For purposes of this Lease, the term "business day" means calendar days, excluding Saturdays, Sundays and holidays on which banks in the States of Illinois, Utah, Nevada or New York are authorized or required to close.

2.3. Place and Manner of Rent Payment. The payments to be made by the Lessee under this Lease shall be made as follows:

(a) Each installment of Fixed Rental shall be paid to the account of the Lessor by wire transfer to the principal office of the Lessor at the address thereof provided for payments in Section 22.1 hereof; provided that in the event either the Lessor or the Security Trustee shall notify the Lessee in writing that the right to receive payment of such installment shall have been assigned in accordance with Section 16 hereof, the Lessee shall make such payment by wire transfer to the place designated in such notice or as otherwise designated from time to time in writing by such assignee; and provided further that in the event such notice shall direct the Lessee to divide such installment into not more than two portions and to pay each portion by wire transfer separately to not more than two parties, the Lessee agrees to do so;

(b) The entire amount of any payment of Casualty Value pursuant to Section 11 hereof or Early Termination Value or Optional Termination Value pursuant to Section 19 hereof shall be paid to the account of the Lessor by wire transfer to the principal office of the Lessor at the address thereof provided for payments in Section 22.1 hereof; (identifying the same as a payment of Casualty Value, Early Termination Value or Optional Termination Value, as the case may be, relating to GATC No. 83-3) provided that in the event either the Lessor or the Security Trustee shall notify the Lessee in writing that the right to receive payment of such Casualty Value,

Early Termination Value or Optional Termination Value shall have been assigned in accordance with Section 16 hereof, the Lessee shall make such payment by such wire transfer in the manner designated in such notice or as otherwise designated from time to time in writing by such assignee;

(c) So long as no Event of Default or any event which with the lapse of time or giving of notice, or both, would constitute an Event of Default under this lease, shall have occurred and be continuing, the amount of any payment owing to the Lessor pursuant to Sections 6, 10.2, 11.1 (with respect to public liability insurance) and 22.2 hereof shall be made directly to the party to receive the same without regard to the assignment of this Lease pursuant to Section 16 hereof;

(d) The amount of any interest due in respect of the late payment of any rentals or other amounts pursuant to Section 19 hereof shall be paid to the party and in the manner herein provided to receive said rental or other amount; and

(e) All payments other than those above specified shall be made by the Lessee directly to the party to receive the same unless any such payment has previously been made by the Lessor or its assignee, in which case the Lessee shall reimburse the Lessor or its assignee, as the case may be, directly for such payment.

The Lessee agrees that it will make payments due hereunder by wire transfer where specified above at the opening of business of the office of the transferring bank on the due date of such payment of Federal or otherwise immediately available funds to the party to whom such payment is to be made, and where not so specified, such payment shall be made by check of the Lessee drawn on a bank located in the continental United States and mailed to the party to receive the same at the address herein provided or at such other address as the Lessee shall have been previously advised in writing.

2.4. Net Lease. This Lease is a net lease and the Lessee's obligation to pay all Fixed Rental, Supplemental Rent and other amounts payable hereunder shall be absolute and unconditional under any and all circumstances and, without limiting the generality of the foregoing, the Lessee shall not be entitled to any abatement of rent or reduction thereof or setoff against rent, including, but not limited to, abatements, reductions or setoffs due to any present or future claims of the Lessee against the Lessor under this Lease or otherwise or against any assignee of the Lessor pursuant to Section 16 hereof; nor, except as otherwise

expressly provided herein, shall this Lease terminate, or the respective obligations of the Lessor or the Lessee be otherwise affected, by reason of any defect in or damage to or loss or destruction of or requisitioning of all or any Item of Equipment by condemnation or otherwise, the prohibition of Lessee's use of the Equipment, the interference with such use by any private person or corporation, the invalidity or unenforceability or lack of due authorization or other infirmity of this Lease, or lack of right, power or authority of the Lessor to enter into this Lease, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the rents and other amounts payable by the Lessee hereunder shall continue to be payable in all events unless the obligation to pay the same shall be terminated pursuant to Section 11 hereof, or until, pursuant to Section 13 hereof, the Equipment has been returned to the possession of the Lessor (for all purposes of this Lease any Item of Equipment shall not be deemed to have been returned to the Lessor's possession until all of the Lessee's obligations with respect to the return, transportation and storage thereof have been performed). To the extent permitted by applicable law, the Lessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender the lease of any of the Items of Equipment except in accordance with the express terms hereof. Each rental or other payment made by the Lessee hereunder shall be final and the Lessee shall not seek to recover all or any part of such payment from the Lessor or any assignee pursuant to Section 16 hereof for any reason whatsoever.

2.5. Adjustment of Rentals. The installments of Fixed Rental and the Casualty Value, Early Termination Value and Optional Termination Value tables attached hereto as Schedules D, E and F, respectively, have been calculated on the assumptions that:

(i) The Items of Equipment will be delivered to and accepted by the Lessee on or before the estimated delivery date specified in Schedule A hereto;

(ii) The outside delivery date for the Equipment is November 15, 1983;

(iii) No change in any tax law, regulation or tax rate shall be enacted and become effective prior to the Term Lease Commencement Date which alters or eliminates any of the Tax Benefits (as defined in Section 7 of the Participation Agreement); and

(iv) The Notes bear interest at 13.3% per annum computed on the basis of a 360-day year of twelve 30-day months, and payments of principal and interest on the Notes will be made semiannually.

If any such assumption shall prove to be incorrect, then the Lessor acting in good faith shall, prior the first payment of Fixed Rental, recompute such installments of Fixed Rental and the Casualty Value, Early Termination Value and Optional Termination Value tables higher or lower in order to provide the Lessor with the same after-tax yield and cash flow as if such assumptions were accurate; provided, that such adjustments shall comply with the Guidelines (as hereinafter defined) and any other published or announced position of the Internal Revenue Service; and provided, further, that each installment of Fixed Rental shall be in an amount sufficient to pay on each installment date the principal of, and interest on, the Notes due on such date without acceleration, and the Casualty Value, Early Termination Value and Optional Termination Date as of any date shall be sufficient to pay the aggregate unpaid principal amount of, and interest and premium, if any, on, the Notes outstanding as of such date. Such recomputation shall be based upon the assumptions and methods of calculation utilized by the Lessor in computing the amounts thereof originally set forth in this Lease. On or before the first payment of Fixed Rental, the Lessor and the Lessee shall execute and deliver a Lease Supplement, substantially in the form of Schedule C hereto, reflecting any revisions to the percentages set forth in Section 2.1(b) hereof and to Schedules D, E and F hereof. The term "Guidelines" as used herein shall mean the guidelines set forth in Revenue Procedure 75-21, 1975-1 C.B. 715, as further set forth in Revenue Procedure 75-28, 1975-1 C.B. 752, and as modified in Revenue Procedure 76-30, 1976-2 C.B. 647 and Revenue Procedure 79-48, 1979-2 C.B. 529 that are applied by the Internal Revenue Service in determining, for advance ruling purposes, whether leveraged lease transactions (other than transactions which are treated as leases pursuant to Section 168(f)(8) of the Code) are leases for Federal income tax purposes.

SECTION 3. TERM OF THE LEASE.

The term of this Lease as to each Item of Equipment shall begin on the date of the delivery to and acceptance by the Lessee of such Item of Equipment and, subject to the provisions of Sections 11, 14 and 19 hereof, shall terminate 20 years following the Term Lease Commencement Date.

SECTION 4. OWNERSHIP AND MARKING OF EQUIPMENT.

4.1. Retention of Title. The Lessor, as between the Lessor and the Lessee, shall and hereby does retain full legal title to the Equipment notwithstanding the delivery thereof to and possession and use thereof by the Lessee or any Sublessee under any Permitted Sublease.

4.2. Duty to Number and Mark Equipment. The Lessee will cause each Item of Equipment to be kept numbered with its identifying number as set forth in Schedule A hereto and will keep and maintain, plainly, distinctly, permanently and conspicuously marked by a plate or stencil printed in contrasting color upon each side of each Item of Equipment in letters not less than one inch in height as follows:

> "TITLE TO THIS CAR IS VESTED IN A TRUSTEE UNDER AN EQUIPMENT TRUST AGREEMENT RECORDED UNDER SECTION 20c OF THE INTERSTATE COMMERCE ACT OR VESTED IN ANOTHER PERSON OR ENTITY AND SO RECORDED."

with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the title of the Lessor to such Item of Equipment, its rights under this Lease and the rights of any assignee under Section 16 hereof. The Lessee will replace promptly any such names and word or words which may be removed, defaced or destroyed. The Lessee will not change the identifying number of any Item of Equipment unless and until (i) a statement of new identifying numbers to be substituted therefor shall have been delivered to the Lessor and the Security Trustee by the Lessee and filed, recorded or deposited in all public offices where this Lease shall have been filed, recorded or deposited and (ii) the Lessee shall have furnished the Security Trustee and the Lessor an opinion of counsel to the effect that such statement has been so filed, recorded and deposited, such filing, recordation and deposit will protect the Security Trustee's and the Lessor's interests in such Equipment and no filing, recording, deposit or giving of notice with or to any other federal, state or local government or agency thereof is necessary to protect the interests of the Security Trustee and the Lessor in such Equipment while operating in any jurisdiction wherein the Security Agreement or any instrument in respect thereof has been or is required to be filed, registered, deposited or recorded as provided in the Security Agreement. The Lessor agrees to execute all amendments hereto necessary to accomplish such filings, recordings and deposits.

4.3. Prohibition Against Certain Designations. Except as above provided, the Lessee will not allow the name of any person, association or corporation to be placed on the Equipment as a designation that might be interpreted as a claim of ownership; provided, however, that the Lessee may cause the Equipment to be lettered with the names or initials or other insignia customarily used by the Lessee or its affiliates or any sublessees under Permitted Subleases on railroad equipment used by any of them of the same or a similar type for convenience of identification of the right of the Lessee to use the Equipment under this Lease or of any sublessee to use the Equipment under any Permitted Sublease.

SECTION 5. DISCLAIMER OF WARRANTIES.

THE LESSOR LEASES THE EQUIPMENT, AS-IS, IN WHATEVER CONDITION IT MAY BE, WITHOUT ANY AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, BY THE LESSOR WHICH EXPRESSLY DISCLAIMS ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO (A) THE FITNESS FOR ANY PARTICULAR PURPOSE OR MERCHANTABILITY OF ANY ITEM OR ITEMS OF EQUIPMENT, (B) THE LESSOR'S TITLE THERETO, (C) THE LESSEE'S RIGHT TO THE QUIET ENJOYMENT THEREOF, (D) THE DESIGN OR CONDITION OF, OR AS TO THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE EQUIPMENT, OR (E) ANY OTHER MATTER WHATSOEVER, IT BEING AGREED THAT ALL SUCH RISKS, AS BETWEEN THE LESSOR AND THE LESSEE, ARE TO BE BORNE BY THE LESSEE. The Lessor hereby appoints and constitutes the Lessee its agent and attorney-in-fact during the term of this Lease to assert and enforce, from time to time, in the name and for the account of the Lessor and the Lessee, as their interests may appear, but in all cases at the sole cost and expense of the Lessee, whatever claims and rights the Lessor may have as owner of the Equipment against the manufacturer thereof, provided, however, that if at any time an Event of Default shall have occurred and be continuing, the Lessor may assert and enforce, at the Lessee's sole cost and expense, such claims and rights. The Lessor shall have no responsibility or liability to the Lessee or any other person with respect to any of the following: (i) any liability, loss or damage caused or alleged to be caused directly or indirectly by any Item of Equipment or by any inadequacy thereof or deficiency or defect therein or by any other circumstances in connection therewith; (ii) the use, operation or performance of any Item of Equipment or any risks relating thereto; (iii) any interruption of service, loss of business or anticipated profits or consequential damages; or (iv) the delivery, operation, servicing, maintenance, repair, improvement or replacement of any Item of Equipment. The Lessee's delivery of a Certificate of Acceptance shall be conclusive evidence as between the Lessee and the Lessor that all Items of Equipment described therein are in all the foregoing respects satisfactory to the Lessee, and the Lessee will not assert any claim of any nature whatsoever against the Lessor based on any of the foregoing matters.

SECTION 6. LESSEE'S INDEMNITY.

6.1. Scope of Indemnity. The Lessee shall defend, indemnify and save harmless the Lessor and any assignee of the Lessor pursuant to Section 16 hereof (including, without limitation, the Security Trustee and the Note Purchaser) and their respective successors and assigns from and against:

(a) any and all loss or damage to the Equipment, usual wear and tear excepted; and

(b) any claim, cause of action, damages, liability, cost or expense (including, without limitation, counsel fees and costs in connection therewith) which may be incurred in any manner by or for the account of any of them relating to any Item of Equipment or any part thereof, including, without limitation, (i) the construction, purchase, delivery, acceptance, rejection, ownership, sale, leasing, return or storage of any Item of Equipment or as a result of the use, maintenance, repair, replacement, operation or the condition thereof (whether defects are latent or discoverable by the Lessee or any indemnified party), (ii) by reason or as the result of any act or omission (whether negligent or otherwise) of the Lessee for itself or as agent or attorney-in-fact for the Lessor hereunder, (iii) as a result of claims for patent, trademark or copyright infringements, or (iv) as a result of claims for negligence or strict liability in tort.

The indemnities and assumptions of liabilities set forth in this Section 6.1 do not guarantee to any party at any time a residual value in the Equipment nor do they guarantee the payment of the Notes or any interest accrued thereon.

6.2. Continuation of Indemnities and Assumptions. The indemnities and assumptions of liability in this Section 6 contained shall continue in full force and effect notwithstanding the termination of this Lease, or the termination of the term hereof in respect of any one or more Items of Equipment, whether by expiration of time, by operation of law or otherwise; provided, however, that such indemnities and assumptions of liability shall not apply in respect of any matters referred to in subsection (a) or clause (i), (ii) or (iv) of subsection (b) of Section 6.1 hereof, occurring after the termination of this Lease, except for any such matters occurring after the termination arising in connection with the Lessee's assembling, delivering, storing or transporting of the Equipment as provided in Section 13 or 15, as the case may be. The Lessee shall be entitled to control, and shall assume full responsibility for, the defense of such claim or liability.

## SECTION 7. RULES, LAWS AND REGULATIONS.

The Lessee agrees to comply with all governmental laws, regulations, requirements and rules (including, without limitation, the rules of the United States Department of Transportation, the Interstate Commerce Commission and the current Interchange Rules or supplements thereto of the Mechanical Division, Association of American Railroads as the same may be in effect

from time to time) (the "Interchange Rules") with respect to the use and maintenance of each Item of Equipment subject to this Lease. In case any equipment or appliance is required to be altered, added, replaced or modified (the "Alterations") on any Item of Equipment in order to comply with such laws, regulations, requirements and rules, the Lessee agrees to make such Alterations at its own expense and title thereto shall be immediately vested in the Lessor.

SECTION 8. USE AND MAINTENANCE OF EQUIPMENT.

The Lessee shall use the Equipment only in the manner for which it was designed and intended and so as to subject it only to ordinary wear and tear. The Lessee shall, at its own cost and expense, maintain and keep the Equipment in good order, condition and repair, ordinary wear and tear excepted, suitable for use in interchange in accordance with federal regulations and the Interchange Rules and in the same manner as equipment owned by the Lessee similar in nature to the Equipment. Except as required by the provisions of Section 7 hereof, the Lessee shall not modify any Item of Equipment in any manner which will decrease the value or marketability of such Item of Equipment. Any parts installed or replacements made by the Lessee upon any Item of Equipment pursuant to Section 7 hereof or pursuant to its obligation to maintain and keep the Equipment in good order, condition and repair under this Section 8 shall be considered accessions to such Item of Equipment and title thereto shall be immediately vested in the Lessor without cost or expense to the Lessor. Title to any additions or improvements, other than those referred to in the preceding sentence, which are readily removable without causing material damage to such Item of Equipment shall remain with the Lessee. If the Lessee shall at its cost cause such readily removable additions or improvements to be made to any Item of Equipment, the Lessee agrees that it will, prior to the return of such Item of Equipment to the Lessor hereunder, remove the same at its own expense without causing material damage to such Item of Equipment.

SECTION 9. LIENS ON THE EQUIPMENT.

The Lessee shall pay or satisfy and discharge any and all claims against, through or under the Lessee and its successors or assigns which, if unpaid, might constitute or become a lien or a charge upon any Item of Equipment, and any liens or charges which may be levied against or imposed upon any Item of Equipment as a result of the failure of the Lessee to perform or observe any of its covenants or agreements under this Lease and any other liens or charges which arise by virtue of claims against, through or under any other party; provided, however, that the Lessee shall not be required to pay or discharge any claim arising by, through

or under the Lessor unrelated to its ownership of the Equipment, or any other claims referred to in the preceding clause of this sentence so long as it shall, in good faith and by appropriate legal proceedings contest the validity thereof in any reasonable manner which will not affect or endanger the title and interest of the Lessor or the security interest or other rights of any assignee under Section 16 hereof in and to the Equipment. The Lessee's obligations under this Section 9 shall survive the termination of this Lease.

SECTION 10. FILING; PAYMENT OF STATE AND LOCAL TAXES.

10.1. Filing. Prior to the delivery and acceptance of the first Item of Equipment hereunder, the Lessee will cause this Lease and the Security Agreement to be duly filed, registered or recorded with the Interstate Commerce Commission in accordance with Section 11303 of the Interstate Commerce Act and in such other places within or without the United States as the Lessor or the Security Trustee may reasonably request and will furnish the Lessor and the Security Trustee proof thereof. The Lessee will, from time to time, do and perform any other act and will execute, acknowledge, deliver, file, register and record (and will refile, reregister or rerecord whenever required) any and all further instruments required by law or reasonably requested by the Lessor or the Security Trustee, for the purpose of protecting the Lessor's title to, or the Security Trustee's security interest in, any Item of Equipment to the satisfaction of the Lessor's or the Security Trustee's counsel or for the purpose of carrying out the intentions of this Lease, and in connection with any such action, will deliver to the Lessor and the Security Trustee proof of such filings and an opinion of the Lessee's counsel reasonably satisfactory to the Lessor and the Security Trustee that such action has been properly taken. The Lessee will pay all costs, charges and expenses incident to any such filing, refiling, recording and rerecording or depositing and redepositing of any such instruments or incident to the taking of such action.

10.2. Payment of State and Local Taxes. All payments to be made by the Lessee hereunder will be free of expense to the Lessor and any assignee of the Lessor pursuant to Section 16 hereof (including, without limitation, the Security Trustee and the Note Purchaser) and their respective successors and assigns (the "Indemnitees") for collection or other charges and will be free of expense to the Indemnitees with respect to any Impositions as hereinafter defined. As used in this Section 10.2 "Impositions" shall mean the amount of any local, state, Federal or foreign taxes, assessments or license fees and any charges, fines or penalties in connection therewith which are imposed on or measured by this Lease or the receipt of sums pursuant hereto or any sale, rental, use, payment, shipment, delivery or transfer of title in respect of the Equipment under the terms hereof or of the Security

Agreement; provided that Impositions shall not include as to each respective Indemnitee: (i) state, local and United States Federal income tax liability and, to the extent that any respective Indemnitee receives credit therefor against its United States Federal income tax liability, any foreign income tax of such Indemnitee, payable by any respective Indemnitee in consequence of the receipt of payments provided herein; and (ii) the aggregate of all franchise taxes measured by net income based on such receipts, up to the amount in the aggregate of any such income and franchise taxes which would be payable to the state and city in which such Indemnitee has its principal place of business without apportionment to any other state, except any such tax which is in substitution for or relieves the Lessee from the payment of taxes which it would otherwise be obligated to pay or reimburse as herein provided. The Lessee agrees to pay, on demand, any and all Impositions. The Lessee will also pay promptly all Impositions which may be imposed upon any Item of Equipment or for the use or operation thereof or upon the earnings arising therefrom or upon any Indemnitee solely by reason of its interest with respect thereto and will keep at all times all and every part of such Item of Equipment free and clear of all Impositions which might in any way affect the interest of any Indemnitee therein or result in a lien upon any such Item of Equipment; provided, however, that the Lessee shall be under no obligation to pay any Impositions so long as it is contesting in good faith and by appropriate legal proceedings such Impositions and the nonpayment thereof does not, in the reasonable opinion of the Indemnitee, adversely affect the interest of any Indemnitee hereunder or under the Security Agreement. If any Impositions shall have been charged or levied against any Indemnitee directly and paid by such Indemnitee after such Indemnitee shall have given written notice thereof to the Lessee and the same shall have remained unpaid for a period of ten business days thereafter, the Lessee shall reimburse such Indemnitee on presentation of invoice therefor. Prior to making such payment, such Indemnitee shall promptly notify the Lessee of the Impositions charged or levied, and the Lessee shall have the opportunity to contest in good faith and by appropriate legal proceedings such Impositions, at its sole expense.In the event any reports with respect to Impositions are required to be made on the basis of individual Items of Equipment, the Lessee will either prepare and file such reports in such manner as to show as required the interests of each Indemnitee in such Items of Equipment or, if it shall not be permitted to file the same, it will notify each Indemnitee of such reporting requirements, prepare such reports in such manner as shall be satisfactory to each Indemnitee and deliver the same to each Indemnitee within a reasonable period prior to the date the same is to be filed.

In the event that, during the continuance of this Lease, any Imposition accrues or becomes payable or is levied or assessed (or is attributable to the period of time during which this Lease is in existence) which the Lessee is or will be obligated to pay

or reimburse, pursuant to this Section 10.2, such liability shall continue, notwithstanding the expiration of this Lease, until all such Impositions are paid or reimbursed by the Lessee.

SECTION 11. INSURANCE; PAYMENT FOR CASUALTY OCCURRENCE.

11.1. Insurance. The Lessee will at all times after delivery and acceptance of each Item of Equipment, at its own expense, keep or cause to be kept each such Item insured by a reputable insurance company or companies in amounts and against risks (including comprehensive general public liability insurance) and with deductibles and terms and conditions not less than the insurance, if any, maintained by the Lessee with respect to similar equipment which it owns or leases, but in no event shall such coverage be for amounts or against risks less than the prudent industry standard. Without limiting the foregoing, the Lessee will:

(a) keep each Item of Equipment fully insured against casualty in an amount not less than the Casualty Value attributable to such Item of Equipment as shown on Schedule D hereto, provided that such coverage may provide for deductible amounts of not more than $100,000 per occurrence. The policies of insurance covering the Equipment shall provide that (i) loss, if any, thereunder shall be payable to the Lessor, any assignee thereof pursuant to Section 16 hereof and the Lessee as their interests shall appear; provided that in the event any such insurance shall be in effect with respect to the Equipment prior to the payment in full of all principal of, premium, if any, and interest on the Notes, all payments thereunder shall be made to the Security Trustee under a standard mortgage loss payable clause, and (ii) loss, if any, thereunder shall be adjusted with the insurer by the Lessee, subject to approval by the Lessor and the Security Trustee if the loss from any one occurrence equals or exceeds $500,000; and

(b) maintain general public liability insurance against bodily injury, death or property damage arising out of the use or operation of the Equipment with general liability limits of not less than $1,000,000 arising out of a single occurrence and not less than $10,000,000 in the aggregate, with umbrella coverage of not less than $50,000,000, provided that such coverage may provide for deductible amounts in amounts comparable to that maintained by the Lessee with respect to similar equipment which it owns or leases and in any event in accordance with the prudent industry standard. Such policies shall insure the Lessor and the Security Trustee regardless of any breach or violation of any warranty, declaration or

condition therein contained in such policy by the Lessee or any other person (other than the Lessor and the Security Trustee, but only in respect of their respective coverages).

The Lessee may self-insure for such amounts and against such risks as shall be consented to by the Lessor and the Security Trustee, which consent shall not be unreasonably withheld. All proceeds of insurance received by any party other than the Lessee with respect to any Items of Equipment not suffering a Casualty Occurrence (as hereinafter defined) shall be paid thereby to the Lessee upon reasonable proof that any damage to any Item with respect to which such proceeds were paid has been fully repaired. Any such proceeds of insurance received by any party with respect to a Casualty Occurrence shall be credited thereby toward the payment required by this Section 11 with respect to such Casualty Occurrence.

No policy maintained pursuant to this Section 11.1 shall, in respect of the interests of the Lessor and the Security Trustee in such policy, invalidate the coverage thereof due to any action or inaction of the Lessee or any other person (other than the Lessor or the Security Trustee, but only in respect of their respective coverages). The Lessee shall furnish the Lessor with certificates or other satisfactory evidence of maintenance of the insurance required hereunder or with a certificate of Marsh & McClennan or other reputable insurance agents not affiliated with the Lessee stating that the insurance maintained by the Lessee complies with the requirements of this Section, and with respect to any renewal policy or policies shall furnish certificates evidencing such renewal prior to the expiration date of the original policy or policies. All such policies shall provide that the same shall not be cancelled or materially changed without at least 30 days' prior written notice to the Lessor and the Security Trustee.

11.2. Duty of Lessee to Notify Lessor. In the event that any Item of Equipment shall be or become lost, stolen, destroyed, or, in the opinion of the Lessee, irreparably damaged during the term of this Lease or thereafter while such Item of Equipment is in the possession of the Lessee pursuant to Section 13 or 15 hereof, or shall be requisitioned or taken over by any governmental authority under the power of eminent domain or otherwise during the term of this Lease for a stated period which exceeds the lesser of five years or the then remaining term of this Lease (any such occurrence being hereinafter called a "Casualty Occurrence"), the Lessee shall promptly and fully (after it has knowledge of such Casualty Occurrence) inform the Lessor and any assignee of the Lessor pursuant to Section 16 hereof (including, without limitation, the Security Trustee and the Note Purchaser) in regard thereto and shall pay the Casualty Value (as defined in Section 11.6 hereof) of such Item in accordance with the terms of Section 11.3 hereof.

11.3. Sum Payable for Casualty Loss. The Lessee, on the next succeeding rent payment date following its notice of a Casualty Occurrence with respect to any Item or Items of Equipment, or within 30 days after such notice in respect of any Casualty Occurrence after the expiration of the term of this Lease while such Item of Equipment is in the possession of the Lessee pursuant to Section 13 or 15 hereof, shall pay to the Lessor the Fixed Rental installment, if any, due on such payment date for such Item of Equipment plus any rentals or other sums due on or prior to such date then remaining unpaid plus a sum equal to the Casualty Value of such Item of Equipment as of the date of such payment.

11.4. Rent Termination. Upon (and not until) payment of all sums required to be paid pursuant to Section 11.3 hereof in respect of any Item or Items of Equipment, the obligation to pay rent for such Item or Items of Equipment accruing subsequent to the Casualty Value payment date shall terminate, but the Lessee shall continue to pay rent for all other Items of Equipment.

11.5. Disposition of Equipment. The Lessee shall, as agent for the Lessor, dispose of such Item or Items of Equipment having suffered a Casualty Occurrence as soon as it is able to do so for the fair market value thereof. Any such disposition shall be on an "as-is", "where-is" basis without representation or warranty, express or implied. As to each separate Item of Equipment so disposed of, so long as no Event of Default, or any event which with the lapse of time or the giving of notice, or both, would constitute such an Event of Default shall have occurred and be continuing, the Lessee may retain all amounts arising from such disposition plus any insurance proceeds and damages received by the Lessee by reason of such Casualty Occurrence up to the amount of the Casualty Value attributable thereto which the Lessee has previously paid to the Lessor pursuant to Section 11.3 hereof and in addition may retain the excess, if any, of such amounts over such Casualty Value with respect to the first 9 Items of Equipment to suffer a Casualty Occurrence hereunder, but the Lessee shall remit such excess, if any, to the Lessor with respect to all succeeding Items of Equipment suffering a Casualty Occurrence hereunder. In disposing of such Item of Equipment, the Lessee shall take such action as the Lessor shall reasonably request to terminate any contingent liability which the Lessor might have arising after such disposition from or connected with such Item of Equipment.

11.6. Casualty Value. The Casualty Value of each Item of Equipment shall be an amount determined as of the date the Casualty Value is paid as provided in this Section 11 (and not the date of the Casualty Occurrence) equal to that percentage of the Purchase Price (as defined in the Participation Agreement) of such Item of Equipment set forth in the Schedule of Casualty Value attached hereto as Schedule D opposite such date of payment.

11.7. Risk of Loss. The Lessee shall bear the risk of loss and, except as hereinabove in this Section 11 provided, shall not be released from its obligations hereunder in the event of any Casualty Occurrence to any Item of Equipment from and after the date hereof and continuing until payment of the Casualty Value and all rental installments and other sums due on and prior to the date of payment of such Casualty Value in respect of such Item of Equipment has been made, such Item or the salvage thereof has been disposed of by the Lessee and the title to such Item or the salvage thereof and all risk of loss and liabilities incident to ownership have been transferred to the purchaser of such Item or the salvage thereof.

11.8. Eminent Domain. In the event that during the term of this Lease the use of any Item of Equipment is requisitioned or taken by any governmental authority under the power of eminent domain or otherwise for an indefinite period or for a stated period which does not exceed the term of this Lease, the Lessee's obligation to pay all installments of rental and other sums shall continue for the duration of such requisitioning or taking. So long as no Event of Default, or event which with the lapse of time or giving of notice, or both, shall have occurred and be continuing, the Lessee shall be entitled to receive and retain for its own account all sums payable for any such period by such governmental authority as compensation for requisition or taking of possession.

SECTION 12. ANNUAL REPORTS.

12.1. Duty of Lessee to Furnish. On or before the first May 1 which occurs more than four months following the Closing Date provided for in Section 2.3 of the Participation Agreement and on each May 1 thereafter during the term of this Lease, the Lessee will furnish to the Lessor and any assignee of the Lessor pursuant to Section 16 hereof (including, without limitation, the Security Trustee and the Note Purchaser) an accurate statement, as of the preceding December 31 (a) showing the amount, description and numbers of the Items of Equipment then leased hereunder, the amount, description and numbers of all Items of Equipment that may have suffered a Casualty Occurrence during the 12 months ending on such December 31 (or since the date of this Lease, in the case of the first such statement), and such other information regarding the condition or repair of the Equipment as the Lessor may reasonably request, and (b) stating that, in the case of all Equipment repainted during the period covered by such statement, the markings required by Section 4.2 hereof shall have been preserved or replaced.

12.2. Lessor's Inspection Rights. The Lessor and any assignee of the Lessor pursuant to Section 16 hereof (including, without limitation, the Security Trustee and the Note Purchaser)

each shall have the right, at their respective sole cost and expense, by their respective authorized representative, to (i) inspect the Equipment and the Lessee's records with respect thereto, at such time as shall be reasonably necessary to confirm thereto the existence and proper maintenance of the Equipment during the continuance of this Lease, and (ii) inspect the Lessee's records with respect to Permitted Subleases in order to determine the identity of the Sublessees and the location of any Item or Items of Equipment, all at such reasonable times and as often as the Lessor or any such assignee may request.

SECTION 13. RETURN OF EQUIPMENT UPON EXPIRATION OF TERM.

Upon the expiration of the term of this Lease with respect to any Item of Equipment, the Lessee will, at its own cost and expense, at the request of the Lessor, deliver possession of such Item of Equipment to the Lessor upon such storage tracks of the Lessee as the Lessee may select, and permit the Lessor to store such Item of Equipment on such tracks for a period not exceeding 90 days and transport the same at any time within such 90-day period to any reasonable place on any railroad lines or to any connecting carrier for shipment, all as directed by the Lessor upon not less than 30 days' written notice to the Lessee. All movement and storage of each such Item is to be at the risk and expense of the Lessee, and the Lessee agrees to maintain the insurance on such item required by Section 11.1 hereof during such storage period. During any such storage period the Lessee will permit the Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser of any such Item, to inspect the same; provided, however, that the Lessee shall not be liable, except in the case of negligence of the Lessee or of its employees or agents, for any injury to, or the death of, any person exercising, either on behalf of the Lessor or any prospective purchaser, the rights of inspection granted under this sentence. All amounts earned in respect of the Equipment after the date of expiration of this Lease, but not exceeding the rental, per diem, or other similar charge for equipment received therefor, shall 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 is not assembled, delivered and stored as hereinabove provided within 30 days after the expiration of this Lease, the Lessee shall, in addition, pay to the Lessor for each day thereafter an amount equal to the amount, if any, by which the higher of (i) an amount equal to .034717% of the Purchase Price of such Item of Equipment, or (ii) the Fair Rental Value (determined in the manner provided in Section 14.2 hereof) for such Item for each such day exceeds the amount, if any, received by the Lessor (either directly or from the Lessee) for such day for such Item pursuant to the preceding sentence. The assembling, delivery, storage and transporting of the 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 to so assemble, deliver, store and transport the Equipment.

SECTION 14. DEFAULT.

14.1. Events of Default. Any of the following events shall constitute an Event of Default hereunder:

(a) Default shall be made in the payment of any part of the rental or Casualty Value provided in Section 2 or 11 hereof and such default shall continue for five business days;

(b) The Lessee shall make or permit any assignment or transfer of this Lease, or of possession of the Equipment or any portion thereof, not permitted by this Lease;

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

(d) Any representation or warranty made by the Lessee herein or in the Participation Agreement or the Purchase Agreement or in any statement or certificate furnished to the Lessor, the Security Trustee or the Note Purchaser pursuant to or in connection with this Lease, the Participation Agreement or the Purchase Agreement is untrue in any material respect as of the date of issuance or making thereof;

(e) Default shall occur in the payment of any indebtedness for borrowed money of the Lessee, or in the payment of any rent or other obligation under any lease or leases of real or personal property entered into by the Lessee, as tenant or lessee, or any other default or event shall occur under any one or more indentures, agreements or similar instruments under which indebtedness for borrowed money of the Lessee may be issued, and such default shall continue, in the case of any such indebtedness or leases, beyond the period of grace, if any, allowed with respect thereto, or, in the case of any such indentures, agreements or similar instruments, for a period of time sufficient to permit the acceleration of any indebtedness of the Lessee outstanding thereunder, and such defaults or events individually or in the

aggregate would materially or substantially impair the ability of the Lessee to fulfill its obligations under this Lease or the Participation Agreement;

(f) The Lessee becomes insolvent or fails generally to pay its debts as such debts become due, or causes an order for relief to be entered against it, or acquiesces in the entering of such an order against it, under applicable federal or state bankruptcy law, or makes an assignment for the benefit of creditors or applies for or consents to the appointment of a custodian, trustee or receiver for the Debtor or for the major part of its property;

(g) A custodian, trustee or receiver is appointed for the Lessee or for the major part of its property and is not discharged within 60 days after such appointment; or

(h) Bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings for relief under any bankruptcy law or similar law for the relief of debtors, are instituted by or against the Lessee and, if instituted against the Lessee, are consented to or are not dismissed within 60 days after such institution.

14.2. Remedies. If any Event of Default has occurred and is continuing, the Lessor or, in the event this Lease shall be assigned to an assignee pursuant to Section 16 hereof, such assignee, at its option, may:

(a) Proceed by appropriate court action or actions, either at law or in equity, to enforce performance by the Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof, including reasonable attorneys' fees; and/or

(b) By notice in writing to the Lessee, terminate this Lease, whereupon all right of the Lessee to the use of the Equipment shall absolutely cease and terminate as though this Lease had never been made, but the Lessee shall remain liable as hereinafter provided; and thereupon, the Lessor may by its agents enter upon the premises of the Lessee or other premises where any of the Equipment may be located and take possession of all or any of the Items of Equipment and thenceforth hold, possess and enjoy the same free from any right of the Lessee, or its successors or assigns, to use such Items for any purpose whatever, but the Lessor shall nevertheless have a right to recover from the Lessee any and all amounts which may have accrued to the date of such

termination (computing the rental for any number of days less than a full rental period by multiplying the rental for such full rental period by a fraction of which the numerator is such number of days and the denominator is the total number of days in such full rental period) and also to recover forthwith from the Lessee (i) as damages for loss of the bargain and not as a penalty, whichever of the following amounts the Lessor, in its sole discretion, shall specify: (x) a sum with respect to each Item of Equipment which represents the excess of the present worth, at the time of such termination, of all rentals for such Item which would otherwise have accrued hereunder from the date of such termination to the end of the term of this Lease over the then present worth of the then Fair Rental Value of such Item for such period computed by discounting from the end of such term to the date of such termination rentals which the Lessor reasonably estimates to be obtainable for the use of such Item during such period, such present worth to be computed in each case on a basis of an 8% per annum discount, compounded semiannually from the respective dates upon which rentals would have been payable hereunder had this Lease not been terminated, or (y) an amount equal to the excess if any of the Casualty Value of such Item of Equipment as of the rent payment date on or immediately preceding the date of termination over the amount the Lessor reasonably estimates to be the Fair Market Value thereof at such time; provided, however, that in the event the Lessor shall have sold any Item of Equipment, the Lessor, in lieu of collecting any amounts payable to the Lessor by the Lessee pursuant to the preceding clauses (x) and (y) of this part (i) with respect thereto may, if it shall so elect, demand that the Lessee pay the Lessor and the Lessee shall pay to the Lessor, on the date of such sale, as liquidated damages for loss of a bargain and not as a penalty, an amount equal to the excess, if any, of the Casualty Value of such Item of Equipment as of the rent payment date on or immediately preceding the date of termination over the net proceeds of such sale, and (ii) any damages and expenses, other than for a failure to pay rental, in addition thereto, including reasonable attorneys' fees, which the Lessor shall have sustained by reason of the breach of any covenant or covenants of this Lease other than for the payment of rental.

For purposes of Section 14.2 above, the Fair Rental Value and Fair Market Value for any Item of Equipment shall be determined in the manner provided for appraisal arrangements specified below; provided that any sale in a commercially reasonable manner of any Item of Equipment prior to any such determination shall conclusively establish the Fair Market Value of such Item and any rental in a commercially reasonable manner of any Item of Equipment prior

to any such determination shall conclusively establish the Fair Rental Value of such Item.

The Fair Rental Value or Fair Market Value, as the case may be, of the Items of Equipment shall be determined on the basis of, and shall be equal in amount to, the value which would obtain in an arm's-length transaction between an informed and willing lessee or buyer, as the case may be, (other than a lessee or buyer, as the case may be, currently in possession) and an informed and willing lessor or seller, as the case may be, under no compulsion to lease or sell, as the case may be. If the Lessor and the Lessee are unable to agree upon a determination of the Fair Rental Value or the Fair Market Value of such Items of Equipment within 20 days after receipt by Lessee of written notice setting forth the method to be used to calculate damages pursuant to Section 14.2(b), such value shall be determined in accordance with the foregoing definition by a qualified independent Appraiser. The term "Appraiser" shall mean any independent appraiser mutually agreed upon by the Lessor and the Lessee or if no such mutual agreement is reached within 15 days, two independent appraisers, one chosen by the Lessor and one chosen by the Lessee, or, if such appraisers cannot agree on the amount of such value within 15 days of appointment, an independent appraiser to be chosen by the American Arbitration Association promptly thereafter. The Appraiser shall be instructed to make such determination within a period of 30 days following appointment, and shall promptly communicate such determination in writing to the Lessor and the Lessee. The determination so made shall be conclusively binding upon both the Lessor and the Lessee. The expenses and fees of the Appraiser shall be borne by the Lessee.

14.3. Cumulative Remedies. The remedies in this Lease provided in favor of the Lessor shall not be deemed exclusive, but shall be cumulative and shall be in addition to all other remedies in its favor existing at law or in equity. The Lessee hereby waives any mandatory requirements of law, now or hereafter in effect, which might limit or modify any of the remedies herein provided, to the extent that such waiver is permitted by law. The Lessee hereby waives any and all existing or future claims of any right to assert any offset against the rent payments due hereunder, and agrees to make the rent payments regardless of any offset or claim which may be asserted by the Lessee on its behalf in connection with the lease of the Equipment.

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

14.5. Notice of Event of Default. The Lessee also agrees to furnish to the Lessor, the Security Trustee and the Note

Purchaser, promptly upon any officer becoming aware of any condition which constituted or constitutes an Event of Default under this Lease or which, after notice or lapse of time, or both, would constitute such an Event of Default, written notice specifying such condition and the nature and status thereof.

SECTION 15. RETURN OF EQUIPMENT UPON DEFAULT.

15.1. Lessee's Duty to Return. If the Lessor or any assignee of the Lessor pursuant to Section 16 hereof shall terminate this Lease pursuant to Section 14 hereof, the Lessee shall forthwith deliver possession of the Equipment to the Lessor. For the purpose of delivering possession of any Item of Equipment to the Lessor as above required, the Lessee shall at its own cost, expense and risk (except as hereinafter stated):

(a) Forthwith place such Equipment upon such storage tracks of the Lessee or any of its affiliates or, at the expense of the Lessee, on any other storage tracks, as the Lessor may designate or, in the absence of such designation, as the Lessee may select;

(b) Permit the Lessor to store such Equipment on such tracks without charge for insurance, rent or storage until such Equipment has been sold, leased or otherwise disposed of by the Lessor and during such period of storage the Lessee shall continue to maintain all insurance required by Section 11.1 hereof; and

(c) Transport the Equipment to any place on any lines of railroad or to any connecting carrier for shipment, all as the Lessor may direct in writing.

All amounts earned in respect of the Equipment after the date of termination of this Lease, but not exceeding the rental, per diem, or other similar charge for equipment received therefor, shall belong to the Lessor or in the event this Lease has been assigned pursuant to Section 16 hereof, to such assignee, and, if received by the Lessee, shall be promptly turned over to the Lessor, or in the case of such assignment, to such assignee. In the event any Item of Equipment is not assembled, delivered and stored as hereinabove provided within 30 days after the termination of this Lease, the Lessee shall, in addition, pay to the Lessor or, in the case of such assignment, to such assignee for each day thereafter an amount equal to the amount, if any, by which the higher of (i) an amount equal to .034717% of the Purchase Price of such Item of Equipment, or (ii) the Fair Rental Value (determined in the manner provided in Section 14.2 hereof) for such Item of Equipment for each such day exceeds the amount, if any, received by the Lessor or such assignee (either directly or from the Lessee) for such day for such Item pursuant to the preceding sentence.

15.2. Specific Performance. The assembling, delivery, storage and transporting of the 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, deliver, store and transport the Equipment.

15.3. Lessor Appointed Lessee's Agent. Without in any way limiting the obligation of the Lessee under the foregoing provisions of this Section 15, the Lessee hereby irrevocably appoints the Lessor as the agent and attorney of the Lessee, with full power and authority, at any time while the Lessee is obligated to deliver possession of any Items of Equipment to the Lessor, to demand and take possession of such Item in the name and on behalf of the Lessee from whomsoever shall be at the time in possession of such Item.

## SECTION 16. ASSIGNMENTS BY LESSOR.

This Lease and all rent and all other sums due or to become due hereunder may be assigned in whole or in part by the Lessor without the consent of the Lessee, but the Lessee shall be under no obligation to any assignee of the Lessor except upon written notice of such assignment from the Lessor. Upon notice to the Lessee of any such assignment, the rent and other sums payable by the Lessee which are the subject matter of the assignment shall be paid to or upon the written order of the assignee. Without limiting the foregoing, the Lessee further acknowledges and agrees that (i) the rights of any such assignee in and to the sums payable by the Lessee under any provision of this Lease shall not be subject to any abatement whatsoever and shall not be subject to any defense, set-off, counterclaim or recoupment whatsoever whether by reason of failure of or defect in the Lessor's title, or any interruption from whatsoever cause in the use, operation or possession of the Equipment or any part thereof, or any damage to or loss or destruction of the Equipment or any part thereof, or by reason of any other indebtedness or liability, howsoever and whenever arising, of the Lessor to the Lessee or to any other person, firm or corporation or to any governmental authority or for any cause whatsoever, it being the intent hereof that, except in the event of a wrongful act on the part of such assignee, the Lessee shall be unconditionally and absolutely obligated to pay such assignee all of the rents and other sums which are the subject matter of the assignment, (ii) said assignee shall, if an Event of Default, or any event which with the lapse of time or the giving of notice, or both, would constitute such an Event of Default, shall have occurred and be continuing, have the sole right to exercise all rights, privileges and remedies (either in its own name or in the name of the Lessor for the use and benefit of said assignee) which by the terms of this Lease are permitted or

provided to be exercised by the Lessor (except those rights, privileges and remedies relating to amounts payable to the Lessor pursuant to Sections 6, 10.2, 11.1 [with respect to public liability insurance] and 22.2 hereof which shall remain enforceable by the Lessor), but if no Event of Default or event which with the lapse of time or giving of notice, or both, would constitute an Event of Default, shall have occurred and be continuing, said assignee and the Lessor may each exercise their respective rights, privileges and remedies stated in this Lease to be provided for their respective benefits, and (iii) all obligations of the Lessor to the Lessee under this Lease shall be and remain enforceable by the Lessee against, and only against, the Lessor.

It is understood and agreed that the right, title and interest of any such assignee in, to and under this Lease and the rents and other sums due and to become due hereunder shall by the express terms granting and conveying the same be subject to the interest of the Lessee in and to the Equipment.

SECTION 17. ASSIGNMENTS BY LESSEE; USE AND POSSESSION.

17.1. Lessee's Rights to the Equipment. So long as no Event of Default, or any event which with the lapse of time or the giving of notice, or both, would constitute such an Event of Default, shall have occurred and be continuing, the Lessee shall be entitled to the possession and use of the Equipment in accordance with the terms of this Lease, but, without the prior written consent of the Lessor, the Lessee shall not assign, transfer or encumber its leasehold interest under this Lease in any of the Equipment. The Lessee shall not, without the prior written consent of the Lessor, part with the possession or control of, or suffer or allow to pass out of its possession or control, any of the Equipment, except to the extent permitted by the provisions of Section 17.2 hereof. No assignment or sublease entered into by the Lessee hereunder shall relieve the Lessee of any liability or obligation hereunder which shall be and remain those of a principal and not a surety.

17.2. Use and Possession by Lessee; Permitted Subleases. So long as no Event of Default, or any event which with the lapse of time or giving of notice, or both, would constitute such Event of Default, shall have occurred and be continuing, the Lessee shall be entitled to the possession and use of the Equipment. The Lessee shall also be entitled so long as it shall not then be in default under this Lease, to sublease the Equipment to, or to permit its use under the term of car contracts by, (i) a railroad company or companies incorporated in the United States of America, or any State thereof or District of Columbia or Canada or any Province thereof, upon lines of railroad owned or operated by such railroad company or companies or over which such railroad

company or companies have trackage rights or rights for operation of their trains, and upon connecting and other carriers in the usual interchange of traffic in the continental United States or (ii) to responsible companies other than railroad companies for use in their business (leases to such sublessees being herein referred to as "Permitted Subleases"); provided, however, that the Lessee shall not assign or permit the assignment of any Item of Equipment to service (including, without limitation, the regular operation and maintenance thereof) in any location which is not a Perfected Jurisdiction. For the purposes of this Section 17.2, a Perfected Jurisdiction shall mean the United States and any Canadian or Mexican jurisdiction with respect to which all instruments required by the laws of any such jurisdiction have been executed, acknowledged, delivered, filed, registered and recorded as required (in the case of Mexico, to the best knowledge of the counsel delivering the opinion hereinafter referred to) by the laws of that jurisdiction to protect the rights of the Lessor and the Security Trustee under this Lease and the Security Agreement as evidenced by an opinion of counsel reasonably satisfactory to the Lessor and the Security Trustee; provided that no more than 10% of the Items of Equipment shall be assigned to service in Mexico at the same time. No assignment or sublease entered into by the Lessee hereunder shall relieve the Lessee of any liability or obligation hereunder which shall be and remain those of a principal and not a surety.

17.3. Merger, Consolidation or Acquisition of Lessee. Nothing in this Section 17 shall be deemed to restrict the right of the Lessee to assign or transfer its leasehold interest under this Lease in the Equipment or possession of the Equipment to any solvent corporation organized under the laws of any state of the United States or the District of Columbia into or with which the Lessee shall have become merged or consolidated or which shall have acquired or leased all or substantially all of the property of the Lessee, provided that such assignees, successors or transferees shall have duly assumed the obligations of the Lessee hereunder and under the Participation Agreement and that they will not, upon the effectiveness of such merger or consolidation or acquisition of properties and the assumption of such obligations, be in default under any provision of this Lease and that such merger or consolidation or acquisition of Properties shall not alter in any way the Lessee's obligations to the Lessor hereunder which shall be and remain those of a principal and not a guarantor.

SECTION 18. PURCHASE OPTION; RIGHT OF FIRST REFUSAL.

18.1. Purchase Option. Provided that no Event of Default, or any event which with the lapse of time or the giving of notice, or both, would constitute such an Event of Default, shall have occurred and be continuing, the Lessee shall have the right to purchase all but not less than all of the Items of Equipment then leased hereunder at the expiration of the term hereof at a price equal to 50% of the Purchase Price of such Items of Equipment. The Lessee shall give the Lessor written notice not less than six months nor more than nine months prior to the end of the term of this Lease of its election to exercise the purchase option provided for in this Section, which notice shall be irrevocable. Payment of the option price shall be made at the place of payment specified in Section 2.3 hereof in funds there current against delivery of a bill of sale transferring and assigning to the Lessee all right, title and interest of the Lessor in and to the Equipment and containing a warranty against Lessor's Liens. The Lessor shall not be required to make any other representation or warranty as to the condition of the Equipment or any other matters, and may specifically disclaim any such representations or warranties.

18.2. Right of First Refusal. If the Lessor shall not have received the notice within the period of time provided for in Section 18.1 hereof, it may proceed to dispose of the Equipment in any manner it sees fit; provided that unless an Event of Default, or any event which with the lapse of time or giving of notice, or both, would constitute an Event of Default, shall have occurred and be continuing, the Lessor shall not, at any time up to seven years after the end of the term of this Lease, sell, transfer or otherwise dispose of an Item of Equipment unless:

(a) the Lessor shall have received from a responsible purchaser or purchasers a bona fide offer or offers in writing to purchase such Item of Equipment;

(b) the Lessor shall have given the Lessee notice (i) setting forth a summary description of the type of purchaser or purchasers, the Item or Items of Equipment to be purchased, the proposed purchase price or prices, the proposed date of purchase and any arrangements for the financing of such purchase known to the Lessor, and (ii) offering to sell such Item of Equipment to the Lessee for an equivalent price as that set forth in such notice, taking into account the present value of the proceeds anticipated under the terms of such proposed purchase; provided that in the event such proposal is in respect of more than one Item of Equipment, the Lessee must purchase all such Items of Equipment as a group; and

(c) the Lessee shall not have notified the Lessor, within 20 days following receipt of such notice, of its election to purchase such Item or Items of Equipment upon such terms and conditions.

If the Lessee shall not have so elected to purchase such Item or Items of Equipment, the Lessor may sell such Item or Items of Equipment at a price and upon other terms and conditions no less favorable to the Lessor than those specified in such notice. Notwithstanding the foregoing provisions of this Section 18.2, any negotiations which are concluded or any agreement which is entered into by the Lessor for the sale of the Equipment or any Item or Items thereof with any person prior to the expiration of the three-month period provided in Section 18.1 hereof for the exercise of the purchase option by the Lessee, if such sale is to be consummated and the Equipment or the Lessor's interest therein is to be transferred after the end of the term of this Lease, shall be expressly made subject to the Lessee's right of first refusal provided in this Section 18.2 with respect to any subsequent sale of the Equipment or any Item or Items thereof by such purchaser; provided the Lessor may lease any or all Items of Equipment at any time after the end of the term of this Lease without first offering to lease the Equipment to the Lessee.

18.3. Delivery of Equipment. Unless the Lessee has elected to purchase the Items of Equipment then leased hereunder as provided in this Section 18, all of such Items of Equipment shall be returned to the Lessor at the end of the original term in accordance with Section 13 hereof.

SECTION 19. EARLY TERMINATION; OPTIONAL TERMINATION.

19.1. Early Termination. So long as no Event of Default, and no event which with the lapse of time or giving of notice, or both, would constitute an Event of Default, shall have occurred and be continuing, the Lessee may, upon not less than 180 days' prior written notice to the Lessor, terminate this Lease with respect to all, but not less than all, of the Items of Equipment of a particular type (i.e. tank cars or covered hopper cars) as of January 1, 1994 or as of any succeeding rent payment date during the term hereof if such Equipment, in the good faith judgment of the Lessee as approved by its Board of Directors, shall have become obsolete or surplus to the needs of the Lessee in the conduct of its business. Such written notice shall designate the date on which termination is to become effective and shall be accompanied by a certified copy of the resolutions of the Board of Directors approving such determination and by a Certificate of the President or a Vice President of the Lessee setting forth the determination that such Equipment has become obsolete or surplus to the needs of the Lessee and a statement in reasonable detail of the basis for such determination and further

certifying that the Lessee intends to dispose of all equipment similar to such Equipment within a two-year period following such termination date. For the purposes of this Section 19.1, interest rates payable by the Lessee on its indebtedness for borrowed money or finance charges payable by the Lessee in connection with the acquisition of its equipment under conditional sale contracts, leases or other arrangements for deferred payment shall be disregarded in the determination of any right of termination provided in this Section 19.1. Following the giving of such notice, the Lessee shall use its best efforts at the Lessee's sole expense to obtain bids for the purchase of such Equipment from persons not affiliated with the Lessee, provided that no bids shall be accepted after the date which is 60 days prior the date on which termination is to become effective. The Lessee shall certify to the Lessor in writing the amount of each bid so received and the name and address of the party submitting such bid promptly upon receipt thereof. The Lessor may obtain bids, but shall be under no duty to solicit bids, inquire into the efforts of the Lessee to obtain bids or otherwise take any action in connection with arranging such sale.

The Lessor shall accept the highest bid for such Equipment obtained by the Lessee or the Lessor within the 120 days following the Lessee's written notice to the Lessor. On the termination date indicated in such notice, the Lessee shall pay, in immediately available funds, to the Lessor the installment of Fixed Rental due on such date in respect of such Equipment plus the amount, if any, by which the Early Termination Value shown on Schedule E hereto, of such Equipment as of such date exceeds the proceeds of such sale net of all costs incurred by the Lessor in connection therewith. On the termination date, the Lessor shall sell to the highest bidder all of the Lessor's rights, title and interest in such Equipment.

Upon payment to the Lessor by the Lessee of the amounts required by this Section 19.1, and payment of all other sums due hereunder, this Lease shall terminate as to such Items of Equipment only. Whether or not any such difference is payable by the Lessee, the Lessee shall have no right to receive or share in any portion of the proceeds of any sale of the Equipment pursuant to this Section 19.1. If no bid is received, this Lease shall continue in full force and effect, provided that the Lessee shall have no further right to give notice of termination of this Lease pursuant to this Section 19.1 if the Lessee shall have exercised such right on three prior occasions.

19.2. Optional Termination. In addition to the rights granted to the Lessee pursuant to Section 19.1, so long as the Lessee shall not be in default under this Lease, the Lessee may, upon not less than 180 days' prior written notice to the Lessor, terminate this Lease with respect to all, but not less than all, of the Items of Equipment as of January 1, 1994 or as of any

succeeding January 1 during the term hereof. Such written notice shall designate the date on which termination is to become effective. On the termination date indicated in such notice, the Lessee shall pay, in immediately available funds, to the Lessor the installment of Fixed Rental due on such date plus an amount equal to the greater of (i) the Fair Market Value of the Equipment (determined in the manner provided in Section 14.2 hereof) or (ii) the Optional Termination Value of the Equipment as of such date, and the Lessor shall deliver to the Lessee a bill of sale transferring and assigning to the Lessee all right, title and interest of the Lessor in and to the Equipment. The term "Optional Termination Value" as used herein shall mean as of any January 1 on which such option is to be exercised an amount equal to the sum of (i) the amount shown on Schedule E hereto to be the Early Termination Value which would be payable on such date, plus (ii) the amount due and owing as a premium on the outstanding Notes to be prepaid on such date pursuant to Section 4.1(c) of the Security Agreement.

Upon payment to the Lessor by the Lessee of the amounts required by this Section 19.2 and payment of all other sums due hereunder, this Lease shall terminate, except with respect to any rights of the Lessor and duties of the Lessee regarding return of the Equipment as set forth in Section 13.

## SECTION 20. COLLATERAL ASSIGNMENT BY LESSEE OF RENTALS UNDER PERMITTED SUBLEASES.

20.1. Assignment. As collateral security for the payment of any and all of the obligations and liabilities of the Lessee due hereunder, the Lessee does hereby grant a security interest in and assigns to the Lessor all of the right, title and interest which it has acquired or may have acquired in all rentals payable or receivable under and pursuant to each and all Permitted Subleases arising from, by virtue of, or in connection with, the Equipment, whether now existing or hereafter entered into, as and only to the extent that any Permitted Sublease relates to the Equipment, including, without limitation the immediate and continuing right to receive all such rental payments now or hereafter payable or receivable pursuant to any Permitted Sublease; it being the intent and purpose hereof that the assignment and transfer to the Lessor of said rights shall be effective and operative immediately and shall continue in full force and effect at all times during the period from and after the date of this Lease until the end of the term of this Lease.

20.2. Rights of Lessee in Permitted Subleases; Segregation of Rental Payments. Notwithstanding any other provision hereof, so long as no Event of Default or any event which with the lapse of time or the giving of notice, or both, would constitute an Event of Default under this Lease shall have

occurred and be continuing, the Lessee shall have the right to receive all rentals and other sums payable under any Permitted Subleases; provided, however; that if any such Event of Default or event shall have occurred and be continuing, the Lessee shall (i) receive and retain any rental payments under any Permitted Subleases, all or any portion of which payments are attributable to or receivable with respect to the Equipment or any Item or Items thereof, in trust for the benefit of the Lessor or any assignee pursuant to Section 16 hereof, (ii) deposit any such payment in the original form in which received into a separate account established for such purpose, into which no payments other than those described in clause (i) above shall be deposited, except in the case that the original form of such payment shall include both rentals under any Permitted Sublease attributable to any Item or Items of Equipment and additional rentals not so attributable, then the entire amount of such payment under such Permitted Sublease shall be deposited into such separate account, (iii) remit from such separate account all amounts due and owing to the Lessor in respect of any Item of Equipment, and (iv) only after the full portion required to be remitted to the Lessor pursuant to clause (iii) above shall, at any given time, have been so remitted, remit the balance in such separate account to a general account of the Lessee.

The Lessee agrees that any rental payments received under any Permitted Sublease shall be first applied to, and shall be deemed to be payable in respect of, the Items of Equipment which may be leased under such Permitted Sublease, notwithstanding any default or deficiency in such rental payment by the sublessee under such Permitted Sublease.

20.3. Further Assignment. The Lessee acknowledges and agrees that (i) all rights and interests of the Lessor pursuant to this Section 20 may be assigned by the Lessor to any assignee in accordance with Section 16 hereof, and (ii) the assignment provided for in this Section 20 shall not in any way obligate the Lessor or any of its successors or assigns to perform or satisfy any of the obligations or liabilities of the Lessee, under any Permitted Sublease.

20.4. Rights under Uniform Commercial Code. Upon the occurrence of any Event of Default under this Lease, the Lessor shall, in addition to all other rights and remedies provided for herein, have in connection with the assignment provided for in this Section 20, all the rights of a secured party under the Uniform Commercial Code of Illinois (regardless of whether such Code is the law of the jurisdiction where the rights or remedies are asserted).

20.5. Further Assurance. Without limiting the foregoing the Lessee hereby agrees that it will deliver to the Lessor the original executed counterpart of any riders or schedules

delivered under any Permitted Subleases in respect of the Equipment or any Item thereof, clearly marked to indicate that such counterpart is the original counterpart for purposes of the Uniform Commercial Code, and shall clearly mark on any multiple executed counterparts of such riders or schedules in its possession that they do not constitute the original counterpart for purposes of the Uniform Commercial Code; provided, the Lessee shall not be required to deliver any such rider or schedule (i) if less than five Items of Equipment are leased thereunder, or (ii) if rail cars other than the Items of Equipment shown on Schedule A hereto are leased thereunder, provided, further, that the Lessee agrees to the extent practicable to establish procedures for the delivery of separate riders or schedules segregating the Items of Equipment from other rail cars which may be leased to any sublessee thereunder or where not so segregated, noting the security interest granted hereunder in respect of such Items. The Lessee further covenants that it will, upon the written request of the Lessor execute and deliver such further instruments and do and perform such other acts and things as are necessary to effectively invest in and secure to the Lessor and its assigns the interests assigned pursuant to this Section 20 or other rights or interests due or hereafter to become due.

20.6. Application of Moneys. All distributions and payments to the Lessor shall be applied by the Lessor to the payment and reduction of the obligations and liabilities of the Lessee under this Lease and in accordance with the terms and provisions of the Security Agreement.

20.7. Duration. The satisfaction or discharge of any part of the obligations or liabilities of the Lessee under this Lease shall not in any way satisfy or discharge the assignment provided for in this Section 20, but such assignment shall remain in full force and effect so long as any amount remains unpaid on any such obligations or liabilities.

## SECTION 21. INTEREST ON OVERDUE RENTALS AND AMOUNT PAID BY LESSOR.

Anything to the contrary herein contained notwithstanding, any nonpayment of rent due hereunder, or amounts expended by the Lessor on behalf of the Lessee, shall result in the additional obligation on the part of the Lessee to pay also an amount equal to 15.3% per annum (or the lawful rate, whichever is less) on the overdue rentals and amounts expended for the period of time during which they are overdue or expended and not repaid.

SECTION 22. MISCELLANEOUS.

22.1. Notices. Any notice required or permitted to be given by either party hereto to the other shall be deemed to have been given when deposited in the United States certified mails, first class, postage prepaid, addressed as follows:

If to the Lessor:

Valley Bank of Nevada
300 South 4th Street
Las Vegas, Nevada 89101

Attention: General Counsel

Payments to the Lessor hereunder to be made as follows:

by wire transfer of immediately available funds to
Valley Bank of Nevada
300 South 4th Street
Las Vegas, Nevada 89101
for the account of _____

_____

If to the Security Trustee:

The Connecticut Bank and Trust Company, National Association
One Constitution Plaza
Hartford, Connecticut 06115

Attention: Corporate Trust Department

If to the Lessee:

General American Transportation Corporation
120 South Riverside Plaza
Chicago, Illinois 60606

Attention: Law Department

If to the Note Purchaser: At the addresses provided therefor in Schedule 2 to the Participation Agreement.

or addressed to any such party at such other address as such party shall hereafter furnish to such other parties in writing.

22.2. Right of Lessor to Perform. If the Lessee shall fail to comply with any of its covenants herein contained, either the Lessor or, in the case of an assignment by the Lessor pursuant to Section 16 hereof, the assignee thereunder (including, without limitation, the Security Trustee and the Note Purchaser) may, but shall not be obligated to, make advances to perform the same and to take all such action as may be necessary to obtain such performance. Any payment so made by any such party and all cost and expense (including, without limitation, reasonable attorneys' fees and expenses) incurred in connection therewith shall be payable by the Lessee to the party making the same upon demand as additional rent hereunder, with interest at the rate of 15.3% per annum.

22.3. Investment Tax Credit. The Lessor and the Lessee hereby agree that the Lessee will claim any investment tax credit with respect to the purchase price of those Items of Equipment identified in Schedule A hereto as "ITC to Lessee" Items and the Lessor will, upon the written request of the Lessee, file, or cause to be filed, any election necessary to permit such claim. The Lessor agrees that they will not claim any investment tax credit under section 38 of the Code with respect to the purchase price of said "ITC to Lessee" Items.

22.4. Execution in Counterparts. This Lease, and any lease supplemental hereto, may be executed in several counterparts, each of which so executed shall be deemed to be an original and in each case such counterparts shall constitute but one and the same instrument.

22.5. Law Governing. This Lease shall be construed in accordance with the laws of the State of Illinois; provided, however, that the parties shall be entitled to all rights conferred by any applicable Federal statute, rule or regulation.

22.6. Headings and Table of Contents. All Section headings and the Table of Contents are inserted for convenience only and shall not affect any construction or interpretation of this Lease.

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

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed by their respective officers thereunder duly authorized and the corporate seals to be hereto affixed as of the day and year first above written.

VALLEY BANK OF NEVADA

By _____
Its SVP

[CORPORATE SEAL]

ATTEST:

_____
ASSISTANT Secretary

GENERAL AMERICAN TRANSPORTATION CORPORATION

By _____
Its _____

[CORPORATE SEAL]

ATTEST:

_____
_____ Secretary

STATE OF NEVADA )
) SS
COUNTY OF Clark )

On this _____ day of September, 1983, before me personally appeared Douglas M. Todoroff and Robert J. Kolesar _____, to me personally known, who being by me duly sworn, say that they are a Senior Vice President and Assistant Secretary respectively, of VALLEY BANK OF NEVADA, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Roberta Ducken
Notary Public

(SEAL)

My commission expires:

OFFICIAL SEAL
ROBERTA DUCK...
NOTARY PUBLIC - STATE OF NEVADA
COUNTY OF CLARK
My Appointment Exp. on Sept. 10, 198...

STATE OF CONNECTICUT )
) SS
COUNTY OF _____ )

On this ___ day of September, 1983, before me personally appeared _____ and _____ to me personally known, who being by me duly sworn, says that they are a _____ and _____, respectively, of THE CONNECTICUT BANK AND TRUST COMPANY, NATIONAL ASSOCIATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

_____
Notary Public

(SEAL)

My commission expires:

## DESCRIPTION OF ITEMS OF EQUIPMENT

Manufacturer of Equipment: General American Transportation Corporation

Description and Mark and Number of Items of Equipment: 67 Tank Cars and 27 Covered Hopper Cars

| Group | Number of Cars | Description | Identifying Mark and Numbers | Selling Price Each | Total Price | Anticipated Date of Delivery and Acceptance |
|---|---|---|---|---|---|---|
| | | TANK CARS | | | | |
| D | **10 | DOT 111A100W-1 13,750 gallon Rubber Lined. Super phosphoric acid. | GATX 17525 through 17534, inclusive | $60,890 | $ 608,900 | 9/15/83 |
| D | **30 | DOT 111A100W-5 20,000 gal. Rubber Lined. Hydrochloric Acid. | GATX 61111 through 61140, inclusive | 53,729 | 1,611,870 | 9/15/83 |
| B | *7 | DOT 111A60ALW-2 20,000 gal. Aluminum. Hydrogen peroxide. | GATX 73708 through 73714, inclusive | 83,243 | 582,701 | 9/30/83 |
| B | *5 | DOT 111A100W-5 20,000 gal. Rubber Lined. Hydrochloric Acid. | GATX 12986 through 12990, inclusive | 56,611 | 283,055 | 10/30/83 |
| B | *15 | DOT 111A60W-1 11,350 gal. Titanium Dioxide. Slurry. | GATX 15671 through 15685, inclusive | 49,502 | 742,530 | 10/30/83 |

* ITC to Lessor
** ITC to Lessee

SCHEDULE A
(to Equipment Lease)

| Group | Number of Cars | Description | Identifying Mark and Numbers | Selling Price Each | Total Price | Anticipated Date of Delivery and Acceptance |
|---|---|---|---|---|---|---|
| | | COVERED HOPPER CARS | | | | |
| A | *20 | LO. Airslide 4,566 cu. ft. Polycloth lining. Flour. | GACX 56259 through 56278, inclusive | $60,700 | $1,214,000 | 10/30/83 |
| C | **3 | LO. Airslide 4,566 cu. ft. Polycloth lining. Starch. | GACX 56291 through 56293, inclusive | 58,700 | 176,100 | 9/15/83 |
| C | **4 | LO. Airslide 4,566 cu. ft. Polycloth lining. Starch. | GACX 56294 through 56297, inclusive | 58,700 | 234,800 | 9/15/83 |
| | | | TOTAL | | $5,453,956 | |

Outside Delivery Date: November 15, 1983

* ITC to Lessor
** ITC to Lessee

CERTIFICATE OF ACCEPTANCE
UNDER EQUIPMENT LEASE

TO: VALLEY BANK OF NEVADA
(the "Lessor")

GENERAL AMERICAN TRANSPORTATION CORPORATION
(the "Manufacturer")

I, a duly appointed and authorized representative of GENERAL AMERICAN TRANSPORTATION CORPORATION (the "Lessee") under the Equipment Lease dated as of August 1, 1983 between the Lessor and the Lessee, do hereby certify that I have inspected, received, approved and accepted delivery under the Lease of the following Items of Equipment:

TYPE OF EQUIPMENT:

PLACE ACCEPTED:

DATE ACCEPTED:

NUMBER OF UNITS:

MARKED AND NUMBERED:

I do further certify that the foregoing Items of Equipment are in good order and condition, and appear to conform to the specifications applicable thereto, that the Lessee has no knowledge of any defect in any of the foregoing Items of Equipment with respect to design, manufacture, condition or in any other respect, and that each Item has been labeled by means of a plate or a stencil printed in contrasting colors upon each side of the Item in letters not less than one inch in height as follows:

"TITLE TO THIS CAR IS VESTED IN A TRUSTEE UNDER AN EQUIPMENT TRUST AGREEMENT RECORDED UNDER SECTION 20c OF THE INTERSTATE COMMERCE ACT;"

and that the following words will be added to such legend as soon as practicable: "OR VESTED IN ANOTHER PERSON OR ENTITY AND SO RECORDED."

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

Dated: _____, 19__

_____
Inspector and Authorized
Representative of the Lessee

(GATC No. 83-3)

SCHEDULE B
(to Equipment Lease)

LEASE SUPPLEMENT NO. 1

This LEASE SUPPLEMENT NO. 1, dated as of _____, between VALLEY BANK OF NEVADA, a national banking association (the "Lessor"), and GENERAL AMERICAN TRANSPORTATION CORPORATION, a New York corporation (the "Lessee");

WITNESSETH:

The Lessor and the Lessee have heretofore entered into that certain Equipment Lease dated as of August 1, 1983 (the "Lease"). The terms used herein are used with the meanings specified in the Lease).

The Lease provides for the execution and delivery of a Lease Supplement substantially in the form hereof for, among other things, the purpose of confirming any change in Fixed Rentals, Casualty Value, Early Termination Value and Optional Termination Value.

NOW, THEREFORE, in consideration of the premises and other good and sufficient consideration, the Lessor and the Lessee hereby agree as follows:

1. Section 2.1(a) of the Lease is hereby amended to read in full as follows:

> "(a) Fixed Rental. For each Item of Equipment, the Lessee shall pay to the Lessor 40 semiannual installments of fixed rental (the "Fixed Rental") payable in arrears, the first through twentieth installments, both inclusive, each in an amount equal to _____% of the Purchase Price thereof, and the twenty-first through fortieth installments, both inclusive, each in an amount equal to _____% of the Purchase Price thereof."

2. Schedules D and E to the Lease, showing Casualty Values and Early Termination Values, are hereby amended to read in full as attached hereto.

3. Any and all notices, requests, certificates and other instruments executed and delivered after the execution and delivery of this Lease Supplement may refer to the "Equipment Lease dated as of August 1, 1983" or the "Lease dated as of August 1, 1983" without making specific reference to this Lease Supplement, but nevertheless all such references shall be deemed to include this Lease Supplement unless the context shall otherwise require.

4. This Lease Supplement shall be construed in connection with and as part of the Lease, and all terms, conditions and covenants contained in the Lease, except as herein modified, shall be and remain in full force and effect.

SCHEDULE C
(to Equipment Lease)

5. This Lease Supplement may be executed in any number of counterparts, each executed counterpart constituting an original but all together one and the same instrument.

IN WITNESS WHEREOF, the Lessor and the Lessee have caused this Lease Supplement to be duly executed as of the day and year first above written and to be delivered as of the date first above written.

[SEAL]

VALLEY BANK OF NEVADA

ATTEST:

By_____
Its_____

_____
Its _____ Secretary

[SEAL]

GENERAL AMERICAN TRANSPORTATION CORPORATION

ATTEST:

By_____
Its_____

_____
Its _____ Secretary

Consented to as of the date first above written.

THE CONNECTICUT BANK AND TRUST COMPANY, NATIONAL ASSOCIATION as Security Trustee

By_____
Its_____

STATE OF NEVADA )
) SS
COUNTY OF _____ )

On this _____ day of _____, 1983, before me personally appeared _____, and _____, to me personally known, who being by me duly sworn, says that they are the _____ _____ and _____, respectively of VALLEY BANK OF NEVADA, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and they 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 ILLINOIS )
) SS
COUNTY OF COOK )

On this _____ day of _____, 1983, before me personally appeared _____ and _____, to me personally known, who being by me duly sworn, says that they are the _____ _____ and _____, respectively, of GENERAL AMERICAN TRANSPORTATION CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

_____
Notary Public

[NOTARIAL SEAL]

My commission expires:

## SCHEDULE OF CASUALTY VALUE

The Casualty Value for an Item of Equipment contained in Group A payable on the Term Lease Commencement Date or any Fixed Rental payment date thereafter shall mean an amount equal to the percent of the Purchase Price of such Item set forth opposite such date in the following schedule:

| Term Lease Commencement Date or Number of Fixed Rental Payment Date on which Casualty Value is Paid | Percentage of Purchase Price Payable as Casualty Value |
|---|---|
| 1 | 113.036604 |
| 2 | 117.394896 |
| 3 | 117.896456 |
| 4 | 120.203430 |
| 5 | 118.510794 |
| 6 | 118.324824 |
| 7 | 114.758492 |
| 8 | 114.092896 |
| 9 | 110.440801 |
| 10 | 109.683737 |
| 11 | 105.934091 |
| 12 | 105.072990 |
| 13 | 104.154626 |
| 14 | 103.175190 |
| 15 | 102.130622 |
| 16 | 101.016591 |
| 17 | 99.828476 |
| 18 | 98.561352 |
| 19 | 97.209963 |
| 20 | 95.768708 |
| 21 | 93.095515 |
| 22 | 90.244555 |
| 23 | 87.299371 |
| 24 | 84.253698 |
| 25 | 81.100854 |
| 26 | 77.833711 |
| 27 | 74.444669 |
| 28 | 70.925621 |
| 29 | 67.267922 |
| 30 | 63.462351 |

| Term Lease Commencement Date or Number of Fixed Rental Payment Date on which Casualty Value is Paid | Percentage of Purchase Price Payable as Casualty Value |
|---|---|
| 31 | 59.499076 |
| 32 | 55.367608 |
| 33 | 51.056764 |
| 34 | 46.555687 |
| 35 | 41.896484 |
| 36 | 37.162880 |
| 37 | 32.407417 |
| 38 | 27.932094 |
| 39 | 23.696281 |
| 40 | 20.000000 |

(GATC No. 83-3)

## SCHEDULE OF CASUALTY VALUE

The Casualty Value for an Item of Equipment contained in Group B payable on the Term Lease Commencement Date or any Fixed Rental payment date thereafter shall mean an amount equal to the percent of the Purchase Price of such Item set forth opposite such date in the following schedule:

| Term Lease Commencement Date or Number of Fixed Rental Payment Date on which Casualty Value is Paid | Percentage of Purchase Price Payable as Casualty Value |
|---|---|
| 1 | 108.001001 |
| 2 | 110.429623 |
| 3 | 109.605584 |
| 4 | 111.439306 |
| 5 | 110.125645 |
| 6 | 111.521686 |
| 7 | 109.785919 |
| 8 | 110.729808 |
| 9 | 108.508427 |
| 10 | 108.932020 |
| 11 | 106.165104 |
| 12 | 106.048971 |
| 13 | 105.669781 |
| 14 | 104.961053 |
| 15 | 103.976196 |
| 16 | 102.862164 |
| 17 | 101.674049 |
| 18 | 100.406925 |
| 19 | 99.055537 |
| 20 | 97.614281 |
| 21 | 94.941088 |
| 22 | 92.090128 |
| 23 | 89.144944 |
| 24 | 86.099272 |
| 25 | 82.946427 |
| 26 | 79.679285 |
| 27 | 76.290242 |
| 28 | 72.771194 |
| 29 | 69.113495 |
| 30 | 65.307925 |

| Term Lease Commencement Date or Number of Fixed Rental Payment Date on which Casualty Value is Paid | Percentage of Purchase Price Payable as Casualty Value |
|---|---|
| 31 | 61.344649 |
| 32 | 57.213182 |
| 33 | 52.912531 |
| 34 | 48.438339 |
| 35 | 43.822868 |
| 36 | 39.133828 |
| 37 | 34.355953 |
| 38 | 29.582639 |
| 39 | 24.761242 |
| 40 | 20.000000 |

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## SCHEDULE OF CASUALTY VALUE

The Casualty Value for an Item of Equipment contained in Group C payable on the Term Lease Commencement Date or any Fixed Rental payment date thereafter shall mean an amount equal to the percent of the Purchase Price of such Item set forth opposite such date in the following schedule:

| Term Lease Commencement Date or Number of Fixed Rental Payment Date on which Casualty Value is Paid | Percentage of Purchase Price Payable as Casualty Value |
|---|---|
| 1 | 105.315584 |
| 2 | 106.350216 |
| 3 | 107.203822 |
| 4 | 107.889634 |
| 5 | 108.439085 |
| 6 | 108.843040 |
| 7 | 109.118498 |
| 8 | 109.239545 |
| 9 | 109.222458 |
| 10 | 109.041419 |
| 11 | 108.716803 |
| 12 | 108.234239 |
| 13 | 107.606351 |
| 14 | 106.810539 |
| 15 | 105.858465 |
| 16 | 104.753058 |
| 17 | 103.564943 |
| 18 | 102.297818 |
| 19 | 100.946430 |
| 20 | 99.505175 |
| 21 | 96.831982 |
| 22 | 93.981022 |
| 23 | 91.035838 |
| 24 | 87.990165 |
| 25 | 84.837321 |
| 26 | 81.570178 |
| 27 | 78.181136 |
| 28 | 74.662088 |
| 29 | 71.004389 |
| 30 | 67.198818 |

| Term Lease Commencement Date or Number of Fixed Rental Payment Date on which Casualty Value is Paid | Percentage of Purchase Price Payable as Casualty Value |
|---|---|
| 31 | 63.238204 |
| 32 | 59.113940 |
| 33 | 54.822790 |
| 34 | 50.368790 |
| 35 | 45.741230 |
| 36 | 40.958823 |
| 37 | 35.990530 |
| 38 | 30.854912 |
| 39 | 25.517918 |
| 40 | 20.000000 |

(GATC No. 83-3)

## SCHEDULE OF EARLY TERMINATION VALUE

The Early Termination Value for an Item of Equipment contained in Group A payable on the Term Lease Commencement Date or any Fixed Rental payment date thereafter shall mean an amount equal to the percent of the Purchase Price of such Item set forth opposite such date in the following schedule:

| Term Lease Commencement Date or Number of Fixed Rental Payment Date on which Early Termination Value is Paid | Percentage of Purchase Price Payable as Early Termination Value |
|---|---|
| 20 | 95.768708 |
| 21 | 93.095515 |
| 22 | 90.244555 |
| 23 | 87.299371 |
| 24 | 84.253698 |
| 25 | 81.100854 |
| 26 | 77.833711 |
| 27 | 74.444669 |
| 28 | 70.925621 |
| 29 | 67.267922 |
| 30 | 63.462351 |
| 31 | 59.499076 |
| 32 | 55.367608 |
| 33 | 51.056764 |
| 34 | 46.555687 |
| 35 | 41.896484 |
| 36 | 37.162880 |
| 37 | 32.407417 |
| 38 | 27.932094 |
| 39 | 23.696281 |
| 40 | 20.000000 |

(GATC No. 83-3)

## SCHEDULE OF EARLY TERMINATION VALUE

The Early Termination Value for an Item of Equipment contained in Group B payable on the Term Lease Commencement Date or any Fixed Rental payment date thereafter shall mean an amount equal to the percent of the Purchase Price of such Item set forth opposite such date in the following schedule:

| Term Lease Commencement Date or Number of Fixed Rental Payment Date on which Early Termination Value is Paid | Percentage of Purchase Price Payable as Early Termination Value |
|---|---|
| 20 | 97.614281 |
| 21 | 94.941088 |
| 22 | 92.090128 |
| 23 | 89.144944 |
| 24 | 86.099272 |
| 25 | 82.946427 |
| 26 | 79.679285 |
| 27 | 76.290242 |
| 28 | 72.771194 |
| 29 | 69.113495 |
| 30 | 65.307925 |
| 31 | 61.344649 |
| 32 | 57.213182 |
| 33 | 52.912531 |
| 34 | 48.438339 |
| 35 | 43.822868 |
| 36 | 39.133828 |
| 37 | 34.355953 |
| 38 | 29.582639 |
| 39 | 24.761242 |
| 40 | 20.000000 |

## SCHEDULE OF EARLY TERMINATION VALUE

The Early Termination Value for an Item of Equipment contained in Group C payable on the Term Lease Commencement Date or any Fixed Rental payment date thereafter shall mean an amount equal to the percent of the Purchase Price of such Item set forth opposite such date in the following schedule:

| Term Lease Commencement Date or Number of Fixed Rental Payment Date on which Early Termination Value is Paid | Percentage of Purchase Price Payable as Early Termination Value |
|---|---|
| 20 | 99.505175 |
| 21 | 96.831982 |
| 22 | 93.981022 |
| 23 | 91.035838 |
| 24 | 87.990165 |
| 25 | 84.837321 |
| 26 | 81.570178 |
| 27 | 78.181136 |
| 28 | 74.662088 |
| 29 | 71.004389 |
| 30 | 67.198818 |
| 31 | 63.238204 |
| 32 | 59.113940 |
| 33 | 54.822790 |
| 34 | 50.368790 |
| 35 | 45.741230 |
| 36 | 40.958823 |
| 37 | 35.990530 |
| 38 | 30.854912 |
| 39 | 25.517918 |
| 40 | 20.000000 |

(GATC No. 83-3)

RECORDATION NO. 14166 Filed 1425

SEP 21 1983 -9 40 AM

INTERSTATE COMMERCE COMMISSION

# EQUIPMENT LEASE

Dated as of August 1, 1983

Between

VALLEY BANK OF NEVADA

LESSOR

And

GENERAL AMERICAN TRANSPORTATION CORPORATION

LESSEE

(GATC No. 83-3)
(67 tank cars and 27 covered hopper cars)

This Equipment Lease and certain of the sums due and to become due hereunder have been assigned to, and are subject to a security interest in favor of, The Connecticut Bank and Trust Company, National Association, as Security Trustee, pursuant to a Security Agreement-Trust Deed dated as of August 1, 1983, from Valley Bank of Nevada, as debtor, to said Security Trustee.

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# EQUIPMENT LEASE

THIS EQUIPMENT LEASE dated as of August 1, 1983 between VALLEY BANK OF NEVADA, a Nevada banking corporation (the "Lessor"), and GENERAL AMERICAN TRANSPORTATION CORPORATION, a New York corporation (the "Lessee");

## R E C I T A L S:

A. Pursuant to an Equipment Purchase Agreement dated as of August 1, 1983, the Lessor has agreed to purchase from the Lessee the Equipment referred to below.

B. The Lessee and the Lessor intend to enter into a Participation Agreement dated as of August 1, 1983 (the "Participation Agreement") with The Connecticut Bank and Trust Company, National Association, as security trustee (the "Security Trustee") and the institutional investor named in Schedule 2 thereto (the "Note Purchaser") providing for the commitment of the Note Purchaser which, together with funds provided by the Lessor, will permit the Lessor to obtain the funds necessary to purchase the equipment (collectively the "Equipment" and individually an "Item of Equipment") described in Schedule A hereto and made a part hereof. The Lessor will commit to advance an amount equal to 29.491416% of the Purchase Price of each Item of Equipment and the Note Purchaser will commit to purchase the 13.3% Secured Notes (the "Notes") of the Lessor in an amount equal to 70.508584% of each Item of Equipment. It is contemplated that the Participation Agreement will provide that the Notes will be secured by an assignment of the Lessor's right, title and interest in and to this Lease and any Permitted Subleases (as hereinafter defined) and in and to the Equipment pursuant to a Security Agreement-Trust Deed dated as of August 1, 1983 (the "Security Agreement") from the Lessor to the Security Trustee.

## SECTION 1. LEASE AND DELIVERY OF EQUIPMENT.

1.1. Intent to Lease and Hire. Upon delivery of each Item of Equipment by the manufacturer thereof identified in Schedule A hereto (hereinafter referred to as the "Manufacturer"), the Lessee shall lease and let and the Lessor shall hire to the Lessee such Item of Equipment for the rental and on and subject to the terms and conditions herein set forth.

1.2. Inspection and Acceptance. The Lessor hereby appoints the Lessee as its agent for inspection and acceptance of the equipment pursuant to the Purchase Agreement. The Lessor will cause each Item of Equipment to be tendered to the Lessee. Upon

such tender, the Lessee will cause an inspector designated and authorized by the Lessee to inspect the same, and, if such Item of Equipment is found to be in good order, to accept delivery of such Item of Equipment and to execute and deliver to the Lessor a Certificate of Acceptance (the "Certificate of Acceptance") in the form attached hereto as Schedule B with respect to such Item of Equipment; provided, however, that the Lessee shall not accept and the Lessor shall have no obligation to lease any Item of Equipment delivered after the Outside Delivery Date set forth in Schedule A.

1.3. Certificate of Acceptance. The Lessee's execution and delivery of a Certificate of Acceptance with respect to each Item of Equipment pursuant to Section 1.2 hereof shall conclusively establish that, as between the Lessor and the Lessee, but without limiting or otherwise affecting the Lessee's or the Lessor's rights, if any, against the manufacturer thereof, such Item of Equipment is acceptable to and accepted by the Lessee under this Lease, notwithstanding any defect with respect to design, manufacture, condition or in any other respect, and that such Item of Equipment is in good order and condition and appears to conform to the specifications applicable thereto and to all applicable United States Department of Transportation and Interstate Commerce Commission requirements and specifications, if any, and to all standards recommended by the Association of American Railroads applicable to new railroad equipment of the character of the Equipment as of the date of this Lease. By execution and delivery of such Certificate of Acceptance, the Lessee represents that it has no knowledge of any such defect.

SECTION 2. RENTALS AND PAYMENT DATES.

2.1. Rent for Equipment. The Lessee agrees to pay the following rent for each Item of Equipment:

(a) Fixed Rental. For each Item of Equipment, the Lessee shall pay to the Lessor 40 semiannual installments of fixed rental (the "Fixed Rental"), payable in arrears, the first through the twentieth installments, both inclusive, each in an amount equal to 5.112937% of the Purchase Price (as defined in the Participation Agreement) thereof and the twenty-first through the fortieth installments, both inclusive, each in an amount equal to 6.249031% of the Purchase Price thereof; and

(b) Supplemental Rent. As supplemental rent hereunder (the "Supplemental Rent"), the Lessee shall pay to the person entitled to receive the same, an amount equal to (i) all fees and expenses of the Security Trustee and its successors (other than the initial fees and expenses payable by the Lessor pursuant to Section 2.6 of the Participation Agreement) incurred in

connection with its services as Secured Party under the Security Agreement; and (ii) the amount by which the fees and expenses listed in Section 2.6 of the Participation Agreement exceed .25% of the Purchase Price of the Equipment.

2.2. Rent Payment Dates. The first installment of Fixed Rental for each Item of Equipment shall be due and payable six months following the Term Lease Commencement Date (as defined in the Participation Agreement) and the balance of said installments shall be payable at six month intervals thereafter with the final such installment payable 20 years following the Term Lease Commencement Date. If any of the rent payment dates is not a business day, the rent payment otherwise payable on such date shall be payable on the next succeeding business day. For purposes of this Lease, the term "business day" means calendar days, excluding Saturdays, Sundays and holidays on which banks in the States of Illinois, Utah, Nevada or New York are authorized or required to close.

2.3. Place and Manner of Rent Payment. The payments to be made by the Lessee under this Lease shall be made as follows:

(a) Each installment of Fixed Rental shall be paid to the account of the Lessor by wire transfer to the principal office of the Lessor at the address thereof provided for payments in Section 22.1 hereof; provided that in the event either the Lessor or the Security Trustee shall notify the Lessee in writing that the right to receive payment of such installment shall have been assigned in accordance with Section 16 hereof, the Lessee shall make such payment by wire transfer to the place designated in such notice or as otherwise designated from time to time in writing by such assignee; and provided further that in the event such notice shall direct the Lessee to divide such installment into not more than two portions and to pay each portion by wire transfer separately to not more than two parties, the Lessee agrees to do so;

(b) The entire amount of any payment of Casualty Value pursuant to Section 11 hereof or Early Termination Value or Optional Termination Value pursuant to Section 19 hereof shall be paid to the account of the Lessor by wire transfer to the principal office of the Lessor at the address thereof provided for payments in Section 22.1 hereof; (identifying the same as a payment of Casualty Value, Early Termination Value or Optional Termination Value, as the case may be, relating to GATC No. 83-3) provided that in the event either the Lessor or the Security Trustee shall notify the Lessee in writing that the right to receive payment of such Casualty Value,

Early Termination Value or Optional Termination Value shall have been assigned in accordance with Section 16 hereof, the Lessee shall make such payment by such wire transfer in the manner designated in such notice or as otherwise designated from time to time in writing by such assignee;

(c) So long as no Event of Default or any event which with the lapse of time or giving of notice, or both, would constitute an Event of Default under this lease, shall have occurred and be continuing, the amount of any payment owing to the Lessor pursuant to Sections 6, 10.2, 11.1 (with respect to public liability insurance) and 22.2 hereof shall be made directly to the party to receive the same without regard to the assignment of this Lease pursuant to Section 16 hereof;

(d) The amount of any interest due in respect of the late payment of any rentals or other amounts pursuant to Section 19 hereof shall be paid to the party and in the manner herein provided to receive said rental or other amount; and

(e) All payments other than those above specified shall be made by the Lessee directly to the party to receive the same unless any such payment has previously been made by the Lessor or its assignee, in which case the Lessee shall reimburse the Lessor or its assignee, as the case may be, directly for such payment.

The Lessee agrees that it will make payments due hereunder by wire transfer where specified above at the opening of business of the office of the transferring bank on the due date of such payment of Federal or otherwise immediately available funds to the party to whom such payment is to be made, and where not so specified, such payment shall be made by check of the Lessee drawn on a bank located in the continental United States and mailed to the party to receive the same at the address herein provided or at such other address as the Lessee shall have been previously advised in writing.

2.4. Net Lease. This Lease is a net lease and the Lessee's obligation to pay all Fixed Rental, Supplemental Rent and other amounts payable hereunder shall be absolute and unconditional under any and all circumstances and, without limiting the generality of the foregoing, the Lessee shall not be entitled to any abatement of rent or reduction thereof or setoff against rent, including, but not limited to, abatements, reductions or setoffs due to any present or future claims of the Lessee against the Lessor under this Lease or otherwise or against any assignee of the Lessor pursuant to Section 16 hereof; nor, except as otherwise

expressly provided herein, shall this Lease terminate, or the respective obligations of the Lessor or the Lessee be otherwise affected, by reason of any defect in or damage to or loss or destruction of or requisitioning of all or any Item of Equipment by condemnation or otherwise, the prohibition of Lessee's use of the Equipment, the interference with such use by any private person or corporation, the invalidity or unenforceability or lack of due authorization or other infirmity of this Lease, or lack of right, power or authority of the Lessor to enter into this Lease, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the rents and other amounts payable by the Lessee hereunder shall continue to be payable in all events unless the obligation to pay the same shall be terminated pursuant to Section 11 hereof, or until, pursuant to Section 13 hereof, the Equipment has been returned to the possession of the Lessor (for all purposes of this Lease any Item of Equipment shall not be deemed to have been returned to the Lessor's possession until all of the Lessee's obligations with respect to the return, transportation and storage thereof have been performed). To the extent permitted by applicable law, the Lessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender the lease of any of the Items of Equipment except in accordance with the express terms hereof. Each rental or other payment made by the Lessee hereunder shall be final and the Lessee shall not seek to recover all or any part of such payment from the Lessor or any assignee pursuant to Section 16 hereof for any reason whatsoever.

2.5. Adjustment of Rentals. The installments of Fixed Rental and the Casualty Value, Early Termination Value and Optional Termination Value tables attached hereto as Schedules D, E and F, respectively, have been calculated on the assumptions that:

(i) The Items of Equipment will be delivered to and accepted by the Lessee on or before the estimated delivery date specified in Schedule A hereto;

(ii) The outside delivery date for the Equipment is November 15, 1983;

(iii) No change in any tax law, regulation or tax rate shall be enacted and become effective prior to the Term Lease Commencement Date which alters or eliminates any of the Tax Benefits (as defined in Section 7 of the Participation Agreement); and

(iv) The Notes bear interest at 13.3% per annum computed on the basis of a 360-day year of twelve 30-day months, and payments of principal and interest on the Notes will be made semiannually.

If any such assumption shall prove to be incorrect, then the Lessor acting in good faith shall, prior the first payment of Fixed Rental, recompute such installments of Fixed Rental and the Casualty Value, Early Termination Value and Optional Termination Value tables higher or lower in order to provide the Lessor with the same after-tax yield and cash flow as if such assumptions were accurate; provided, that such adjustments shall comply with the Guidelines (as hereinafter defined) and any other published or announced position of the Internal Revenue Service; and provided, further, that each installment of Fixed Rental shall be in an amount sufficient to pay on each installment date the principal of, and interest on, the Notes due on such date without acceleration, and the Casualty Value, Early Termination Value and Optional Termination Date as of any date shall be sufficient to pay the aggregate unpaid principal amount of, and interest and premium, if any, on, the Notes outstanding as of such date. Such recomputation shall be based upon the assumptions and methods of calculation utilized by the Lessor in computing the amounts thereof originally set forth in this Lease. On or before the first payment of Fixed Rental, the Lessor and the Lessee shall execute and deliver a Lease Supplement, substantially in the form of Schedule C hereto, reflecting any revisions to the percentages set forth in Section 2.1(b) hereof and to Schedules D, E and F hereof. The term "Guidelines" as used herein shall mean the guidelines set forth in Revenue Procedure 75-21, 1975-1 C.B. 715, as further set forth in Revenue Procedure 75-28, 1975-1 C.B. 752, and as modified in Revenue Procedure 76-30, 1976-2 C.B. 647 and Revenue Procedure 79-48, 1979-2 C.B. 529 that are applied by the Internal Revenue Service in determining, for advance ruling purposes, whether leveraged lease transactions (other than transactions which are treated as leases pursuant to Section 168(f)(8) of the Code) are leases for Federal income tax purposes.

SECTION 3. TERM OF THE LEASE.

The term of this Lease as to each Item of Equipment shall begin on the date of the delivery to and acceptance by the Lessee of such Item of Equipment and, subject to the provisions of Sections 11, 14 and 19 hereof, shall terminate 20 years following the Term Lease Commencement Date.

SECTION 4. OWNERSHIP AND MARKING OF EQUIPMENT.

4.1. Retention of Title. The Lessor, as between the Lessor and the Lessee, shall and hereby does retain full legal title to the Equipment notwithstanding the delivery thereof to and possession and use thereof by the Lessee or any Sublessee under any Permitted Sublease.

4.2. Duty to Number and Mark Equipment. The Lessee will cause each Item of Equipment to be kept numbered with its identifying number as set forth in Schedule A hereto and will keep and maintain, plainly, distinctly, permanently and conspicuously marked by a plate or stencil printed in contrasting color upon each side of each Item of Equipment in letters not less than one inch in height as follows:

> "TITLE TO THIS CAR IS VESTED IN A TRUSTEE UNDER AN EQUIPMENT TRUST AGREEMENT RECORDED UNDER SECTION 20c OF THE INTERSTATE COMMERCE ACT OR VESTED IN ANOTHER PERSON OR ENTITY AND SO RECORDED."

with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the title of the Lessor to such Item of Equipment, its rights under this Lease and the rights of any assignee under Section 16 hereof. The Lessee will replace promptly any such names and word or words which may be removed, defaced or destroyed. The Lessee will not change the identifying number of any Item of Equipment unless and until (i) a statement of new identifying numbers to be substituted therefor shall have been delivered to the Lessor and the Security Trustee by the Lessee and filed, recorded or deposited in all public offices where this Lease shall have been filed, recorded or deposited and (ii) the Lessee shall have furnished the Security Trustee and the Lessor an opinion of counsel to the effect that such statement has been so filed, recorded and deposited, such filing, recordation and deposit will protect the Security Trustee's and the Lessor's interests in such Equipment and no filing, recording, deposit or giving of notice with or to any other federal, state or local government or agency thereof is necessary to protect the interests of the Security Trustee and the Lessor in such Equipment while operating in any jurisdiction wherein the Security Agreement or any instrument in respect thereof has been or is required to be filed, registered, deposited or recorded as provided in the Security Agreement. The Lessor agrees to execute all amendments hereto necessary to accomplish such filings, recordings and deposits.

4.3. Prohibition Against Certain Designations. Except as above provided, the Lessee will not allow the name of any person, association or corporation to be placed on the Equipment as a designation that might be interpreted as a claim of ownership; provided, however, that the Lessee may cause the Equipment to be lettered with the names or initials or other insignia customarily used by the Lessee or its affiliates or any sublessees under Permitted Subleases on railroad equipment used by any of them of the same or a similar type for convenience of identification of the right of the Lessee to use the Equipment under this Lease or of any sublessee to use the Equipment under any Permitted Sublease.

SECTION 5. DISCLAIMER OF WARRANTIES.

THE LESSOR LEASES THE EQUIPMENT, AS-IS, IN WHATEVER CONDITION IT MAY BE, WITHOUT ANY AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, BY THE LESSOR WHICH EXPRESSLY DISCLAIMS ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO (A) THE FITNESS FOR ANY PARTICULAR PURPOSE OR MERCHANTABILITY OF ANY ITEM OR ITEMS OF EQUIPMENT, (B) THE LESSOR'S TITLE THERETO, (C) THE LESSEE'S RIGHT TO THE QUIET ENJOYMENT THEREOF, (D) THE DESIGN OR CONDITION OF, OR AS TO THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE EQUIPMENT, OR (E) ANY OTHER MATTER WHATSOEVER, IT BEING AGREED THAT ALL SUCH RISKS, AS BETWEEN THE LESSOR AND THE LESSEE, ARE TO BE BORNE BY THE LESSEE. The Lessor hereby appoints and constitutes the Lessee its agent and attorney-in-fact during the term of this Lease to assert and enforce, from time to time, in the name and for the account of the Lessor and the Lessee, as their interests may appear, but in all cases at the sole cost and expense of the Lessee, whatever claims and rights the Lessor may have as owner of the Equipment against the manufacturer thereof, provided, however, that if at any time an Event of Default shall have occurred and be continuing, the Lessor may assert and enforce, at the Lessee's sole cost and expense, such claims and rights. The Lessor shall have no responsibility or liability to the Lessee or any other person with respect to any of the following: (i) any liability, loss or damage caused or alleged to be caused directly or indirectly by any Item of Equipment or by any inadequacy thereof or deficiency or defect therein or by any other circumstances in connection therewith; (ii) the use, operation or performance of any Item of Equipment or any risks relating thereto; (iii) any interruption of service, loss of business or anticipated profits or consequential damages; or (iv) the delivery, operation, servicing, maintenance, repair, improvement or replacement of any Item of Equipment. The Lessee's delivery of a Certificate of Acceptance shall be conclusive evidence as between the Lessee and the Lessor that all Items of Equipment described therein are in all the foregoing respects satisfactory to the Lessee, and the Lessee will not assert any claim of any nature whatsoever against the Lessor based on any of the foregoing matters.

SECTION 6. LESSEE'S INDEMNITY.

6.1. Scope of Indemnity. The Lessee shall defend, indemnify and save harmless the Lessor and any assignee of the Lessor pursuant to Section 16 hereof (including, without limitation, the Security Trustee and the Note Purchaser) and their respective successors and assigns from and against:

(a) any and all loss or damage to the Equipment, usual wear and tear excepted; and

(b) any claim, cause of action, damages, liability, cost or expense (including, without limitation, counsel fees and costs in connection therewith) which may be incurred in any manner by or for the account of any of them relating to any Item of Equipment or any part thereof, including, without limitation, (i) the construction, purchase, delivery, acceptance, rejection, ownership, sale, leasing, return or storage of any Item of Equipment or as a result of the use, maintenance, repair, replacement, operation or the condition thereof (whether defects are latent or discoverable by the Lessee or any indemnified party), (ii) by reason or as the result of any act or omission (whether negligent or otherwise) of the Lessee for itself or as agent or attorney-in-fact for the Lessor hereunder, (iii) as a result of claims for patent, trademark or copyright infringements, or (iv) as a result of claims for negligence or strict liability in tort.

The indemnities and assumptions of liabilities set forth in this Section 6.1 do not guarantee to any party at any time a residual value in the Equipment nor do they guarantee the payment of the Notes or any interest accrued thereon.

6.2. Continuation of Indemnities and Assumptions. The indemnities and assumptions of liability in this Section 6 contained shall continue in full force and effect notwithstanding the termination of this Lease, or the termination of the term hereof in respect of any one or more Items of Equipment, whether by expiration of time, by operation of law or otherwise; provided, however, that such indemnities and assumptions of liability shall not apply in respect of any matters referred to in subsection (a) or clause (i), (ii) or (iv) of subsection (b) of Section 6.1 hereof, occurring after the termination of this Lease, except for any such matters occurring after the termination arising in connection with the Lessee's assembling, delivering, storing or transporting of the Equipment as provided in Section 13 or 15, as the case may be. The Lessee shall be entitled to control, and shall assume full responsibility for, the defense of such claim or liability.

## SECTION 7. RULES, LAWS AND REGULATIONS.

The Lessee agrees to comply with all governmental laws, regulations, requirements and rules (including, without limitation, the rules of the United States Department of Transportation, the Interstate Commerce Commission and the current Interchange Rules or supplements thereto of the Mechanical Division, Association of American Railroads as the same may be in effect

from time to time) (the "Interchange Rules") with respect to the use and maintenance of each Item of Equipment subject to this Lease. In case any equipment or appliance is required to be altered, added, replaced or modified (the "Alterations") on any Item of Equipment in order to comply with such laws, regulations, requirements and rules, the Lessee agrees to make such Alterations at its own expense and title thereto shall be immediately vested in the Lessor.

SECTION 8. USE AND MAINTENANCE OF EQUIPMENT.

The Lessee shall use the Equipment only in the manner for which it was designed and intended and so as to subject it only to ordinary wear and tear. The Lessee shall, at its own cost and expense, maintain and keep the Equipment in good order, condition and repair, ordinary wear and tear excepted, suitable for use in interchange in accordance with federal regulations and the Interchange Rules and in the same manner as equipment owned by the Lessee similar in nature to the Equipment. Except as required by the provisions of Section 7 hereof, the Lessee shall not modify any Item of Equipment in any manner which will decrease the value or marketability of such Item of Equipment. Any parts installed or replacements made by the Lessee upon any Item of Equipment pursuant to Section 7 hereof or pursuant to its obligation to maintain and keep the Equipment in good order, condition and repair under this Section 8 shall be considered accessions to such Item of Equipment and title thereto shall be immediately vested in the Lessor without cost or expense to the Lessor. Title to any additions or improvements, other than those referred to in the preceding sentence, which are readily removable without causing material damage to such Item of Equipment shall remain with the Lessee. If the Lessee shall at its cost cause such readily removable additions or improvements to be made to any Item of Equipment, the Lessee agrees that it will, prior to the return of such Item of Equipment to the Lessor hereunder, remove the same at its own expense without causing material damage to such Item of Equipment.

SECTION 9. LIENS ON THE EQUIPMENT.

The Lessee shall pay or satisfy and discharge any and all claims against, through or under the Lessee and its successors or assigns which, if unpaid, might constitute or become a lien or a charge upon any Item of Equipment, and any liens or charges which may be levied against or imposed upon any Item of Equipment as a result of the failure of the Lessee to perform or observe any of its covenants or agreements under this Lease and any other liens or charges which arise by virtue of claims against, through or under any other party; provided, however, that the Lessee shall not be required to pay or discharge any claim arising by, through

or under the Lessor unrelated to its ownership of the Equipment, or any other claims referred to in the preceding clause of this sentence so long as it shall, in good faith and by appropriate legal proceedings contest the validity thereof in any reasonable manner which will not affect or endanger the title and interest of the Lessor or the security interest or other rights of any assignee under Section 16 hereof in and to the Equipment. The Lessee's obligations under this Section 9 shall survive the termination of this Lease.

SECTION 10. FILING; PAYMENT OF STATE AND LOCAL TAXES.

10.1. Filing. Prior to the delivery and acceptance of the first Item of Equipment hereunder, the Lessee will cause this Lease and the Security Agreement to be duly filed, registered or recorded with the Interstate Commerce Commission in accordance with Section 11303 of the Interstate Commerce Act and in such other places within or without the United States as the Lessor or the Security Trustee may reasonably request and will furnish the Lessor and the Security Trustee proof thereof. The Lessee will, from time to time, do and perform any other act and will execute, acknowledge, deliver, file, register and record (and will refile, reregister or rerecord whenever required) any and all further instruments required by law or reasonably requested by the Lessor or the Security Trustee, for the purpose of protecting the Lessor's title to, or the Security Trustee's security interest in, any Item of Equipment to the satisfaction of the Lessor's or the Security Trustee's counsel or for the purpose of carrying out the intentions of this Lease, and in connection with any such action, will deliver to the Lessor and the Security Trustee proof of such filings and an opinion of the Lessee's counsel reasonably satisfactory to the Lessor and the Security Trustee that such action has been properly taken. The Lessee will pay all costs, charges and expenses incident to any such filing, refiling, recording and rerecording or depositing and redepositing of any such instruments or incident to the taking of such action.

10.2. Payment of State and Local Taxes. All payments to be made by the Lessee hereunder will be free of expense to the Lessor and any assignee of the Lessor pursuant to Section 16 hereof (including, without limitation, the Security Trustee and the Note Purchaser) and their respective successors and assigns (the "Indemnitees") for collection or other charges and will be free of expense to the Indemnitees with respect to any Impositions as hereinafter defined. As used in this Section 10.2 "Impositions" shall mean the amount of any local, state, Federal or foreign taxes, assessments or license fees and any charges, fines or penalties in connection therewith which are imposed on or measured by this Lease or the receipt of sums pursuant hereto or any sale, rental, use, payment, shipment, delivery or transfer of title in respect of the Equipment under the terms hereof or of the Security

Agreement; provided that Impositions shall not include as to each respective Indemnitee: (i) state, local and United States Federal income tax liability and, to the extent that any respective Indemnitee receives credit therefor against its United States Federal income tax liability, any foreign income tax of such Indemnitee, payable by any respective Indemnitee in consequence of the receipt of payments provided herein; and (ii) the aggregate of all franchise taxes measured by net income based on such receipts, up to the amount in the aggregate of any such income and franchise taxes which would be payable to the state and city in which such Indemnitee has its principal place of business without apportionment to any other state, except any such tax which is in substitution for or relieves the Lessee from the payment of taxes which it would otherwise be obligated to pay or reimburse as herein provided. The Lessee agrees to pay, on demand, any and all Impositions. The Lessee will also pay promptly all Impositions which may be imposed upon any Item of Equipment or for the use or operation thereof or upon the earnings arising therefrom or upon any Indemnitee solely by reason of its interest with respect thereto and will keep at all times all and every part of such Item of Equipment free and clear of all Impositions which might in any way affect the interest of any Indemnitee therein or result in a lien upon any such Item of Equipment; provided, however, that the Lessee shall be under no obligation to pay any Impositions so long as it is contesting in good faith and by appropriate legal proceedings such Impositions and the nonpayment thereof does not, in the reasonable opinion of the Indemnitee, adversely affect the interest of any Indemnitee hereunder or under the Security Agreement. If any Impositions shall have been charged or levied against any Indemnitee directly and paid by such Indemnitee after such Indemnitee shall have given written notice thereof to the Lessee and the same shall have remained unpaid for a period of ten business days thereafter, the Lessee shall reimburse such Indemnitee on presentation of invoice therefor. Prior to making such payment, such Indemnitee shall promptly notify the Lessee of the Impositions charged or levied, and the Lessee shall have the opportunity to contest in good faith and by appropriate legal proceedings such Impositions, at its sole expense.In the event any reports with respect to Impositions are required to be made on the basis of individual Items of Equipment, the Lessee will either prepare and file such reports in such manner as to show as required the interests of each Indemnitee in such Items of Equipment or, if it shall not be permitted to file the same, it will notify each Indemnitee of such reporting requirements, prepare such reports in such manner as shall be satisfactory to each Indemnitee and deliver the same to each Indemnitee within a reasonable period prior to the date the same is to be filed.

In the event that, during the continuance of this Lease, any Imposition accrues or becomes payable or is levied or assessed (or is attributable to the period of time during which this Lease is in existence) which the Lessee is or will be obligated to pay

or reimburse, pursuant to this Section 10.2, such liability shall continue, notwithstanding the expiration of this Lease, until all such Impositions are paid or reimbursed by the Lessee.

SECTION 11. INSURANCE; PAYMENT FOR CASUALTY OCCURRENCE.

11.1. Insurance. The Lessee will at all times after delivery and acceptance of each Item of Equipment, at its own expense, keep or cause to be kept each such Item insured by a reputable insurance company or companies in amounts and against risks (including comprehensive general public liability insurance) and with deductibles and terms and conditions not less than the insurance, if any, maintained by the Lessee with respect to similar equipment which it owns or leases, but in no event shall such coverage be for amounts or against risks less than the prudent industry standard. Without limiting the foregoing, the Lessee will:

(a) keep each Item of Equipment fully insured against casualty in an amount not less than the Casualty Value attributable to such Item of Equipment as shown on Schedule D hereto, provided that such coverage may provide for deductible amounts of not more than $100,000 per occurrence. The policies of insurance covering the Equipment shall provide that (i) loss, if any, thereunder shall be payable to the Lessor, any assignee thereof pursuant to Section 16 hereof and the Lessee as their interests shall appear; provided that in the event any such insurance shall be in effect with respect to the Equipment prior to the payment in full of all principal of, premium, if any, and interest on the Notes, all payments thereunder shall be made to the Security Trustee under a standard mortgage loss payable clause, and (ii) loss, if any, thereunder shall be adjusted with the insurer by the Lessee, subject to approval by the Lessor and the Security Trustee if the loss from any one occurrence equals or exceeds $500,000; and

(b) maintain general public liability insurance against bodily injury, death or property damage arising out of the use or operation of the Equipment with general liability limits of not less than $1,000,000 arising out of a single occurrence and not less than $10,000,000 in the aggregate, with umbrella coverage of not less than $50,000,000, provided that such coverage may provide for deductible amounts in amounts comparable to that maintained by the Lessee with respect to similar equipment which it owns or leases and in any event in accordance with the prudent industry standard. Such policies shall insure the Lessor and the Security Trustee regardless of any breach or violation of any warranty, declaration or

condition therein contained in such policy by the Lessee or any other person (other than the Lessor and the Security Trustee, but only in respect of their respective coverages).

The Lessee may self-insure for such amounts and against such risks as shall be consented to by the Lessor and the Security Trustee, which consent shall not be unreasonably withheld. All proceeds of insurance received by any party other than the Lessee with respect to any Items of Equipment not suffering a Casualty Occurrence (as hereinafter defined) shall be paid thereby to the Lessee upon reasonable proof that any damage to any Item with respect to which such proceeds were paid has been fully repaired. Any such proceeds of insurance received by any party with respect to a Casualty Occurrence shall be credited thereby toward the payment required by this Section 11 with respect to such Casualty Occurrence.

No policy maintained pursuant to this Section 11.1 shall, in respect of the interests of the Lessor and the Security Trustee in such policy, invalidate the coverage thereof due to any action or inaction of the Lessee or any other person (other than the Lessor or the Security Trustee, but only in respect of their respective coverages). The Lessee shall furnish the Lessor with certificates or other satisfactory evidence of maintenance of the insurance required hereunder or with a certificate of Marsh & McClennan or other reputable insurance agents not affiliated with the Lessee stating that the insurance maintained by the Lessee complies with the requirements of this Section, and with respect to any renewal policy or policies shall furnish certificates evidencing such renewal prior to the expiration date of the original policy or policies. All such policies shall provide that the same shall not be cancelled or materially changed without at least 30 days' prior written notice to the Lessor and the Security Trustee.

11.2. Duty of Lessee to Notify Lessor. In the event that any Item of Equipment shall be or become lost, stolen, destroyed, or, in the opinion of the Lessee, irreparably damaged during the term of this Lease or thereafter while such Item of Equipment is in the possession of the Lessee pursuant to Section 13 or 15 hereof, or shall be requisitioned or taken over by any governmental authority under the power of eminent domain or otherwise during the term of this Lease for a stated period which exceeds the lesser of five years or the then remaining term of this Lease (any such occurrence being hereinafter called a "Casualty Occurrence"), the Lessee shall promptly and fully (after it has knowledge of such Casualty Occurrence) inform the Lessor and any assignee of the Lessor pursuant to Section 16 hereof (including, without limitation, the Security Trustee and the Note Purchaser) in regard thereto and shall pay the Casualty Value (as defined in Section 11.6 hereof) of such Item in accordance with the terms of Section 11.3 hereof.

11.3. Sum Payable for Casualty Loss. The Lessee, on the next succeeding rent payment date following its notice of a Casualty Occurrence with respect to any Item or Items of Equipment, or within 30 days after such notice in respect of any Casualty Occurrence after the expiration of the term of this Lease while such Item of Equipment is in the possession of the Lessee pursuant to Section 13 or 15 hereof, shall pay to the Lessor the Fixed Rental installment, if any, due on such payment date for such Item of Equipment plus any rentals or other sums due on or prior to such date then remaining unpaid plus a sum equal to the Casualty Value of such Item of Equipment as of the date of such payment.

11.4. Rent Termination. Upon (and not until) payment of all sums required to be paid pursuant to Section 11.3 hereof in respect of any Item or Items of Equipment, the obligation to pay rent for such Item or Items of Equipment accruing subsequent to the Casualty Value payment date shall terminate, but the Lessee shall continue to pay rent for all other Items of Equipment.

11.5. Disposition of Equipment. The Lessee shall, as agent for the Lessor, dispose of such Item or Items of Equipment having suffered a Casualty Occurrence as soon as it is able to do so for the fair market value thereof. Any such disposition shall be on an "as-is", "where-is" basis without representation or warranty, express or implied. As to each separate Item of Equipment so disposed of, so long as no Event of Default, or any event which with the lapse of time or the giving of notice, or both, would constitute such an Event of Default shall have occurred and be continuing, the Lessee may retain all amounts arising from such disposition plus any insurance proceeds and damages received by the Lessee by reason of such Casualty Occurrence up to the amount of the Casualty Value attributable thereto which the Lessee has previously paid to the Lessor pursuant to Section 11.3 hereof and in addition may retain the excess, if any, of such amounts over such Casualty Value with respect to the first 9 Items of Equipment to suffer a Casualty Occurrence hereunder, but the Lessee shall remit such excess, if any, to the Lessor with respect to all succeeding Items of Equipment suffering a Casualty Occurrence hereunder. In disposing of such Item of Equipment, the Lessee shall take such action as the Lessor shall reasonably request to terminate any contingent liability which the Lessor might have arising after such disposition from or connected with such Item of Equipment.

11.6. Casualty Value. The Casualty Value of each Item of Equipment shall be an amount determined as of the date the Casualty Value is paid as provided in this Section 11 (and not the date of the Casualty Occurrence) equal to that percentage of the Purchase Price (as defined in the Participation Agreement) of such Item of Equipment set forth in the Schedule of Casualty Value attached hereto as Schedule D opposite such date of payment.

11.7. Risk of Loss. The Lessee shall bear the risk of loss and, except as hereinabove in this Section 11 provided, shall not be released from its obligations hereunder in the event of any Casualty Occurrence to any Item of Equipment from and after the date hereof and continuing until payment of the Casualty Value and all rental installments and other sums due on and prior to the date of payment of such Casualty Value in respect of such Item of Equipment has been made, such Item or the salvage thereof has been disposed of by the Lessee and the title to such Item or the salvage thereof and all risk of loss and liabilities incident to ownership have been transferred to the purchaser of such Item or the salvage thereof.

11.8. Eminent Domain. In the event that during the term of this Lease the use of any Item of Equipment is requisitioned or taken by any governmental authority under the power of eminent domain or otherwise for an indefinite period or for a stated period which does not exceed the term of this Lease, the Lessee's obligation to pay all installments of rental and other sums shall continue for the duration of such requisitioning or taking. So long as no Event of Default, or event which with the lapse of time or giving of notice, or both, shall have occurred and be continuing, the Lessee shall be entitled to receive and retain for its own account all sums payable for any such period by such governmental authority as compensation for requisition or taking of possession.

SECTION 12. ANNUAL REPORTS.

12.1. Duty of Lessee to Furnish. On or before the first May 1 which occurs more than four months following the Closing Date provided for in Section 2.3 of the Participation Agreement and on each May 1 thereafter during the term of this Lease, the Lessee will furnish to the Lessor and any assignee of the Lessor pursuant to Section 16 hereof (including, without limitation, the Security Trustee and the Note Purchaser) an accurate statement, as of the preceding December 31 (a) showing the amount, description and numbers of the Items of Equipment then leased hereunder, the amount, description and numbers of all Items of Equipment that may have suffered a Casualty Occurrence during the 12 months ending on such December 31 (or since the date of this Lease, in the case of the first such statement), and such other information regarding the condition or repair of the Equipment as the Lessor may reasonably request, and (b) stating that, in the case of all Equipment repainted during the period covered by such statement, the markings required by Section 4.2 hereof shall have been preserved or replaced.

12.2. Lessor's Inspection Rights. The Lessor and any assignee of the Lessor pursuant to Section 16 hereof (including, without limitation, the Security Trustee and the Note Purchaser)

each shall have the right, at their respective sole cost and expense, by their respective authorized representative, to (i) inspect the Equipment and the Lessee's records with respect thereto, at such time as shall be reasonably necessary to confirm thereto the existence and proper maintenance of the Equipment during the continuance of this Lease, and (ii) inspect the Lessee's records with respect to Permitted Subleases in order to determine the identity of the Sublessees and the location of any Item or Items of Equipment, all at such reasonable times and as often as the Lessor or any such assignee may request.

SECTION 13. RETURN OF EQUIPMENT UPON EXPIRATION OF TERM.

Upon the expiration of the term of this Lease with respect to any Item of Equipment, the Lessee will, at its own cost and expense, at the request of the Lessor, deliver possession of such Item of Equipment to the Lessor upon such storage tracks of the Lessee as the Lessee may select, and permit the Lessor to store such Item of Equipment on such tracks for a period not exceeding 90 days and transport the same at any time within such 90-day period to any reasonable place on any railroad lines or to any connecting carrier for shipment, all as directed by the Lessor upon not less than 30 days' written notice to the Lessee. All movement and storage of each such Item is to be at the risk and expense of the Lessee, and the Lessee agrees to maintain the insurance on such item required by Section 11.1 hereof during such storage period. During any such storage period the Lessee will permit the Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser of any such Item, to inspect the same; provided, however, that the Lessee shall not be liable, except in the case of negligence of the Lessee or of its employees or agents, for any injury to, or the death of, any person exercising, either on behalf of the Lessor or any prospective purchaser, the rights of inspection granted under this sentence. All amounts earned in respect of the Equipment after the date of expiration of this Lease, but not exceeding the rental, per diem, or other similar charge for equipment received therefor, shall 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 is not assembled, delivered and stored as hereinabove provided within 30 days after the expiration of this Lease, the Lessee shall, in addition, pay to the Lessor for each day thereafter an amount equal to the amount, if any, by which the higher of (i) an amount equal to .034717% of the Purchase Price of such Item of Equipment, or (ii) the Fair Rental Value (determined in the manner provided in Section 14.2 hereof) for such Item for each such day exceeds the amount, if any, received by the Lessor (either directly or from the Lessee) for such day for such Item pursuant to the preceding sentence. The assembling, delivery, storage and transporting of the 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 to so assemble, deliver, store and transport the Equipment.

SECTION 14. DEFAULT.

14.1. Events of Default. Any of the following events shall constitute an Event of Default hereunder:

(a) Default shall be made in the payment of any part of the rental or Casualty Value provided in Section 2 or 11 hereof and such default shall continue for five business days;

(b) The Lessee shall make or permit any assignment or transfer of this Lease, or of possession of the Equipment or any portion thereof, not permitted by this Lease;

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

(d) Any representation or warranty made by the Lessee herein or in the Participation Agreement or the Purchase Agreement or in any statement or certificate furnished to the Lessor, the Security Trustee or the Note Purchaser pursuant to or in connection with this Lease, the Participation Agreement or the Purchase Agreement is untrue in any material respect as of the date of issuance or making thereof;

(e) Default shall occur in the payment of any indebtedness for borrowed money of the Lessee, or in the payment of any rent or other obligation under any lease or leases of real or personal property entered into by the Lessee, as tenant or lessee, or any other default or event shall occur under any one or more indentures, agreements or similar instruments under which indebtedness for borrowed money of the Lessee may be issued, and such default shall continue, in the case of any such indebtedness or leases, beyond the period of grace, if any, allowed with respect thereto, or, in the case of any such indentures, agreements or similar instruments, for a period of time sufficient to permit the acceleration of any indebtedness of the Lessee outstanding thereunder, and such defaults or events individually or in the

aggregate would materially or substantially impair the ability of the Lessee to fulfill its obligations under this Lease or the Participation Agreement;

(f) The Lessee becomes insolvent or fails generally to pay its debts as such debts become due, or causes an order for relief to be entered against it, or acquiesces in the entering of such an order against it, under applicable federal or state bankruptcy law, or makes an assignment for the benefit of creditors or applies for or consents to the appointment of a custodian, trustee or receiver for the Debtor or for the major part of its property;

(g) A custodian, trustee or receiver is appointed for the Lessee or for the major part of its property and is not discharged within 60 days after such appointment; or

(h) Bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings for relief under any bankruptcy law or similar law for the relief of debtors, are instituted by or against the Lessee and, if instituted against the Lessee, are consented to or are not dismissed within 60 days after such institution.

14.2. Remedies. If any Event of Default has occurred and is continuing, the Lessor or, in the event this Lease shall be assigned to an assignee pursuant to Section 16 hereof, such assignee, at its option, may:

(a) Proceed by appropriate court action or actions, either at law or in equity, to enforce performance by the Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof, including reasonable attorneys' fees; and/or

(b) By notice in writing to the Lessee, terminate this Lease, whereupon all right of the Lessee to the use of the Equipment shall absolutely cease and terminate as though this Lease had never been made, but the Lessee shall remain liable as hereinafter provided; and thereupon, the Lessor may by its agents enter upon the premises of the Lessee or other premises where any of the Equipment may be located and take possession of all or any of the Items of Equipment and thenceforth hold, possess and enjoy the same free from any right of the Lessee, or its successors or assigns, to use such Items for any purpose whatever, but the Lessor shall nevertheless have a right to recover from the Lessee any and all amounts which may have accrued to the date of such

termination (computing the rental for any number of days less than a full rental period by multiplying the rental for such full rental period by a fraction of which the numerator is such number of days and the denominator is the total number of days in such full rental period) and also to recover forthwith from the Lessee (i) as damages for loss of the bargain and not as a penalty, whichever of the following amounts the Lessor, in its sole discretion, shall specify: (x) a sum with respect to each Item of Equipment which represents the excess of the present worth, at the time of such termination, of all rentals for such Item which would otherwise have accrued hereunder from the date of such termination to the end of the term of this Lease over the then present worth of the then Fair Rental Value of such Item for such period computed by discounting from the end of such term to the date of such termination rentals which the Lessor reasonably estimates to be obtainable for the use of such Item during such period, such present worth to be computed in each case on a basis of an 8% per annum discount, compounded semiannually from the respective dates upon which rentals would have been payable hereunder had this Lease not been terminated, or (y) an amount equal to the excess if any of the Casualty Value of such Item of Equipment as of the rent payment date on or immediately preceding the date of termination over the amount the Lessor reasonably estimates to be the Fair Market Value thereof at such time; provided, however, that in the event the Lessor shall have sold any Item of Equipment, the Lessor, in lieu of collecting any amounts payable to the Lessor by the Lessee pursuant to the preceding clauses (x) and (y) of this part (i) with respect thereto may, if it shall so elect, demand that the Lessee pay the Lessor and the Lessee shall pay to the Lessor, on the date of such sale, as liquidated damages for loss of a bargain and not as a penalty, an amount equal to the excess, if any, of the Casualty Value of such Item of Equipment as of the rent payment date on or immediately preceding the date of termination over the net proceeds of such sale, and (ii) any damages and expenses, other than for a failure to pay rental, in addition thereto, including reasonable attorneys' fees, which the Lessor shall have sustained by reason of the breach of any covenant or covenants of this Lease other than for the payment of rental.

For purposes of Section 14.2 above, the Fair Rental Value and Fair Market Value for any Item of Equipment shall be determined in the manner provided for appraisal arrangements specified below; provided that any sale in a commercially reasonable manner of any Item of Equipment prior to any such determination shall conclusively establish the Fair Market Value of such Item and any rental in a commercially reasonable manner of any Item of Equipment prior

to any such determination shall conclusively establish the Fair Rental Value of such Item.

The Fair Rental Value or Fair Market Value, as the case may be, of the Items of Equipment shall be determined on the basis of, and shall be equal in amount to, the value which would obtain in an arm's-length transaction between an informed and willing lessee or buyer, as the case may be, (other than a lessee or buyer, as the case may be, currently in possession) and an informed and willing lessor or seller, as the case may be, under no compulsion to lease or sell, as the case may be. If the Lessor and the Lessee are unable to agree upon a determination of the Fair Rental Value or the Fair Market Value of such Items of Equipment within 20 days after receipt by Lessee of written notice setting forth the method to be used to calculate damages pursuant to Section 14.2(b), such value shall be determined in accordance with the foregoing definition by a qualified independent Appraiser. The term "Appraiser" shall mean any independent appraiser mutually agreed upon by the Lessor and the Lessee or if no such mutual agreement is reached within 15 days, two independent appraisers, one chosen by the Lessor and one chosen by the Lessee, or, if such appraisers cannot agree on the amount of such value within 15 days of appointment, an independent appraiser to be chosen by the American Arbitration Association promptly thereafter. The Appraiser shall be instructed to make such determination within a period of 30 days following appointment, and shall promptly communicate such determination in writing to the Lessor and the Lessee. The determination so made shall be conclusively binding upon both the Lessor and the Lessee. The expenses and fees of the Appraiser shall be borne by the Lessee.

14.3. Cumulative Remedies. The remedies in this Lease provided in favor of the Lessor shall not be deemed exclusive, but shall be cumulative and shall be in addition to all other remedies in its favor existing at law or in equity. The Lessee hereby waives any mandatory requirements of law, now or hereafter in effect, which might limit or modify any of the remedies herein provided, to the extent that such waiver is permitted by law. The Lessee hereby waives any and all existing or future claims of any right to assert any offset against the rent payments due hereunder, and agrees to make the rent payments regardless of any offset or claim which may be asserted by the Lessee on its behalf in connection with the lease of the Equipment.

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

14.5. Notice of Event of Default. The Lessee also agrees to furnish to the Lessor, the Security Trustee and the Note

Purchaser, promptly upon any officer becoming aware of any condition which constituted or constitutes an Event of Default under this Lease or which, after notice or lapse of time, or both, would constitute such an Event of Default, written notice specifying such condition and the nature and status thereof.

SECTION 15. RETURN OF EQUIPMENT UPON DEFAULT.

15.1. Lessee's Duty to Return. If the Lessor or any assignee of the Lessor pursuant to Section 16 hereof shall terminate this Lease pursuant to Section 14 hereof, the Lessee shall forthwith deliver possession of the Equipment to the Lessor. For the purpose of delivering possession of any Item of Equipment to the Lessor as above required, the Lessee shall at its own cost, expense and risk (except as hereinafter stated):

(a) Forthwith place such Equipment upon such storage tracks of the Lessee or any of its affiliates or, at the expense of the Lessee, on any other storage tracks, as the Lessor may designate or, in the absence of such designation, as the Lessee may select;

(b) Permit the Lessor to store such Equipment on such tracks without charge for insurance, rent or storage until such Equipment has been sold, leased or otherwise disposed of by the Lessor and during such period of storage the Lessee shall continue to maintain all insurance required by Section 11.1 hereof; and

(c) Transport the Equipment to any place on any lines of railroad or to any connecting carrier for shipment, all as the Lessor may direct in writing.

All amounts earned in respect of the Equipment after the date of termination of this Lease, but not exceeding the rental, per diem, or other similar charge for equipment received therefor, shall belong to the Lessor or in the event this Lease has been assigned pursuant to Section 16 hereof, to such assignee, and, if received by the Lessee, shall be promptly turned over to the Lessor, or in the case of such assignment, to such assignee. In the event any Item of Equipment is not assembled, delivered and stored as hereinabove provided within 30 days after the termination of this Lease, the Lessee shall, in addition, pay to the Lessor or, in the case of such assignment, to such assignee for each day thereafter an amount equal to the amount, if any, by which the higher of (i) an amount equal to .034717% of the Purchase Price of such Item of Equipment, or (ii) the Fair Rental Value (determined in the manner provided in Section 14.2 hereof) for such Item of Equipment for each such day exceeds the amount, if any, received by the Lessor or such assignee (either directly or from the Lessee) for such day for such Item pursuant to the preceding sentence.

15.2. Specific Performance. The assembling, delivery, storage and transporting of the 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, deliver, store and transport the Equipment.

15.3. Lessor Appointed Lessee's Agent. Without in any way limiting the obligation of the Lessee under the foregoing provisions of this Section 15, the Lessee hereby irrevocably appoints the Lessor as the agent and attorney of the Lessee, with full power and authority, at any time while the Lessee is obligated to deliver possession of any Items of Equipment to the Lessor, to demand and take possession of such Item in the name and on behalf of the Lessee from whomsoever shall be at the time in possession of such Item.

## SECTION 16. ASSIGNMENTS BY LESSOR.

This Lease and all rent and all other sums due or to become due hereunder may be assigned in whole or in part by the Lessor without the consent of the Lessee, but the Lessee shall be under no obligation to any assignee of the Lessor except upon written notice of such assignment from the Lessor. Upon notice to the Lessee of any such assignment, the rent and other sums payable by the Lessee which are the subject matter of the assignment shall be paid to or upon the written order of the assignee. Without limiting the foregoing, the Lessee further acknowledges and agrees that (i) the rights of any such assignee in and to the sums payable by the Lessee under any provision of this Lease shall not be subject to any abatement whatsoever and shall not be subject to any defense, set-off, counterclaim or recoupment whatsoever whether by reason of failure of or defect in the Lessor's title, or any interruption from whatsoever cause in the use, operation or possession of the Equipment or any part thereof, or any damage to or loss or destruction of the Equipment or any part thereof, or by reason of any other indebtedness or liability, howsoever and whenever arising, of the Lessor to the Lessee or to any other person, firm or corporation or to any governmental authority or for any cause whatsoever, it being the intent hereof that, except in the event of a wrongful act on the part of such assignee, the Lessee shall be unconditionally and absolutely obligated to pay such assignee all of the rents and other sums which are the subject matter of the assignment, (ii) said assignee shall, if an Event of Default, or any event which with the lapse of time or the giving of notice, or both, would constitute such an Event of Default, shall have occurred and be continuing, have the sole right to exercise all rights, privileges and remedies (either in its own name or in the name of the Lessor for the use and benefit of said assignee) which by the terms of this Lease are permitted or

provided to be exercised by the Lessor (except those rights, privileges and remedies relating to amounts payable to the Lessor pursuant to Sections 6, 10.2, 11.1 [with respect to public liability insurance] and 22.2 hereof which shall remain enforceable by the Lessor), but if no Event of Default or event which with the lapse of time or giving of notice, or both, would constitute an Event of Default, shall have occurred and be continuing, said assignee and the Lessor may each exercise their respective rights, privileges and remedies stated in this Lease to be provided for their respective benefits, and (iii) all obligations of the Lessor to the Lessee under this Lease shall be and remain enforceable by the Lessee against, and only against, the Lessor.

It is understood and agreed that the right, title and interest of any such assignee in, to and under this Lease and the rents and other sums due and to become due hereunder shall by the express terms granting and conveying the same be subject to the interest of the Lessee in and to the Equipment.

SECTION 17. ASSIGNMENTS BY LESSEE; USE AND POSSESSION.

17.1. Lessee's Rights to the Equipment. So long as no Event of Default, or any event which with the lapse of time or the giving of notice, or both, would constitute such an Event of Default, shall have occurred and be continuing, the Lessee shall be entitled to the possession and use of the Equipment in accordance with the terms of this Lease, but, without the prior written consent of the Lessor, the Lessee shall not assign, transfer or encumber its leasehold interest under this Lease in any of the Equipment. The Lessee shall not, without the prior written consent of the Lessor, part with the possession or control of, or suffer or allow to pass out of its possession or control, any of the Equipment, except to the extent permitted by the provisions of Section 17.2 hereof. No assignment or sublease entered into by the Lessee hereunder shall relieve the Lessee of any liability or obligation hereunder which shall be and remain those of a principal and not a surety.

17.2. Use and Possession by Lessee; Permitted Subleases. So long as no Event of Default, or any event which with the lapse of time or giving of notice, or both, would constitute such Event of Default, shall have occurred and be continuing, the Lessee shall be entitled to the possession and use of the Equipment. The Lessee shall also be entitled so long as it shall not then be in default under this Lease, to sublease the Equipment to, or to permit its use under the term of car contracts by, (i) a railroad company or companies incorporated in the United States of America, or any State thereof or District of Columbia or Canada or any Province thereof, upon lines of railroad owned or operated by such railroad company or companies or over which such railroad

company or companies have trackage rights or rights for operation of their trains, and upon connecting and other carriers in the usual interchange of traffic in the continental United States or (ii) to responsible companies other than railroad companies for use in their business (leases to such sublessees being herein referred to as "Permitted Subleases"); provided, however, that the Lessee shall not assign or permit the assignment of any Item of Equipment to service (including, without limitation, the regular operation and maintenance thereof) in any location which is not a Perfected Jurisdiction. For the purposes of this Section 17.2, a Perfected Jurisdiction shall mean the United States and any Canadian or Mexican jurisdiction with respect to which all instruments required by the laws of any such jurisdiction have been executed, acknowledged, delivered, filed, registered and recorded as required (in the case of Mexico, to the best knowledge of the counsel delivering the opinion hereinafter referred to) by the laws of that jurisdiction to protect the rights of the Lessor and the Security Trustee under this Lease and the Security Agreement as evidenced by an opinion of counsel reasonably satisfactory to the Lessor and the Security Trustee; provided that no more than 10% of the Items of Equipment shall be assigned to service in Mexico at the same time. No assignment or sublease entered into by the Lessee hereunder shall relieve the Lessee of any liability or obligation hereunder which shall be and remain those of a principal and not a surety.

17.3. Merger, Consolidation or Acquisition of Lessee. Nothing in this Section 17 shall be deemed to restrict the right of the Lessee to assign or transfer its leasehold interest under this Lease in the Equipment or possession of the Equipment to any solvent corporation organized under the laws of any state of the United States or the District of Columbia into or with which the Lessee shall have become merged or consolidated or which shall have acquired or leased all or substantially all of the property of the Lessee, provided that such assignees, successors or transferees shall have duly assumed the obligations of the Lessee hereunder and under the Participation Agreement and that they will not, upon the effectiveness of such merger or consolidation or acquisition of properties and the assumption of such obligations, be in default under any provision of this Lease and that such merger or consolidation or acquisition of Properties shall not alter in any way the Lessee's obligations to the Lessor hereunder which shall be and remain those of a principal and not a guarantor.

SECTION 18. PURCHASE OPTION; RIGHT OF FIRST REFUSAL.

18.1. Purchase Option. Provided that no Event of Default, or any event which with the lapse of time or the giving of notice, or both, would constitute such an Event of Default, shall have occurred and be continuing, the Lessee shall have the right to purchase all but not less than all of the Items of Equipment then leased hereunder at the expiration of the term hereof at a price equal to 50% of the Purchase Price of such Items of Equipment. The Lessee shall give the Lessor written notice not less than six months nor more than nine months prior to the end of the term of this Lease of its election to exercise the purchase option provided for in this Section, which notice shall be irrevocable. Payment of the option price shall be made at the place of payment specified in Section 2.3 hereof in funds there current against delivery of a bill of sale transferring and assigning to the Lessee all right, title and interest of the Lessor in and to the Equipment and containing a warranty against Lessor's Liens. The Lessor shall not be required to make any other representation or warranty as to the condition of the Equipment or any other matters, and may specifically disclaim any such representations or warranties.

18.2. Right of First Refusal. If the Lessor shall not have received the notice within the period of time provided for in Section 18.1 hereof, it may proceed to dispose of the Equipment in any manner it sees fit; provided that unless an Event of Default, or any event which with the lapse of time or giving of notice, or both, would constitute an Event of Default, shall have occurred and be continuing, the Lessor shall not, at any time up to seven years after the end of the term of this Lease, sell, transfer or otherwise dispose of an Item of Equipment unless:

(a) the Lessor shall have received from a responsible purchaser or purchasers a bona fide offer or offers in writing to purchase such Item of Equipment;

(b) the Lessor shall have given the Lessee notice (i) setting forth a summary description of the type of purchaser or purchasers, the Item or Items of Equipment to be purchased, the proposed purchase price or prices, the proposed date of purchase and any arrangements for the financing of such purchase known to the Lessor, and (ii) offering to sell such Item of Equipment to the Lessee for an equivalent price as that set forth in such notice, taking into account the present value of the proceeds anticipated under the terms of such proposed purchase; provided that in the event such proposal is in respect of more than one Item of Equipment, the Lessee must purchase all such Items of Equipment as a group; and

(c) the Lessee shall not have notified the Lessor, within 20 days following receipt of such notice, of its election to purchase such Item or Items of Equipment upon such terms and conditions.

If the Lessee shall not have so elected to purchase such Item or Items of Equipment, the Lessor may sell such Item or Items of Equipment at a price and upon other terms and conditions no less favorable to the Lessor than those specified in such notice. Notwithstanding the foregoing provisions of this Section 18.2, any negotiations which are concluded or any agreement which is entered into by the Lessor for the sale of the Equipment or any Item or Items thereof with any person prior to the expiration of the three-month period provided in Section 18.1 hereof for the exercise of the purchase option by the Lessee, if such sale is to be consummated and the Equipment or the Lessor's interest therein is to be transferred after the end of the term of this Lease, shall be expressly made subject to the Lessee's right of first refusal provided in this Section 18.2 with respect to any subsequent sale of the Equipment or any Item or Items thereof by such purchaser; provided the Lessor may lease any or all Items of Equipment at any time after the end of the term of this Lease without first offering to lease the Equipment to the Lessee.

18.3. Delivery of Equipment. Unless the Lessee has elected to purchase the Items of Equipment then leased hereunder as provided in this Section 18, all of such Items of Equipment shall be returned to the Lessor at the end of the original term in accordance with Section 13 hereof.

SECTION 19. EARLY TERMINATION; OPTIONAL TERMINATION.

19.1. Early Termination. So long as no Event of Default, and no event which with the lapse of time or giving of notice, or both, would constitute an Event of Default, shall have occurred and be continuing, the Lessee may, upon not less than 180 days' prior written notice to the Lessor, terminate this Lease with respect to all, but not less than all, of the Items of Equipment of a particular type (i.e. tank cars or covered hopper cars) as of January 1, 1994 or as of any succeeding rent payment date during the term hereof if such Equipment, in the good faith judgment of the Lessee as approved by its Board of Directors, shall have become obsolete or surplus to the needs of the Lessee in the conduct of its business. Such written notice shall designate the date on which termination is to become effective and shall be accompanied by a certified copy of the resolutions of the Board of Directors approving such determination and by a Certificate of the President or a Vice President of the Lessee setting forth the determination that such Equipment has become obsolete or surplus to the needs of the Lessee and a statement in reasonable detail of the basis for such determination and further

certifying that the Lessee intends to dispose of all equipment similar to such Equipment within a two-year period following such termination date. For the purposes of this Section 19.1, interest rates payable by the Lessee on its indebtedness for borrowed money or finance charges payable by the Lessee in connection with the acquisition of its equipment under conditional sale contracts, leases or other arrangements for deferred payment shall be disregarded in the determination of any right of termination provided in this Section 19.1. Following the giving of such notice, the Lessee shall use its best efforts at the Lessee's sole expense to obtain bids for the purchase of such Equipment from persons not affiliated with the Lessee, provided that no bids shall be accepted after the date which is 60 days prior the date on which termination is to become effective. The Lessee shall certify to the Lessor in writing the amount of each bid so received and the name and address of the party submitting such bid promptly upon receipt thereof. The Lessor may obtain bids, but shall be under no duty to solicit bids, inquire into the efforts of the Lessee to obtain bids or otherwise take any action in connection with arranging such sale.

The Lessor shall accept the highest bid for such Equipment obtained by the Lessee or the Lessor within the 120 days following the Lessee's written notice to the Lessor. On the termination date indicated in such notice, the Lessee shall pay, in immediately available funds, to the Lessor the installment of Fixed Rental due on such date in respect of such Equipment plus the amount, if any, by which the Early Termination Value shown on Schedule E hereto, of such Equipment as of such date exceeds the proceeds of such sale net of all costs incurred by the Lessor in connection therewith. On the termination date, the Lessor shall sell to the highest bidder all of the Lessor's rights, title and interest in such Equipment.

Upon payment to the Lessor by the Lessee of the amounts required by this Section 19.1, and payment of all other sums due hereunder, this Lease shall terminate as to such Items of Equipment only. Whether or not any such difference is payable by the Lessee, the Lessee shall have no right to receive or share in any portion of the proceeds of any sale of the Equipment pursuant to this Section 19.1. If no bid is received, this Lease shall continue in full force and effect, provided that the Lessee shall have no further right to give notice of termination of this Lease pursuant to this Section 19.1 if the Lessee shall have exercised such right on three prior occasions.

19.2. Optional Termination. In addition to the rights granted to the Lessee pursuant to Section 19.1, so long as the Lessee shall not be in default under this Lease, the Lessee may, upon not less than 180 days' prior written notice to the Lessor, terminate this Lease with respect to all, but not less than all, of the Items of Equipment as of January 1, 1994 or as of any

succeeding January 1 during the term hereof. Such written notice shall designate the date on which termination is to become effective. On the termination date indicated in such notice, the Lessee shall pay, in immediately available funds, to the Lessor the installment of Fixed Rental due on such date plus an amount equal to the greater of (i) the Fair Market Value of the Equipment (determined in the manner provided in Section 14.2 hereof) or (ii) the Optional Termination Value of the Equipment as of such date, and the Lessor shall deliver to the Lessee a bill of sale transferring and assigning to the Lessee all right, title and interest of the Lessor in and to the Equipment. The term "Optional Termination Value" as used herein shall mean as of any January 1 on which such option is to be exercised an amount equal to the sum of (i) the amount shown on Schedule E hereto to be the Early Termination Value which would be payable on such date, plus (ii) the amount due and owing as a premium on the outstanding Notes to be prepaid on such date pursuant to Section 4.1(c) of the Security Agreement.

Upon payment to the Lessor by the Lessee of the amounts required by this Section 19.2 and payment of all other sums due hereunder, this Lease shall terminate, except with respect to any rights of the Lessor and duties of the Lessee regarding return of the Equipment as set forth in Section 13.

## SECTION 20. COLLATERAL ASSIGNMENT BY LESSEE OF RENTALS UNDER PERMITTED SUBLEASES.

20.1. Assignment. As collateral security for the payment of any and all of the obligations and liabilities of the Lessee due hereunder, the Lessee does hereby grant a security interest in and assigns to the Lessor all of the right, title and interest which it has acquired or may have acquired in all rentals payable or receivable under and pursuant to each and all Permitted Subleases arising from, by virtue of, or in connection with, the Equipment, whether now existing or hereafter entered into, as and only to the extent that any Permitted Sublease relates to the Equipment, including, without limitation the immediate and continuing right to receive all such rental payments now or hereafter payable or receivable pursuant to any Permitted Sublease; it being the intent and purpose hereof that the assignment and transfer to the Lessor of said rights shall be effective and operative immediately and shall continue in full force and effect at all times during the period from and after the date of this Lease until the end of the term of this Lease.

20.2. Rights of Lessee in Permitted Subleases; Segregation of Rental Payments. Notwithstanding any other provision hereof, so long as no Event of Default or any event which with the lapse of time or the giving of notice, or both, would constitute an Event of Default under this Lease shall have

occurred and be continuing, the Lessee shall have the right to receive all rentals and other sums payable under any Permitted Subleases; provided, however; that if any such Event of Default or event shall have occurred and be continuing, the Lessee shall (i) receive and retain any rental payments under any Permitted Subleases, all or any portion of which payments are attributable to or receivable with respect to the Equipment or any Item or Items thereof, in trust for the benefit of the Lessor or any assignee pursuant to Section 16 hereof, (ii) deposit any such payment in the original form in which received into a separate account established for such purpose, into which no payments other than those described in clause (i) above shall be deposited, except in the case that the original form of such payment shall include both rentals under any Permitted Sublease attributable to any Item or Items of Equipment and additional rentals not so attributable, then the entire amount of such payment under such Permitted Sublease shall be deposited into such separate account, (iii) remit from such separate account all amounts due and owing to the Lessor in respect of any Item of Equipment, and (iv) only after the full portion required to be remitted to the Lessor pursuant to clause (iii) above shall, at any given time, have been so remitted, remit the balance in such separate account to a general account of the Lessee.

The Lessee agrees that any rental payments received under any Permitted Sublease shall be first applied to, and shall be deemed to be payable in respect of, the Items of Equipment which may be leased under such Permitted Sublease, notwithstanding any default or deficiency in such rental payment by the sublessee under such Permitted Sublease.

20.3. Further Assignment. The Lessee acknowledges and agrees that (i) all rights and interests of the Lessor pursuant to this Section 20 may be assigned by the Lessor to any assignee in accordance with Section 16 hereof, and (ii) the assignment provided for in this Section 20 shall not in any way obligate the Lessor or any of its successors or assigns to perform or satisfy any of the obligations or liabilities of the Lessee, under any Permitted Sublease.

20.4. Rights under Uniform Commercial Code. Upon the occurrence of any Event of Default under this Lease, the Lessor shall, in addition to all other rights and remedies provided for herein, have in connection with the assignment provided for in this Section 20, all the rights of a secured party under the Uniform Commercial Code of Illinois (regardless of whether such Code is the law of the jurisdiction where the rights or remedies are asserted).

20.5. Further Assurance. Without limiting the foregoing the Lessee hereby agrees that it will deliver to the Lessor the original executed counterpart of any riders or schedules

delivered under any Permitted Subleases in respect of the Equipment or any Item thereof, clearly marked to indicate that such counterpart is the original counterpart for purposes of the Uniform Commercial Code, and shall clearly mark on any multiple executed counterparts of such riders or schedules in its possession that they do not constitute the original counterpart for purposes of the Uniform Commercial Code; provided, the Lessee shall not be required to deliver any such rider or schedule (i) if less than five Items of Equipment are leased thereunder, or (ii) if rail cars other than the Items of Equipment shown on Schedule A hereto are leased thereunder, provided, further, that the Lessee agrees to the extent practicable to establish procedures for the delivery of separate riders or schedules segregating the Items of Equipment from other rail cars which may be leased to any sublessee thereunder or where not so segregated, noting the security interest granted hereunder in respect of such Items. The Lessee further covenants that it will, upon the written request of the Lessor execute and deliver such further instruments and do and perform such other acts and things as are necessary to effectively invest in and secure to the Lessor and its assigns the interests assigned pursuant to this Section 20 or other rights or interests due or hereafter to become due.

20.6. Application of Moneys. All distributions and payments to the Lessor shall be applied by the Lessor to the payment and reduction of the obligations and liabilities of the Lessee under this Lease and in accordance with the terms and provisions of the Security Agreement.

20.7. Duration. The satisfaction or discharge of any part of the obligations or liabilities of the Lessee under this Lease shall not in any way satisfy or discharge the assignment provided for in this Section 20, but such assignment shall remain in full force and effect so long as any amount remains unpaid on any such obligations or liabilities.

## SECTION 21. INTEREST ON OVERDUE RENTALS AND AMOUNT PAID BY LESSOR.

Anything to the contrary herein contained notwithstanding, any nonpayment of rent due hereunder, or amounts expended by the Lessor on behalf of the Lessee, shall result in the additional obligation on the part of the Lessee to pay also an amount equal to 15.3% per annum (or the lawful rate, whichever is less) on the overdue rentals and amounts expended for the period of time during which they are overdue or expended and not repaid.

SECTION 22. MISCELLANEOUS.

22.1. Notices. Any notice required or permitted to be given by either party hereto to the other shall be deemed to have been given when deposited in the United States certified mails, first class, postage prepaid, addressed as follows:

If to the Lessor:

Valley Bank of Nevada
300 South 4th Street
Las Vegas, Nevada 89101

Attention: General Counsel

Payments to the Lessor hereunder to be made as follows:

by wire transfer of immediately available funds to
Valley Bank of Nevada
300 South 4th Street
Las Vegas, Nevada 89101
for the account of _____

_____

If to the Security Trustee:

The Connecticut Bank and Trust Company, National Association
One Constitution Plaza
Hartford, Connecticut 06115

Attention: Corporate Trust Department

If to the Lessee:

General American Transportation Corporation
120 South Riverside Plaza
Chicago, Illinois 60606

Attention: Law Department

If to the Note Purchaser: At the addresses provided therefor in Schedule 2 to the Participation Agreement.

or addressed to any such party at such other address as such party shall hereafter furnish to such other parties in writing.

22.2. Right of Lessor to Perform. If the Lessee shall fail to comply with any of its covenants herein contained, either the Lessor or, in the case of an assignment by the Lessor pursuant to Section 16 hereof, the assignee thereunder (including, without limitation, the Security Trustee and the Note Purchaser) may, but shall not be obligated to, make advances to perform the same and to take all such action as may be necessary to obtain such performance. Any payment so made by any such party and all cost and expense (including, without limitation, reasonable attorneys' fees and expenses) incurred in connection therewith shall be payable by the Lessee to the party making the same upon demand as additional rent hereunder, with interest at the rate of 15.3% per annum.

22.3. Investment Tax Credit. The Lessor and the Lessee hereby agree that the Lessee will claim any investment tax credit with respect to the purchase price of those Items of Equipment identified in Schedule A hereto as "ITC to Lessee" Items and the Lessor will, upon the written request of the Lessee, file, or cause to be filed, any election necessary to permit such claim. The Lessor agrees that they will not claim any investment tax credit under section 38 of the Code with respect to the purchase price of said "ITC to Lessee" Items.

22.4. Execution in Counterparts. This Lease, and any lease supplemental hereto, may be executed in several counterparts, each of which so executed shall be deemed to be an original and in each case such counterparts shall constitute but one and the same instrument.

22.5. Law Governing. This Lease shall be construed in accordance with the laws of the State of Illinois; provided, however, that the parties shall be entitled to all rights conferred by any applicable Federal statute, rule or regulation.

22.6. Headings and Table of Contents. All Section headings and the Table of Contents are inserted for convenience only and shall not affect any construction or interpretation of this Lease.

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

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed by their respective officers thereunder duly authorized and the corporate seals to be hereto affixed as of the day and year first above written.

VALLEY BANK OF NEVADA

By_____
Its_____

[CORPORATE SEAL]

ATTEST:

_____
_____ Secretary

GENERAL AMERICAN TRANSPORTATION CORPORATION

By R. E. Lynch
Its vice president

[CORPORATE SEAL]

ATTEST:

_____
Asst. Secretary

STATE OF NEVADA )
) SS
COUNTY OF _____ )

On this _____ day of September, 1983, before me personally appeared _____, and _____, to me personally known, who being by me duly sworn, says that they are the _____ _____ and _____, respectively of VALLEY BANK OF NEVADA, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and they 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 ILLINOIS )
) SS
COUNTY OF COOK )

On this 14th day of September, 1983, before me personally appeared R. E. LYNCH and JOHN LEVIN, to me personally known, who being by me duly sworn, says that they are the VICE PRESIDENT and ASSISTANT SECRETARY, respectively, of GENERAL AMERICAN TRANSPORTATION CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Lauren L. Doe
Notary Public

[NOTARIAL SEAL]

My commission expires: 4/29/84

## DESCRIPTION OF ITEMS OF EQUIPMENT

Manufacturer of Equipment: General American Transportation Corporation

Description and Mark and Number of Items of Equipment: 67 Tank Cars and 27 Covered Hopper Cars

| Group | Number of Cars | Description | Identifying Mark and Numbers | Selling Price Each | Total Price | Anticipated Date of Delivery and Acceptance |
|---|---|---|---|---|---|---|
| | | TANK CARS | | | | |
| D | **10 | DOT 111A100W-1 13,750 gallon Rubber Lined. Super phosphoric acid. | GATX 17525 through 17534, inclusive | $60,890 | $ 608,900 | 9/15/83 |
| D | **30 | DOT 111A100W-5 20,000 gal. Rubber Lined. Hydrochloric Acid. | GATX 61111 through 61140, inclusive | 53,729 | 1,611,870 | 9/15/83 |
| B | *7 | DOT 111A60ALW-2 20,000 gal. Aluminum. Hydrogen peroxide. | GATX 73708 through 73714, inclusive | 83,243 | 582,701 | 9/30/83 |
| B | *5 | DOT 111A100W-5 20,000 gal. Rubber Lined. Hydrochloric Acid. | GATX 12986 through 12990, inclusive | 56,611 | 283,055 | 10/30/83 |
| B | *15 | DOT 111A60W-1 11,350 gal. Titanium Dioxide. Slurry. | GATX 15671 through 15685, inclusive | 49,502 | 742,530 | 10/30/83 |

* ITC to Lessor
** ITC to Lessee

SCHEDULE A
(to Equipment Lease)

| Group | Number of Cars | Description | Identifying Mark and Numbers | Selling Price Each | Total Price | Anticipated Date of Delivery and Acceptance |
|---|---|---|---|---|---|---|
| | | COVERED HOPPER CARS | | | | |
| A | *20 | LO. Airslide 4,566 cu. ft. Polycloth lining. Flour. | GACX 56259 through 56278, inclusive | $60,700 | $1,214,000 | 10/30/83 |
| C | **3 | LO. Airslide 4,566 cu. ft. Polycloth lining. Starch. | GACX 56291 through 56293, inclusive | 58,700 | 176,100 | 9/15/83 |
| C | **4 | LO. Airslide 4,566 cu. ft. Polycloth lining. Starch. | GACX 56294 through 56297, inclusive | 58,700 | 234,800 | 9/15/83 |
| | | | TOTAL | | $5,453,956 | |

Outside Delivery Date: November 15, 1983

* ITC to Lessor
** ITC to Lessee

CERTIFICATE OF ACCEPTANCE
UNDER EQUIPMENT LEASE

TO: VALLEY BANK OF NEVADA
(the "Lessor")

GENERAL AMERICAN TRANSPORTATION CORPORATION
(the "Manufacturer")

I, a duly appointed and authorized representative of GENERAL AMERICAN TRANSPORTATION CORPORATION (the "Lessee") under the Equipment Lease dated as of August 1, 1983 between the Lessor and the Lessee, do hereby certify that I have inspected, received, approved and accepted delivery under the Lease of the following Items of Equipment:

TYPE OF EQUIPMENT:

PLACE ACCEPTED:

DATE ACCEPTED:

NUMBER OF UNITS:

MARKED AND NUMBERED:

I do further certify that the foregoing Items of Equipment are in good order and condition, and appear to conform to the specifications applicable thereto, that the Lessee has no knowledge of any defect in any of the foregoing Items of Equipment with respect to design, manufacture, condition or in any other respect, and that each Item has been labeled by means of a plate or a stencil printed in contrasting colors upon each side of the Item in letters not less than one inch in height as follows:

"TITLE TO THIS CAR IS VESTED IN A TRUSTEE UNDER AN EQUIPMENT TRUST AGREEMENT RECORDED UNDER SECTION 20c OF THE INTERSTATE COMMERCE ACT;"

and that the following words will be added to such legend as soon as practicable: "OR VESTED IN ANOTHER PERSON OR ENTITY AND SO RECORDED."

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

Dated: _____, 19__

_____
Inspector and Authorized
Representative of the Lessee

(GATC No. 83-3)

SCHEDULE B
(to Equipment Lease)

LEASE SUPPLEMENT NO. 1

This LEASE SUPPLEMENT NO. 1, dated as of _____, between VALLEY BANK OF NEVADA, a national banking association (the "Lessor"), and GENERAL AMERICAN TRANSPORTATION CORPORATION, a New York corporation (the "Lessee");

WITNESSETH:

The Lessor and the Lessee have heretofore entered into that certain Equipment Lease dated as of August 1, 1983 (the "Lease"). The terms used herein are used with the meanings specified in the Lease).

The Lease provides for the execution and delivery of a Lease Supplement substantially in the form hereof for, among other things, the purpose of confirming any change in Fixed Rentals, Casualty Value, Early Termination Value and Optional Termination Value.

NOW, THEREFORE, in consideration of the premises and other good and sufficient consideration, the Lessor and the Lessee hereby agree as follows:

1. Section 2.1(a) of the Lease is hereby amended to read in full as follows:

> "(a) Fixed Rental. For each Item of Equipment, the Lessee shall pay to the Lessor 40 semiannual installments of fixed rental (the "Fixed Rental") payable in arrears, the first through twentieth installments, both inclusive, each in an amount equal to _____% of the Purchase Price thereof, and the twenty-first through fortieth installments, both inclusive, each in an amount equal to _____% of the Purchase Price thereof."

2. Schedules D and E to the Lease, showing Casualty Values and Early Termination Values, are hereby amended to read in full as attached hereto.

3. Any and all notices, requests, certificates and other instruments executed and delivered after the execution and delivery of this Lease Supplement may refer to the "Equipment Lease dated as of August 1, 1983" or the "Lease dated as of August 1, 1983" without making specific reference to this Lease Supplement, but nevertheless all such references shall be deemed to include this Lease Supplement unless the context shall otherwise require.

4. This Lease Supplement shall be construed in connection with and as part of the Lease, and all terms, conditions and covenants contained in the Lease, except as herein modified, shall be and remain in full force and effect.

SCHEDULE C
(to Equipment Lease)

5. This Lease Supplement may be executed in any number of counterparts, each executed counterpart constituting an original but all together one and the same instrument.

IN WITNESS WHEREOF, the Lessor and the Lessee have caused this Lease Supplement to be duly executed as of the day and year first above written and to be delivered as of the date first above written.

[SEAL]

VALLEY BANK OF NEVADA

ATTEST:

By_____
Its_____

_____
Its _____ Secretary

[SEAL]

GENERAL AMERICAN TRANSPORTATION CORPORATION

ATTEST:

By_____
Its_____

_____
Its _____ Secretary

Consented to as of the date first above written.

THE CONNECTICUT BANK AND TRUST COMPANY, NATIONAL ASSOCIATION as Security Trustee

By_____
Its_____

STATE OF NEVADA )
) SS
COUNTY OF _____ )

On this _____ day of _____, 1983, before me personally appeared _____, and _____, to me personally known, who being by me duly sworn, says that they are the _____ and _____, respectively of VALLEY BANK OF NEVADA, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and they 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 ILLINOIS )
) SS
COUNTY OF COOK )

On this _____ day of _____, 1983, before me personally appeared _____ and _____, to me personally known, who being by me duly sworn, says that they are the _____ and _____, respectively, of GENERAL AMERICAN TRANSPORTATION CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

_____
Notary Public

[NOTARIAL SEAL]

My commission expires:

## SCHEDULE OF CASUALTY VALUE

The Casualty Value for an Item of Equipment contained in Group A payable on the Term Lease Commencement Date or any Fixed Rental payment date thereafter shall mean an amount equal to the percent of the Purchase Price of such Item set forth opposite such date in the following schedule:

| Term Lease Commencement Date or Number of Fixed Rental Payment Date on which Casualty Value is Paid | Percentage of Purchase Price Payable as Casualty Value |
|---|---|
| 1 | 113.036604 |
| 2 | 117.394896 |
| 3 | 117.896456 |
| 4 | 120.203430 |
| 5 | 118.510794 |
| 6 | 118.324824 |
| 7 | 114.758492 |
| 8 | 114.092896 |
| 9 | 110.440801 |
| 10 | 109.683737 |
| 11 | 105.934091 |
| 12 | 105.072990 |
| 13 | 104.154626 |
| 14 | 103.175190 |
| 15 | 102.130622 |
| 16 | 101.016591 |
| 17 | 99.828476 |
| 18 | 98.561352 |
| 19 | 97.209963 |
| 20 | 95.768708 |
| 21 | 93.095515 |
| 22 | 90.244555 |
| 23 | 87.299371 |
| 24 | 84.253698 |
| 25 | 81.100854 |
| 26 | 77.833711 |
| 27 | 74.444669 |
| 28 | 70.925621 |
| 29 | 67.267922 |
| 30 | 63.462351 |

| Term Lease Commencement Date or Number of Fixed Rental Payment Date on which Casualty Value is Paid | Percentage of Purchase Price Payable as Casualty Value |
|---|---|
| 31 | 59.499076 |
| 32 | 55.367608 |
| 33 | 51.056764 |
| 34 | 46.555687 |
| 35 | 41.896484 |
| 36 | 37.162880 |
| 37 | 32.407417 |
| 38 | 27.932094 |
| 39 | 23.696281 |
| 40 | 20.000000 |

(GATC No. 83-3)

## SCHEDULE OF CASUALTY VALUE

The Casualty Value for an Item of Equipment contained in Group B payable on the Term Lease Commencement Date or any Fixed Rental payment date thereafter shall mean an amount equal to the percent of the Purchase Price of such Item set forth opposite such date in the following schedule:

| Term Lease Commencement Date or Number of Fixed Rental Payment Date on which Casualty Value is Paid | Percentage of Purchase Price Payable as Casualty Value |
|---|---|
| 1 | 108.001001 |
| 2 | 110.429623 |
| 3 | 109.605584 |
| 4 | 111.439306 |
| 5 | 110.125645 |
| 6 | 111.521686 |
| 7 | 109.785919 |
| 8 | 110.729808 |
| 9 | 108.508427 |
| 10 | 108.932020 |
| 11 | 106.165104 |
| 12 | 106.048971 |
| 13 | 105.669781 |
| 14 | 104.961053 |
| 15 | 103.976196 |
| 16 | 102.862164 |
| 17 | 101.674049 |
| 18 | 100.406925 |
| 19 | 99.055537 |
| 20 | 97.614281 |
| 21 | 94.941088 |
| 22 | 92.090128 |
| 23 | 89.144944 |
| 24 | 86.099272 |
| 25 | 82.946427 |
| 26 | 79.679285 |
| 27 | 76.290242 |
| 28 | 72.771194 |
| 29 | 69.113495 |
| 30 | 65.307925 |

| Term Lease Commencement Date or Number of Fixed Rental Payment Date on which Casualty Value is Paid | Percentage of Purchase Price Payable as Casualty Value |
|---|---|
| 31 | 61.344649 |
| 32 | 57.213182 |
| 33 | 52.912531 |
| 34 | 48.438339 |
| 35 | 43.822868 |
| 36 | 39.133828 |
| 37 | 34.355953 |
| 38 | 29.582639 |
| 39 | 24.761242 |
| 40 | 20.000000 |

(GATC No. 83-3)

## SCHEDULE OF CASUALTY VALUE

The Casualty Value for an Item of Equipment contained in Group C payable on the Term Lease Commencement Date or any Fixed Rental payment date thereafter shall mean an amount equal to the percent of the Purchase Price of such Item set forth opposite such date in the following schedule:

| Term Lease Commencement Date or Number of Fixed Rental Payment Date on which Casualty Value is Paid | Percentage of Purchase Price Payable as Casualty Value |
|---|---|
| 1 | 105.315584 |
| 2 | 106.350216 |
| 3 | 107.203822 |
| 4 | 107.889634 |
| 5 | 108.439085 |
| 6 | 108.843040 |
| 7 | 109.118498 |
| 8 | 109.239545 |
| 9 | 109.222458 |
| 10 | 109.041419 |
| 11 | 108.716803 |
| 12 | 108.234239 |
| 13 | 107.606351 |
| 14 | 106.810539 |
| 15 | 105.858465 |
| 16 | 104.753058 |
| 17 | 103.564943 |
| 18 | 102.297818 |
| 19 | 100.946430 |
| 20 | 99.505175 |
| 21 | 96.831982 |
| 22 | 93.981022 |
| 23 | 91.035838 |
| 24 | 87.990165 |
| 25 | 84.837321 |
| 26 | 81.570178 |
| 27 | 78.181136 |
| 28 | 74.662088 |
| 29 | 71.004389 |
| 30 | 67.198818 |

| Term Lease Commencement Date or Number of Fixed Rental Payment Date on which Casualty Value is Paid | Percentage of Purchase Price Payable as Casualty Value |
|---|---|
| 31 | 63.238204 |
| 32 | 59.113940 |
| 33 | 54.822790 |
| 34 | 50.368790 |
| 35 | 45.741230 |
| 36 | 40.958823 |
| 37 | 35.990530 |
| 38 | 30.854912 |
| 39 | 25.517918 |
| 40 | 20.000000 |

(GATC No. 83-3)

## SCHEDULE OF EARLY TERMINATION VALUE

The Early Termination Value for an Item of Equipment contained in Group A payable on the Term Lease Commencement Date or any Fixed Rental payment date thereafter shall mean an amount equal to the percent of the Purchase Price of such Item set forth opposite such date in the following schedule:

| Term Lease Commencement Date or Number of Fixed Rental Payment Date on which Early Termination Value is Paid | Percentage of Purchase Price Payable as Early Termination Value |
|---|---|
| 20 | 95.768708 |
| 21 | 93.095515 |
| 22 | 90.244555 |
| 23 | 87.299371 |
| 24 | 84.253698 |
| 25 | 81.100854 |
| 26 | 77.833711 |
| 27 | 74.444669 |
| 28 | 70.925621 |
| 29 | 67.267922 |
| 30 | 63.462351 |
| 31 | 59.499076 |
| 32 | 55.367608 |
| 33 | 51.056764 |
| 34 | 46.555687 |
| 35 | 41.896484 |
| 36 | 37.162880 |
| 37 | 32.407417 |
| 38 | 27.932094 |
| 39 | 23.696281 |
| 40 | 20.000000 |

(GATC No. 83-3)

## SCHEDULE OF EARLY TERMINATION VALUE

The Early Termination Value for an Item of Equipment contained in Group B payable on the Term Lease Commencement Date or any Fixed Rental payment date thereafter shall mean an amount equal to the percent of the Purchase Price of such Item set forth opposite such date in the following schedule:

| Term Lease Commencement Date or Number of Fixed Rental Payment Date on which Early Termination Value is Paid | Percentage of Purchase Price Payable as Early Termination Value |
|---|---|
| 20 | 97.614281 |
| 21 | 94.941088 |
| 22 | 92.090128 |
| 23 | 89.144944 |
| 24 | 86.099272 |
| 25 | 82.946427 |
| 26 | 79.679285 |
| 27 | 76.290242 |
| 28 | 72.771194 |
| 29 | 69.113495 |
| 30 | 65.307925 |
| 31 | 61.344649 |
| 32 | 57.213182 |
| 33 | 52.912531 |
| 34 | 48.438339 |
| 35 | 43.822868 |
| 36 | 39.133828 |
| 37 | 34.355953 |
| 38 | 29.582639 |
| 39 | 24.761242 |
| 40 | 20.000000 |

(GATC No. 83-3)

SCHEDULE E-2
(to Equipment Lease)
(Group B)

| or Number of Fixed Rental Payment Date on which Early Termination Value is Paid | Percentage of Purchase Price Payable as Early Termination Value |
|---|---|
| 20 | 99.505175 |
| 21 | 96.831982 |
| 22 | 93.981022 |
| 23 | 91.035838 |
| 24 | 87.990165 |
| 25 | 84.837321 |
| 26 | 81.570178 |
| 27 | 78.181136 |
| 28 | 74.662088 |
| 29 | 71.004389 |
| 30 | 67.198818 |
| 31 | 63.238204 |