12439
RECORDATION NO. ..... Filed 1425

CRAVATH, SWAINE & MOORE

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12439/C
RECORDATION NO. ..... Filed 1425
NOV 26 1980 -9 05 AM
INTERSTATE COMMERCE COMMISSION

12439/A
RECORDATION NO. ..... Filed 1425
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INTERSTATE COMMERCE COMMISSION

12439/B
RECORDATION NO. ..... Filed 1425
NOV 26 1980 -9 05 AM
INTERSTATE COMMERCE COMMISSION

12439/D
RECORDATION NO. ..... Filed 1425
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INTERSTATE COMMERCE COMMISSION

12439/E
RECORDATION NO. ..... Filed 1425
NOV 26 1980 -9 05 AM
INTERSTATE COMMERCE COMMISSION

No. 0-331[illegible]
Date NOV 26 1980
Fee $ 150.00

ICC Washington, D. C.

November 25, 1980

Early & Daniel Industries, Inc.
Lease Financing Dated as of September 15, 1980
13% Conditional Sale Indebtedness
Due 1997-1999

Dear Ms. Mergenovich:

Pursuant to 49 U.S.C. § 11303 and the Commission's rules and regulations thereunder, as amended, I enclose herewith on behalf of Early & Daniel Industries, Inc., for filing and recordation counterparts of the following documents:

New Number

(1) (a) Conditional Sale Agreement dated as of September 15, 1980, between North American Car Corporation and Exchange National Bank of Chicago, as Trustee; and

-A

(b) Agreement and Assignment dated as of September 15, 1980, between North American Car Corporation and La Salle National Bank, as Agent.

-B

(2) (a) Lease of Railroad Equipment dated as of September 15, 1980, between Early & Daniel Industries, Inc., and Exchange National Bank of Chicago, as Trustee; and

-C

(b) Assignment of Lease, Reassignment of Sublease, Assignment of Guarantee Agreement and Agreement dated as

Counterparts Document lying for 6

-D next page

-E next page

Eduardo J. Solis

of September 15, 1980, between Exchange National Bank of Chicago, as Trustee, and La Salle National Bank, as Agent.

-D — (3)(a) Sublease of Railroad Equipment dated as of September 15, 1980, between Tidewater Grain Company and Early & Daniel Industries, Inc.; and

-E — (b) Assignment of Sublease and Agreement dated as of September 15, 1980, between Exchange National Bank of Chicago, as Trustee and Early & Daniel Industries, Inc.

The names and addresses of the parties to the aforementioned Agreements are as follows:

(1) Vendor-Assignee-Agent:

La Salle National Bank.
135 South La Salle Street,
Chicago, Illinois 60690.

(2) Trustee-Owner-Trustee:

Exchange National Bank of Chicago,
La Salle and Adams Streets,
Chicago, Illinois 60690.

(3) Builder-Vendor:

North American Car Corporation,
222 South Riverside Plaza,
Chicago, Illinois 60606.

(4) Lessee-Sublessor:

Early & Daniel Industries, Inc.,
70 Pine Street,
New York, N. Y. 10005

(5) Sublessee:

Tidewater Grain Company,
346 Public Ledger Building,
Independence Square,
Philadelphia, Pennsylvania 19106.

Please file and record the documents referred to

in this letter and index them under the names of the Vendor-Assignee-Agent, the Trustee-Owner-Trustee, the Builder-Vendor, the Lessee-Sublessor and the Sublessee.

The equipment covered by the aforementioned documents consists of the following:

300 4,750 cubic-foot covered hopper cars, AAR Mechanical Designation: LO, bearing identifying numbers of the Lessee TWGX 2250-2549, both inclusive.

There is also enclosed a check for $150 payable to the Interstate Commerce Commission, representing the fee for recording the Conditional Sale Agreement and related Agreement and Assignment (together constituting one document), the Lease of Railroad Equipment and related Assignment of Lease, Reassignment of Sublease, Assignment of Guarantee Agreement and Agreement (together constituting one document) and the Sublease of Railroad Equipment and related Assignment of Sublease (together constituting one document).

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

Very truly yours,

Robert A. Kindler
As Agent for
Early & Daniel Industries, Inc.

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

Encls.

12439/B
RECORDATION NO. ..... Filed 1425

NOV 26 1980 -9 05 AM

INTERSTATE COMMERCE COMMISSION

LEASE OF RAILROAD EQUIPMENT

Dated as of September 15, 1980

Between

EARLY & DANIEL INDUSTRIES, INC.,
Lessee,

and

EXCHANGE NATIONAL BANK OF CHICAGO,
not in its individual capacity, but solely as trustee under
a Trust Agreement dated as of the date hereof with
Republic National Leasing Corporation

[covering 300 covered hopper cars]

The rights and interests of the Lessor under this Lease are subject to a security interest in favor of LA SALLE NATIONAL BANK, as Agent for certain institutional investors. The original of this Lease is held by said Agent.

LEASE OF RAILROAD EQUIPMENT dated as of September 15, 1980, between EARLY & DANIEL INDUSTRIES, INC., an Indiana corporation ("Lessee"), and EXCHANGE NATIONAL BANK OF CHICAGO, a national banking association, acting not in its individual capacity but solely as trustee (together with its successors and assigns, "Owner-Trustee") under a Trust Agreement dated as of the date hereof ("Trust Agreement"), with Republic National Leasing Corporation ("Owner").

The Owner-Trustee is entering into a Conditional Sale Agreement dated as of the date hereof ("CSA") with North American Car Corporation, a Delaware corporation ("NAC"), wherein NAC has agreed to sell and deliver to the Owner-Trustee the units of railroad equipment described in Schedule A hereto ("Equipment").

NAC is assigning its interests in the CSA to La Salle National Bank, acting as agent for certain investors (said bank, as so acting, together with its successors and assigns, "Vendor") under a Participation Agreement dated as of the date hereof ("Participation Agreement") with the Lessee, the Owner-Trustee, North American Car Corporation ("Guarantor" or "NAC", such designations being used for convenience only and not affecting the construction of provisions where either designation is used), the Owner, Tidewater Grain Company, a Pennsylvania corporation ("Sublessee"), Commerce Bank of Kansas City ("Interim Investor") and the parties named in Schedule A thereto.

The Lessee desires to lease such number of units of the Equipment as are delivered and accepted and settled for under the CSA ("Units") at the rentals and for the terms and upon the conditions hereinafter provided.

The Lessee will sublease to the Sublessee the Equipment pursuant to a Sublease of Railroad Equipment ("Sublease").

North American Car Corporation (in such capacity called the Guarantor) is entering into a Guarantee Agreement dated the date hereof in the form attached as Exhibit C to the Participation Agreement ("Guarantee Agreement") pursuant to which it will guarantee payment

and performance by the Lessee of its obligation hereunder.

The Owner-Trustee will assign this Lease, the Guarantee Agreement and the Sublease for security to the Vendor pursuant to an Assignment of Lease, Reassignment of Sublease, Assignment of Guarantee Agreement and Agreement ("Lease Assignment") dated as of the date hereof, and the Lessee will consent to the Lease Assignment pursuant to a Lessee's Consent and Agreement ("Consent") dated as of the date hereof.

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

§ 1. NET LEASE

This Lease is a net lease. The Lessee's obligation to pay all rentals and other amounts hereunder shall be absolute and unconditional and, except as herein provided, the Lessee shall not be entitled to any abatement of rent or of other amounts due hereunder, reduction thereof or setoff against rent or such other amounts, including, but not limited to, abatements, reductions or setoffs due or alleged to be due by reason of any past, present or future claims of the Lessee against the Owner-Trustee or the Owner under this Lease or under the CSA, including the Lessee's rights by subrogation thereunder against NAC or the Vendor or otherwise; nor, except as otherwise expressly provided herein, shall this Lease terminate, or the respective obligations of the Owner-Trustee or the Lessee be otherwise affected, by reason of any defect in or damage to or loss of possession or loss of use or destruction of all or any of the Units of Equipment from whatsoever cause, any liens, encumbrances or rights of others with respect to any of the Units, the prohibition of or other restriction against the Lessee's use of all or any of the Units, the interference with such use by any person or entity, the invalidity or unenforceability or lack of due authorization or approval of this Lease, any present or future insolvency of or the bankruptcy, reorganization or similar proceeding against the Lessee, or for any other cause whether similar or dissimilar to the foregoing, any present or future law

to the contrary notwithstanding, it being the intention of the parties hereto that the rents and other amounts payable by the Lessee hereunder shall continue to be payable in all events in the manner and at the times herein provided unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease. To the extent permitted by applicable law, the Lessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender the lease of any of the Units except in accordance with the express terms hereof. Each rental or other payment made by the Lessee hereunder shall be final, except for payments made in error, and the Lessee shall not seek to recover all or any part of such payment from the Owner-Trustee, the Owner or the Vendor for any reason whatsoever.

§ 2. DELIVERY AND ACCEPTANCE OF UNITS

The Owner-Trustee hereby appoints the Lessee its agent for inspection and acceptance of the Units pursuant to Article 3 of the CSA. Each delivery of a Unit to the Owner-Trustee under the CSA shall be deemed to be a delivery hereunder to the Lessee at the point or points within the United States of America at which such Unit is delivered to the Owner-Trustee under the CSA. Upon such delivery, the Lessee will cause an employee or agent of the Lessee to inspect the same, and if such Unit is found to be acceptable, to accept delivery of such Unit on behalf of the Owner-Trustee under the CSA and itself hereunder and execute and deliver to the Owner-Trustee a certificate of acceptance ("Certificate of Acceptance") in accordance with the provisions of Article 3 of the CSA, stating that such Unit has been inspected and accepted on behalf of the Lessee and the Owner-Trustee on the date of such Certificate of Acceptance and is marked in accordance with § 5 hereof, whereupon such Unit shall be deemed to have been delivered to and accepted by the Lessee and shall be subject thereafter to all the terms and conditions of this Lease. The Lessee hereby represents and warrants to the Owner-Trustee that no Unit shall be put into service by the Lessee or any person under the control of or with the consent of the Lessee earlier than the date of delivery to and acceptance by the Lessee as agent for the Owner-Trustee hereunder. The delivery, inspection and acceptance hereunder of any unit of Equipment excluded from the CSA

pursuant to the first paragraph of Article 4 thereof shall be null and void and ineffective to subject such Unit to this Lease.

§ 3. RENTALS

3.1. Amount and Date of Payment. The Lessee agrees to pay to the Owner-Trustee, as rental for each Unit subject to this Lease, an interim rental payment on the earlier of the last Closing Date (as defined in the CSA) or December 31, 1980 (the earlier of such dates being called the Lease Commencement Date), and thereafter 240 consecutive monthly payments, payable on each monthly anniversary of the Lease Commencement Date. The interim rental payment shall be in an amount equal to the product of the Purchase Price (as defined in the CSA) of each Unit then subject to this Lease, multiplied by .026814% for each day elapsed from and including the Closing Date on which settlement shall have been made for such Unit under the CSA to the interim rental payment date. The 240 monthly rental payments due after the interim rental payment shall each be in an amount equal to .8156% of the Purchase Price of each Unit subject to this Lease on the date of such payment. As additional rent, the Lessee will pay (i) the amounts, if any, to be paid by the Owner-Trustee pursuant to Section 10.1 of the Participation Agreement, (ii) any Investment Deficiency paid pursuant to Section 2.5 thereof (iii) for each of the first four monthly rental payments an amount equal to the excess of (a) the Interim Rate (as defined in the CSA) multiplied by the Series A CSA Indebtedness (as defined in the CSA), divided by 12, over (b) 13% multiplied by the Series A CSA Indebtedness, divided by 12, (iv) for the fifth monthly rental payment an amount equal to the excess of (a) the Fifth Payment Date Rate (as defined in the CSA) multiplied by the Series A CSA Indebtedness (as defined in the CSA), divided by 12, over (b) 13% multiplied by the Series A CSA Indebtedness, divided by 12, and (v) any additional amounts necessary to satisfy obligations of the Owner-Trustee under the CSA with respect to CSA Indebtedness and interest thereon.

3.2. Payment on Nonbusiness Day. If any of the monthly rental payment dates referred to above is not a business day (as such term is defined in the CSA) the monthly rental payment otherwise payable on such date shall then be payable on the next succeeding business day,

and no interest shall be payable for the period from and after the nominal date for payment thereof to such next succeeding business day.

3.3. Instructions To Pay Agent and Owner-Trustee. Until the Vendor notifies the Lessee that the CSA is no longer in effect, the Owner-Trustee irrevocably instructs the Lessee to make all the payments due the Owner-Trustee provided for in this Lease (other than payments to the Owner-Trustee in its individual capacity) to the Vendor, for the account of the Owner-Trustee, in care of the Vendor. The Owner-Trustee has instructed the Vendor (a) first to apply such payments to satisfy the obligations of the Owner-Trustee under the CSA known to the Vendor to be due and payable on the date such payments are due and payable hereunder and (b) second, so long as no event of default under the CSA shall have occurred and be continuing, to pay any balance promptly to the Owner-Trustee or to the order of the Owner-Trustee in immediately available funds at such place as the Owner-Trustee shall specify in writing. The Lessee shall have no responsibility with respect to the application by the Vendor of payments made by it in accordance with the first sentence of this paragraph.

3.4. Payment in Immediately Available Funds. The Lessee agrees to make each payment provided for in § 3.1 hereof in immediately available funds at or prior to 11:00 a.m. Chicago, Illinois, time at the office of the Vendor on the date due, or if the CSA shall no longer be in effect, at the office of the Owner-Trustee.

§ 4. TERM OF LEASE

4.1. Beginning and Termination; Survival. The term of this Lease as to each Unit shall begin on the date of delivery and acceptance of such Unit hereunder and, subject to the provisions of §§ 7 and 10 hereof, shall terminate on the date on which the final payment of rent in respect thereof is due pursuant to § 3 hereof. Except for obligations of the Lessee under §§ 1, 3, 6 (subject to the penultimate paragraph of §§ 6), 7, 9 (subject to §§ 9.6), 10, 11, 12A.3, 13 and 15 hereof no obligations of the Lessee shall survive the expiration of the term of this Lease.

4.2. Rights and Obligations of Lessee Subject to CSA. Except as stated below, all rights and obligations of the Lessee under this Lease and in and to the Units are subject to the rights and obligations of the Vendor under the CSA. If an event of default should occur under the CSA, the Vendor may terminate this Lease (or rescind its termination) without affecting the indemnities which by the provisions of this Lease survive the termination of its term; provided, however, that so long as (i) no Event of Default exists hereunder, and (ii) the Lessee is complying with the provisions of the Consent, this Lease may not be terminated and the Lessee shall be entitled to the rights of possession, use and assignment provided under § 12A hereof.

§ 5. IDENTIFICATION MARKS

The Lessee will cause each Unit to be kept numbered with the identifying number set forth in Schedule A hereto, or in the case of any Unit not there listed such identifying number as shall be set forth in any amendment or supplement hereto extending this Lease to cover such Unit, and will keep and maintain, plainly, distinctly, permanently and conspicuously marked on each side of each Unit, in letters not less than one inch in height, the words, "OWNERSHIP SUBJECT TO A SECURITY AGREEMENT FILED WITH THE INTERSTATE COMMERCE COMMISSION", or other appropriate words designated by the Vendor or the Owner-Trustee, with appropriate changes thereof and additions thereto as from time to time may be designated by Owner-Trustee or Vendor as required by law or reasonably requested in order to protect the Owner-Trustee's and the Vendor's title to and interest in such Unit and the rights of the Owner-Trustee under this Lease and of the Vendor under the CSA. The Lessee will not place or permit any such Unit to be placed in operation or exercise any control or dominion over the same until such words shall have been so marked on both sides thereof and will replace or cause to be replaced promptly any such name and words which may be removed, defaced, obliterated or destroyed. The Lessee will not change or permit to be changed the identifying number of any Unit unless and until (i) a statement of new number or numbers to be substituted therefor shall have been filed with the Vendor and the Owner-Trustee and filed, recorded and deposited by the Lessee in all public offices where this Lease and the CSA shall have been filed,

recorded and deposited and (ii) the Lessee shall have furnished the Vendor and the Owner-Trustee an opinion of counsel to the effect that such statement has been so filed, recorded and deposited, such filing, recordation and deposit will protect the Vendor's and the Owner-Trustee's interests in such Units and no filing, recording, deposit or giving of notice with or to any other Federal, state or local government or agency thereof is necessary to protect the interests of the Vendor and the Owner-Trustee in such Units.

Except as above provided, the Lessee will not allow the name of any person, association or corporation to be placed on any Unit as a designation that might be interpreted as a claim of ownership; provided, however, that the Lessee may permit the Equipment to be lettered with the names, trademarks, initials or other insignias customarily used by the Lessee, the Sublessee, the Guarantor or the affiliates of any of them (or any sublessee of them under a sublease authorized by § 12A hereof) on railroad equipment used by it of the same or a similar type for convenience of identification of its rights to use the Equipment under this Lease, and the Equipment may be lettered in an appropriate manner for convenience of identification of the interest of the Lessee therein.

§ 6. TAXES

Whether or not any of the transactions contemplated hereby are consummated, the Lessee agrees to pay, and to indemnify and hold the Owner-Trustee, the Owner, the Vendor, NAC, the Investors, and the estate held in trust by the Owner-Trustee under the Trust Agreement harmless from all taxes (income, gross receipts, franchise, sales, use, property [real or personal, tangible or intangible] and stamp taxes), assessments, fees and charges of any nature whatsoever, together with any penalties, fines, additions to tax or interest thereon, howsoever imposed, whether levied or imposed upon the Owner-Trustee, the Owner, the Vendor, the Investors, the Lessee, the trust estate created by the Trust Agreement, NAC or otherwise, by any Federal, state or local government or governmental subdivision in the United States or by any foreign country or subdivision thereof, upon or with respect to: any Unit or any part thereof; the manufacture, purchase, ownership, delivery, leasing, possession, use, operation, transfer of

title, return or other disposition thereof; the rentals, receipts or earnings arising therefrom or value added thereto; this Lease, the Lease Assignment, the Sublease, the Sublease Assignment, the Guarantee Agreement, the Consent, the Sublease Assignment Consent, the Trust Agreement, the Participation Agreement, the CSA or the CSA Assignment, any payment made pursuant to any such agreement, or the property, the income or other proceeds received with respect to property held in trust by the Owner-Trustee under the Trust Agreement (all such taxes, assessments, fees, charges, penalties, fines, additions to tax and interest imposed as aforesaid being hereinafter called "Taxes"); excluding, however: (i) Taxes of the United States or of any state or political subdivision thereof and (if and to the extent that any person indemnified hereunder is currently allowed a credit therefor against its United States Federal income taxes) of any foreign country or subdivision thereof, imposed on or measured solely by the net income or excess profits of the Owner-Trustee, the Owner, the Investors, NAC or the Vendor, or franchise or value added tax to the extent adopted in substitution thereof, other than Taxes arising out of or imposed in respect of the receipt of indemnification payments pursuant to this Lease or gross receipts taxes which are in lieu of a property tax; provided that such Taxes of any foreign country or subdivision thereof incurred as a result of the indemnified party being taxed by such foreign country or jurisdiction on its worldwide income without regard to the transactions contemplated by this Lease shall be excluded whether or not the indemnified party is currently allowed a credit against its United States Federal income taxes; (ii) any Taxes imposed as a direct result of a voluntary transfer or other voluntary disposition by the Owner or any transfer or disposition by the Owner resulting from bankruptcy or other proceedings for the relief of creditors in which the Owner is the debtor, whether voluntary or involuntary, of any interest in any Unit or interest in rentals under this Lease or in the Trust Estate (as defined in the Trust Agreement) without the consent of the Lessee, unless, in each case, such transfer or disposition is required or contemplated by this Lease or an Event of Default shall have occurred and be continuing; and (iii) any Taxes imposed on or measured by any trustee fees received by the Owner-Trustee or any compensation received by the Vendor; provided, however, that the Lessee shall not be required to pay any Taxes during the period it may be contesting the same in the manner provided in the next succeeding para-

graph. The Lessee further agrees to pay on or before the time or times prescribed by law any tax imposed on or measured solely by the net income of the Lessee (or the affiliated group, within the meaning of section 1504 of the Internal Revenue Code of 1954, as amended, of which the Lessee is a member) under the laws of the United States or of any state or political subdivision thereof, or of any foreign country or subdivision thereof which, if unpaid, might result in a lien or other encumbrance upon any Unit; provided, however, that the Lessee shall not be required to pay any such tax during the period it may be contesting the same. The amount which the Lessee shall be required to pay with respect to any taxes indemnified against pursuant to this § 6 shall be an amount sufficient to restore the indemnified party to the same position such indemnified party would have been in had such Taxes not been imposed.

If claim is made against any indemnified party for any Taxes indemnified against under this § 6, such party shall promptly notify the Lessee. If reasonably requested by the Lessee in writing, such indemnified party shall, upon receipt of indemnity satisfactory to it for all costs, expenses, losses, legal and accountants' fees and disbursements, penalties, fines, additions to tax and interest, and at the expense of the Lessee, contest in good faith the validity, applicability or amount of such Taxes by (a) resisting payment thereof if possible, (b) not paying the same except under protest, if protest is necessary and proper, and (c) if payment is made, using reasonable efforts to obtain a refund thereof in appropriate administrative or judicial proceedings, or both. The Lessee may also contest, at its own expense, the validity, applicability or amount of such Taxes in the name of such indemnified party; provided that no proceeding or action relating to such contest shall be commenced (nor shall any pleading, motion, brief or other paper be submitted or filed in the name of such indemnified party in any such proceeding or action) without the prior written consent of such indemnified party, which consent shall not be unreasonably withheld. If such indemnified party shall obtain a refund of all or any part of such Taxes previously reimbursed by the Lessee in connection with any such contest or an amount representing interest thereon applicable to the amount paid by the Lessee and the period of such payment, such indemnified party shall pay to the Lessee the amount of such refund or interest net of expenses; provided, however, that no Event of Default

and no event which, with notice or lapse of time or both, would constitute an Event of Default shall have occurred and be continuing.

If any person indemnified hereunder shall be allowed a credit for any foreign taxes for which the Lessee shall have reimbursed such indemnified party, such indemnified party shall pay to the Lessee the amount of such credit, plus an amount equal to any tax benefits realized by such indemnified party as a result of any payment to the Lessee pursuant to this sentence.

For purposes of this paragraph, in determining the order in which the indemnified party utilizes withholdings or other foreign taxes as a credit against such indemnified party's United States income taxes, such indemnified party shall be deemed to utilize tax credits in the following order: (i) all foreign taxes arising in connection with its business other than equipment lease transactions, (ii) all foreign taxes arising from lease transactions entered into prior to the transactions contemplated hereby, (iii) all foreign taxes arising from this lease transaction and (iv) all foreign taxes arising in connection with lease transactions entered into after the transactions contemplated hereby. Each indemnified party shall in good faith use reasonable efforts in filing its tax returns and in dealing with taxing authorities to claim a credit for any foreign taxes for which the Lessee shall have reimbursed such indemnified party and otherwise to minimize any taxes for which the Lessee is responsible under this § 6.

In case any report or return is required to be made with respect to any obligation of the Lessee under this § 6 or arising out of this § 6, except obligations resulting from the second sentence of the first paragraph of this § 6, the Lessee shall either make such report or return in such manner as will show the interests of the Owner-Trustee in the Units, or shall promptly notify the Owner-Trustee, the Owner and the Vendor of such requirement and shall make such report or return in such manner as shall be reasonably satisfactory to the Owner-Trustee, the Vendor and the Owner. All costs and expenses (including legal and accountants' fees) of preparing any such return or report shall be borne by the Lessee.

All the obligations of the Lessee under this § 6

shall survive and continue, but only with respect to periods included in the term of this Lease and any period during which the Lessee is required to pay rental pursuant to the penultimate sentence of § 13 hereof, notwithstanding payment in full of all amounts due under the CSA or the termination of this Lease. All amounts payable by the Lessee pursuant to this § 6 shall be payable directly to the indemnified party entitled to indemnification, except to the extent paid to a governmental agency or taxing authority.

The Lessee shall furnish promptly upon request, such information and data as is normally available to the Lessee and which the Owner-Trustee, the Vendor or the Owner reasonably may require to permit compliance with the requirement of any taxing authority.

§ 7. PAYMENT FOR CASUALTY OCCURRENCES, INSURANCE

7.1. Definition of Casualty Occurrence; Payments. In the event that any Unit shall be or become worn out, lost, stolen, destroyed, irreparably damaged, or permanently rendered unfit for use from any cause whatsoever, or taken or requisitioned by condemnation or otherwise resulting in loss of possession by the Lessee for a period of 90 consecutive days, except requisition for use by the United States Government ("Government") for a period not in excess of the then remaining term of this Lease (such occurrences being hereinafter called Casualty Occurrences) during the term of this Lease, or until such Unit shall have been returned in the manner provided in § 11 or 13 hereof, the Lessee shall within seven days after it shall have reasonably determined that such Unit has suffered a Casualty Occurrence notify the Owner-Trustee and the Vendor with respect thereto specifying the date, cause and extent of such Casualty Occurrence. On the rental payment date next succeeding the delivery of such notice (or, in the event such rental payment date will occur within 10 days after delivery of notice, on the following rental payment date, or, in the event the term of this Lease has already expired or will expire within 10 days after delivery of such notice, on a date within 10 days of such delivery), the Lessee shall pay to the Owner-Trustee an amount equal to the rental payment or payments in respect of such Unit due and payable on such date plus a

sum equal to the Casualty Value (as defined in the next sentence) of such Unit as of the date of such payment in accordance with the schedule referred to hereafter. The Casualty Value of each Unit as of the payment date on which payment is to be made as aforesaid shall be that percentage of the Purchase Price of such Unit as is set forth in Schedule B hereto opposite such date. Upon the making of such payment by the Lessee in respect of any Unit, the rental for such Unit shall cease to accrue as of the date of such payment, the term of this Lease as to such Unit shall terminate and (except in the case of the loss, theft or complete destruction of such Unit) the Owner-Trustee shall be entitled to recover possession of such Unit.

If the date upon which the making of such payment by the Lessee in respect of any Unit as required as aforesaid shall be after the term of this Lease in respect of such Unit has expired, no rental for such Unit shall accrue after the end of such term but the Lessee, in addition to paying the Casualty Value for such Unit shall pay interest thereon from the end of such term to the date of such payment at the rate of 13% per annum. However, if the Casualty Occurrence occurs after the Lease Term has expired, the Lessee shall pay interest thereon at the rate of 13% per annum commencing 10 days after such Casualty Occurrence to the date of such payment.

7.2. Lessee Agent for Disposal. The Owner-Trustee hereby appoints the Lessee its agent to dispose of any Unit suffering a Casualty Occurrence or any component thereof, before or after the expiration of this Lease, at the best price obtainable by the Lessee upon exercise of reasonable efforts on an "as is, where is" basis. Provided that the Lessee has previously paid the Casualty Value to the Owner-Trustee and is not in default hereunder, the Lessee shall be entitled to the proceeds of such disposition to the extent they do not exceed the Casualty Value of such Unit, and shall pay any excess to the Owner-Trustee.

7.3. Requisition by United States Government. In the event of the requisition for use by the Government of any Unit for a period which does not exceed the term of this Lease, or for an indefinite period (except where deemed a Casualty Occurrence pursuant to § 7.1 hereof), all the obligations of the Lessee under this Lease with respect to such Unit shall continue to the same extent

as if such requisition had not occurred. All payments received by the Owner-Trustee or the Lessee from the Government for the use of such Unit during the term of this Lease shall be paid over to, or retained by, the Lessee provided no Event of Default (or other event which after notice or lapse of time or both would become an Event of Default) shall have occurred and be continuing.

7.4. No Release. Except as hereinabove in this § 7 provided, the Lessee shall not be released from its obligations hereunder in the event of, and shall bear the risk of, any Casualty Occurrence to any Unit from and after delivery and acceptance thereof by the Lessee hereunder until expiration of this Lease and Lessee's obligations under §§ 11 and 13 hereof.

7.5. Insurance. The Lessee shall, at all times prior to the return of the Equipment to the Owner-Trustee, at its own expense, cause to be carried and maintained public liability insurance, naming the Owner, the Owner-Trustee, the Guarantor and the Vendor as additional named insureds as their interests may appear, at least in amounts and against risks customarily insured against by the Lessee in respect of similar equipment owned by it; provided, however, that, subject to availability, the amount of such coverage shall not, at any time, be less than $25 million (with a deductible of not greater than $1 million) per occurrence.

The Lessee shall obtain from each insurer under the paragraph immediately above an agreement, by endorsement or separate instrument, that such insurer will give the Owner-Trustee, the Guarantor and the Vendor 30 days' written notice before such insurer's policy shall be materially altered or canceled or not renewed. In January of each year, the Lessee shall deliver to the Owner-Trustee, the Guarantor and the Vendor a certificate of insurance by or on behalf of each insurer stating the coverage, named insureds and limits of each such policy.

If at any time the Lessee elects, in its sole business judgment, to carry property insurance on any of its fleet of hopper cars, both owned and leased, all such policies of insurance shall also cover the Units. Any policies of insurance carried in accordance with this paragraph shall (i) require 30 days' prior notice of cancelation or material change in coverage to the Owner

and the Vendor, (ii) name the Owner-Trustee, the Owner and the Vendor as additional named insureds as their respective interests may appear, and (iii) waive any right to claim premiums or commissions against the Owner, the Owner-Trustee and the Vendor and, in the event such policies shall contain breach of warranty provisions, such policies shall provide that in respect of the interests of the Owner-Trustee and the Vendor in such policies the insurance shall not be invalidated by any action or inaction of the Lessee or any other person (other than the Owner, the Owner-Trustee and the Vendor, respectively) and shall insure the Owner-Trustee and the Vendor regardless of any breach or violation of any warranty, declaration or condition contained in such policies by the Lessee or by any other person (other than the Owner, the Owner-Trustee or the Vendor, respectively). The Lessee shall deliver to the Owner upon the Owner's request duplicate originals of all policies, if any (or in the case of blanket policies, certificates thereof issued by the issuers thereunder, if any) for the insurance obtained pursuant to this § 7.5.

7.6. Insurance Proceeds and Condemnation Payments. If the Owner-Trustee shall receive (directly or from the Vendor) any insurance proceeds from a policy or policies obtained by the Lessee or condemnation payments in respect of such Units suffering a Casualty Occurrence, the Owner-Trustee shall pay forthwith such proceeds or condemnation payments to the Lessee up to an amount equal to the Casualty Value with respect to any Unit theretofore paid by the Lessee and any balance of such proceeds or condemnation payments shall remain the property of the Owner-Trustee; provided, however, that no Event of Default shall have occurred and be continuing and the Lessee shall have made payment of the Casualty Value thereof, and accrued rentals in respect of such Units, to the Owner-Trustee.

7.7. Economic Obsolescence. In the event that the Lessee shall, in its reasonable judgment, determine that all the Units remaining under this Lease have become economically obsolete or surplus to the Lessee's and its subsidiaries' requirements in the Lessee's and its subsidiaries' business and an officer of the Lessee shall have provided a certificate to such effect to the Owner-Trustee and the Agent, the Lessee shall have the right, at its option and on at least 120 days' prior written notice to the Owner-Trustee, to terminate (which act shall herein-

after be called the "Termination") this Lease as to not less than all such Units as of any succeeding rental payment date specified in such notice occurring more than 120 days thereafter (such termination date so specified being hereinafter called the "Termination Date"); provided, however, that (i) the Termination Date shall not be earlier than the 85th monthly rental payment date, (ii) no Event of Default or other event which after the lapse of time or the giving of notice or both would become an Event of Default shall have occurred and be continuing on such date and (iii) on the Termination Date all Units shall be in the condition required for redelivery pursuant to § 13 hereof.

During the period after the giving of such notice until the fifth business day preceding the Termination Date, the Lessee shall use its best efforts to obtain bids for the purchase of each such Unit, and the Lessee shall at least five business days prior to such Termination Date certify to the Owner-Trustee the amount of each such bid and the name and address of the party (which shall not be a corporation, other entity or individual affiliated with the Lessee or any party for whom the Lessee or any such affiliate intends thereafter to lease such Unit) submitting such bid. On the Termination Date the Trustee shall sell each such Unit for cash to the bidder who shall have submitted the highest bid prior to the Termination Date. The total sale price realized at each such sale shall be retained by the Owner-Trustee.

On such Termination Date, the Lessee shall pay to the Owner-Trustee with respect to each such Unit an amount equal to (i) the excess, if any, of the Termination Value (as hereinafter defined) for each such Unit computed as of such date over the sale price of any such Unit so sold after the deduction of all expenses incurred by the Owner-Trustee in connection with such sale and (ii) the rental payment with respect to each such Unit due on such Termination Date. The Termination Value of each such Unit as of the Termination Date on which payment is to be made shall be equal to that percentage of the Purchase Price of such Unit as is set forth in Schedule C hereto opposite such date (such amounts include the "Capital Prepayment Premium" as defined in Section 7.4 of the CSA). In no event shall the aggregate amount of sale proceeds retained by the Owner-Trustee and payments of rental and Termination Value received by the Owner-Trustee as aforesaid be less

than the Termination Value (as defined in Section 7.4 of the CSA) with respect to such Units as of such Termination Date.

If no sale of the Units shall occur on the Termination Date with respect thereto as provided above, this Lease shall continue in full force and effect without change.

Subject to the receipt by the Owner-Trustee on the Termination Date of the amounts above described, the obligation of the Lessee to pay rent pursuant to § 3 hereof in respect of such Unit on each rental payment date shall continue to and include the Termination Date but shall then terminate. The Owner-Trustee shall be under no duty to solicit bids, to inquire into the efforts of the Lessee to obtain bids or otherwise to take any action or incur any cost or expense in connection with any sale other than to transfer or to cause to be transferred all the Owner-Trustee's right, title and interest in and to such Unit to the purchaser named in the highest bid certified by the Lessee to the Owner-Trustee as above provided. Any such sale shall be free and clear of all the Lessee's rights to such Unit, but otherwise shall be made without warranties other than against the Owner-Trustee's acts.

If the Lessee shall exercise its option to effect a Termination, the Owner-Trustee may, notwithstanding such election by the Lessee, by written notice to the Lessee, the Agent and the Investors given within 60 days after the termination notice is given to the Owner-Trustee and upon satisfaction and discharge of the Owner-Trustee's obligations under the CSA with respect to any such Unit, elect to retain such Unit. In the event the Owner-Trustee shall so elect to retain such Unit and delivers to the Lessee evidence of the satisfaction and discharge of the Owner-Trustee's obligations under the CSA with respect to such Unit, the Lessee shall not be obligated to pay the Termination Value to the Owner-Trustee and the Lessee shall deliver such Unit to the Owner-Trustee in accordance with the provisions of § 13 hereof.

§ 8. REPORTS

On or before September 1 in each year, commencing with September 1, 1981, the Lessee will furnish to the

Owner-Trustee, the Owner and the Vendor an accurate statement (a) setting forth as at the preceding May 31 the amount, description and numbers of all Units then leased hereunder and covered by the CSA, the amount, description and numbers of all Units that have suffered a Casualty Occurrence during the preceding calendar year (specifying the dates of such Casualty Occurrences) or to the knowledge of the Lessee are then undergoing repairs (other than running repairs) or are then withdrawn from use pending repairs (other than running repairs) and such other information regarding the condition and state of repair of the Units as the Owner-Trustee or the Vendor may reasonably request and (b) stating that, in the case of all Units repainted or repaired during the period covered by such statement, the numbers and the markings required by § 5 hereof and the CSA have been preserved or replaced. The Owner-Trustee shall have the right by its agents to inspect the Units and the Lessee's records with respect thereto at such reasonable times as the Owner-Trustee may request during the continuance of this Lease.

§ 9. DISCLAIMER OF WARRANTIES; COMPLIANCE WITH LAWS AND RULES; MAINTENANCE; INDEMNIFICATION

9.1. Disclaimer of Warranties. NEITHER THE OWNER-TRUSTEE NOR THE OWNER MAKES, HAS MADE OR SHALL BE DEEMED TO MAKE OR HAVE MADE ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE DESIGN, COMPLIANCE WITH SPECIFICATIONS, OPERATION OR CONDITION OF, OR AS TO THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE UNITS OR ANY COMPONENT THEREOF DELIVERED TO THE LESSEE HEREUNDER, AND NEITHER THE OWNER-TRUSTEE NOR THE OWNER MAKES ANY WARRANTY OF MERCHANTABILITY OR FITNESS OF THE UNITS OR ANY COMPONENT THEREOF FOR ANY PARTICULAR USE OR PURPOSE NOR AS TO TITLE TO THE UNITS OR ANY COMPONENT THEREOF, NOR ANY OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO ANY UNIT OR ANY COMPONENT THEREOF (EITHER UPON DELIVERY THEREOF TO THE LESSEE OR OTHERWISE), it being agreed that all such risks, as between the Owner-Trustee and the Lessee, are to be borne by the Lessee; but the Owner-Trustee hereby irrevocably appoints and constitutes the Lessee its agent and attorney-in-fact during the term of this Lease to assert and enforce from time to time, in the name of and for the account of the Owner-Trustee and/or the Lessee, as their interests may

appear, at the Lessee's sole cost and expense, whatever claims and rights the Owner-Trustee may have against NAC or Pullman Incorporated or any other person, including, but not limited to, any claims and rights arising under the provisions of the CSA. The Owner-Trustee and the Owner shall not have any responsibility or liability to the Lessee or any other person or entity with respect to any of the following: (i) any liability, loss or damage caused or alleged to be caused directly or indirectly by any Units or by any inadequacy thereof or deficiency or defect therein or by any other circumstance in connection therewith; (ii) the use, operation or performance of any Units 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 Units. The Lessee's delivery of a Certificate of Acceptance shall be conclusive evidence as between the Lessee and the Owner-Trustee that the Units described therein are in all the foregoing respects satisfactory to the Lessee, and the Lessee will not assert any claim of any nature whatsoever against the Owner or the Owner-Trustee based on any of the foregoing matters.

9.2. Compliance with Laws and Rules. The Lessee agrees, for the benefit of the Owner-Trustee, the Owner and the Vendor, to comply in all respects (including, without limitation, with respect to the use, maintenance and operation of each Unit) with all laws of the jurisdictions in which its operations involving the Units may extend, with the interchange rules of the Association of American Railroads and with all lawful rules of the United States Department of Transportation, the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Units ("Applicable Laws"), to the extent that such laws and rules affect the title, operation or use of the Units and in the event that such laws or rules require any alteration, replacement, modification or addition of or to any part of any Unit, the Lessee will fully conform therewith at its own expense; provided, however, that the Lessee may, in good faith, contest the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of the Owner-Trustee or the Vendor, adversely affect the property or rights of the Owner-Trustee or the Vendor under this Lease or under the CSA.

9.3. Maintenance. The Lessee agrees that, at its own cost and expense, it will maintain and keep each Unit (including any parts installed on or replacements made to any Unit and considered an accession thereto as hereinbelow provided) which is subject to this Lease in good operating order and repair, ordinary wear and tear excepted. Except for alterations or changes required by law, the Lessee shall not, without the prior written approval of the Owner-Trustee, effect any permanent structural change in the design, construction or body of the Units or appurtenances thereto.

9.4. Additions and Accessions. The Lessee and its affiliates, at their own cost and expense, may from time to time make such alterations, modifications and additions (including, without limitation, any special devices or assemblies at any time attached or affixed to any Unit, the cost of which is not included in the Purchase Price of such Unit and which are not required for the operation or use of such Unit by the Interstate Commerce Commission, the United States Department of Transportation or any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over such Unit) (hereinafter collectively called Additions) to the Units as the Lessee may deem desirable in the proper conduct of its business so long as such Additions shall not be inconsistent with the continuing operation of the Units in accordance with their original conventional purpose and shall not diminish the value, utility or condition of the Units below the value, utility and condition thereof immediately prior to the making of such Additions, assuming the Units were then in the condition required to be maintained by the terms of this Lease; provided, however, that no such Addition shall be made if it is not readily removable from the Unit to which it relates without material damage thereto and without diminishing or impairing the value or utility which the Unit would have had immediately prior to such time had such Addition not been made.

Title to all Parts (as hereinbelow defined) incorporated in or installed as part of the Units shall without further act vest in the Owner-Trustee and the Vendor as their respective interests may appear in the Unit itself in the following cases: (i) such Part is in replacement of or in substitution for, and not in addition to, any Part originally incorporated in or installed as

part of a Unit at the time of the acceptance thereof hereunder or any Part in replacement of, or in substitution for any such replaced or substituted Part, (ii) such Part is required to be incorporated in or installed as part of the Unit pursuant to the terms of § 9.2 or § 9.3 hereof, or (iii) notwithstanding the provisions of the first paragraph of this § 9.4, such Part cannot be readily removed from the Unit to which it relates without material damage thereto and without diminishing or impairing the value or utility which such Unit shall have had at such time had such alteration or addition not occurred. In all other cases, if no Event of Default under § 10 hereof (or other event which after lapse of time or notice or both would constitute an Event of Default) shall have occurred and be continuing, title to Parts incorporated in or installed as parts of the Units as a result of such alterations or additions shall vest in the Lessee. The term Part for the purposes of this paragraph and § 13 hereof shall be defined to include any appliance, part, instrument, accessory, furnishing or other equipment of any nature which may from time to time be incorporated in or installed as part of any Unit.

9.5. Indemnification. The Lessee shall pay, and shall protect, indemnify and hold the Owner-Trustee (as trustee and in its individual capacity), NAC, the Guarantor, the Owner and the Vendor, and their respective successors, assigns, agents and servants (hereinafter called Indemnified Persons), harmless from and against any and all causes of action, suits, penalties, claims, demands or judgments, of any nature whatsoever which may be imposed on, incurred by or asserted against any Indemnified Person (including any or all liabilities, obligations, damages, costs, disbursements, expenses [including without limitation attorneys' fees and expenses of any Indemnified Person] relating thereto) in any way relating to or arising or alleged to arise out of this Lease or any of such Indemnified Person's Documents (as defined in the Participation Agreement) or the Units, including without limitation those in any way relating to or arising or alleged to arise out of (i) the manufacture, construction, purchase, acceptance, rejection, ownership, delivery, nondelivery, lease, possession, use, operation, condition, sale, return or other disposition of any Unit or portion thereof; (ii) any latent or other defects whether or not discoverable by any Indemnified Person or the Lessee; (iii) any claim for patent, trademark or copyright infringement; (iv) any claims based

on strict liability in tort; (v) any injury to or the death of any person or any damage to or loss of property on or near the Units or in any manner growing out of or concerned with, or alleged to grow out of or be connected with, the ownership, use, replacement, adaptation or maintenance of the Units or of any other equipment in connection with the Units (whether owned or under the control of the Owner-Trustee, the Lessee or any other person) or resulting or alleged to result from the condition of any thereof; and (vi) any violation, or alleged violation, of any provision of this Lease or any Document (except by the parties thereto other than the Lessee) or of any agreement, law, rule, regulation, ordinance or restriction, affecting or applicable to the Units or the leasing, ownership, use, replacement, adaptation or maintenance thereof (all of the foregoing being herein called "Indemnified Matters"). The Lessee shall not be responsible to an Indemnified Person under this § 9.5 with respect to any claim to the extent that such claim arises from the Indemnified Person's own default, own negligence, own law violation, or if such Indemnified Person is specifically indemnified by the Lessee or the Sublessee by other provisions of this Lease or other instruments. The Lessee shall be obligated under this § 9, irrespective of whether any Indemnified Person shall also be indemnified with respect to the same matter under any other agreement by any other person, and the Indemnified Person seeking to enforce the indemnification may proceed directly against the Lessee under this § 9 without first resorting to any such other rights of indemnification. In case any action, suit or proceeding is brought against any Indemnified Person in connection with any claim indemnified against hereunder, the Lessee may and, upon the request of such Indemnified Person will, at the expense of the Lessee resist and defend such action, suit or proceeding, or cause the same to be resisted or defended by counsel selected by the Lessee and approved by such Indemnified Person, as the case may be, and, in the event of any failure by the Lessee so to do, the Lessee shall pay all costs and expenses (including without limitation reasonable attorneys' fees and expenses) incurred by such Indemnified Person in connection with such action, suit or proceeding. In the event the Lessee is required to make any payment under this § 9, the Lessee shall pay such Indemnified Person an amount which, after deduction of all taxes required to be paid by such Indemnified Person in respect of the receipt thereof under the laws of the United States or of any political subdivision thereof (after

giving credit for any savings in respect of any such taxes by reason of deductions, credits or allowances in respect of the payment of the expense indemnified against, and of any other such taxes as reasonably determined in the sole discretion of the Indemnified Person), shall be equal to the amount of such payment. The Lessee and the Owner-Trustee each agrees to give each other promptly upon obtaining knowledge thereof written notice of any claim or liability hereby indemnified against. Upon the payment in full of any indemnities as contained in this § 9 by the Lessee, and provided that no Event of Default (or other event which with lapse of time or notice or both would constitute an Event of Default) shall have occurred and be continuing, it shall be subrogated to any right of such Indemnified Person in respect of the matter against which indemnity has been given. Any payments received by such Indemnified Person from any person (except the Lessee) as a result of any matter with respect to which such Indemnified Person has been indemnified by the Lessee pursuant to this § 9 shall be paid over to the Lessee to the extent necessary to reimburse the Lessee for indemnification payments previously made in respect of such matter but only after such Indemnified Person has been indemnified in full.

The Lessee further agrees to indemnify, protect and hold harmless the Vendor, the Owner, the Owner-Trustee, the Guarantor and NAC, as third-party beneficiaries hereof, from and against any and all liability, claims, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against the Vendor, the Owner, the Owner-Trustee or the Guarantor because of the use in or about the construction or operation of any of the Equipment of any article or material specified by the Lessee, the Sublessee, the Owner-Trustee or the Owner and not manufactured by NAC or Pullman Incorporated or of any design, system, process, formula or combination specified by the Lessee, the Sublessee, the Owner-Trustee, or the Owner and not developed or purported to be developed by NAC or Pullman Incorporated which infringes or is claimed to infringe on any patent or other right.

9.6. Survival. The indemnities contained in this § 9 shall survive the expiration or termination of this Lease with respect to all events, facts, conditions or other circumstances occurring or existing prior to such expiration or termination and are expressly made for the

benefit of, and shall be enforceable by, any Indemnified Person. None of the indemnities in this § 9 shall be deemed to create any rights of subrogation which do not already exist in any insurer or third party against the Lessee therefor, from or under any Indemnified Person, whether because of any claim paid or defense provided for the benefit thereof or otherwise.

9.7. Payments for Indemnification. All payments hereunder shall be made directly to the Indemnified Person.

9.8. Reports. The Lessee agrees at its expense to prepare and deliver to the Owner-Trustee within a reasonable time prior to the required date of filing (or, to the extent permissible, file on behalf of the Owner-Trustee) any and all reports (other than income tax returns) to be filed by the Owner-Trustee with any Federal, state or other regulatory authority by reason of the ownership by the Owner-Trustee or the Owner of the Units or the leasing thereof to the Lessee.

§ 10. DEFAULT

10.1. Events of Default; Remedies. If, during the continuance of this Lease, one or more of the following events (each such event being herein sometimes called an Event of Default) shall occur:

(a) payment of any part of the rental provided in § 3 hereof or payment in respect of any Casualty Occurrence pursuant to § 7 hereof shall not be made by or on behalf of the Lessee when such payment is due and such default shall continue for six days;

(b) 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, in the Participation Agreement or the Consent, and such default shall continue for 30 days after written notice from the Owner-Trustee or the Vendor to the Lessee specifying the default and demanding that the same be remedied, unless, at the end of such 30-day period and thereafter for so long as, the Lessee shall in good faith be diligently proceeding to cure such default and the resulting

delay does not materially prejudice the rights of the Owner-Trustee;

(c) the Lessee shall make or permit any unauthorized assignment or transfer of this Lease, or any interest herein, or of the right to possession of the Units, or any thereof, or if the Sublease shall be terminated or amended without the consent of the Owner-Trustee;

(d) any proceedings shall be commenced by or against the Lessee or the Sublessee for any relief which includes, or might result in, any modification of the obligations of the Lessee under this Lease, the Participation Agreement, the Consent or the Indemnity Agreement (as defined in the Participation Agreement), or the Sublessee under the Sublease, the Participation Agreement or the Sublease Assignment Consent, under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit any readjustments of the obligations of the Lessee hereunder or the Sublessee under the Sublease) and, unless such proceedings shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Lessee under this Lease, the Participation Agreement, the Consent and the Indemnity Agreement or the Sublessee under the Sublease, the Participation Agreement or the Sublease Assignment Consent shall not have been and shall not continue to be duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees or receiver or receivers appointed in such proceedings in such manner that such obligations shall have the same status as obligations incurred by such a trustee or trustees or receiver or receivers, within 75 days after such proceedings shall have been commenced;

(e) any proceedings shall be commenced by or against the Guarantor for any relief which includes, or might result in, any modification of the obligations of the Guarantor under the Guarantee Agreement, under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustments of

indebtedness, reorganizations, arrangements, compositions or extension (other than a law which does not permit any readjustments of the obligations of the Guarantor under the Guarantee Agreement), and, unless such proceedings shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Guarantor under the Guarantee Agreement, as the case may be, shall not have been and shall not continue to be duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees or receiver or receivers appointed (whether or not subject to ratification) for the Guarantor or for the property of the Guarantor in connection with any such proceedings in such manner that such obligations shall have the same status as obligations incurred by such a trustee or trustees or receiver or receivers, within 30 days after such appointment, if any, or 75 days after such proceedings shall have been commenced, whichever shall be earlier;

(f) an event of default set forth in Article 16 of the CSA shall have occurred arising out of any default by the Sublessee in performing any of its obligations under the Sublease or under its Documents (as defined in the Participation Agreement);

then, in any such case, the Owner-Trustee, at its option, may,

(aa) 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; or

(bb) by notice in writing to the Lessee terminate this Lease (except that if the only Event of Default shall be proceedings relating to the Guarantor described in clause (e) of this § 10.1, the termination of this Lease shall be effective 180 days after such notice), whereupon all rights of the Lessee to the use of the Units shall absolutely cease and terminate as though

this Lease had never been made, but the Lessee shall remain liable as herein provided; and thereupon the Owner-Trustee may by its agents enter upon the premises of the Lessee or other premises where any of the Units may be and take possession of all or any of such Units and thenceforth hold, possess, sell, operate, lease to others and enjoy the same free from any right of the Lessee, or its successors or assigns, to use the Units for any purposes whatever and without any duty to account to the Lessee for such action or inaction or for any proceeds arising therefrom; but the Owner-Trustee shall, nevertheless, have a right to recover from the Lessee any and all amounts which under the terms of this Lease may be then due or which may have accrued to the date of such termination (computing the rental for any number of days less than a full rental period by multiplying the rental for such full rental period by a fraction of which the numerator is such number of days and the denominator is the total number of days in such full rental period) and also to recover forthwith from the Lessee as damages for loss of a bargain and not as a penalty, whichever of the following amounts the Owner-Trustee, in its sole discretion, shall specify: (x) a sum with respect to each Unit which represents the excess of (1) the present value, at the time of such termination, of the entire unpaid balance of all rental for such Unit which would otherwise have accrued hereunder from the date of such termination to the end of the term of this Lease as to such Unit over (2) the then present value of the rentals which the Owner-Trustee reasonably estimates (or if the Lessee so requests, as determined by an independent appraiser [to be selected using the procedures in § 12B.2(2) hereof] at the Lessee's expense) to be obtainable for the Unit during such period, such present value to be computed in each case on the basis of a 6% per annum discount, compounded monthly from the respective dates upon which rentals would have been payable hereunder had this Lease not been terminated, together with any damages and expenses, including reasonable attorneys' fees, in addition thereto which the Owner-Trustee shall have sustained by reason of the breach of any covenant, representation or warranty of this Lease other than for the payment of the rental; or (y) an amount equal to the excess, if any, of the Casualty Value as of the rental payment date on or next preceding the date of termination over the amount the Owner-Trustee reasonably estimates (or if the Lessee

so requests, as determined by an independent appraiser at the Lessee's expense) to be the sales value (after deduction of all estimated expenses of such sale) of such Unit at such time; provided, however, that in the event the Owner-Trustee shall have sold any Unit, the Owner-Trustee, in lieu of collecting any amounts payable to the Owner-Trustee by the Lessee pursuant to the preceding clauses (x) and (y) of this part (b) with respect to such Unit, shall demand that the Lessee pay the Owner-Trustee and the Lessee shall pay to the Owner-Trustee 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 for such Unit, as of the rental payment date on or next preceding the date of termination, over the net proceeds of such sale.

In addition, the Lessee shall be liable, except as otherwise provided above, for any and all unpaid amounts due hereunder before, during or after the exercise of any of the foregoing remedies and for all reasonable attorneys' fees and other costs and expenses incurred by reason of the occurrence of any Event of Default or the exercise of the remedies of the Owner and the Owner-Trustee with respect thereto, including all costs and expenses incurred in connection with the return of any Unit.

Notwithstanding any provisions to the contrary in this § 10.1, so long as no Event of Default has occurred which is continuing under the Guarantee Agreement, no default, except a default which results in an event of default under the CSA, shall be deemed to have occurred hereunder in respect of any default by, or actions, petitions or proceedings by or against, any person or entity other than Guarantor; provided, however, that this provision shall only apply (i) as between Lessor and Guarantor and (ii) upon or after the occurrence of an event pursuant to which Guarantor is required to perform under the Guarantee Agreement or has the right to assume this Lease.

10.2. Remedies Not Exclusive; Waiver. The remedies in this Lease provided in favor of the Owner and the Owner-Trustee 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 requirements of law, now or hereafter in effect, which might limit or modify the remedies herein provided, to the extent that such waiver is permitted by

law. The Lessee hereby waives any and all existing or future claims to any offset against the rental payments due hereunder, and agrees to make rental payments regardless of any offset or claim which may be asserted by the Lessee or on its behalf.

10.3. Failure To Exercise Rights is not Waiver. The failure of the Owner-Trustee to exercise the rights granted it hereunder upon the occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or recurrence of any such contingencies or similar contingencies, and a waiver of any such right on one occasion shall not constitute a waiver of such right as to any other occasion and shall not be effective unless in writing signed by the Owner-Trustee.

10.4. Notice of Event of Default to Owner-Trustee. The Lessee also agrees to furnish the Owner-Trustee, the Owner and the Vendor, promptly upon any responsible officer becoming aware of any condition which 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. For the purposes of this Section, a "responsible officer" shall mean, with respect to the subject matter of any covenant, agreement or obligation of the Lessee in this Lease contained, any corporate official of the Lessee who in the normal performance of his operational responsibilities would have knowledge of such matter and the requirements of this Lease with respect thereto.

10.5. Forebearance if Guarantor Cures. The Owner-Trustee shall forebear exercising its remedies hereunder arising out of an Event of Default pursuant to § 10.1 if, and so long as, (A) within 45 days of such Event of Default the Guarantor shall have paid in full any unpaid monetary obligation then due under this Lease, or (B) as promptly as reasonably possible, but in any event within 180 days, the Guarantor shall have cured any other Event of Default under this Lease which the Guarantor is reasonably capable of curing after notice of such event; provided, however, that the Guarantor shall not be required to cure any Event of Default under this Lease caused by any action or inaction on the part of the Lessee or the Owner-Trustee which Event of Default cannot be cured by any action of

the Guarantor or the cure of which would require information or knowledge known only to the Lessee or within the exclusive possession of Lessee and which the Guarantor cannot obtain with reasonable diligence and at reasonable expense; provided further that the Owner-Trustee will not be precluded from exercising its remedies hereunder with respect to an Event of Default referred to in item (e) of § 10.1 or if any uncured Event of Default under this Lease results in an event of default under the CSA.

10.6. Guarantor's Right To Assume Lease After Cure; Conditions Precedent. The Guarantor shall not be required, as a condition to the assumption provided for in the next succeeding sentence hereof, to cure any Event of Default under this Lease caused by any action or inaction on the part of the Lessee or the Owner-Trustee which Event of Default cannot be cured by any action of the Guarantor or the cure of which would require information or knowledge known only to the Lessee or within the exclusive possession of Lessee and which the Guarantor cannot obtain with reasonable diligence and at reasonable expense; provided that the Owner-Trustee shall not be precluded from exercising its remedies hereunder if any uncured Event of Default (whether or not within the purview of the preceding portions of this sentence) results in an Event of Default under the CSA. At any time after the Guarantor shall have made any payment under (A) above or cured any other default pursuant to (B) above, the Guarantor, at its option, may assume all the obligations of the Lessee hereunder, provided that it complies with the following procedures:

(i) the Guarantor certifies to the Owner-Trustee and the Vendor that it is not then in default in respect of any obligation for the payment of principal and interest in respect of borrowed money, any conditional sale indebtedness or any equipment trust obligations;

(ii) the Guarantor certifies to the Owner-Trustee and the Vendor that upon such assumption it will not be in default under this Lease or under the Consent, which certification shall be accompanied by an opinion of Messrs. Pedersen & Houpt, a professional corporation, or other independent counsel, acceptable to the Owner-Trustee and the Vendor, to the same effect;

(iii) the Guarantor directly assumes all the obligations of the Lessee under this Lease, under the Consent and under the Indemnity Agreement pursuant to the terms of the Guarantee Agreement as modified pursuant to Exhibit B to the Guarantee Agreement and excluding, however, obligations of the Lessee under the Indemnity Agreement which arose prior to the assumption of the Lease) pursuant to an assumption agreement in form and substance satisfactory to the Owner-Trustee and the Vendor (the approval of which by such parties shall not be unreasonably withheld) which assumption agreement will, at the option of the Guarantor and without any approval of either the Owner-Trustee or the Vendor, provide that those Sections of this Lease listed in Exhibit A to the Guarantee Agreement will be amended on and as of the effective date of such assumption agreement to read as is provided in said Exhibit A; and

(iv) the Guarantor delivers to the Owner-Trustee and the Vendor an opinion of Messrs. Pedersen & Houpt, a professional corporation, or other independent counsel, acceptable to the Owner-Trustee and the Vendor, to the effect that such assumption agreement has been duly authorized, executed and delivered by the Guarantor and constitutes a legal, valid and binding obligation of the Guarantor, enforceable in accordance with its terms (except to the extent limited by any bankruptcy or other similar laws) and within 30 days thereafter shall have, if requested so to do by the Owner-Trustee and the Vendor, caused such assumption agreement to be filed and recorded in accordance with the provisions of § 14 hereof.

The Owner-Trustee agrees to execute and deliver the above-mentioned assumption agreement within 10 days after tender thereof to it by the Guarantor, provided that it complies with the provisions of the foregoing paragraph and is otherwise in form and substance satisfactory to it and has been approved as to form and substance by the Vendor (which approval shall not be unreasonably withheld) and all the other procedures referred to above have been complied with. The Lessee agrees that, upon execution and delivery of such assumption agreement by the Owner-Trustee and the Guarantor, the Lessee's leasehold interest in and to the Units shall automatically terminate and the Lessee will promptly deliver possession of the Units to the Guarantor and will

convey, transfer or assign to the Guarantor all of or any portion thereof requested by the Guarantor the Lessee's right, title and interest in any subleases, car contracts or other agreements with respect to the Units and take any other action and execute any documents reasonably requested by the Guarantor or the Owner-Trustee; it being understood and agreed, however, that the obligations of the Guarantor under such assumption agreement, this Lease and the Consent shall not be conditioned upon or affected in any way by the failure of the Lessee to comply with the provisions of this sentence.

10.7. Elements of Cure. Compliance by the Guarantor with clauses (i) through (iv) of § 10.6 hereof and the execution and delivery of the above-mentioned assumption agreement by both the Guarantor and the Owner-Trustee shall for the purposes of this Lease constitute a cure of any Event of Default caused by the entry of an order or decree of the type described in item (d) of § 10.1.

10.8. Notice of Event of Default to Guarantor. The Owner-Trustee agrees to notify the Guarantor promptly in writing upon its becoming aware of any condition or event which constitutes an Event of Default hereunder; provided, however, that the failure of the Owner-Trustee so to give any such notice shall not in any way release the Guarantor from or diminish any of its obligations under the Guarantee Agreement.

10.9. The Term Guarantor Shall Mean Lessee After Assumption. Upon assumption of this Lease by the Guarantor pursuant to the Guarantee Agreement and § 10.6 hereof, the term Lessee shall mean the Guarantor.

§ 11. RETURN OF UNITS UPON DEFAULT

11.1. Return of Units. If this Lease shall terminate pursuant to § 10 hereof, the Lessee shall forthwith deliver possession of the Units to the Owner-Trustee and shall give prompt telegraphic and written notice to the Association of American Railroads and all railroads having possession of any Unit so to return such Units. Each Unit returned to the Owner-Trustee pursuant to this § 11 shall (i) be in the condition required by § 9.3 hereof and (ii) meet the standards then in effect under the Interchange Rules of the Association of American Railroads, if

applicable. For the purpose of delivering possession of any Unit or Units to the Owner-Trustee as above required, the Lessee shall at its own cost, expense and risk:

(a) forthwith and in the usual manner and at usual speed cause such Units to be transported to such location within the continental United States as shall reasonably be designated by the Owner-Trustee, and there delivered to the Owner-Trustee,

(b) furnish and arrange for the Owner-Trustee to store such Units on any lines of railroad or premises approved by the Owner-Trustee at the Lessee's facilities at Sheldon, Illinois, Indianapolis, Indiana, Philadelphia, Pennsylvania, Cincinnati, Ohio, or any other of the Lessee's storage facilities if available, otherwise at other facilities within the continental United States designated by the Owner-Trustee until such Units have been sold, leased or otherwise disposed of by the Owner-Trustee, but not in any event for longer than 270 days, and

(c) cause the Units to be moved to the nearest interchange point or points as shall be designated by the Owner-Trustee upon any sale, lease or other disposal of all or any of the Units.

The assembling, delivery, storage and transporting of the Units as hereinbefore provided shall be at the expense and risk of the Lessee and are of the essence of this Lease, and, upon application to any court of equity having jurisdiction in the premises, the Owner-Trustee shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to assemble, deliver, store and transport the Units. During any storage period, the Lessee will permit the Owner-Trustee or any person designated by it, including the authorized representative or representatives of any prospective purchaser of any such Unit, to inspect the same; provided, however, that the Lessee shall not be liable except in the case of negligence or intentional act of the Lessee or of its employees or agents and, except to the extent otherwise provided by law, for any injury to or the death of any person exercising, either on behalf of the Owner-Trustee or any prospective purchaser or lessee, the rights of inspection granted under this sentence. In the event that the Units or any thereof are sold the Lessee shall pay to

the Owner-Trustee the per diem interchange for each such Unit which shall not have been assembled, delivered and stored, as hereinbefore provided, by the date of such sale for each day from the date of such sale to the date of delivery to the purchaser thereof.

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

§ 12A. ASSIGNMENT; POSSESSION AND USE

12A.1. Assignment; Consent. This Lease shall be assignable in whole or in part by the Owner-Trustee without the consent of the Lessee, provided that such assignee is the Vendor or a financial institution with a combined capital and surplus of at least $50,000,000, but the Lessee shall not be under any obligation to any assignee of the Owner-Trustee other than the Vendor except upon written notice of such assignment from the Owner-Trustee and no greater obligations will be imposed on the Lessee on account of such assignment. All the rights of the Owner-Trustee hereunder (including, but not limited to, the rights under §§ 6, 7 and 10 and the rights to receive the rentals payable under this Lease) shall inure to the benefit of the Owner (other than indemnities payable to the Owner-Trustee in its individual capacity) and the respective assigns of the Owner and the Owner-Trustee.

12A.2. (1) Lessee's Right To Use the Units. So long as no Event of Default exists hereunder and the Lessee is complying with the provisions of the Consent, the Lessee shall be entitled to the possession of the Units in accordance with the terms of this Lease but the Lessee shall not assign or transfer its leasehold interest under this Lease in the Units or any of them, except for the Sublease which shall be assigned to the Owner-Trustee. During any renewal period under § 12B hereof the Lessee will have the same sublease and assignment rights as are

currently granted to the Sublessee under the Sublease. The Sublease permitted hereunder shall not relieve the Lessee of its obligation to the Owner or the Owner-Trustee under the Lessee's Documents (as defined in the Participation Agreement) except that the Lessee will be deemed to have discharged such obligations to the extent performed by the Sublessee and the Sublessee shall be deemed to have discharged its obligations under the Sublease to the extent performed by the Lessee hereunder.

(2) Lessee's Right To Use the Units upon Renewal. Should the Lessee exercise its renewal options under § 12B.1 hereof, it shall be entitled to possess, use, and assign the Equipment in the same manner and on the same terms as the Sublessee is entitled under § 12 of the Sublease.

(3) The Lessee shall not, without the prior written consent of the Owner-Trustee, part with the possession or control of, or suffer or allow to pass out of its possession or control, any of the Units except pursuant to and as permitted by the Sublease.

12A.3. Lessee's Duty To Discharge Encumbrances. The Lessee, at its own expense, will as soon as possible cause to be duly discharged any lien, charge, security interest or other encumbrance (other than an encumbrance resulting from claims against the Owner-Trustee or the Vendor not related to the ownership or leasing of, or the security interest of the Vendor in, the Units) which may be imposed during the term hereof, during the period the Lessee is obligated to pay rental hereunder or during the period any Unit is in the possession of the Lessee following default, on or with respect to any Unit (including any accession thereto) or the interest of the Owner-Trustee, the Vendor or the Lessee therein.

12A.4. Merger, Acquisition or Consolidation. Nothing in this § 12A shall be deemed to restrict the right of the Lessee to assign or transfer its leasehold interest under this Lease in the Units or possession of the Units to any solvent corporation incorporated under the laws of any state of the United States of America or the District of Columbia (which shall have specifically assumed the obligations of the Lessee hereunder and under the Consent by an appropriate instrument in writing) into or with which the Lessee shall have become merged or consoli-

dated or which shall have acquired the property of the Lessee as an entirety or substantially as an entirety, provided that such assignee or transferee will not, upon the effectiveness of such merger, consolidation or acquisition be in default under any provision of this Lease.

§ 12B. RENEWAL OPTIONS

12B.1. Renewal for Successive Period. The parties hereto contemplate that at the end of the original term of this Lease, the Owner-Trustee will hold the Units for re-lease. Prior to the delivery of the Units pursuant to § 2 hereof, the Owner-Trustee will enter into an agreement ("Option") with Tiger Financial Services, Inc. ("Tiger"), pursuant to which the Owner-Trustee will grant to Tiger the option to lease all but not fewer than all the Units for a five-year term commencing at the end of the original term of this Lease on such terms as are set forth in the Option, but on condition that Tiger sublease the Units to the Lessee if the Lessee exercises its election to extend the terms of the Lease as provided herein. The Owner-Trustee will give the Lessee prompt written notice in the event that Tiger exercises such option. Provided that this Lease has not been earlier terminated and the Lessee is not in default hereunder, if Tiger shall exercise its Option, or fail to exercise its Option to lease the Units at the end of the original term of this Lease, then the Lessee may by written notice delivered to Tiger or the Owner-Trustee, as the case may be, not less than 120 days nor more than 270 days prior to the end of the original term of this Lease elect to sublease from Tiger or extend such original term of this Lease in respect of not less than all the Units then covered by this Lease for a period of five years commencing on the scheduled expiration of such original term of this Lease, at a "Fair Market Rental" payable, in arrears, in monthly payments on the day such rentals were payable for the Units in each year of such extended term ("First Renewal Period"). In the event of any such sublease or renewal, the Casualty Value payable in respect of a Casualty Occurence involving any Unit shall be as agreed upon by Tiger or the Owner-Trustee, as the case may be, and the Lessee, and in the event that no agreement is reached, the Casualty Value will be determined according to the procedures outlined in § 12B.2 below regarding Fair Market Rental.

In addition to the First Renewal Period, the Lessee may by written notice delivered to the Owner-Trustee not less than 120 days nor more than 270 days prior to the end of the First Renewal Period elect to extend the First Renewal Period of this Lease in respect of not less than all the Units then covered by this Lease or the Tiger Sublease for 2 additional 5-year periods commencing on the scheduled expiration of the First Renewal Period of this Lease, or the Tiger Sublease or the first such additional period, as the case may be, at a "Fair Market Rental" payable, in arrears, in monthly payments on the day such rentals were payable for the Units in each year of such extended term. In the event of any such renewal, the Casualty Value payable in respect of a Casualty Occurrence involving any Unit shall be as agreed upon by the Owner-Trustee and the Lessee, and in the event no agreement is reached, the Casualty Value will be determined according to the procedures outlined in § 12B.2 below regarding Fair Market Rental.

12B.2. Determination of Fair Market Rental. (1) The Fair Market Rental for any extended term of this Lease shall be equal to the rental which would obtain in an arm's-length transaction between an informed and willing lessee (other than a lessee currently in possession) and an informed and willing lessor under no compulsion to lease, and costs of removal from the location of current use shall not be a deduction from such rental.

(2) If, within 25 days from the giving of notice by the Lessee of the Lessee's election to extend the term of this Lease, the Owner-Trustee, or Tiger, as the case may be, and the Lessee are unable to agree upon a determination of the Fair Market Rental of the Units, either party to such determination may give written notice to the other requesting determination of such Fair Market Rental by an appraisal procedure. The parties shall consult for the purpose of appointing a qualified independent appraiser by mutual agreement. If no such appraiser is so appointed within 15 days after such notice is given, each party shall appoint an appraiser within 20 days after such notice is given, and the two appraisers so appointed shall within 30 days after such notice is given appoint a third independent appraiser. If no such third appraiser is appointed within 30 days after such notice is given, either party may apply to make such appointment to the American Arbitration Association and both parties shall be bound by any appoint-

ment so made. Any appraiser or appraisers appointed pursuant to the foregoing procedure shall be instructed to determine the Fair Market Rental of the Units subject to the proposed extended term within 80 days after his or their appointment. If the parties shall have appointed a single appraiser or if either party shall have failed to appoint an appraiser, the determination of Fair Market Rental of the single appraiser appointed shall be final. If 3 appraisers shall be appointed, the determination of the appraiser which differs most from the other 2 appraisers shall be excluded, the remaining 2 determinations shall be averaged and such latter average shall be final and binding upon the parties hereto as the Fair Market Rental. The appraisal proceedings shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association but not under its auspices as in effect on the date hereof, except as modified hereby. The provision for this appraisal procedure shall be the exclusive means of determining Fair Market Rental and shall be in lieu of any judicial or other procedure for the determination thereof, and each party hereto hereby consents and agrees not to assert any judicial or other procedures. The expenses of the appraisal procedure shall be borne equally by the Lessee and the Owner-Trustee.

§ 13. RETURN OF UNITS UPON EXPIRATION OF TERM

On or prior to the termination of the term of this Lease (or any renewal pursuant to § 12B hereof) the Lessee will, at its own cost and expense, at the request of the Owner-Trustee, cause the Units to be transported to such point as shall be designated by the Owner-Trustee from the points designated in subparagraph (b) of Section 11.1 hereof 45 days prior to such termination and arrange for the Owner-Trustee to store such Unit on any premises of the Lessee approved by the Owner-Trustee for a period not exceeding 90 days from the termination of the term of this Lease; the assembly, delivery, storage and transporting of such Unit to be at the expense and risk of the Lessee. Arrival of a Unit at the designated point shall constitute "Return" for the purposes hereof. During any such storage period the Lessee will permit the Owner-Trustee or any person designated by it, including the authorized representative or representatives of any prospective pur-

chaser or lessee of such Unit, to inspect the same; provided, however, that the Lessee shall not be liable except in the case of negligence or intentional act of the Lessee or of its employees or agents and, except to the extent otherwise provided by law, for any injury to or the death of any person exercising, either on behalf of the Owner-Trustee or any prospective purchaser or Lessee, the rights of inspection granted under this sentence. The assembly, delivery, storage and transporting of the Units as hereinbefore provided are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises, the Owner-Trustee shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to cause the assembly, delivery, storage and transporting of the Units. Each Unit returned to the Owner-Trustee pursuant to this § 13 shall (i) be in the condition required by § 9.3 hereof, (ii) have attached or affixed thereto any part title to which is in the Owner-Trustee pursuant to § 9 hereof and have removed therefrom at Lessee's expense any part title to which is in the Lessee or any other person pursuant to such § 9 and (iii) meet the standards then in effect under the Interchange Rules of the Association of American Railroads, if applicable. If any Unit suffers a Casualty Occurrence during any storage period provided for in this § 13, the Lessee shall pay to the Owner-Trustee the Casualty Value of such Unit as determined in accordance with § 7 hereof. The Lessee shall pay rental at the rate of $12.16 per day for any Unit not returned to the Owner-Trustee immediately upon expiration of the termination of the initial or any extended term of this Lease. In the event that the Lessee shall have exercised any of its renewal options pursuant to Paragraph 12B.1 hereof, its obligation to pay the rentals referred to in the preceding sentence shall be suspended for a period of 60 days from the expiration of the renewal period.

§ 14. RECORDING

The Lessee, at its own expense, will cause this Lease, the Sublease, the CSA, the Lease Assignment, the Sublease Assignment and any assignment hereof or thereof to be filed and recorded with the Interstate Commerce Commission in accordance with 49 U.S.C. § 11303. The Lessee will undertake the filing, registering, deposit, and recording required of the Owner-Trustee under the CSA and will from

time to time do and perform any other act and will execute, acknowledge, deliver, file, register, record (and will refile, reregister, deposit and redeposit or rerecord whenever required) any and all further instruments required by law or reasonably requested by the Owner-Trustee or the Vendor for the purpose of proper protection, to their satisfaction, of the Vendor's and the Owner-Trustee's respective interests in the Units, or for the purpose of carrying out the intention of this Lease, the CSA or the Lease Assignment.

The Lessee will promptly furnish to the Vendor and the Owner-Trustee evidence of all such filing, registering, depositing or recording, and an opinion or opinions of counsel for the Lessee with respect thereto satisfactory to the Vendor and the Owner-Trustee. This Lease and the CSA shall be filed and recorded with the Interstate Commerce Commission prior to the delivery and acceptance hereunder of any Unit.

§ 15. INTEREST ON OVERDUE RENTALS

Anything to the contrary herein contained notwithstanding, any nonpayment of rentals and other obligations due hereunder shall result in the obligation on the part of the Lessee promptly to pay an amount equal to interest at a rate equal to the lesser of 14% per annum or the highest rate as may be legally enforceable on the overdue rentals and other obligations for the period of time during which they are overdue.

§ 16. NOTICES

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

if to the Owner-Trustee, at LaSalle and Adams Streets, Chicago, Illinois 60690, Attention of Corporate Trust Officer; with a copy to the Owner at 300 North Ervay, Republic National Bank Building, Dallas, Texas 75201, Attention of Mr. Harold C. Hunter, Jr., President;

if to the Lessee, at 902 West Washington Avenue, Indianapolis, Indiana 46204, Attention of Chief Executive Officer;

or addressed to any party at such other address as such party shall hereafter furnish to the other parties in writing. A copy of each notice hereunder shall be sent to the Guarantor at 222 South Riverside Plaza, Chicago, Illinois 60606, Attention of Vice President-Finance. Any certificate, document or report required to be furnished by any party hereto to the other parties shall be delivered to the address set forth above for such party. Any notice to the Lessee by the Vendor regarding the Lessee's failure to perform any obligation hereunder shall also be furnished by the Lessee to the Owner-Trustee.

§ 17. SEVERABILITY; EFFECT AND MODIFICATION OF LEASE; THIRD-PARTY BENEFICIARIES

17.1. Severablity. 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 provision in any other jurisdiction.

17.2. Effect of Modification of Lease. This Lease and the Indemnity Agreement exclusively and completely state the rights of the Owner-Trustee and the Lessee with respect to the leasing of the Units and supersede all other agreements, oral or written, with respect thereto, except the Participation Agreement. No variation or modification of this Lease and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized signatories for the Owner-Trustee and the Lessee and consented to in writing by the Guarantor, which consent shall not be unreasonably withheld.

17.3. No Third-Party Beneficiaries. Nothing in this Lease shall be deemed to create any right in any person not a party hereto (other than the Owner, the Vendor and the permitted successors and assigns of a party) and this instrument shall not be construed in any respect to be

a contract in whole or in part for the benefit of any third party except as aforesaid.

§ 18. EXECUTION

This Lease may be executed in several counterparts, such counterparts together constituting but one and the same instrument, but the counterpart delivered to the Vendor pursuant to the Lease Assignment shall be deemed to be the original and all other counterparts shall be deemed duplicates thereof.

§ 19. LAW GOVERNING

The terms of this Lease and all rights and obligations hereunder shall be governed by the laws of the State of Illinois; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. § 11303.

§ 20. AGREEMENT FOR BENEFIT OF OWNER OR OWNER-TRUSTEE'S ASSIGNS

All rights of the Owner-Trustee hereunder (including, but not limited to, its rights under §§ 6, 7, 9 and 10 and the right to receive the rentals payable under this Lease) shall inure to the benefit of the Owner and any of the Owner's assigns under the Trust Agreement, or any of the Owner-Trustee's assigns (including the Vendor).

§ 21. IMMUNITIES: NO RECOURSE

It is expressly understood and agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that each and all the representations, undertakings, covenants, warranties and agreements herein made on the part of the Owner-Trustee are made and intended not as personal representations, undertakings, covenants, warranties and agreements by Exchange National Bank of Chicago, or for the purpose or with the intention of binding said bank personally but are made and intended for the purpose of binding only the Trust Estate as such term is used in the Trust Agreement and this Lease is

executed and delivered by said national association not in its own right but solely in the exercise of the powers expressly conferred upon it as trustee under the Trust Agreement; and except in the case of gross negligence or wilful misconduct, no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against said bank on account of this Lease or on account of any representations, undertaking, covenant, warranty or agreement of the Owner-Trustee, either expressed or implied, all such personal liability against either said bank or the Owner, if any, being expressly waived and released by the Lessee, the Vendor and by all persons claiming by, through or under either of them, except for the obligation of the Owner-Trustee to promptly take such action as may be necessary to duly discharge any and all liens, charges, security interests or other encumbrances on any part of the Trust Estate (as defined in the Trust Agreement) which result from claims against the Owner-Trustee not related to the ownership of the Equipment or the administration of the Trust Estate or any other transaction contemplated by this Lease or its Documents (as defined in the Participation Agreement) but the Owner-Trustee shall not be required to pay or discharge any such lien, charge, security interest or other encumbrance so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner and the nonpayment thereof does not in the opinion of the Agent adversely affect the security interest of the Agent in the Equipment, this Lease, the Sublease, or its interest in the income and proceeds from the Equipment, this Lease or the Sublease.

§ 22. ADDITIONAL COVENANT

The Lessee covenants that the Equipment will be used solely to transport bulk agricultural commodities.

IN WITNESS WHEREOF, the parties hereto have executed or caused this instrument to be executed as of the

date first above written.

EXCHANGE NATIONAL BANK OF CHICAGO, not in its individual capacity, but solely as Owner-Trustee, under the Trust Agreement dated as of the date hereof with Republic National Leasing Corporation,

by

Authorized Officer

[CORPORATE SEAL]

Attest:

Authorized Officer

EARLY & DANIEL INDUSTRIES, INC.,

by

Chairman

[CORPORATE SEAL]

Attest:

Pres

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

On this 25th day of NOV. 1980, before me personally appeared SAMUEL M. HARRELL, to me personally known, who, being by me duly sworn, says that he is the CHAIRMAN of EARLY & DANIEL INDUSTRIES, INC., an Indiana 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 he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Doris J. Bialek
Notary Public

[Notarial Seal]

My Commission Expires

DORIS J. BIALEK
NOTARY PUBLIC, State of New York
No. 24-0284525
Qualified in Kings County
Cert. filed in New York County
Commission Expires March 30, 1981

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

On this 24 day of NOV. 1980, before me personally appeared MICHAEL D. GOODMAN to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of EXCHANGE NATIONAL BANK OF CHICAGO, that one of the seals affixed to the foregoing instrument is the corporate seal of said national association, that said instrument was signed and sealed on behalf of said national association by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national association.

Dolly G. Jenkins
Notary Public

[Notarial Seal]

My Commission Expires My Commission Expires December 13, 1983

Schedule A to the Lease

Type	Quantity	Lessee's Road Numbers (Both Inclusive)
4750 cubic feet, covered hopper cars	300	TWGX 2250-2549

CASUALTY VALUES

Rental Payment Number	Percentage of Purchase Price*	Rental Payment Number	Percentage of Purchase Price*
1	103.4320%	31	110.4499%
2	103.8039	32	110.7756
3	104.1170	33	111.1593
4	104.4321	34	111.5497
5	104.7497	35	112.0087
6	105.0931	36	112.5322
7	105.4610	37	106.4972
8	105.8578	38	104.7864
9	106.2826	39	104.8587
10	106.7146	40	104.9314
11	107.1804	41	105.0044
12	107.6791	42	105.1369
13	108.1887	43	105.3231
14	107.1710	44	105.5720
15	107.3972	45	105.8784
16	107.6250	46	106.1903
17	107.8546	47	106.5704
18	108.1282	48	107.0140
19	108.4423	49	107.4679
20	108.8038	50	105.3186
21	109.2095	51	105.3189
22	109.6223	52	105.3189
23	110.0878	53	105.3184
24	110.6034	54	105.3884
25	111.1304	55	105.5217
26	109.5314	56	105.7287
27	109.6792	57	106.0028
28	109.8281	58	106.2821
29	109.9778	59	106.6408
30	110.1870	60	107.0733

* As defined in the CSA.

Rental Payment Number	Percentage of Purchase Price*	Rental Payment Number	Percentage of Purchase Price*
61	100.9458%	91	88.8768%
62	98.8253	92	88.8726
63	98.7573	93	88.9295
64	98.6883	94	88.9884
65	98.6184	95	89.1195
66	98.6148	96	89.3169
67	98.6708	97	89.5205
68	98.7959	98	87.1020
69	98.9839	99	86.8585
70	99.1759	100	86.6123
71	99.4422	101	86.3634
72	99.7773	102	86.1826
73	100.1209	103	86.0624
74	97.7010	104	86.0125
75	97.5692	105	86.0263
76	97.4358	106	86.0417
77	97.3008	107	86.1321
78	97.2390	108	86.2914
79	97.2426	109	86.4565
80	97.3222	110	83.9391
81	97.4707	111	83.6493
82	97.6226	112	83.3563
83	97.8559	113	83.0602
84	98.1642	114	82.8333
85	91.9105	115	82.6679
86	89.6565	116	82.5740
87	89.4659	117	82.5447
88	89.2731	118	82.5164
89	89.0782	119	82.5643
90	88.9485	120	82.6820

* As defined in the CSA.

Rental Payment Number	Percentage of Purchase Price*	Rental Payment Number	Percentage of Purchase Price*
121	82.8051%	151	69.9448%
122	80.2529	152	69.7324
123	79.9244	153	69.5772
124	79.5924	154	69.4206
125	79.2568	155	69.3321
126	78.9899	156	69.3056
127	78.7839	157	69.2815
128	78.6488	158	66.9516
129	78.5777	159	66.5410
130	78.5072	160	66.1248
131	78.5122	161	65.7029
132	78.5866	162	65.3377
133	78.6657	163	65.0226
134	76.1410	164	64.7662
135	75.7828	165	64.5625
136	75.4206	166	64.3567
137	75.0544	167	64.2136
138	74.7548	168	64.1277
139	74.5140	169	64.0432
140	74.3421	170	61.8323
141	74.2321	171	61.3912
142	74.1224	172	60.9442
143	74.0861	173	60.4910
144	74.1171	174	60.0894
145	74.1513	175	59.7332
146	71.7121	176	59.4304
147	71.3307	177	59.1753
148	70.9439	178	58.9175
149	70.5517	179	58.7167
150	70.2210	180	58.5678
		181	58.4193

* As defined in the CSA.

Rental Payment Number	Percentage of Purchase Price*	Rental Payment Number	Percentage of Purchase Price*
182	56.3372	211	41.5004%
183	55.8642	212	41.0437
184	55.3848	213	40.6181
185	54.8991	214	40.1889
186	54.4593	215	39.7986
187	54.0598	216	39.4437
188	53.7081	217	39.0875
189	53.3989	218	37.4613
190	53.0863	219	36.8926
191	52.8246	220	36.3176
192	52.6091	221	35.7361
193	52.3931	222	35.1829
194	50.4501	223	34.6544
195	49.9438	224	34.1556
196	49.4309	225	33.6835
197	48.9112	226	33.2074
198	48.4315	227	32.7638
199	47.9868	228	32.3499
200	47.5837	229	31.9344
201	47.2176	230	30.4932
202	46.8474	231	29.9053
203	46.5217	232	29.3107
204	46.2363	233	28.7093
205	45.9493	234	28.1295
206	44.1562	235	27.5685
207	43.6157	236	27.0309
208	43.0681	237	26.5138
209	42.5132	238	25.9889
210	41.9921	239	25.4859
		240 and thereafter	25.024

* As defined in the CSA.

DETERMINATION OF TERMINATION VALUES

Monthly Rental Payment Termination Date	Percentage of Purchase Price
85	97.2390%
86	94.9628
87	94.7497
88	94.5341
89	94.3162
90	94.1633
91	94.0681
92	94.0402
93	94.0731
94	94.1077
95	94.2143
96	94.3869
97	94.1467
98	91.7050
99	91.4380
100	91.1681
101	90.8952
102	90.6902
103	90.5455
104	90.4708
105	90.4595
106	90.4496
107	90.5144
108	90.6479
109	90.3902
110	87.8487
111	87.5347
112	87.2171
113	86.8962
114	86.6443
115	86.4535
116	86.3340
117	86.2788
118	86.2244
119	86.2458
120	86.3368
121	86.0714
122	83.4946
123	83.1412
124	82.7841

Monthly Rental Payment Termination Date	Percentage of Purchase Price
125	82.4231%
126	82.1305
127	81.8985
128	81.7372
129	81.6395
130	81.5422
131	81.5201
132	81.5671
133	81.2918
134	78.7422
135	78.3588
136	77.9711
137	77.5792
138	77.2536
139	76.9866
140	76.7881
141	76.6513
142	76.5144
143	76.4507
144	76.4695
145	76.1966
146	73.7466
147	73.3541
148	72.9562
149	72.5527
150	72.2107
151	71.9230
152	71.6989
153	71.5320
154	71.3635
155	71.2630
156	71.2244
157	70.9166
158	68.5761
159	68.1547
160	67.7276
161	67.2948
162	66.9184
163	66.5921
164	66.3244
165	66.1092
166	65.8918

Monthly Rental Payment Termination Date	Percentage of Purchase Price
167	65.7370%
168	65.6393
169	65.2939
170	63.0729
171	62.6216
172	62.1642
173	61.7006
174	61.2885
175	60.9216
176	60.6081
177	60.3421
178	60.0733
179	59.8613
180	59.7012
181	59.3153
182	57.2240
183	56.7418
184	56.2530
185	55.7578
186	55.3084
187	54.8993
188	54.5378
189	54.2187
190	53.8961
191	53.6243
192	53.3986
193	52.9780
194	51.0272
195	50.5130
196	49.9921
197	49.4643
198	48.9764
199	48.5234
200	48.1120
201	47.7374
202	47.3587
203	47.0243
204	46.7302
205	46.2733
206	44.4743
207	43.9278
208	43.3741

Monthly Rental Payment Termination Date	Percentage of Purchase Price
209	42.8130%
210	42.2857
211	41.7877
212	41.3246
213	40.8887
214	40.4491
215	40.0483
216	39.6827
217	39.2009
218	37.4613
219	36.9952
220	36.4146
221	35.8276
222	35.2687
223	34.7345
224	34.2299
225	33.7520
226	33.2700
227	32.8204
228	32.4005
229	31.9344
230	30.4932
231	29.9053
232	29.3107
233	28.7093
234	28.1295
235	27.5685
236	27.0309
237	26.5138
238	25.9889
239	25.4859
240	25.0024

Appendix A to the
Lease

SUBLEASE OF RAILROAD EQUIPMENT

Dated as of September 15, 1980

Between

TIDEWATER GRAIN COMPANY,
Sublessee,

and

EARLY & DANIEL INDUSTRIES, INC.,
Sublessor.

[covering 300 covered hopper cars]

The rights and interests of the Sublessor under this Sublease are subject to a security interest in favor of LA SALLE NATIONAL BANK, as Agent for certain institutional investors. The original of this Sublease is held by said Agent.

SUBLEASE OF RAILROAD EQUIPMENT
dated as of September 15, 1980, between TIDEWATER GRAIN COMPANY, a Pennsylvania corporation ("Sublessee"), and EARLY & DANIEL INDUSTRIES, INC., an Indiana corporation ("Sublessor").

Exchange National Bank of Chicago, a national banking association, acting not in its individual capacity but solely as trustee ("Owner-Trustee") under a Trust Agreement dated as of the date hereof with Republic National Leasing Corporation ("Owner"), is entering into a Conditional Sale Agreement dated as of the date hereof ("CSA") with North American Car Corporation, a Delaware corporation ("NAC"), wherein NAC has agreed to sell and deliver to the Owner-Trustee the units of railroad equipment described in Schedule A hereto ("Equipment").

NAC is assigning its interests in the CSA to La Salle National Bank, acting as agent for certain investors (said bank, as so acting, together with its successors and assigns, "Vendor") under a Participation Agreement dated as of the date hereof ("Participation Agreement") with the Sublessor, the Sublessee, the Owner-Trustee, North American Car Corporation ("Guarantor" or "NAC", such designations being used for convenience only and not affecting the construction of provisions where either designation is used), the Owner, Commerce Bank of Kansas City, N.A. ("Interim Investor"), and the parties named in Schedule A thereto.

The Sublessor has entered into a Lease of Railroad Equipment ("Lease") with the Owner-Trustee dated as of the date hereof.

The Sublessor desires to sublease such number of units of the Equipment as are leased under the Lease at the rentals and for the terms and upon the conditions hereinafter provided.

This Sublease will be assigned to the Owner-Trustee pursuant to an Assignment of Sublease and Agreement dated as of the date hereof ("Sublease Assignment"), and the Sublessee will consent to the Sublease Assignment pursuant to a Sublessee's Consent and Agreement ("Sublease Assignment Consent") dated as of the date hereof.

North American Car Corporation (in such capacity called the Guarantor) is entering into a Guarantee Agreement dated the date hereof in the form attached as Exhibit C to the Participation Agreement ("Guarantee Agreement") pursuant to which it will guarantee payment and performance by the Lessee under the Lease.

The Owner-Trustee will assign the Lease, the Guarantee Agreement and reassign the Sublease for security to the Vendor pursuant to an Assignment of Lease, Reassignment of Sublease, Assignment of Guarantee Agreement and Agreement ("Lease Assignment") dated as of the date hereof.

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

§ 1. NET LEASE

This Sublease is a net lease. The Sublessee's obligation to pay all rentals and other amounts hereunder shall be absolute and unconditional and, except as herein provided, the Sublessee shall not be entitled to any abatement of rent or of other amounts due hereunder, reduction thereof or setoff against rent or such other amounts, including, but not limited to, abatements, reductions or setoffs due or alleged to be due by reason of any past, present or future claims of the Sublessee against the Sublessor, the Owner-Trustee or the Owner under this Sublease, the Lease or under the CSA, including the Sublessee's rights by subrogation thereunder against the Sublessor, NAC or the Vendor or otherwise; nor, except as otherwise expressly provided herein, shall this Sublease terminate, or the respective obligations of the Sublessor or the Sublessee be otherwise affected, by reason of any defect in or damage to or loss of possession or loss of use or destruction of all or any of the Units of Equipment from whatsoever cause, any liens, encumbrances or rights of others with respect to any of the Units, the prohibition of or other restriction against the Sublessee's use of all or any of the Units, the interference with such use by any person or entity, the invalidity or unenforceability or lack of due authorization or approval of this Sublease, any present or future insolvency of or the bankruptcy,

reorganization or similar proceeding against the Sublessee, 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 Sublessee hereunder shall continue to be payable in all events in the manner and at the times herein provided unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Sublease. To the extent permitted by applicable law, the Sublessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender the lease of any of the Units except in accordance with the express terms hereof. Each rental or other payment made by the Sublessee hereunder shall be final, except for payments made in error, and the Sublessee shall not seek to recover all or any part of such payment from the Sublessor, the Owner-Trustee, the Owner or the Vendor for any reason whatsoever.

§ 2. DELIVERY AND ACCEPTANCE OF UNITS

The Sublessor hereby appoints the Sublessee its agent for inspection and acceptance of the Units pursuant to Article 3 of the CSA. The Sublessor will cause each Unit to be delivered to the Sublessee at the point or points within the United States of America at which such Unit is delivered to the Sublessor under the Lease. Upon such delivery, the Sublessee will cause an employee or agent of the Sublessee to inspect the same, and if such Unit is found to be acceptable, to accept delivery of such Unit on behalf of the Owner-Trustee under the CSA, the Sublessor under the Lease, and itself hereunder and execute and deliver to the Owner-Trustee a certificate of acceptance ("Certificate of Acceptance") in accordance with the provisions of Article 3 of the CSA, stating that such Unit has been inspected and accepted on behalf of the Sublessee, the Sublessor and the Owner-Trustee on the date of such Certificate of Acceptance and is marked in accordance with § 5 hereof, whereupon such Unit shall be deemed to have been delivered to and accepted by the Sublessee and shall be subject thereafter to all the terms and conditions of this Sublease. The Sublessee hereby represents and warrants to the Owner-Trustee and the Sublessor that no Unit shall be put into service by the Sublessee or any person under the control of or with the consent of the Sublessee earlier than the date of delivery to and acceptance by the

Sublessee as agent for the Sublessor hereunder. The delivery, inspection and acceptance hereunder of any unit of Equipment excluded from the CSA pursuant to the first paragraph of Article 4 thereof shall be null and void and ineffective to subject such Unit to this Sublease.

§ 3. RENTALS

3.1. Amount and Date of Payment. The Sublessee agrees to pay to the Sublessor, as rental for each Unit subject to this Sublease, an interim rental payment on the earlier of the last Closing Date (as defined in the CSA) or December 31, 1980 (the earlier of such dates being called the Sublease Commencement Date), and thereafter 240 consecutive monthly payments, payable on each monthly anniversary of the Sublease Commencement Date. The interim rental payment shall be in an amount equal to the product of the Purchase Price (as defined in the CSA) of each Unit then subject to this Sublease, multiplied by .026814% for each day elapsed from and including the Closing Date on which settlement shall have been made for such Unit under the CSA to the interim rental payment date. The 240 monthly rental payments due after the interim rental payment shall each be in an amount equal to .8156% of the Purchase Price of each Unit subject to this Sublease on the date of such payment. As additional rent, the Sublessee will pay (i) the amounts, if any, to be paid by the Owner-Trustee pursuant to Section 10.1 of the Participation Agreement, (ii) any Investment Deficiency paid pursuant to Section 2.5 thereof, (iii) for each of the first four monthly rental payments an amount equal to the excess of (a) the Interim Rate (as defined in the CSA) multiplied by the Series A CSA Indebtedness (as defined in the CSA) divided by 12, over (b) 13% multiplied by the Series A CSA Indebtedness divided by 12 and (iv) for the fifth monthly rental payment an amount equal to the excess of (a) the Fifth Payment Date Rate (as defined in the CSA) multiplied by the Series A CSA Indebtedness (as defined in the CSA) divided by 12, over (b) 13% multiplied by the Series A CSA Indebtedness divided by 12.

3.2. Payment on Nonbusiness Day. If any of the monthly rental payment dates referred to above is not a business day (as such term is defined in the CSA) the monthly rental payment otherwise payable on such date shall then be payable on the next succeeding business day, and no interest shall be payable for the period from and after the nominal date for payment thereof to such next succeeding business day.

3.3. Instructions To Pay Agent and Owner-Trustee. Until the Vendor notifies the Sublessee that the CSA is no longer in effect, the Sublessor irrevocably instructs the Sublessee to make all the payments due the Sublessor provided for in this Sublease to the Vendor, for the account of the Owner-Trustee, in care of the Vendor. The Sublessor has instructed the Vendor (a) first, to apply such payments to satisfy the obligations of the Owner-Trustee under the CSA known to the Vendor to be due and payable on the date such payments are due and payable hereunder and (b) second, so long as no event of default under the CSA shall have occurred and be continuing, to pay any balance promptly to the Owner-Trustee or to the order of the Owner-Trustee in immediately available funds at such place as the Owner-Trustee shall specify in writing. The Sublessee shall have no responsibility with respect to the application by the Vendor of payments made by it in accordance with the first sentence of this paragraph.

3.4. Payment in Immediately Available Funds. The Sublessee agrees to make each payment provided for in § 3.1 hereof in immediately available funds at or prior to 11:00 a.m. Chicago, Illinois, time at the office of the Vendor on the date due, or if the CSA shall no longer be in effect, at the office of the Owner-Trustee.

§ 4. TERM OF SUBLEASE

4.1. Beginning and Termination; Survival. The term of this Sublease as to each Unit shall begin on the date of delivery and acceptance of such Unit hereunder and, subject to the provisions of §§ 7 and 10 hereof, shall terminate on the date on which the final payment of rent in respect thereof is due pursuant to § 3 hereof. Except for obligations of the Sublessee under §§ 1, 3, 6 (subject to the penultimate paragraph of § 6), 7, 9 (subject to § 9.6), 10, 11, 12.3, 13 and 15 hereof no obligations of the Sublessee shall survive the expiration of the term of this Sublease.

4.2. Rights and Obligations of Sublessee Subject to CSA. Except as stated below all rights and obligations of the Sublessee under this Sublease and in and to the Units are subject to the rights and obligations of the Vendor under the CSA and the Owner-Trustee under the Lease. If an Event of Default should occur under § 10 of the Lease, upon notice of the Owner-Trustee or the Vendor to the Sublessor and Sublessee the participation of the Sublessor under this Sublease shall, without the consent of

the Sublessor or Sublessee, and immediately and without any further action, be terminated, and the Owner-Trustee without the further consent and immediately and automatically and without any further action shall become the Sublessor under this Sublease; and the Sublessor hereby agrees and acknowledges that in such event it shall no longer be a party to this Sublease and that it would no longer have any claim whatsoever to any rental payments paid to the Vendor pursuant to § 3 hereof subsequent to such event. If an event of default should occur under the CSA, the Vendor may terminate this Sublease (or rescind its termination) without affecting the indemnities which by the provisions of this Sublease survive the termination of its term; provided, however, that so long as (i) no Event of Default exists hereunder or under the Lease or the Lessee's Consent and (ii) the Sublessee is complying with the provisions of the Sublease Assignment Consent, this Sublease may not be terminated and the Sublessee shall be entitled to the rights of possession, use and assignment provided under § 12 hereof.

4.3. Rights and Obligations of Sublessee Subject to Guarantor's Assumption of the Lease. Notwithstanding paragraph 4.2 above, in the event that the Guarantor assumes the Lease pursuant to paragraph 10.6 thereof, the Guarantor shall have the option to terminate this Sublease.

§ 5. IDENTIFICATION MARKS

The Sublessee will cause each Unit to be kept numbered with the identifying number set forth in Schedule A hereto, or in the case of any Unit not there listed such identifying number as shall be set forth in any amendment or supplement hereto extending this Sublease to cover such Unit, and will keep and maintain, plainly, distinctly, permanently and conspicuously marked on each side of each Unit, in letters not less than one inch in height, the words, "OWNERSHIP SUBJECT TO A SECURITY AGREEMENT FILED WITH THE INTERSTATE COMMERCE COMMISSION", or other appropriate words designated by the Vendor or the Owner-Trustee, with appropriate changes thereof and additions thereto as from time to time may be designated by the Owner-Trustee or Vendor as required by law or reasonably requested in order to protect the Owner-Trustee's and the Vendor's title to and interest in such Unit and the rights of the Owner-Trustee under this Sublease and of the Vendor under the CSA. The Sublessee will not place or permit any such Unit to be placed in operation or exercise any control or

dominion over the same until such words shall have been so marked on both sides thereof and will replace or cause to be replaced promptly any such name and words which may be removed, defaced, obliterated or destroyed. The Sublessee will not change or permit to be changed the identifying number of any Unit unless and until (i) a statement of new number or numbers to be substituted therefor shall have been filed with the Vendor and the Owner-Trustee and filed, recorded and deposited by the Sublessee in all public offices where this Sublease, the Lease and the CSA shall have been filed, recorded and deposited and (ii) the Sublessee shall have furnished the Vendor and the Owner-Trustee an opinion of counsel to the effect that such statement has been so filed, recorded and deposited, such filing, recordation and deposit will protect the Vendor's and the Owner-Trustee's interests in such Units and no filing, recording, deposit or giving of notice with or to any other Federal, state or local government or agency thereof is necessary to protect the interests of the Vendor and the Owner-Trustee in such Units.

Except as above provided, the Sublessee will not allow the name of any person, association or corporation to be placed on any Unit as a designation that might be interpreted as a claim of ownership; provided, however, that the Sublessee may permit the Equipment to be lettered with the names, trademarks, initials or other insignias customarily used by the Sublessee, the Sublessor, the Guarantor or the affiliates of any of them (or any sublessee of them under a sublease authorized by § 12 hereof) on railroad equipment used by it of the same or a similar type for convenience of identification of its rights to use the Equipment under this Sublease, and the Equipment may be lettered in an appropriate manner for convenience of identification of the interest of the Sublessee therein.

§ 6. TAXES

Whether or not any of the transactions contemplated hereby are consummated, the Sublessee agrees to pay, and to indemnify and hold the Owner-Trustee, the Owner, the Vendor, NAC, the Sublessor, the Investors, and the estate held in trust by the Owner-Trustee under the Trust Agreement harmless from all taxes (income, gross receipts, franchise, sales, use, property [real or personal, tangible or intangible] and stamp taxes), assessments, fees and charges of any nature whatsoever, together with any penalties, fines, additions to tax or interest thereon, howsoever imposed,

whether levied or imposed upon the Owner-Trustee, the Owner, the Vendor, the Investors, the Sublessee, the Sublessor, the trust estate created by the Trust Agreement, NAC or otherwise, by any Federal, state or local government or governmental subdivision in the United States or by any foreign country or subdivision thereof, upon or with respect to: any Unit or any part thereof; the manufacture, purchase, ownership, delivery, leasing, possession, use, operation, transfer of title, return or other disposition thereof; the rentals, receipts or earnings arising therefrom or value added thereto; this Sublease, the Lease Assignment, the Lease, the Sublease Assignment, the Guaranty Agreement, the Consent, the Sublease Assignment Consent, the Trust Agreement, the Participation Agreement, the CSA or the CSA Assignment, any payment made pursuant to any such agreement, or the property, the income or other proceeds received with respect to property held in trust by the Owner-Trustee under the Trust Agreement (all such taxes, assessments, fees, charges, penalties, fines, additions to tax and interest imposed as aforesaid being hereinafter called "Taxes"); excluding, however: (i) Taxes of the United States or of any state or political subdivision thereof and (if and to the extent that any person indemnified hereunder is currently allowed a credit therefor against its United States Federal income taxes) of any foreign country or subdivision thereof, imposed on or measured solely by the net income or excess profits of the Owner-Trustee, the Owner, the Investors, NAC, the Sublessor or the Vendor, or franchise or value added tax to the extent adopted in substitution thereof, other than Taxes arising out of or imposed in respect of the receipt of indemnification payments pursuant to this Sublease or gross receipts taxes which are in lieu of a property tax; provided that such Taxes of any foreign country or subdivision thereof incurred as a result of the indemnified party being taxed by such foreign country or jurisdiction on its worldwide income without regard to the transactions contemplated by this Sublease shall be excluded whether or not the indemnified party is currently allowed a credit against its United States Federal income taxes; (ii) any Taxes imposed as a direct result of a voluntary transfer or other voluntary disposition by the Owner or any transfer or disposition by the Owner resulting from bankruptcy or other proceedings for the relief of creditors in which the Owner is the debtor, whether voluntary or involuntary, of any interest in any Unit or interest in rentals under this Sublease or the Lease, or in the Trust Estate (as defined in the Trust Agreement) without the consent of the Sub-

lessee, unless, in each case, such transfer or disposition is required or contemplated by this Sublease or an Event of Default shall have occurred and be continuing; and (iii) any Taxes imposed on or measured by any trustee fees received by the Owner-Trustee or any compensation received by the Vendor; provided, however, that the Sublessee shall not be required to pay any Taxes during the period it may be contesting the same in the manner provided in the next succeeding paragraph. The Sublessee further agrees to pay on or before the time or times prescribed by law any tax imposed on or measured solely by the net income of the Sublessee (or the affiliated group, within the meaning of section 1504 of the Internal Revenue Code of 1954, as amended, of which the Sublessee is a member) under the laws of the United States or of any state or political subdivision thereof, or of any foreign country or subdivision thereof which, if unpaid, might result in a lien or other encumbrance upon any Unit; provided, however, that the Sublessee shall not be required to pay any such tax during the period it may be contesting the same. The amount which the Sublessee shall be required to pay with respect to any taxes indemnified against pursuant to this § 6 shall be an amount sufficient to restore the indemnified party to the same position such indemnified party would have been in had such Taxes not been imposed.

If claim is made against any indemnified party for any Taxes indemnified against under this § 6, such party shall promptly notify the Sublessee. If reasonably requested by the Sublessee in writing, such indemnified party shall, upon receipt of indemnity satisfactory to it for all costs, expenses, losses, legal and accountants' fees and disbursements, penalties, fines, additions to tax and interest, and at the expense of the Sublessee, contest in good faith the validity, applicability or amount of such Taxes by (a) resisting payment thereof if possible, (b) not paying the same except under protest, if protest is necessary and proper, and (c) if payment is made, using reasonable efforts to obtain a refund thereof in appropriate administrative or judicial proceedings, or both. The Sublessee may also contest, at its own expense, the validity, applicability or amount of such Taxes in the name of such indemnified party; provided that no proceeding or action relating to such contest shall be commenced (nor shall any pleading, motion, brief or other paper be submitted or filed in the name of such indemnified party in any such proceeding or action) without the prior written consent of such indemnified party, which consent shall not be unreasonably withheld. If such indemnified party shall

obtain a refund of all or any part of such Taxes previously reimbursed by the Sublessee in connection with any such contest or an amount representing interest thereon applicable to the amount paid by the Sublessee and the period of such payment, such indemnified party shall pay to the Sublessee the amount of such refund or interest net of expenses; provided, however, that no Event of Default and no event which, with notice or lapse of time or both, would constitute an Event of Default shall have occurred and be continuing.

If any person indemnified hereunder shall be allowed a credit for any foreign taxes for which the Sublessee shall have reimbursed such indemnified party, such indemnified party shall pay to the Sublessee the amount of such credit, plus an amount equal to any tax benefits realized by such indemnified party as a result of any payment to the Sublessee pursuant to this sentence.

For purposes of this paragraph, in determining the order in which the indemnified party utilizes withholdings or other foreign taxes as a credit against such indemnified party's United States income taxes, such indemnified party shall be deemed to utilize tax credits in the following order (i) all foreign taxes arising in connection with its business other than equipment lease transactions, (ii) all foreign taxes arising from lease transactions entered into prior to the transactions contemplated hereby, (iii) all foreign taxes arising from this lease transaction and (iv) all foreign taxes arising in connection with lease transactions entered into after the transactions contemplated hereby. Each indemnified party shall in good faith use reasonable efforts in filing its tax returns and in dealing with taxing authorities to claim a credit for any foreign taxes for which the Sublessee shall have reimbursed such indemnified party and otherwise to minimize any taxes for which the Sublessee is responsible under this § 6.

In case any report or return is required to be made with respect to any obligation of the Sublessee under this § 6 or arising out of this § 6, except obligations resulting from the second sentence of the first paragraph of this § 6, the Sublessee shall either make such report or return in such manner as will show the interests of the Owner-Trustee in the Units, or shall promptly notify the Owner-Trustee, the Owner and the Vendor of such requirement and shall make such report or return in such manner as

shall be reasonably satisfactory to the Owner-Trustee, the Vendor and the Owner. All costs and expenses (including legal and accountants' fees) of preparing any such return or report shall be borne by the Sublessee.

All the obligations of the Sublessee under this § 6 shall survive and continue, but only with respect to periods included in the term of this Sublease and any period during which the Sublessee is required to pay rental pursuant to the penultimate sentence of § 13 hereof, notwithstanding payment in full of all amounts due under the CSA or the termination of this Sublease. All amounts payable by the Sublessee pursuant to this § 6 shall be payable directly to the indemnified party entitled to indemnification, except to the extent paid to a governmental agency or taxing authority.

The Sublessee shall furnish promptly upon request, such information and data as is normally available to the Sublessee and which the Owner-Trustee, the Vendor, the Owner or the Sublessor reasonably may require to permit compliance with the requirement of any taxing authority.

§ 7. PAYMENT FOR CASUALTY OCCURRENCES, INSURANCE

7.1. Definition of Casualty Occurrence; Payments. In the event that any Unit shall be or become worn out, lost, stolen, destroyed, irreparably damaged, or permanently rendered unfit for use from any cause whatsoever, or taken or requisitioned by condemnation or otherwise resulting in loss of possession by the Sublessee for a period of 90 consecutive days, except requisition for use by the United States Government ("Government") for a period not in excess of the then remaining term of this Sublease (such occurrences being hereinafter called Casualty Occurrences) during the term of this Sublease, or until such Unit shall have been returned in the manner provided in § 11 or 13 hereof, the Sublessee shall within seven days after it shall have reasonably determined that such Unit has suffered a Casualty Occurrence notify the Sublessor, the Owner-Trustee and the Vendor with respect thereto, specifying the date, cause and extent of such Casualty Occurrence. On the rental payment date next succeeding the delivery of such notice (or, in the event such rental payment date will occur within 10 days after delivery of notice, on the following rental payment date, or, in the event the term of this Sublease has already expired or will expire within 10 days after delivery of

such notice, on a date within 10 days of such delivery), the Sublessee shall pay to the Sublessor an amount equal to the rental payment or payments in respect of such Unit due and payable on such date plus a sum equal to the Casualty Value (as defined in the next sentence) of such Unit as of the date of such payment in accordance with the schedule referred to hereafter. The Casualty Value of each Unit as of the payment date on which payment is to be made as aforesaid shall be that percentage of the Purchase Price of such Unit as is set forth in Schedule B hereto opposite such date. Upon the making of such payment by the Sublessee in respect of any Unit, the rental for such Unit shall cease to accrue as of the date of such payment, the term of this Sublease as to such Unit shall terminate and (except in the case of the loss, theft or complete destruction of such Unit) the Sublessor shall be entitled to recover possession of such Unit.

If the date upon which the making of such payment by the Sublessee in respect of any Unit as required as aforesaid shall be after the term of this Sublease in respect of such Unit has expired, no rental for such Unit shall accrue after the end of such term but the Sublessee, in addition to paying the Casualty Value for such Unit shall pay interest thereon from the end of such term to the date of such payment at the rate of 13% per annum.

7.2. Sublessor Agent for Disposal. The Sublessor, as agent for the Owner-Trustee under the Lease, shall dispose of any Unit suffering a Casualty Occurrence or any component thereof, before or after the expiration of this Sublease, at the best price obtainable by the Sublessee upon exercise of reasonable efforts on an "as is, where is" basis. Provided that the Sublessee has previously paid the Casualty Value to the Sublessor and is not in default hereunder, the Sublessee shall be entitled to the proceeds of such disposition to the extent they do not exceed the Casualty Value of such Unit, and the excess shall be retained by the Sublessor.

7.3. Requisition by United States Government. In the event of the requisition for use by the Government of any Unit for a period which does not exceed the term of this Sublease, or for an indefinite period (except where deemed a Casualty Occurrence pursuant to § 7.1 hereof), all the obligations of the Sublessee under this Sublease with respect to such Unit shall continue to the same extent as if such requisition had not occurred. All payments received by the Sublessor or the Sublessee from the Government for the use of such Unit during the term of this

Sublease shall be paid over to, or retained by, the Sublessee; provided no Event of Default (or other event which after notice or lapse of time or both would become an Event of Default) shall have occurred and be continuing.

7.4. No Release. Except as hereinabove in this § 7 provided, the Sublessee shall not be released from its obligations hereunder in the event of, and shall bear the risk of, any Casualty Occurrence to any Unit from and after delivery and acceptance thereof by the Sublessee hereunder until expiration of this Sublease and Sublessee's obligation under §§ 11 and 13 hereof.

7.5. Insurance. The Sublessee shall, at all times prior to the return of the Equipment to the Sublessor, at its own expense, cause to be carried and maintained public liability insurance, naming the Owner, the Owner-Trustee, the Guarantor, the Sublessor and the Vendor as additional named insureds as their interests may appear, at least in amounts and against risks customarily insured against by the Sublessee in respect of similar equipment owned by it; provided, however, that, subject to availability, the amount of such coverage shall not, at any time, be less than $25 million (with a deductible of not greater than $1 million) per occurrence.

The Sublessee shall obtain from each insurer under the paragraph immediately above an agreement, by endorsement or separate instrument, that such insurer will give the Sublessor, the Owner-Trustee, the Guarantor and the Vendor 30 days' written notice before such insurer's policy shall be materially altered or canceled or not renewed. In January of each year, the Sublessee shall deliver to the Owner-Trustee, the Guarantor and the Vendor a certificate of insurance by or on behalf of each insurer stating the coverage, named insureds and limits of each such policy.

If at any time the Sublessee elects, in its sole business judgment, to carry property insurance on any of its fleet of hopper cars, both owned and leased, all such policies of insurance shall also cover the Units. Any policies of insurance carried in accordance with this paragraph shall (i) require 30 days' prior notice of cancelation or material change in coverage to the Owner, the Sublessor and the Vendor, (ii) name the Owner-Trustee, the Owner, and the Sublessor and the Vendor as additional named insureds as their respective interests may appear, and (iii) waive any right to claim premiums or commissions against the Owner, the Owner-Trustee, the Vendor and the

Sublessor and, in the event such policies shall contain breach of warranty provisions, such policies shall provide that in respect of the interests of the Owner-Trustee and the Vendor in such policies the insurance shall not be invalidated by any action or inaction of the Sublessee or any other person (other than the Owner, the Owner-Trustee and the Vendor, respectively) and shall insure the Owner-Trustee and the Vendor regardless of any breach or violation of any warranty, declaration or condition contained in such policies by the Sublessee or by any other person (other than the Owner, the Owner-Trustee or the Vendor, respectively). The Sublessee shall deliver to the Owner upon the Owner's request duplicate originals of all policies, if any (or in the case of blanket policies, certificates thereof issued by the issuers thereunder, if any) for the insurance obtained pursuant to this § 7.5.

7.6. Insurance Proceeds and Condemnation Payments. If the Sublessor or Owner-Trustee shall receive (directly or from the Vendor) any insurance proceeds from a policy or policies obtained by the Sublessee or condemnation payments in respect of such Units suffering a Casualty Occurrence, the Sublessor or Owner-Trustee shall pay forthwith such proceeds or condemnation payments to the Sublessee up to an amount equal to the Casualty Value with respect to any Unit theretofore paid by the Sublessee and any balance of such proceeds or condemnation payments shall remain the property of the Sublessor; provided, however, that no Event of Default shall have occurred and be continuing and the Sublessee shall have made payment of the Casualty Value thereof, and accrued rentals in respect of such Units, to the Sublessor.

7.7. Economic Obsolescence. In the event that the Lease shall be terminated in accordance with the provisions of Section 7.7 thereof, this Sublease shall terminate on the same day as the Lease terminates and the Sublessee shall pay to the Sublessor an amount equal to the payment in respect of such termination to be made by the Lessee to the Owner-Trustee pursuant to said Section 7.7 of the Lease.

§ 8. REPORTS

On or before September 1 in each year, commencing with September 1, 1981, the Sublessee will furnish to the Sublessor, the Owner-Trustee, the Owner, the Guarantor and the Vendor an accurate statement (a) setting forth as at the preceding May 31 the amount, description and

numbers of all Units then leased hereunder and covered by the CSA, the amount, description and numbers of all Units that have suffered a Casualty Occurrence during the preceding calendar year (specifying the dates of such Casualty Occurrences) or to the knowledge of the Sublessee are then undergoing repairs (other than running repairs) or are then withdrawn from use pending repairs (other than running repairs) and such other information regarding the condition and state of repair of the Units as the Owner-Trustee or the Vendor may reasonably request, (b) stating that, in the case of all Units repainted or repaired during the period covered by such statement, the numbers and the markings required by § 5 hereof and the CSA have been preserved or replaced and (c) setting forth the identity of the sublessee, the amount, description and road number of all Units subleased pursuant to § 12 hereof where such subleases are for six months or longer. The Sublessor and the Owner-Trustee shall have the right by their agents to inspect the Units and the Sublessee's records with respect thereto at such reasonable times as the Owner-Trustee or the Sublessor may request during the continuance of this Sublease.

Should any Units be used in Canada or Mexico pursuant to § 12 hereof, the Sublessee shall furnish quarterly reports to the Sublessor, the Owner-Trustee, the Owner, the Guarantor and the Vendor commencing April 1, 1981, setting forth the road numbers of Units in Mexico or Canada on the date of such report.

§ 9. DISCLAIMER OF WARRANTIES; COMPLIANCE WITH LAWS AND RULES; MAINTENANCE; INDEMNIFICATION

9.1. Disclaimer of Warranties. THE SUBLESSOR DOES NOT MAKE, HAS NOT MADE AND SHALL NOT BE DEEMED TO MAKE OR HAVE MADE ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE DESIGN, COMPLIANCE WITH SPECIFICATIONS, OPERATION OR CONDITION OF, OR AS TO THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE UNITS OR ANY COMPONENT THEREOF DELIVERED TO THE SUBLESSEE HEREUNDER, AND THE SUBLESSOR DOES NOT MAKE ANY WARRANTY OF MERCHANTABILITY OR FITNESS OF THE UNITS OR ANY COMPONENT THEREOF FOR ANY PARTICULAR USE OR PURPOSE NOR AS TO TITLE TO THE UNITS OR ANY COMPONENT THEREOF, NOR ANY OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO ANY UNIT OR ANY COMPONENT THEREOF (EITHER UPON DELIVERY THEREOF TO THE SUBLESSEE OR OTHERWISE), it being agreed that all such risks, as between the Sublessor

and the Sublessee, are to be borne by the Sublessee; but the Sublessor hereby irrevocably appoints and constitutes the Sublessee its agent and attorney-in-fact during the term of this Sublease to assert and enforce from time to time, in the name of and for the account of the Sublessor and/or the Sublessee, as their interests may appear, at the Sublessee's sole cost and expense, whatever claims and rights the Sublessor may have against NAC, or Pullman Incorporated or any other person including, but not limited to, any claims and rights arising under the provisions of the CSA. The Sublessor shall not have any responsibility or liability to the Sublessee 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 Units or by any inadequacy thereof or deficiency or defect therein or by any other circumstance in connection therewith; (ii) the use, operation or performance of any Units 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 Units. The Sublessee's delivery of a Certificate of Acceptance shall be conclusive evidence as between the Sublessee and the Sublessor that the Units described therein are in all the foregoing respects satisfactory to the Sublessee, and the Sublessee will not assert any claim of any nature whatsoever against the Owner or the Sublessor based on any of the foregoing matters.

9.2. Compliance with Laws and Rules. The Sublessee agrees, for the benefit of the Sublessor, the Owner-Trustee, the Owner and the Vendor, to comply in all respects (including, without limitation, with respect to the use, maintenance and operation of each Unit) with all laws of the jurisdictions in which its operations involving the Units may extend, with the interchange rules of the Association of American Railroads and with all lawful rules of the United States Department of Transportation, the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Units ("Applicable Laws"), to the extent that such laws and rules affect the title, operation or use of the Units and in the event that such laws or rules require any alteration, replacement, modification or addition of or to any part of any Unit, the Sublessee will fully conform therewith at its own expense; provided, however, that the Sublessee may, in good faith, contest the validity or application of any such law or rule

in any reasonable manner which does not, in the opinion of the Sublessor or the Vendor, adversely affect the property or rights of the Sublessor or the Vendor under this Sublease or under the CSA.

9.3. Maintenance. The Sublessee agrees that, at its own cost and expense, it will maintain and keep each Unit (including any parts installed on or replacements made to any Unit and considered an accession thereto as hereinbelow provided) which is subject to this Sublease in good operating order and repair, ordinary wear and tear excepted. Except for alterations or changes required by law, the Sublessee shall not, without the prior written approval of the Sublessor, effect any permanent structural change in the design, construction or body of the Units or appurtenances thereto.

9.4. Additions and Accessions. The Sublessee and its affiliates, at their own cost and expense, may from time to time make such alterations, modifications and additions (including, without limitation, any special devices or assemblies at any time attached or affixed to any Unit, the cost of which is not included in the Purchase Price of such Unit and which are not required for the operation or use of such Unit by the Interstate Commerce Commission, the United States Department of Transportation or any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over such Unit) (hereinafter collectively called Additions) to the Units as the Sublessee may deem desirable in the proper conduct of its business so long as such Additions shall not be inconsistent with the continuing operation of the Units in accordance with their original conventional purpose and shall not diminish the value, utility or condition of the Units below the value, utility and condition thereof immediately prior to the making of such Additions, assuming the Units were then in the condition required to be maintained by the terms of this Sublease; provided, however, that no such Addition shall be made if it is not readily removable from the Unit to which it relates without material damage thereto and without diminishing or impairing the value or utility which the Unit would have had immediately prior to such time had such Addition not been made.

Title to all Parts (as hereinbelow defined) incorporated in or installed as part of the Units shall without further act vest in the Owner-Trustee and the

Vendor as their respective interests may appear in the Unit itself in the following cases: (i) such Part is in replacement of or in substitution for, and not in addition to, any Part originally incorporated in or installed as part of a Unit at the time of the acceptance thereof hereunder or any Part in replacement of, or in substitution for, any such replaced or substituted Part, (ii) such Part is required to be incorporated in or installed as part of the Unit pursuant to the terms of the second paragraph of §§ 9.2 and 9.3, or (iii) notwithstanding the provisions of the first paragraph of this § 9.4, such Part cannot be readily removed from the Unit to which it relates without material damage thereto and without diminishing or impairing the value or utility which such Unit shall have had at such time had such alteration or addition not occurred. In all other cases, if no Event of Default under § 10 hereof (or other event which after lapse of time or notice or both would constitute an Event of Default) shall have occurred and be continuing, title to Parts incorporated in or installed as parts of the Units as a result of such alterations or additions shall vest in the Sublessee. The term "Part" for the purposes of this paragraph and § 13 hereof shall be defined to include any appliance, part, instrument, accessory, furnishing or other equipment of any nature which may from time to time be incorporated in or installed as part of any Unit.

9.5. Indemnification. The Sublessee shall pay, and shall protect, indemnify and hold, the Sublessor, NAC, the Guarantor, the Owner, the Owner-Trustee (as trustee and in its individual capacity) and the Vendor, and their respective successors, assigns, agents and servants (hereinafter called Indemnified Persons), harmless from and against any and all causes of action, suits, penalties, claims, demands or judgments, of any nature whatsoever which may be imposed on, incurred by or asserted against any Indemnified Person (including any or all liabilities, obligations, damages, costs, disbursements, expenses [including without limitation attorneys' fees and expenses of any Indemnified Person] relating thereto) in any way relating to or arising or alleged to arise out of this Sublease or the Units, including without limitation those in any way relating to or arising or alleged to arise out of (i) the manufacture, construction, purchase, acceptance, rejection, ownership, delivery, nondelivery, lease, possession, use, operation, condition, sale, return or other disposition of any Unit or portion thereof; (ii) any latent or other defects whether or not discoverable by any Indemnified Person or the Sublessee; (iii) any claim for patent, trademark or copyright

infringement; (iv) any claims based on strict liability in tort; (v) any injury to or the death of any person or any damage to or loss of property on or near the Units or in any manner growing out of or concerned with, or alleged to grow out of or be connected with, the ownership, use, replacement, adaptation or maintenance of the Units or of any other equipment in connection with the Units (whether owned or under the control of Sublessor, the Owner-Trustee, the Sublessee or any other person) or resulting or alleged to result from the condition of any thereof; and (vi) any violation, or alleged violation, of any provision of this Sublease or any Document (except by the parties thereto other than the Sublessee) or of any agreement, law, rule, regulation, ordinance or restriction, affecting or applicable to the Units or the leasing, ownership, use, replacement, adaptation or maintenance thereof (all of the foregoing being herein called "Indemnified Matters"). The Sublessee shall not be responsible to an Indemnified Person under this § 9.5 with respect to any claim to the extent that such claim arises from the Indemnified Person's own default, own negligence, own law violations or if such Indemnified Person is specifically indemnified by the Sublessee or the Lessee by other provisions of this Sublease or other instruments. The Sublessee shall be obligated under this § 9, irrespective of whether any Indemnified Person shall also be indemnified with respect to the same matter under any other agreement by any other person, and the Indemnified Person seeking to enforce the indemnification may proceed directly against the Sublessee under this § 9 without first resorting to any such other rights of indemnification. In case any action, suit or proceeding is brought against any Indemnified Person in connection with any claim indemnified against hereunder, the Sublessee may and, upon the request of such Indemnified Person, will at the expense of the Sublessee resist and defend such action, suit or proceeding, or cause the same to be resisted or defended by counsel selected by the Sublessee and approved by such Indemnified Person, as the case may be, and, in the event of any failure by the Sublessee so to do, the Sublessee shall pay all costs and expenses (including without limitation reasonable attorneys' fees and expenses) incurred by such Indemnified Person in connection with such action, suit or proceeding. In the event the Sublessee is required to make any payment under this § 9, the Sublessee shall pay such Indemnified Person an amount which, after deduction of all taxes required to be paid by such Indemnified Person in respect of the receipt thereof under the laws of the United States or of any political subdivision thereof (after giving credit for any savings in respect of

any such taxes by reason of deductions, credits or allowances in respect of the payment of the expense indemnified against, and of any other such taxes as reasonably determined in the sole discretion of the Indemnified Person), shall be equal to the amount of such payment. The Sublessee and the Sublessor each agrees to give each other promptly upon obtaining knowledge thereof written notice of any claim or liability hereby indemnified against. Upon the payment in full of any indemnities as contained in this § 9 by the Sublessee, and provided that no Event of Default (or other event which with lapse of time or notice or both would constitute an Event of Default) shall have occurred and be continuing, it shall be subrogated to any right of such Indemnified Person in respect of the matter against which indemnity has been given. Any payments received by such Indemnified Person from any person (except the Sublessee) as a result of any matter with respect to which such Indemnified Person has been indemnified by the Sublessee pursuant to this § 9 shall be paid over to the Sublessee to the extent necessary to reimburse the Sublessee for indemnification payments previously made in respect of such matter but only after such Indemnified Person has been indemnified in full.

The Sublessee further agrees to indemnify, protect and hold harmless the Sublessor, the Vendor, the Owner, the Owner-Trustee, the Guarantor and NAC, as third-party beneficiaries hereof, from and against any and all liability, claims, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against the Sublessor, the Vendor, the Owner, the Owner-Trustee or NAC because of the use in or about the construction or operation of any of the Equipment of any article or material specified by the Sublessee, the Sublessor, the Owner or the Owner-Trustee and not manufactured by NAC or Pullman Incorporated or of any design, system, process, formula or combination specified by the Sublessee, the Sublessor, the Owner-Trustee or the Owner and not developed or purported to be developed by NAC or Pullman Incorporated which infringes or is claimed to infringe on any patent or other right.

9.6. Survival. The indemnities contained in this § 9 shall survive the expiration or termination of this Sublease with respect to all events, facts, conditions or other circumstances occurring or existing prior to such expiration or termination and are expressly made for the benefit of, and shall be enforceable by, any Indemnified Person. None of the indemnities in this § 9 shall be deemed to create any rights of subrogation which do not

already exist in any insurer or third party against the Sublessee therefor, from or under any Indemnified Person, whether because of any claim paid or defense provided for the benefit thereof or otherwise.

9.7. Payments for Indemnification. All payments hereunder shall be made directly to the Indemnified Person.

9.8. Reports. The Sublessee agrees at its expense to prepare and deliver to the Sublessor within a reasonable time prior to the required date of filing (or, to the extent permissible, file on behalf of the Sublessor) any and all reports (other than income tax returns) to be filed by the Sublessor with any Federal, state or other regulatory authority by reason of the ownership by the Owner Trustee or the Owner of the Units or the leasing thereof to the Sublessor.

§ 10. DEFAULT

10.1. Events of Default; Remedies. If, during the continuance of this Sublease, one or more of the following events (each such event being herein sometimes called an Event of Default) shall occur:

(a) payment of any part of the rental provided in § 3 hereof or payment in respect of any Casualty Occurrence pursuant to § 7 hereof shall not be made by or on behalf of the Sublessee when such payment is due and such default shall continue for six days;

(b) default shall be made in the observance or performance of any other of the covenants, conditions and agreements on the part of the Sublessee contained herein, in the Participation Agreement or in the Consent, and such default shall continue for 30 days after written notice from the Sublessor, the Owner-Trustee or the Vendor to the Sublessee specifying the default and demanding that the same be remedied unless, at the end of such 30-day period and thereafter for so long as, the Sublessee shall in good faith be diligently proceeding to cure such default and the resulting delay does not materially prejudice the rights of the Sublessor or Owner-Trustee;

(c) the Sublessee shall make or permit any unauthorized assignment or transfer of this Sublease, or any interest herein, or of the right to possession of the Units, or any thereof;

(d) any proceedings shall be commenced by or against the Lessee or the Sublessee for any relief which includes, or might result in, any modification of the obligations of the Sublessee under this Sublease, the Participation Agreement, or the Sublease Assignment Consent, or the Lessee under the Lease, the Participation Agreement, the Consent or the Indemnity Agreement (as defined in the Participation Agreement) under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit any readjustments of the obligations of the Sublessee hereunder or the Lessee under the Lease) and, unless such proceedings shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Sublessee under this Sublease, the Participation Agreement, and the Sublease Assignment Consent or the Lessee under the Lease, the Participation Agreement, the Consent or the Indemnity Agreement (as defined in the Participation Agreement) shall not have been and shall not continue to be duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees or receiver or receivers appointed in such proceedings in such manner that such obligations shall have the same status as obligations incurred by such a trustee or trustees or receiver or receivers, within 75 days after such proceedings shall have been commenced; or

(e) an event of default set forth in Article 16 of the CSA shall have occurred arising out of any default by the Sublessee in performing any of its obligations hereunder or under its Documents (as defined in the Participation Agreement);

then, in any such case, the Sublessor, at its option, may

(aa) proceed by appropriate court action or actions either at law or in equity, to enforce performance by the Sublessee of the applicable covenants of this Sublease or to recover damages for the breach thereof; or

(bb) by notice in writing to the Sublessee terminate this Sublease (except that if the only Event of Default shall be proceedings related to the Guarantor described in clause (e) of this § 10.1 the termination of this Lease shall be effective 180 days after such

notice), whereupon all rights of the Sublessee to the use of the Units shall absolutely cease and terminate as though this Sublease had never been made, but the Sublessee shall remain liable as herein provided; and thereupon the Sublessor may by its agents enter upon the premises of the Sublessee or other premises where any of the Units may be and take possession of all or any of such Units and thenceforth hold, possess, sell, operate, lease to others and enjoy the same free from any right of the Sublessee, or its successors or assigns, to use the Units for any purposes whatever and without any duty to account to the Sublessee for such action or inaction or for any proceeds arising therefrom; but the Sublessor shall, nevertheless, have a right to recover from the Sublessee any and all amounts which under the terms of this Sublease may be then due or which may have accrued to the date of such termination (computing the rental for any number of days less than a full rental period by multiplying the rental for such full rental period by a fraction of which the numerator is such number of days and the denominator is the total number of days in such full rental period) and also to recover forthwith from the Sublessee as damages for loss of a bargain and not as a penalty, whichever of the following amounts the Sublessor, in its sole discretion, shall specify: (x) a sum with respect to each Unit which represents the excess of (1) the present value, at the time of such termination, of the entire unpaid balance of all rental for such Unit which would otherwise have accrued hereunder from the date of such termination to the end of the term of this Sublease as to such Unit over (2) the then present value of the rentals which the Sublessor reasonably estimates (if the Sublessee requests, at its cost, as determined by an independent appraiser) to be obtainable for the Unit during such period, such present value to be computed in each case on the basis of a 6% per annum discount, compounded monthly from the respective dates upon which rentals would have been payable hereunder had this Sublease not been terminated, together with any damages and expenses, including reasonable attorneys' fees, in addition thereto which the Sublessor shall have sustained by reason of the breach of any covenant, representation or warranty of this Sublease other than for the payment of the rental; or (y) an amount equal to the excess, if any, of the Casualty Value as of the rental payment date on or next preceding the date of termination over the amount the Sublessor reasonably estimates (if the Sublessee requests, at its

cost, as determined by an independent appraiser) to be the sales value (after deduction of all estimated expenses of such sale) of such Unit at such time; provided, however, that in the event the Sublessor shall have sold any Unit, the Sublessor, in lieu of collecting any amounts payable to the Sublessor by the Sublessee pursuant to the preceding clauses (x) and (y) of this part (b) with respect to such Unit, shall demand that the Sublessee pay the Sublessor and the Sublessee shall pay to the Sublessor 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 for such Unit, as of the rental payment date on or next preceding the date of termination, over the net proceeds of such sale.

In addition, the Sublessee shall be liable, except as otherwise provided above, for any and all unpaid amounts due hereunder before, during or after the exercise of any of the foregoing remedies and for all reasonable attorneys' fees and other costs and expenses incurred by reason of the occurrence of any Event of Default or the exercise of the remedies of the Sublessor with respect thereto, including all costs and expenses incurred in connection with the return of any Unit.

10.2. Remedies Not Exclusive; Waiver. The remedies in this Sublease provided in favor of the Sublessor 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 Sublessee hereby waives any requirements of law, now or hereafter in effect, which might limit or modify the remedies herein provided, to the extent that such waiver is permitted by law. The Sublessee hereby waives any and all existing or future claims to any offset against the rental payments due hereunder, and agrees to make rental payments regardless of any offset or claim which may be asserted by the Sublessee or on its behalf.

10.3. Failure To Exercise Rights Is Not Waiver. The failure of the Sublessor to exercise the rights granted it hereunder upon the occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or recurrence of any such contingencies or similar contingencies, and a waiver of any such right on one occasion shall not constitute a waiver of such right as to any other occasion and shall not be effective unless in writing signed by the Sublessor.

10.4. Notice of Event of Default to Sublessor. The Sublessee also agrees to furnish the Sublessor, the

Owner-Trustee, the Owner, the Vendor and the Guarantor promptly upon any responsible officer's becoming aware of any condition which constitutes an Event of Default under this Sublease 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. For the purposes of this Section, a "responsible officer" shall mean, with respect to the subject matter of any covenant, agreement or obligation of the Sublessee in this Sublease contained, any corporate official of the Sublessee who in the normal performance of his operational responsibilities would have knowledge of such matter and the requirements of this Sublease with respect thereto.

§ 11. RETURN OF UNITS UPON DEFAULT

11.1. Return of Units. If this Sublease shall terminate pursuant to § 10 hereof, the Sublessee shall forthwith deliver possession of the Units to the Sublessor and shall give prompt telegraphic and written notice to the Association of American Railroads and all railroads having possession of any Unit so to return such Units. Each Unit returned to the Sublessor pursuant to this § 11 shall (i) be in the condition required by § 9.3 hereof and (ii) meet the standards then in effect under the Interchange Rules of the Association of American Railroads, if applicable. For the purpose of delivering possession of any Unit or Units to the Sublessor as above required, the Sublessee shall at its own cost, expense and risk:

(a) forthwith and in the usual manner and at usual speed cause such Units to be transported to such location within the continental United States as shall reasonably be designated by the Sublessor and there delivered to the Sublessor,

(b) furnish and arrange for the Sublessor to store such Units on any lines of railroad or premises approved by the Sublessor at the Sublessor's facilities at Sheldon, Illinois, Indianapolis, Indiana, Philadelphia, Pennsylvania, Cincinnati, Ohio, or any other of the Sublessor's storage facilities within the continental United States, until such Units have been sold, leased or otherwise disposed of by the Sublessor but not in any event for longer than 270 days, and

(c) cause the Units to be moved to the nearest interchange point or points as shall be designated by the Sublessor upon any sale, lease or other disposal of all or any of the Units.

The assembling, delivery, storage and transporting of the Units as hereinbefore provided shall be at the expense and risk of the Sublessee and are of the essence of this Sublease, and, upon application to any court of equity having jurisdiction in the premises, the Sublessor shall be entitled to a decree against the Sublessee requiring specific performance of the covenants of the Sublessee so to assemble, deliver, store and transport the Units. During any storage period, the Sublessee will permit the Sublessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser of any such Unit, to inspect the same; provided, however, that the Sublessee shall not be liable except in the case of negligence or intentional act of the Sublessee or of its employees or agents and, except to the extent otherwise provided by law, for any injury to or the death of any person exercising, either on behalf of the Owner-Trustee, the Sublessor or any prospective purchaser or lessee, the rights of inspection granted under this sentence. In the event that the Units or any thereof are sold the Sublessee shall pay to the Sublessor the per diem interchange for each such Unit which shall not have been assembled, delivered and stored, as hereinbefore provided, by the date of such sale for each day from the date of such sale to the date of delivery to the purchaser thereof.

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

§ 12. ASSIGNMENT; POSSESSION AND USE

12.1. Assignment; Consent. This Sublease shall be assigned by the Sublessor to the Owner-Trustee, and the Sublessee shall consent thereto and shall otherwise be assignable in whole or in part by the Sublessor and its successors and assigns without the consent of the Sublessee but no greater obligations will be imposed on the Sublessee on account of any such assignment. All the rights of the Sublessor hereunder (including, but not limited to, the rights under §§ 6, 7 and 10 and the rights to receive the rentals payable under this Sublease) shall inure to the Owner-Trustee.

12.2. Sublessee's Right To Use the Units; Subleasing. So long as no Event of Default exists hereunder or under the Lease or the Lessee's Consent, and the Sublessee is complying with the provisions of the Sublease Assignment Consent, the Sublessee shall be entitled to the possession and use of the Units by it or any affiliate upon lines of railroad owned or operated by it or any such affiliate or upon lines of railroad over which the Sublessee or any such affiliate has trackage or other operating rights or over which any of their railroad equipment is regularly operated pursuant to contract and shall be entitled to permit the use of the Units upon connecting and other carriers in the usual interchange of traffic or pursuant to run-through agreements and to sublease the Units, but only upon and subject to all the terms and conditions of this Sublease, the Lease and the CSA; provided, however, that the Sublessee shall not assign, sublease or use or permit the assignment, sublease or use of any Unit predominantly outside the United States within the meaning of Section 48(a) of the Internal Revenue Code of 1954, as amended to the date hereof, nor shall the Sublessee assign or sublease to or permit the sublease or use of the Units by any person in whose hands such Units would not qualify as "section 38 property" within the meaning of said Code. The Sublessee may receive and retain compensation for the use of any of the Units from railroads or other entities so using such Units. Any sublease permitted by this paragraph shall be expressly subordinate to the rights and remedies of the Agent under the CSA, the Sublessor under this Sublease, and the Owner-Trustee under the Lease and under the Sublease Assignment in respect of the Units covered by such sublease.

Notwithstanding the foregoing, the Sublessee's right to use or sublease the Equipment is subject to the following conditions:

(1) that if the Sublessee subleases, uses or permits the use of any Unit in Canada (or any province or Territory thereof), the Sublessee shall first have (a) taken all necessary action to protect the right, title and interest of the Owner-Trustee and the Vendor in the Units to be so subleased or used and (b) furnished the Owner-Trustee and the Vendor with an opinion of Canadian counsel satisfactory to the Owner-Trustee, the Vendor and the Guarantor to the effect that such action is all that is necessary to protect the right, title and interest of the Owner-Trustee, the Vendor and the Guarantor in such Units and the Lease;

(2) that use of the Equipment in Mexico will be

permitted only at such time, if any, as the Vendor, the Owner-Trustee and the Guarantor are reasonably satisfied that proper protection of the right, title and interest of the Owner-Trustee, the Vendor and the Guarantor in the Equipment is possible in Mexico, and in that event the Sublessee shall first have (a) taken all necessary action to protect the right, title and interest of the Owner-Trustee, the Vendor and the Guarantor in the Units to be so subleased or used and (b) furnished the Owner-Trustee, the Vendor and the Guarantor with an opinion of Mexican counsel satisfactory to the Owner-Trustee, the Vendor and the Guarantor to the effect that such action is all that is necessary to protect the right, title and interest of the Owner-Trustee, the Vendor and the Guarantor in such Units and the Lease;

(3) that in no event will any Unit be used in Canada or Mexico (or any combination of Mexican and Canadian use) for more than four months in any calendar year; and

(4) that any Unit at any time located in Canada or Mexico shall be marked with the markings specified in § 5 hereof.

12.3. Sublessee's Duty To Discharge Encumbrances. The Sublessee, at its own expense, will as soon as possible cause to be duly discharged any lien, charge, security interest or other encumbrance (other than an encumbrance resulting from claims against the Sublessor, the Owner-Trustee or the Vendor not related to the ownership or leasing of, or the security interest of the Vendor in, the Units) which may be imposed during the term hereof, during the period the Sublessee is obligated to pay rental hereunder or during the period any Unit is in possession of the Sublessee following default, on or with respect to any Unit including any accession thereto or the interest of the Sublessor, the Owner-Trustee, the Vendor or the Sublessee therein.

12.4. Merger, Acquisition or Consolidation. Nothing in this § 12 shall be deemed to restrict the right of the Sublessee to assign or transfer its leasehold interest under this Sublease in the Units or possession of the Units to any solvent corporation incorporated under the laws of any state of the United States of America or the District of Columbia (which shall have specifically assumed the obligations of the Sublessee hereunder and under the Sublease Assignment Consent by an appropriate instrument in writing) into or with which the Sublessee shall have become merged or consolidated or which shall have acquired the property of the Sublessee as an entirety or substantially as an entirety; provided that such assignee or transferee will not, upon the effectiveness of

such merger, consolidation or acquisition be in default under any provision of this Sublease.

12.5. Termination of Sublease. Anything in this Sublease to the contrary notwithstanding, upon the assumption of the Lease by the Guarantor pursuant to § 10.6 of the Lease or if the Guarantor makes any payments pursuant to the Guarantee Agreement after a default by the Lessee under the Lease the Guarantor may at any time thereafter, by notice to the Sublessee, immediately terminate this Sublease if not theretofore terminated and the Sublessee shall comply with the provisions hereunder applicable to termination including, without limitation, § 13 hereof.

§ 13. RETURN OF UNITS UPON EXPIRATION OF TERM

On or prior to the termination of the term of this Sublease the Sublessee will, at its own cost and expense, at the request of the Sublessor cause the Units to be transported to such point on the lines adjacent to property of the Sublessee as shall be reasonably designated by the Sublessor from those points designated in subparagraph (b) of Section 11.1 hereof 45 days prior to such termination and arrange for the Sublessor to store such Unit on any premises of the Sublessee approved by the Sublessor for a period not exceeding 90 days from the termination of the term of this Sublease; the assembly, delivery, storage and transporting of such Unit to be at the expense and risk of the Sublessee. Arrival of a Unit at the designated point shall constitute "Return" for the purposes hereof. During any such storage period the Sublessee will permit the Sublessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser or lessee of such Unit, to inspect the same; provided, however, that the Sublessee shall not be liable except in the case of negligence or intentional act of the Sublessee or of its employees or agents and, except to the extent otherwise provided by law, for any injury to or the death of any person exercising, either on behalf of the Sublessor or any prospective purchaser or Sublessee, the rights of inspection granted under this sentence. The assembly, delivery, storage and transporting of the Units as hereinbefore provided are of the essence of this Sublease, and upon application to any court of equity having jurisdiction in the premises, the Sublessor shall be entitled to a decree against the

Sublessee requiring specific performance of the covenants of the Sublessee so to cause the assembly, delivery, storage and transporting of the Units. Each Unit returned to the Sublessor pursuant to this § 13 shall (i) be in the condition required by § 9.3 hereof, (ii) have attached or affixed thereto any Part title to which is in the Sublessor pursuant to § 9 hereof and have removed therefrom at Sublessee's expense any Part title to which is in the Sublessee or any other person pursuant to such § 9 and (iii) meet the standards then in effect under the Interchange Rules of the Association of American Railroads, if applicable. If any Unit suffers a Casualty Occurrence during any storage period provided for in this § 13, the Sublessee shall pay to the Sublessor the Casualty Value of such Unit as determined in accordance with § 7 hereof. The Sublessee shall pay rental at the rate of $12.16 per day for any Unit not returned to the Sublessor immediately upon expiration of the termination of the term of this Sublease.

§ 14. RECORDING

The Sublessee, at its own expense, will cause the Lease, the Sublease, the CSA, the Lease Assignment, the Sublease Assignment and any assignment thereof to be filed and recorded with the Interstate Commerce Commission in accordance with 49 U.S.C. § 11303. The Sublessee will undertake such additional filing, registration, deposit and recording which may be required pursuant to § 12 hereof. The Sublessee will undertake the filing, registering, deposit, and recording required of the Sublessor under the Lease, and the Owner-Trustee under the CSA and will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register, record (and will refile, reregister, deposit and redeposit or rerecord whenever required) any and all further instruments required by law or reasonably requested by the Sublessor, the Owner-Trustee or the Vendor for the purpose of proper protection, to their satisfaction, of the Sublessor's, the Vendor's and the Owner-Trustee's respective interests in the Units, or for the purpose of carrying out the intention of the Lease, the CSA, the Lease Assignment, the Sublease or the Sublease Assignment.

The Sublessee will promptly furnish to the Sublessor, the Vendor and the Owner-Trustee evidence of all

such filing, registering, depositing or recording, and an opinion or opinions of counsel for the Sublessee with respect thereto satisfactory to the Sublessor, the Vendor and the Owner-Trustee. This Sublease, the Lease and the CSA shall be filed and recorded with the Interstate Commerce Commission prior to the delivery and acceptance hereunder of any Unit.

§ 15. INTEREST ON OVERDUE RENTALS

Anything to the contrary herein contained notwithstanding, any nonpayment of rentals and other obligations due hereunder shall result in the obligation on the part of the Sublessee promptly to pay an amount equal to interest at a rate equal to the lesser of 14% per annum or the highest rate as may be legally enforceable on the overdue rentals and other obligations for the period of time during which they are overdue.

§ 16. NOTICES

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

if to the Sublessee, at 346 Public Ledge Bldg., Independence Square, Philadelphia, Pennsylvania, Attention of President;

if to the Sublessor, at 902 West Washington Avenue, Indianapolis, Indiana 46204, attention of Chief Executive Officer;

or addressed to any party at such other address as such party shall hereafter furnish to the other parties in writing. A copy of each such notice hereunder shall be sent to the Guarantor at 222 South Riverside Plaza, Chicago, Illinois 60606, Attention of Vice President-Finance and the Owner-Trustee at LaSalle and Adams Streets, Chicago, Illinois 60690, Attention of Corporate Trust Officer; with a copy to the Owner at 300 North Ervay, Republic National Bank Building, Dallas, Texas 75201, Attention of Harold C. Hunter, Jr., President. Any certificate, document or report required to be furnished by any party hereto to the other parties shall be delivered to the

address set forth above for such party. Any notice to the Sublessee by the Vendor or the Owner-Trustee regarding the Sublessee's failure to perform any obligation hereunder shall also be furnished by the Sublessee to the Sublessor.

§ 17. SEVERABILITY; EFFECT AND MODIFICATION OF SUBLEASE; THIRD-PARTY BENEFICIARIES

17.1. Severability. Any provision of this Sublease 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 provision in any other jurisdiction.

17.2. Effect of Modification of Sublease. This Sublease exclusively and completely states the rights of the Sublessor and the Sublessee with respect to the leasing of the Units and supersedes all other agreements, oral or written, with respect thereto, except the Participation Agreement. No variation or modification of this Sublease and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized signatories for the Sublessor and the Sublessee.

17.3. No Third-Party Beneficiaries. Nothing in this Sublease shall be deemed to create any right in any person not a party hereto (other than the Owner, the Owner-Trustee, the Vendor, NAC and the Guarantor and the permitted successors and assigns of a party) and this instrument shall not be construed in any respect to be a contract in whole or in part for the benefit of any third party except as aforesaid.

§ 18. ADDITIONAL COVENANT

The Sublessee covenants that the Equipment will be used solely to transport bulk agricultural commodities.

§ 19. EXECUTION

This Sublease may be executed in several

counterparts, such counterparts together constituting but one and the same instrument, but the counterpart delivered to the Vendor pursuant to the Lease Assignment shall be deemed to be the original and all other counterparts shall be deemed duplicates thereof.

§ 20. LAW GOVERNING

The terms of this Lease and all rights and obligations hereunder shall be governed by the laws of the State of Illinois; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. § 11303.

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

EARLY & DANIEL INDUSTRIES, INC.,

by

[CORPORATE SEAL]

Attest

TIDEWATER GRAIN COMPANY,

by

[CORPORATE SEAL]

Attest

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

On this day of , before me personally appeared , to me personally known, who, being by me duly sworn, says that he is the of Early & Daniel Industries, Inc., an Indiana 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 he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

_____
Notary Public

[Notarial Seal]

My Commission Expires

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

On this day of , before me personally appeared , to me personally known, who, being by me duly sworn, says that he is a of Tidewater Grain Company, a Pennsylvania 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 he 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 A to the Sublease

Type	Quantity	Sublessor's Road Numbers (Both Inclusive)
4750 cubic feet, covered hopper cars	300	TWGX 2250-2549

CASUALTY VALUES

Rental Payment Number	Percentage of Purchase Price*	Rental Payment Number	Percentage of Purchase Price*
1	103.4320%	31	110.4499%
2	103.8039	32	110.7756
3	104.1170	33	111.1593
4	104.4321	34	111.5497
5	104.7497	35	112.0087
6	105.0931	36	112.5322
7	105.4610	37	106.4972
8	105.8578	38	104.7864
9	106.2826	39	104.8587
10	106.7146	40	104.9314
11	107.1804	41	105.0044
12	107.6791	42	105.1369
13	108.1887	43	105.3231
14	107.1710	44	105.5720
15	107.3972	45	105.8784
16	107.6250	46	106.1903
17	107.8546	47	106.5704
18	108.1282	48	107.0140
19	108.4423	49	107.4679
20	108.8038	50	105.3186
21	109.2095	51	105.3189
22	109.6223	52	105.3189
23	110.0878	53	105.3184
24	110.6034	54	105.3884
25	111.1304	55	105.5217
26	109.5314	56	105.7287
27	109.6792	57	106.0028
28	109.8281	58	106.2821
29	109.9778	59	106.6408
30	110.1870	60	107.0733

* As defined in the CSA.

Rental Payment Number	Percentage of Purchase Price*	Rental Payment Number	Percentage of Purchase Price*
61	100.9458%	91	88.8768%
62	98.8253	92	88.8726
63	98.7573	93	88.9295
64	98.6883	94	88.9884
65	98.6184	95	89.1195
66	98.6148	96	89.3169
67	98.6708	97	89.5205
68	98.7959	98	87.1020
69	98.9839	99	86.8585
70	99.1759	100	86.6123
71	99.4422	101	86.3634
72	99.7773	102	86.1826
73	100.1209	103	86.0624
74	97.7010	104	86.0125
75	97.5692	105	86.0263
76	97.4358	106	86.0417
77	97.3008	107	86.1321
78	97.2390	108	86.2914
79	97.2426	109	86.4565
80	97.3222	110	83.9391
81	97.4707	111	83.6493
82	97.6226	112	83.3563
83	97.8559	113	83.0602
84	98.1642	114	82.8333
85	91.9105	115	82.6679
86	89.6565	116	82.5740
87	89.4659	117	82.5447
88	89.2731	118	82.5164
89	89.0782	119	82.5643
90	88.9485	120	82.6820

* As defined in the CSA.

Rental Payment Number	Percentage of Purchase Price*	Rental Payment Number	Percentage of Purchase Price*
121	82.8051%	151	69.9448%
122	80.2529	152	69.7324
123	79.9244	153	69.5772
124	79.5924	154	69.4206
125	79.2568	155	69.3321
126	78.9899	156	69.3056
127	78.7839	157	69.2815
128	78.6488	158	66.9516
129	78.5777	159	66.5410
130	78.5072	160	66.1248
131	78.5122	161	65.7029
132	78.5866	162	65.3377
133	78.6657	163	65.0226
134	76.1410	164	64.7662
135	75.7828	165	64.5625
136	75.4206	166	64.3567
137	75.0544	167	64.2136
138	74.7548	168	64.1277
139	74.5140	169	64.0432
140	74.3421	170	61.8323
141	74.2321	171	61.3912
142	74.1224	172	60.9442
143	74.0861	173	60.4910
144	74.1171	174	60.0894
145	74.1513	175	59.7332
146	71.7121	176	59.4304
147	71.3307	177	59.1753
148	70.9439	178	58.9175
149	70.5517	179	58.7167
150	70.2210	180	58.5678
		181	58.4193

* As defined in the CSA.

Rental Payment Number	Percentage of Purchase Price*	Rental Payment Number	Percentage of Purchase Price*
182	56.3372%	211	41.5004%
183	55.8642	212	41.0437
184	55.3848	213	40.6181
185	54.8991	214	40.1889
186	54.4593	215	39.7986
187	54.0598	216	39.4437
188	53.7081	217	39.0875
189	53.3989	218	37.4613
190	53.0863	219	36.8926
191	52.8246	220	36.3176
192	52.6091	221	35.7361
193	52.3931	222	35.1829
194	50.4501	223	34.6544
195	49.9438	224	34.1556
196	49.4309	225	33.6835
197	48.9112	226	33.2074
198	48.4315	227	32.7638
199	47.9868	228	32.3499
200	47.5837	229	31.9344
201	47.2176	230	30.4932
202	46.8474	231	29.9053
203	46.5217	232	29.3107
204	46.2363	233	28.7093
205	45.9493	234	28.1295
206	44.1562	235	27.5685
207	43.6157	236	27.0309
208	43.0681	237	26.5138
209	42.5132	238	25.9889
210	41.9921	239	25.4859
		240 and thereafter	25.024

* As defined in the CSA.

Appendix B
to the
LEASE

ASSIGNMENT OF SUBLEASE AND AGREEMENT dated as of September 15, 1980 ("Assignment"), by and between EARLY & DANIEL INDUSTRIES, INC. ("Lessee"), and EXCHANGE NATIONAL BANK OF CHICAGO ("Owner-Trustee"), a national banking association, acting not in its individual capacity but solely as trustee under the Trust Agreement dated as of the date hereof with Republic National Leasing Corporation.

The Owner-Trustee is entering into a Conditional Sale Agreement dated as of the date hereof ("CSA") with North American Car Corporation ("NAC"), providing for the sale to the Owner-Trustee of such units of railroad equipment ("Units") described in the Annex thereto as are delivered to and accepted by the Owner-Trustee thereunder.

The Owner-Trustee and Early & Daniels Industries, Inc., have entered into a Lease of Railroad Equipment dated as of the date hereof ("Lease"), providing for the leasing by the Owner-Trustee to the Lessee of the Units.

The Lessee and Tidewater Grain Company ("Sublessee") have entered into a Sublease of Railroad Equipment dated as of the date hereof ("Sublease") providing for the subleasing by the Lessee to the Sublessee of the Units.

LaSalle National Bank ("Agent") is acting as Agent for certain investors ("Investors") under a Participation Agreement dated as of the date hereof.

The Owner-Trustee and the Agent have entered into an Assignment of Lease, Reassignment of Sublease, Assignment of Guarantee Agreement and Agreement ("Lease Assignment") and the Lessee has consented thereto under a Consent and Agreement.

In order to provide security for the obligations of the Lessee under the Lease and as an inducement to the Investors to invest in the Conditional Sale Indebtedness (as that term is defined in the CSA), the Lessee agrees to assign to the Owner-Trustee for security purposes certain of the Lessee's rights in, to and under the Sublease.

NOW, THEREFORE, in consideration of the premises

and of the payments to be made and the covenants hereinafter mentioned to be kept and performed, the parties hereto agree as follows:

1. The Lessee hereby assigns, transfers and sets over unto the Owner-Trustee, as collateral security for the payment and performance of the obligations of the Lessee under the Lease, all the right, title and interest, powers, privileges, and other benefits of the Lessee under the Sublease, including, without limitation, the immediate right to receive and collect all rentals, profits and other sums payable to or receivable by the Lessee from the Sublessee under or pursuant to the provisions of the Sublease whether as rent, casualty payment, liquidated damages, or otherwise, except for amounts payable directly to the Lessee pursuant to §§ 6 and 9 of the Sublease (such moneys being hereinafter called the Payments), and the right to make all waivers and agreements, to give all notices, consents and releases, to take all action upon the happening of an Event of Default specified in the Sublease, and to do any and all other things whatsoever which the Lessee is or may become entitled to do under the Sublease. In furtherance of the foregoing assignment, the Lessee hereby irrevocably authorizes and empowers the Owner-Trustee in its own name, or in the name of its nominee, or in the name of the Lessee or as its attorney, to ask, demand, sue for, collect and receive any and all Payments to which the Lessee is or may become entitled under the Sublease, and to enforce compliance by the Sublessee with all the terms and provisions thereof.

The Owner-Trustee agrees to accept any Payments made by the Sublessee for the account of the Lessee pursuant to the Sublease. To the extent received, the Owner-Trustee will apply such Payments to satisfy the obligations of the Lessee under the Lease, and, so long as no Event of Default shall have occurred and be continuing under the Lease, any balance shall be paid to the Lessee on the same date such Payment is applied to satisfy such obligations of the Lessee, by check mailed to the Lessee on such date or, upon written request of the Lessee, by bank wire to the Lessee at such address as may be specified to the Owner-Trustee in writing, and such balance shall be retained by the Lessee. If the Owner-Trustee shall not receive any rental payment under the first paragraph of § 3 of the Sublease when due, the Owner-Trustee shall notify the Lessee and North American Car Corporation at the addresses set forth in the Lease; provided, how-

ever, that the failure of the Owner-Trustee so to notify the Lessee shall not affect the obligations of the Lessee hereunder or under the Lease.

2. This Assignment is executed only as security and, therefore, the execution and delivery of this Assignment shall not subject the Owner-Trustee to, or transfer, or pass, or in any way affect or modify the liability of the Lessee under the Sublease, it being understood and agreed that notwithstanding this Assignment or any subsequent assignment, all obligations of the Lessee to the Sublessee shall be and remain enforceable by the Sublessee, its successors and assigns, against, and only against, the Lessee or persons other than the Owner-Trustee or the Agent.

3. The Lessee will faithfully abide by, perform and discharge each and every obligation, covenant and agreement which the Sublease provides is to be performed by the Lessee; without the written consent of the Owner-Trustee, the Lessee will not anticipate the rents under the Sublease, or waive, excuse, condone, forgive or in any manner release or discharge the Sublessee thereunder of or from the obligations, covenants, conditions and agreements to be performed by the Sublessee, including, without limitation, the obligation to pay the rents in the manner and at the time and place specified therein or enter into any agreement amending, modifying or terminating the Sublease, and the Lessee agrees that any amendment, modification or termination thereof without consent shall be void.

4. The Lessee does hereby constitute the Owner-Trustee the true and lawful attorney of the Lessee, irrevocably, with full power (in the name of the Lessee, or otherwise), to ask, require, demand, receive and compound any and all Payments due and to become due under or arising out of the Sublease to which the Lessee is or may become entitled, to enforce compliance by the Sublessee with all the terms and provisions of the Sublease, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which to the Owner-Trustee may seem to be necessary or advisable in the premises.

5. Upon the full discharge and satisfaction of all sums due from the Lessee under the Lease or the expiration of the term of the Sublease, this Assignment and all rights herein assigned to the Owner-Trustee shall termi-

nate, and all estate, right, title and interest of the Owner-Trustee in and to the Sublease, if any, shall revert to the Lessee.

6. The Lessee will pay and discharge any and all claims, liens, charges or security interests (other than those created by the CSA) on the Sublease or the rentals or other payments due or to become due thereunder claimed by any party from, through or under the Lessee, or its successors and assigns (other than the Owner-Trustee), not arising out of the transactions contemplated by the CSA or the Lease, or the Sublease (but including tax liens arising out of the receipt of the income and proceeds from the Units), which, if unpaid, might become a claim, lien, charge or security interest on or with respect to the Lease, or the Sublease, or such rentals or other payments equal or superior to the interest therein of the Agent, unless the Lessee shall be contesting the same in good faith by appropriate proceedings in any reasonable manner and the nonpayment thereof does not, in the reasonable opinion of the Agent and the Owner-Trustee, adversely affect such interests of the Agent and the Owner-Trustee.

7. The Lessee will, from time to time, execute, acknowledge and deliver any and all further instruments required by law as reasonably requested by the Owner-Trustee in order to confirm or further assure the interest of the Owner-Trustee hereunder.

8. The Owner-Trustee may assign all or any of the rights assigned to it hereby or arising under the Sublease, including, without limitation, the right to receive any Payments due or to become due, and the power to act as the Sublessee's true and lawful attorney, and the parties hereto acknowledge that this Sublease Assignment is to be reassigned to the Agent as aforesaid. In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all the obligations of the Owner-Trustee hereunder. The Owner-Trustee will give written notice to the Lessee and the Sublessee of any such assignment other than the assignment to the Agent.

9. This Assignment shall be governed by the laws of the State of Illinois, but the parties shall be entitled to all rights conferred by 49 U.S.C. § 11303.

10. The Lessee shall cause copies of all notices

received in connection with the Sublease and all payments hereunder to be promptly delivered or made to the Agent at its address set forth in Article 21 of the CSA, or at such other address as the Agent shall designate.

11. The Owner-Trustee hereby agrees with the Lessee that the Owner-Trustee will not, so long as no Event of Default under the Sublease or the Lease, or event of default under the CSA has occurred and is continuing, exercise or enforce, or seek to exercise or enforce, or avail itself of, any of the rights, powers, privileges, authorizations or benefits which are assigned and transferred by the Lessee to the Owner-Trustee by this Assignment, except the right to receive and apply the Payments as provided in Paragraph 1 hereof, and that, subject to the terms of the Lease, the Sublease and the CSA, the Lessee may, so long as no event of default under the CSA or Event of Default under the Lease or the Sublease has occurred and is continuing, exercise or enforce, or seek to exercise or enforce or avail itself of, such rights, powers, privileges, authorizations or benefits.

The Owner-Trustee agrees that the Sublease may not be terminated without the consent of the Guarantor (as defined in the Lease) so long as the Guarantor shall not be in default in the performance of its obligations under the Guarantee Agreement (as defined in the Lease). The Guarantor may terminate the Sublease at any time when such termination is permitted under § 12.5 of the Sublease.

12. Each and all of the representations, warranties, covenants, undertakings and agreements herein made on the part of the financial institution acting as Owner-Trustee hereunder are made and intended not as personal representations, warranties, covenants, undertakings and agreements by said institution or for the purpose or with the intention of binding said institution personally but are made and intended for the purpose of binding only the Trust Estate (as such term is used in the Trust Agreement) and this Assignment is executed and delivered by said institution solely in the exercise of the powers expressly conferred upon said institution as trustee under the Trust Agreement; and no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against said institution or the Owner on account of any representation, warranty, covenant, undertaking or agreement herein of the Owner-Trustee (except for

gross negligence or wilful misconduct of the Owner-Trustee), either expressed or implied, all such personal liability, if any, being expressly waived and released by the Lessee and by all persons claiming by, through or under it; provided, however, that the Lessee or any person claiming by, through or under it making claim hereunder may look to said Trust Estate for satisfaction of the same.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed in their respective corporate names by officers thereunto duly authorized, and their respective corporate seals to be affixed and duly attested, all as of the date first above written.

EXCHANGE NATIONAL BANK OF CHICAGO,
not in its individual capacity,
but solely as trustee under the
Trust Agreement dated as of the
date hereof with Republic National
Leasing Corporation,

by

_____
Authorized Officer

[Corporate Seal]

Attest:

_____
Authorized Officer

EARLY & DANIEL INDUSTRIES, INC.,

by

_____

[Corporate Seal]

Attest:

_____
Assistant Secretary

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

On this day of 1980, before me personally appeared , to me personally known, who, being by me duly sworn, says that is a of EARLY & DANIEL INDUSTRIES, INC., an Indiana corporation, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation and that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

_____
Notary Public

[Notarial Seal]

My Commission expires

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

On this day of 1980, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of EXCHANGE NATIONAL BANK OF CHICAGO, that one of the seals affixed to the foregoing instrument is the corporate seal of said national association and that said instrument was signed and sealed on behalf of said national association by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national association.

_____
Notary Public

[Notarial Seal]

My Commission expires

CONSENT AND AGREEMENT

The undersigned, TIDEWATER GRAIN CORPORATION ("Sublessee"), the Sublessee named in the Sublease (hereinafter called the Sublease) referred to in the foregoing Assignment of Sublease and Agreement ("Sublease Assignment"), hereby (a) acknowledges receipt of a copy of the Sublease Assignment and of the Assignment of Lease, Reassignment of Sublease, Assignment of Guarantee Agreement and Agreement dated as of September 15, 1980, between the Owner-Trustee and the Agent ("Lease Assignment") and (b) consents to all the terms and conditions of the Sublease Assignment and the Lease Assignment and agrees that:

(1) it will pay or cause to be paid all rentals, casualty payments, liquidated damages, indemnities (except for indemnities specifically excluded from the Sublease Assignment including indemnities payable to the Owner-Trustee in its individual capacity or to the Owner) and other moneys provided for in the Sublease (which moneys are hereinafter called the Payments) due and to become due under the Sublease or otherwise in respect of the Units leased thereunder, directly to LA SALLE NATIONAL BANK, as Agent ("Agent"), the assignee named in the Lease Assignment, 135 South La Salle Street, Chicago, Illinois 60690, attention of Corporate Trust Department (or at such other address as may be furnished in writing to the Sublessee by the Agent), the Sublessee having no responsibility for the application by the Agent of the payments made by it hereunder;

(2) the Agent shall be entitled to the benefits of, and to receive and enforce performance of, all the covenants to be performed by the Sublessee under the Sublease as though the Agent were named therein as the lessor;

(3) neither the Owner-Trustee nor the Agent shall, by virtue of the Sublease Assignment or the Lease Assignment or this Consent and Agreement, be or become subject to any liability or obligation under the Sublease or otherwise; and

(4) the Sublease shall not, without the prior written consent of the Agent, be terminated (except in

accordance with its terms) or modified, nor shall any action be taken or omitted by the Sublessee the taking or omission of which might result in an alteration or impairment of the Sublease or the Sublease Assignment or this Consent and Agreement or of any of the rights created by any thereof.

This Consent and Agreement, when accepted by the Owner-Trustee by signing the acceptance at the foot hereof, shall be deemed to be a contract under the laws of the State of Illinois and, for all purposes, shall be construed in accordance with the laws of said state.

TIDEWATER GRAIN COMPANY,

by

_____

[Seal]

Witness:

_____

The foregoing Consent and Agreement is hereby accepted, as of September 15, 1980.

EXCHANGE NATIONAL BANK OF CHICAGO, not in its individual capacity, but solely as trustee under the Trust Agreement dated as of the date hereof with Republic National Leasing Corporation,

by

_____
Authoried Officer