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NEW YORK, NEW YORK 10036-2787
(212) 819-8200
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66 GRESHAM STREET, LONDON
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50 RAFFLES PLACE, SINGAPORE
CUMHURIYET CADDESI 12/10 ISTANBUL
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RECORDATION NO 16548 FILED 1425

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INTERSTATE COMMERCE COMMISSION

September 29, 1989

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16548/A
RECORDATION NO FILED 1425

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INTERSTATE COMMERCE COMMISSION

16548/B
RECORDATION NO FILED 1425

SEP 29 1989 -1 40 PM
INTERSTATE COMMERCE COMMISSION

Office of the Secretary
Recordations Unit
Room 2303
Interstate Commerce Commission
12th and Constitution Avenue, N.W.
Washington, D.C. 20423

Attention: Ms. Mildred Lee

Dear Ms. Lee:

Enclosed are an original and one certified true copy of each of the documents described below, to be recorded pursuant to 49 U.S.C. § 11303.

The first document, Lease Agreement No. 7, dated as of September 7, 1989, is a primary document. The names and address of the parties to such document are as follows:

The Connecticut National Bank
777 Main Street
Hartford, CT 06115

CSX Transportation, Inc.
100 N. Charles Street
Baltimore, MD 21201

The second document, Indenture and Security Agreement No. 7, dated as of September 7, 1989, is a primary document. The names and addresses of the parties to such document are as follows:

Duntyfred C.T. Kappler

The Connecticut National Bank
777 Main Street
Hartford, CT 06115

Mercantile-Safe Deposit and Trust Company
2 Hopkins Plaza
Baltimore, MD 21203

The third document, Lease and Indenture Supplement No. 7, dated as of September 7, 1989, is a secondary document. The names and addresses of the parties to such document are as follows:

The Connecticut National Bank
777 Main Street
Hartford, CT 06115

CSX Transportation, Inc.
100 N. Charles Street
Baltimore, MD 21201

Mercantile-Safe Deposit and Trust Company
2 Hopkins Plaza
Baltimore, MD 21203

A description of the equipment covered by each of these documents follows: Open Top Hopper Cars, Gondola Cars, 70-Ton Woodchip Hopper Cars, 100-Ton ~~Woodchip Hopper~~ Box, CA Cars. The identifying marks for this equipment are provided in Appendix A attached hereto.

A filing fee of $13.00 is enclosed. Please return the original and any extra copies needed by the Commission for recordation to the undersigned.

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

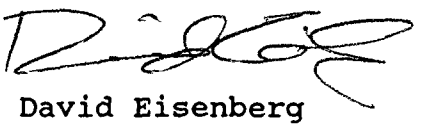
Lease Agreement No. 7 dated as of September 7, 1989, between The Connecticut National Bank, not in its individual capacity but as otherwise expressly provided therein but solely as trustee, as Owner Trustee and CSX Transportation, Inc., as Lessee, covering up to 380 Boxcars-Plate B, 427 Boxcars-Plate C, 512

Small Covered Hopper Cars, 122 Medium Covered Hopper Cars and 208 Jumbo Covered Hopper Cars identified by the Lessee in Annex 1.

Indenture and Security Agreement No. 7, dated as of September 7, 1989, between The Connecticut National Bank, not in its individual capacity but as otherwise expressly provided therein but solely as trustee, as Owner Trustee and Mercantile-Safe Deposit and Trust Company, as Indenture Trustee, covering up to 380 Boxcars-Plate B, 427 Boxcars-Plate C, 512 Small Covered Hopper Cars, 122 Medium Covered Hopper Cars and 208 Jumbo Covered Hopper Cars identified by the Lessee in Annex 1.

Lease and Indenture Supplement No. 7, dated as of September 7, 1989, among The Connecticut National Bank, not in its individual capacity but as otherwise expressly provided therein but solely as trustee, as Owner Trustee, CSX Transportation, Inc., as Lessee, and Mercantile-Safe Deposit and Trust Company, as Indenture Trustee, covering up to 380 Boxcars-Plate B, 427 Boxcars-Plate C,512 Small Covered Hopper Cars, 122 Medium Covered Hopper Cars and 208 Jumbo Covered Hopper Cars identified by the Lessee in Annex 1.

Very truly yours,



David Eisenberg

Enclosures

cc: Marianne Rosenberg, Esq.
Donna M. Mazzaferro, Esq.

16548-A
RECORDATION NO. _____ FILED 1425

SEP 29 1989 -1 40 PM

INTERSTATE COMMERCE COMMISSION

-A

INDENTURE AND SECURITY AGREEMENT NO. 7

Dated as of September 7, 1989

between

THE CONNECTICUT NATIONAL BANK,
not in its individual capacity
but solely as Owner Trustee

and

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY,
as Indenture Trustee

70-TON BOXCARS - PLATE B
70-TON BOXCARS - PLATE C
100-TON SMALL COVERED HOPPER CARS
100-TON MEDIUM COVERED HOPPER CARS
100-TON JUMBO COVERED HOPPER CARS

FILED WITH THE INTERSTATE COMMERCE COMMISSION
PURSUANT TO 49 U.S.C. § 11303
ON SEPTEMBER __, 1989 AT _____ _.M.
RECORDATION NUMBER _____

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EXHIBIT A - TAX CERTIFICATE

INDENTURE AND SECURITY AGREEMENT NO. 7 dated as of September 7, 1989 between THE CONNECTICUT NATIONAL BANK, a national banking association organized under the laws of the United States, not in its individual capacity but solely as owner trustee (the "Owner Trustee") under the Trust Agreement (as such term and certain other capitalized terms used herein are defined in or by reference in Article I), and MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland trust company, as indenture trustee (the "Indenture Trustee").

W I T N E S S E T H :

WHEREAS, the Owner Participant and the Owner Trustee have entered into the Trust Agreement pursuant to which, among other things:

(a) the Owner Participant authorizes and directs or will authorize and direct the Owner Trustee to enter into and perform the terms of this Indenture, the Lease, the Participation Agreement and certain other documents and agreements hereinafter referred to; and

(b) the Owner Trustee will hold all of its right, title and interest in and to the Railcars, the Lease and the Indenture in trust for the benefit of the Owner Participant;

WHEREAS, subject to the terms and conditions of the Participation Agreement, on each Closing Date the Owner Trustee will purchase from the Seller the Railcars described in the Bill of Sale delivered on such Closing Date;

WHEREAS, on or prior to the Initial Closing Date, the Owner Trustee and the Lessee will enter into the Lease pursuant to which the Owner Trustee will agree to lease to Lessee on each Closing Date the Railcars purchased by the Owner Trustee on such Closing Date, the lease of such Railcars to be evidenced by the execution and delivery of a Lease and Indenture Supplement substantially in the form of Exhibit A to the Lease covering such Railcars;

WHEREAS, to finance part of the cost of the Railcars to be purchased from time to time the Owner Trustee has duly authorized the creation of (a) an issue of Notes to be designated Series A Notes (herein called the "Series A

Notes") and (b) an issue of Notes to be designated Series B Notes (herein called the "Series B Notes"), each of substantially the tenor herein provided;

WHEREAS, the Owner Trustee desires to set forth herein the terms and conditions of the Notes and certain of the terms and conditions of additional series of Notes which may be issued hereunder; and

WHEREAS, all acts and things necessary to make this Indenture a valid and legally binding obligation of the Owner Trustee, in accordance with its terms, have been done and performed;

NOW, THEREFORE, THIS INDENTURE WITNESSETH that, in consideration of the premises and other good and valuable consideration the receipt of which is hereby acknowledged and in order to secure the due and punctual payment of the principal of, and premium, if any, and interest on, all Notes at any time issued and Outstanding under this Indenture and of all other amounts payable to or for the benefit of the Holders of the Notes and the Indenture Trustee hereunder and under the Operative Documents and compliance with all the terms of this Indenture and the Notes, and to secure the performance and observance by the Lessee (other than the Lessee's obligations in respect of Excepted Property and Excepted Rights), the Owner Participant and the Owner Trustee of their respective agreements and the conditions applicable to them contained herein or in any other Operative Document (collectively, the "Obligations"), the Owner Trustee hereby grants, assigns, transfers and pledges unto the Indenture Trustee and its successors and assigns forever, and grants to the same a security interest in, for the benefit and security of the Loan Participants, all of the Owner Trustee's estate, right, title and interest in the following described property, whether now owned or hereafter acquired (all such property, other than the Excepted Property and the Excepted Rights referred to below, being herein, when executed and delivered, and all proceeds thereof, called the "Indenture Estate"), to wit:

FIRST

Railcars

All right, title and interest of the Owner Trustee in and to the Railcars acquired on each Closing Date and

including, without limitation, all additions, alterations or modifications thereto or replacements of any part thereof (including, without limitation, all Replacement Railcars), whenever made or performed or acquired and all other items of tangible personal property of any kind acquired by the Owner Trustee in connection with the acquisition of the Railcars, in each case whether acquired at the time of acquisition of the Railcars or thereafter acquired pursuant to the Lease or otherwise.

SECOND

Lease; Lease and Indenture Supplement; Bill of Sale; Other Documents

All right, title and interest of the Owner Trustee in, to and under the Lease and each Lease and Indenture Supplement, and any other lease, rental or lease agreement relating to the Railcars entered into by the Lessee, including, without limitation, all amounts of Interim Rent, Basic Rent, Supplemental Rent, condemnation, requisition and other awards and indemnity and other payments of any kind to which the Owner Trustee is or may be entitled under the Lease or the Participation Agreement (including, without limitation, payments with respect to Stipulated Loss Value, Termination Value and premium on the Notes) and all right, title and interest of the Owner Trustee and the Owner Participant in and to each Bill of Sale and all rights of the Owner Trustee to exercise any election or option or to make any decision or determination or to give or receive any notice, consent, waiver or approval or to take any other action under or in respect of any Operative Document (other than the Tax Indemnification Agreement) or to accept any redelivery of all or a portion of the Railcars as well as all the rights, powers and remedies on the part of the Owner Trustee, whether arising under any Operative Document or by statute or at law or in equity, or otherwise, arising out of any Event of Default.

It is expressly agreed that anything herein contained to the contrary notwithstanding, the Owner Trustee shall remain liable under the Lease to perform all the obligations assumed by it thereunder, all in accordance with and pursuant to the terms and provisions thereof, and the Indenture Trustee shall have no obligation or liability under the Lease by reason of or arising out of this Indenture, nor shall the Indenture Trustee be required or obligated in any manner to perform or fulfill any obligations of the Owner

Trustee under or pursuant to the Lease or, except as herein expressly provided, to make any payment, to make any inquiry as to the nature or sufficiency of any payment received by it, to present or file any claim, or to take any action to collect or enforce the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

THIRD

Other Property

All other property and assets of whatsoever kind, nature or description, real, personal and mixed, and any interest therein, which may hereafter from time to time be acquired, received or held by the Owner Trustee pursuant to the Lease, each Lease and Indenture Supplement, the Participation Agreement or each Bill of Sale, wherever located and whether or not subject to the lien of this Indenture, or which may be granted, mortgaged, assigned, transferred and pledged to the Indenture Trustee hereunder by any Person and accepted by the Indenture Trustee.

FOURTH

Rent and Proceeds

All right, title and interest, present and future, of the Owner Trustee in and to all proceeds, rent, issues, profits, products, revenues and other income, and in and to all proceeds and payments, from and on account of the property, rights and privileges subjected or required to be subjected to the lien of this Indenture.

FIFTH

Moneys; Documents

All right to restitution from any party to the Lease, each Lease and Indenture Supplement, the Participation Agreement or each Bill of Sale in respect of any determination of invalidity of any thereof; and all moneys and securities now or hereafter paid to or deposited with the Indenture Trustee by or for the account of the Owner Trustee pursuant to any term of this Indenture and held or required to be held by the Indenture Trustee

hereunder; and all instruments, documents of title, books and records of the Owner Trustee concerning the Indenture Estate (other than income, tax and other similar financial records relating to the Aggregate Commitment of the Owner Participant).

EXCEPTED PROPERTY

There is, however, expressly excepted and excluded from the Indenture Estate the following described property ("Excepted Property"):

A. all amounts of Supplemental Rent, indemnity and other payments which in each case are payable by the Lessee or others to the Owner Participant, or which are payable by the Lessee or others to the Owner Trustee and which by the terms of any other Operative Document are for the sole benefit of the Owner Participant or CNB, in its individual capacity or as Owner Trustee;

B. all indemnity payments pursuant to Section 13 of the Participation Agreement, all payments (including Indemnity Loans) made pursuant to the Tax Indemnification Agreement; all payments of Supplemental Rent with respect to Indemnity Loans pursuant to Section 9(c)(2) of the Lease and the amounts of all increases in Basic Rent, Termination Value or Stipulated Loss Value caused by the occurrence of events giving rise to payments under the Tax Indemnification Agreement, payable by the Lessee to the Owner Participant or to the Owner Trustee for the sole benefit of the Owner Participant or CNB, in its individual capacity or as Owner Trustee;

C. that portion of Stipulated Loss Value attributable to Recapture and the income taxes attributable to the receipt by the Owner Participant of Stipulated Loss Value, provided, however, that the amount as of any particular date of such Stipulated Loss Value less such Recapture and income taxes shall be at least sufficient to pay in full the principal of and all accrued interest on the Notes as of such date; and

D. interest at the Overdue Rate in respect of amounts described in clauses A, B and C above.

TO HAVE AND TO HOLD the Indenture Estate unto the Indenture Trustee and its successors and assigns forever in pledge and trust for the benefit and security of the Holders from time to time of all the Notes issued and Outstanding hereunder and for the uses and purposes and subject to the terms and provisions set forth in this Indenture.

IN TRUST NEVERTHELESS, upon the terms and trusts set forth, for the equal and proportionate benefit and security of all Holders of the Notes issued and to be issued hereunder, without preference, distinction or priority as to lien or otherwise of any Note of any particular series over any other Note of such series or over any Note of any other series, by reason of priority in time of issue, sale or negotiation thereof, or by reason of the purpose of issue, or otherwise howsoever, except as herein otherwise expressly provided.

PROVIDED, HOWEVER, that notwithstanding any other provision of this Indenture, (i) the Owner Trustee shall retain, to the exclusion of the Indenture Trustee, (a) all rights to execute supplements to the Lease in connection with an adjustment of Rent pursuant to Sections 9(e) or (f) of the Lease, and (b) all rights to Excepted Property and the right to commence and maintain an action at law to obtain Excepted Property or damages in respect of the breach of any covenant to pay Excepted Property; (ii) the Owner Trustee, in its individual capacity and as Owner Trustee, and the Owner Participant, as the case may be, shall have the right, but not to the exclusion of the Indenture Trustee, (a) to receive from the Lessee all notices, copies of all documents and all information that the Lessee is permitted or required to furnish to the Owner Trustee or the Owner Participant, as the case may be, pursuant to the Lease or the Participation Agreement, (b) to inspect the Railcars to the extent provided in Section 6 of the Lease, (c) to retain all rights together with the Indenture Trustee (waiver, consent or approval of both being required except in the case of Section 19 of the Lease referred to below), including the giving of any waiver, consent, approval, amendment or supplement that Sections 5, 8, 10, 13, 17, 19 and (except as otherwise provided in clause (iii) below) 23(a) of the Lease confer upon the Owner Trustee or the Owner Participant, as the case may be, and (d) to provide such insurance as the Lessee shall have failed to maintain; and (iii) so long as no Event of Default (or, in the case of the rights and duties exercisable pursuant to Section 12 of the Lease and, subject to clause (i)(a) above, Section 23(a) of the Lease, no Default) shall have occurred and be contin-

uing, the Owner Trustee or the Owner Participant, as the case may be, shall have the right, to the exclusion of the Indenture Trustee, to exercise its rights and duties under Sections 2, 9(e), 9(f), 9(g), 12 and 21 of the Lease, to execute amendments or supplements to the Lease pursuant to Section 23(a) of the Lease (which shall not have a material adverse effect upon the Holders of the Notes) and to exercise its rights under the Appraisal Procedure (the foregoing being herein collectively called "Excepted Rights").

The Owner Trustee does hereby constitute the Indenture Trustee the true and lawful attorney of the Owner Trustee, irrevocably, with full power (in the name of the Owner Trustee or otherwise) to ask, require, demand, receive, settle, compromise, compound and give acquittance for any and all moneys and claims for moneys due and to become due under or arising out of any of the Indenture Estate, 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 the Indenture Trustee may deem to be necessary or advisable in the premises.

The Owner Trustee agrees that at any time and from time to time, upon the written request of the Indenture Trustee, it will promptly and duly execute and deliver any and all such further instruments and documents as the Indenture Trustee may reasonably deem desirable in obtaining the full benefits of the foregoing clauses FIRST through FIFTH and of the rights and powers herein granted.

The Owner Trustee does hereby warrant and represent that, except as otherwise contemplated by this Indenture, it has not assigned or pledged, and hereby covenants that it will not assign or pledge, so long as this Indenture shall remain in effect, any of its right, title or interest hereby assigned or pledged to anyone other than the Indenture Trustee, and that it will not, except as provided in this Indenture, enter into any agreement amending or supplementing the Lease, accept any payment (other than a payment constituting Excepted Property) from the Lessee, or settle or compromise any claim (other than a claim with respect to Excepted Property) against the Lessee arising under the Lease.

The Owner Trustee does hereby ratify and confirm the Lease and does hereby agree that it will not, except as provided in this Indenture, take or omit to take any action, the taking or omission of which might result in an alteration or impairment of the Lease or this Indenture.

IT IS HEREBY COVENANTED AND AGREED that the terms and conditions upon which the Notes are issued, authenticated, delivered and accepted by all Persons who shall from time to time be or become the Holders thereof, and the terms and conditions upon which the property herein pledged is to be held and disposed of, which said terms and conditions the Indenture Trustee hereby accepts and agrees to discharge, are as follows:

ARTICLE I

Definitions and Other Provisions of General Application

SECTION 101. Definitions. The following terms shall have the following meanings for all purposes of this Indenture:

(a) unless otherwise expressly provided, all references herein to Sections or other subdivisions refer to the corresponding Sections and other subdivisions of this Indenture;

(b) the terms "hereof," "herein," "hereby," "hereto," "hereunder," "hereinafter," and "herewith" refer to this Indenture; and

(c) except as otherwise defined herein, the capitalized terms used herein shall have the respective meanings specified in Schedule X hereto.

SECTION 102. Acts of Holders. (a) Any request, demand, direction, consent, notice, waiver or other action provided by this Indenture to be given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by an agent duly appointed in writing; and, except as otherwise provided herein, such action shall become effective when such instrument or instruments are delivered to the Indenture Trustee. Such written instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders signing such instrument or instruments. Proof of the execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Indenture Trustee or of the Owner Trustee if made in the manner provided in this Section 102.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer authorized by law to take acknowledgements of deeds, certifying that the Person signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by an officer of a corporation or a member of a partnership, on behalf of such corporation or partnership, such certificate or affidavit shall also constitute sufficient proof of his authority. The fact and date of the execution of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any other manner which the Indenture Trustee deems sufficient.

(c) The ownership of Notes shall be proved exclusively by the Note Register.

(d) Any request, demand, authorization, direction, notice, consent, waiver or other action by the Holder of any Note shall bind the Holder of every Note issued upon the registration of transfer thereof, or in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Indenture Trustee or the Owner Trustee in reliance thereon, whether or not notation of such action is made upon such Note.

SECTION 103. Notices, Etc. to Indenture Trustee and Owner Trustee. Any request, demand, authorization, direction, notice, consent, waiver or Act of Holders or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with,

(1) the Indenture Trustee by any Holder or by the Owner Trustee shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing to or with the Indenture Trustee at P.O. Box 2258, Baltimore, Maryland 21203 (if by mail) and to Hopkins Plaza, Baltimore, Maryland 21201 (if by air express or by hand), Attention: Corporate Trust Department, or

(2) the Owner Trustee by any Holder or by the Indenture Trustee shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing to or with the Owner Trustee at 777 Main Street, Hartford, Connecticut 06115, Attention: Corporate Trust Administration, with a copy to the Owner Participant at Suite 1000, 111 S.W. Fifth Ave., Portland, Oregon 97204, Attention: Merle K. Buck

or to either of the above parties at any other address subsequently furnished in writing by such party to the other party and to each Holder.

SECTION 104. Notices to Holders; Waiver. Where this Indenture provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, postage prepaid, by certified or registered mail, return receipt requested, to each Holder affected by such event at his address as it appears in the Note Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice. In any case where notice to Holders is given by mail, neither the failure to mail such a notice to any particular Holder nor any defect in any notice so mailed to any particular Holder shall affect the sufficiency of such notice with respect to other Holders. Where this Indenture or any other Operative Document provides for notice to the Indenture Trustee of any event or delivery of documents to the Indenture Trustee, the Indenture Trustee shall, promptly upon receipt of such notice or documents, deliver the same to the Holders of the Notes, unless previously provided to Holders by any other party.

Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person or Persons entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Indenture Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver. The Indenture Trustee shall furnish the Owner Trustee, on request, with the names and addresses of all the Holders of the Notes.

SECTION 105. Effect of Headings and Table of Contents. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 106. Successors and Assigns. All covenants and agreements in this Indenture by the Indenture Trustee and the Owner Trustee shall bind and, to the extent permitted hereby, shall inure to the benefit of and be enforceable by their respective successors and assigns, whether or not so expressed.

SECTION 107. Severability Clause. If any term or provision hereof or the application thereof to any circumstance shall, in any jurisdiction and to any extent, be invalid or unenforceable, such term or provision shall be ineffective as to such jurisdiction to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable the remaining terms and provisions hereof or the application of such term or provision to circumstances other than those as to which it is held invalid or unenforceable. To the extent permitted by applicable law the parties hereto hereby waive any provision of law which renders any term or provision hereof invalid or unenforceable in any respect.

SECTION 108. Benefits of Indenture. Nothing in this Indenture or in the Notes, express or implied, shall give to any Person, other than the parties hereto and the Owner Participant and their successors and assigns hereunder, the Holders, and the Lessee any benefit or any legal or equitable right, remedy or claim under this Indenture or any Note.

SECTION 109. Indenture and Notes; Non-Recourse Obligations. The principal amount of and premium, if any, and interest on the Notes shall be payable only out of and to the extent that there are sufficient proceeds from the Indenture Estate. By its acceptance of a Note, any Holder thereof agrees that (i) neither the Owner Trustee (or any successor thereto) in its individual capacity nor the Owner Participant nor any other Person shall have any personal liability whatsoever for any amounts payable under the Notes, or, except as otherwise set forth in this Section 109, for any claim based thereon or otherwise in respect thereof or based on or in respect of this Indenture, and (ii) except to the extent otherwise contemplated under the Operative Documents and so long as no Indenture Event of Default shall have occurred and be continuing, it will not enter into, or cause the Indenture Trustee to enter into, any arrangement which would constitute cross collateralization or credit enhancement of the Notes within the meaning of Temp. Treas. Reg. sec. 1.861-10T(b), it being expressly understood that the Notes and, except as otherwise set forth in this Section 109, all other obligations of the Owner Trustee and the Owner Participant under this Indenture are solely nonrecourse obligations and that, except as otherwise set forth in this Section 109, all such obligations of the Owner Trustee and the Owner Participant are and are to be by acceptance of a Note by any Holder thereof expressly waived and released as a condition of, and as consideration for,

the execution of this Indenture and the issuance of the Notes; provided, however, that nothing herein shall be deemed to (i) prevent recourse to and the enforcement against the Indenture Estate for performance of covenants of the Owner Trustee contained in the Notes or in this Indenture or for all liabilities, obligations and undertakings contained in this Indenture or in the Notes or be deemed to excuse the Owner Trustee for liability for its own gross negligence or wilful misconduct or (ii) limit the Owner Trustee's personal liability (or the Indenture Trustee's right to resort to the Indenture Estate) for and to the extent of any loss resulting from (A) any inaccuracy of any representation or warranty stated to be made by the Owner Trustee in its individual capacity in Section 9(a) of the Participation Agreement or in this Indenture, or (B) any failure of the Owner Trustee to perform its obligations under Section 15 of the Participation Agreement; provided that under no circumstances whatsoever shall the Owner Trustee or the Owner Participant be liable to the Indenture Trustee, the Lessee, any Holder or any other Person for any consequential damages.

SECTION 110. Governing Law. This Indenture shall in all respects be governed by, and construed in accordance with, the laws of the State of New York.

ARTICLE II

Notes Issuable in Series; Note Forms; General Provisions Relating to All Notes

SECTION 201. Notes Issuable in Series. The Notes issuable hereunder shall be the Series A Notes, the Series B Notes and such additional series of Notes as may be issued as Additional Notes pursuant to Article III hereof. Each Note shall bear upon the face thereof the designation so selected for the series to which it belongs. All Notes of any one series at any time simultaneously Outstanding shall be identical with respect to the date of maturity (unless they are of serial maturities), the rate of interest (unless they are of serial maturities), which may be a floating rate, and the dates of interest payments, the terms and rate or rates of optional redemption, if optionally redeemable, and the terms of required redemption or analogous provisions, if any. The terms and provisions of any series of Notes other than the Series A Notes and the Series B Notes shall be set forth in a supplemental indenture (and, where appropriate, the Notes issued thereunder) which may

also contain such provisions not inconsistent with this Indenture as the Owner Trustee, with the consent of the Lessee, may in its discretion cause to be inserted therein. Each Note issued and authenticated hereunder (regardless of series) shall rank pari passu in security and right of payment with all other Notes issued and authenticated hereunder. The Series A Notes and the Series B Notes shall be issued in denominations of not less than $100,000, provided, however, originally issued Series A Notes shall be issued in denominations of less than $100,000 and any Notes issued upon registration of transfer of such Series A Notes shall be in denominations of not less than such Series A Notes. Principal and interest on the Series A Notes and the Series B Notes shall be payable as provided in the form set forth in Section 202.

SECTION 202. (a) Forms Generally. The Series A Notes and the Series B Notes shall be substantially in the form set forth below in this Section. The Notes of other series issued hereunder shall be substantially in the form set forth in this Section for the Series A Notes, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture, or as may, consistently herewith, be determined by the officers of the Owner Trustee executing such series of Notes, as evidenced by their execution thereof. Any portion of the text of any Note may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Note. The certificate of authentication to be endorsed on all Notes shall be substantially in the form set forth below in this Section.

(b) Form of Series A Note. The Series A Note shall be substantially in the form set forth below:

[FORM OF SERIES A NOTE]

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND MAY NOT BE TRANSFERRED, SOLD OR OFFERED FOR SALE IN VIOLATION OF SUCH ACT.

THE CONNECTICUT NATIONAL BANK, AS OWNER TRUSTEE

Series A Note Due [not later than December 15, 1999]

New York, New York
[Date]

$_____ No._____

The Connecticut National Bank, a national banking association organized under the laws of the United States, not in its individual capacity but solely as Owner Trustee (herein called the "Owner Trustee") under the Trust Agreement No. 7 dated as of September 7, 1989 between the Owner Trustee and the Owner Participant named therein, for value received, hereby promises to pay to _____ _____ or registered assigns, on June 15, 1999 the principal sum of _____ and to pay interest on the unpaid principal amount hereof, as provided in the Indenture hereinafter mentioned, to the registered holder hereof at the rate of 9.34% per annum (computed on the basis of a 360-day year of twelve 30-day months, and, for the period prior to June 15, 1999 compounded on December 15, 1989), payable semi-annually (subject to the next succeeding paragraph) on the 15th day of June and December in each year from the June 15th or December 15th next preceding the date hereof to which interest has been paid (except for December 15, 1989), unless the date hereof shall be a June 15 or December 15 to which interest has been paid, in which case from the date hereof or unless the date of this Note is prior to the June 15 or December 15 next succeeding the original issuance of the Notes of this series, in which case from the original issuance date of the Notes of this series, until payment of the principal hereof becomes due, whether at the stated maturity or by declaration or otherwise, and at 10.34% per annum (the "Overdue Rate") on any overdue principal, overdue Premium, if any, and (to the extent legally enforceable) on any overdue installment of interest. Mandatory redemption of principal pursuant to Section 401(e) of the Indenture and installments of interest shall be in an amount equal to the corresponding percentage of the original principal amount hereof set forth in Schedule 1 hereto on the dates set forth in said Schedule 1. The principal of, and Premium, if any, and interest on, this Note are payable at the principal corporate trust office of the Indenture Trustee or its successor as Indenture Trustee under the Indenture. All such payments shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

This Note is one of a duly authorized issue of Notes of the Owner Trustee (herein called the "Notes") of the series designated at the beginning hereof, issued and to be issued under and equally and ratably secured by an Indenture and Security Agreement No. 7 dated as of September 7, 1989, as amended, modified or supplemented from time to time in accordance with the provisions thereof (herein called the "Indenture"), between the Owner Trustee and Mercantile-Safe Deposit and Trust Company, as Indenture Trustee (herein called the "Indenture Trustee", which term includes any successor Indenture Trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a description of the nature and extent of the security for the Notes, the rights of the Holders of the Notes and of the Indenture Trustee in respect of such security, and the terms and conditions upon which the Notes are issued and secured. The Notes may be issued in different series, for various principal amounts, and the Notes of different series may mature at different times, may bear interest at different rates and may otherwise vary as in the Indenture provided. This Note is one of a series designated as Series A Notes due [not later than December 15, 1999] (herein called the "Series A Notes") of the Owner Trustee, issued under and entitled to the benefits of the Indenture. Terms used herein which are defined in the Indenture have the respective meanings set forth in the Indenture.

The Notes are subject to redemption, in whole and in part, in the events and on the terms specified in the Indenture. The Indenture also provides for the purchase of the Notes from the Holders thereof by the Owner Trustee in certain events. By acceptance of this Note, the Holder hereof agrees that it will make this Note available for purchase in such events as provided in the Indenture.

If an Indenture Event of Default shall occur and be continuing, the principal of all the Notes may be declared due and payable in the manner and with the effect provided in the Indenture.

The principal of, and Premium, if any, and interest on this Note are payable only out of and to the extent that there are sufficient proceeds from the Indenture Estate. By its acceptance of this Note, the Holder hereof agrees that (i) neither the Owner Trustee (or any successor thereto) in its individual capacity nor the Owner Participant nor any other Person shall have any personal liability whatsoever for any amounts payable under this

Note, or (except as otherwise expressly provided in the Indenture) for any claim based hereon or otherwise in respect hereof or based on or in respect of the Indenture, and (ii) except to the extent otherwise contemplated under the Operative Documents and so long as no Indenture Event of Default shall have occurred and be continuing, it will not enter into, or cause the Indenture Trustee to enter into, any arrangement which would constitute cross collateralization or credit enhancement of the Notes within the meaning of Temp. Treas. Reg. sec. 1.861-10T(b), it being expressly understood that this Note and (except as otherwise expressly provided in the Indenture) all other obligations of the Owner Trustee and the Owner Participant hereunder and under the Indenture are solely nonrecourse obligations and that (except as otherwise expressly provided in the Indenture) all such obligations of the Owner Trustee and the Owner Participant are and are to be by acceptance of this Note by the Holder hereof expressly waived and released as a condition of, and as consideration for, the execution of the Indenture and the issuance of this Note; provided, however, that nothing herein shall be deemed to prevent recourse to and the enforcement against the Indenture Estate for performance of covenants of the Owner Trustee contained in this Note or in the Indenture or for all liabilities, obligations and undertakings contained in the Indenture or in this Note or be deemed to excuse the Owner Trustee for liability for its own gross negligence or wilful misconduct; provided, however, that under no circumstances whatsoever shall either the Owner Participant or the Owner Trustee be liable to the Indenture Trustee, any Holder, the Lessee or any other Person for any consequential damages.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof with the consent of the Holders of a majority in aggregate principal amount of the Notes Outstanding (or, if only one or more but not all series of Notes Outstanding would be affected by such amendment, of a majority in aggregate principal amount of the Notes Outstanding of the series so affected). The Indenture also contains provisions permitting the Holders of a majority in aggregate principal amount of the Notes Outstanding, on behalf of the Holders of all the Notes, to waive compliance with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Note shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Note issued upon the transfer hereof or in exchange herefor or in lieu hereof

whether or not notation of such consent or waiver is made upon this Note.

As provided in the Indenture and subject to certain limitations therein set forth, this Note is transferable only on the Note Register, upon surrender of this Note for transfer at the principal corporate trust office of the Indenture Trustee, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Indenture Trustee duly executed by, the registered Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Notes of the same series of authorized denominations and for the same aggregate principal amount will be issued to the designated transferee or transferees.

As provided in the Indenture and subject to certain limitations therein set forth, this Note is exchangeable for a like aggregate principal amount of Notes of the same series of different authorized denominations, as requested by the Holder hereof. No service charge will be made for any such transfer or exchange, but the Owner Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Indenture Trustee) connected therewith.

The Owner Trustee, the Indenture Trustee and any agent of the Owner Trustee or the Indenture Trustee may treat the Person in whose name this Note is registered as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes whether or not this Note shall be overdue, and none of the Owner Trustee, the Indenture Trustee nor such agent shall be affected by notice to the contrary.

Under certain limited circumstances, the obligations of the Owner Trustee hereunder and under the Indenture may be assumed by the Lessee, and shall thereupon become direct, full recourse obligations of the Lessee.

Unless the certificate of authentication hereof has been executed by the Indenture Trustee, by manual signature, this Note shall not be secured by or entitled to any benefit under the Indenture and shall not be valid or obligatory for any purpose whatsoever.

This Note shall be construed and enforced with and governed by the laws of the State of New York.

IN WITNESS WHEREOF, the Owner Trustee has caused this Note to be duly executed.

THE CONNECTICUT NATIONAL BANK,
not in its individual
capacity but solely as
Owner Trustee

By_____

[FORM OF CERTIFICATE OF AUTHENTICATION]

This is one of the Notes, of the series designated herein, referred to in the within-mentioned Indenture.

MERCANTILE-SAFE DEPOSIT
AND TRUST COMPANY,
as Indenture Trustee

By_____
Authorized Officer

SCHEDULE 1
to
Series A Note

SCHEDULE OF MANDATORY REDEMPTION AND INTEREST PAYMENTS

Redemption Date	Principal to be redeemed (Expressed as a Percentage of Original Principal Amount of Series A Notes)	Interest (Expressed as a Percentage of Original Principal Amount of Series A Notes)	Total Payment (Expressed as a Percentage of Original Principal Amount of Series A Notes)

[To be provided by the Owner Participant prior to the issuance of the Note on any Closing Date pursuant to Section 29(f) of the Participation Agreement.]

(c) Form of Series B Note. The Series B Note shall be substantially in the form set forth below:

[FORM OF SERIES B NOTE]

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND MAY NOT BE TRANSFERRED, SOLD OR OFFERED FOR SALE IN VIOLATION OF SUCH ACT.

THE CONNECTICUT NATIONAL BANK, AS OWNER TRUSTEE

Series B Note Due [not later than June 15, 2004]

New York, New York
[Date]

$_____ No._____

The Connecticut National Bank, a national banking association organized under the laws of the United States, not in its individual capacity but solely as Owner Trustee (herein called the "Owner Trustee") under the Trust Agreement No. 7 dated as of September 7, 1989 between the Owner Trustee and the Owner Participant named therein, for value received, hereby promises to pay to _____ _____ or registered assigns, on June 15, 2003 the principal sum of _____ and to pay interest on the unpaid principal amount hereof, as provided in the Indenture hereinafter mentioned, to the registered holder hereof at the rate of 9.57% per annum (computed on the basis of a 360-day year of twelve 30-day months, and, for the period prior to June 15, 1999 compounded on December 15, 1989), payable semi-annually (subject to the next succeeding paragraph) on the 15th day of June and December in each year from the June 15 or December 15 next preceding the date hereof to which interest has been paid (except for December 15, 1989), unless the date hereof shall be a June 15 or December 15 to which interest has been paid, in which case from the date hereof or unless the date of this Note is prior to the June 15 or December 15 next succeeding the original issuance of the Notes of this series, in which case from the original issuance date of the Notes of this series, until payment of the principal hereof becomes due, whether at the stated maturity or by declaration or otherwise, and at 10.57% per

annum (the "Overdue Rate") on any overdue principal, overdue Premium, if any, and (to the extent legally enforceable) on any overdue installment of interest. Mandatory redemption of principal pursuant to Section 401(e) of the Indenture and installments of interest shall be in an amount equal to the corresponding percentage of the original principal amount hereof set forth in Schedule 1 hereto on the dates set forth in said Schedule 1. The principal of, and Premium, if any, and interest on, this Note are payable at the principal corporate trust office of the Indenture Trustee or its successor as Indenture Trustee under the Indenture. All such payments shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

This Note is one of a duly authorized issue of Notes of the Owner Trustee (herein called the "Notes") of the series designated at the beginning hereof, issued and to be issued under and equally and ratably secured by an Indenture and Security Agreement No. 7 dated as of September 7, 1989, as amended, modified or supplemented from time to time in accordance with the provisions thereof (herein called the "Indenture"), between the Owner Trustee and Mercantile-Safe Deposit and Trust Company, as Indenture Trustee (herein called the "Indenture Trustee", which term includes any successor Indenture Trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a description of the nature and extent of the security for the Notes, the rights of the Holders of the Notes and of the Indenture Trustee in respect of such security, and the terms and conditions upon which the Notes are issued and secured. The Notes may be issued in different series, for various principal amounts, and the Notes of different series may mature at different times, may bear interest at different rates and may otherwise vary as in the Indenture provided. This Note is one of a series designated as Series B Notes due [not later than June 15, 2004] (herein called the "Series B Notes") of the Owner Trustee, issued under and entitled to the benefits of the Indenture. Terms used herein which are defined in the Indenture have the respective meanings set forth in the Indenture.

The Notes are subject to redemption, in whole and in part, in the events and on the terms specified in the Indenture. The Indenture also provides for the purchase of the Notes from the Holders thereof by the Owner Trustee in certain events. By acceptance of this Note, the Holder

hereof agrees that it will make this Note available for purchase in such events as provided in the Indenture.

If an Indenture Event of Default shall occur and be continuing, the principal of all the Notes may be declared due and payable in the manner and with the effect provided in the Indenture.

The principal of, and Premium, if any, and interest on this Note are payable only out of and to the extent that there are sufficient proceeds from the Indenture Estate. By its acceptance of this Note, the Holder hereof agrees that (i) neither the Owner Trustee (or any successor thereto) in its individual capacity nor the Owner Participant nor any other Person shall have any personal liability whatsoever for any amounts payable under this Note, or (except as otherwise expressly provided in the Indenture) for any claim based hereon or otherwise in respect hereof or based on or in respect of the Indenture, and (ii) except to the extent otherwise contemplated under the Operative Documents and so long as no Indenture Event of Default shall have occurred and be continuing, it will not enter into, or cause the Indenture Trustee to enter into, any arrangement which would constitute cross collateralization or credit enhancement of the Notes within the meaning of Temp. Treas. Reg. sec. 1.861-10T(b), it being expressly understood that this Note and (except as otherwise expressly provided in the Indenture) all other obligations of the Owner Trustee and the Owner Participant hereunder and under the Indenture are solely nonrecourse obligations and that (except as otherwise expressly provided in the Indenture) all such obligations of the Owner Trustee and the Owner Participant are and are to be by acceptance of this Note by the Holder hereof expressly waived and released as a condition of, and as consideration for, the execution of the Indenture and the issuance of this Note; provided, however, that nothing herein shall be deemed to prevent recourse to and the enforcement against the Indenture Estate for performance of covenants of the Owner Trustee contained in this Note or in the Indenture or for all liabilities, obligations and undertakings contained in the Indenture or in this Note or be deemed to excuse the Owner Trustee for liability for its own gross negligence or wilful misconduct; provided, however, that under no circumstances whatsoever shall either the Owner Participant or the Owner Trustee be liable to the Indenture Trustee, any Holder, the Lessee or any other Person for any consequential damages.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof with the consent of the Holders of a majority in aggregate principal amount of the Notes Outstanding (or, if only one or more but not all series of Notes Outstanding would be affected by such amendment, of a majority in aggregate principal amount of the Notes Outstanding of the series so affected). The Indenture also contains provisions permitting the Holders of a majority in aggregate principal amount of the Notes Outstanding, on behalf of the Holders of all the Notes, to waive compliance with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Note shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Note issued upon the transfer hereof or in exchange herefor or in lieu hereof whether or not notation of such consent or waiver is made upon this Note.

As provided in the Indenture and subject to certain limitations therein set forth, this Note is transferable only on the Note Register, upon surrender of this Note for transfer at the principal corporate trust office of the Indenture Trustee, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Indenture Trustee duly executed by, the registered Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Notes of the same series of authorized denominations and for the same aggregate principal amount will be issued to the designated transferee or transferees.

As provided in the Indenture and subject to certain limitations therein set forth, this Note is exchangeable for a like aggregate principal amount of Notes of the same series of different authorized denominations, as requested by the Holder hereof. No service charge will be made for any such transfer or exchange, but the Owner Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Indenture Trustee) connected therewith.

The Owner Trustee, the Indenture Trustee and any agent of the Owner Trustee or the Indenture Trustee may treat the Person in whose name this Note is registered as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes whether or not this Note shall be overdue, and none of the Owner Trustee,

the Indenture Trustee nor such agent shall be affected by notice to the contrary.

Under certain limited circumstances, the obligations of the Owner Trustee hereunder and under the Indenture may be assumed by the Lessee, and shall thereupon become direct, full recourse obligations of the Lessee.

Unless the certificate of authentication hereof has been executed by the Indenture Trustee, by manual signature, this Note shall not be secured by or entitled to any benefit under the Indenture and shall not be valid or obligatory for any purpose whatsoever.

This Note shall be construed and enforced with and governed by the laws of the State of New York.

IN WITNESS WHEREOF, the Owner Trustee has caused this Note to be duly executed.

THE CONNECTICUT NATIONAL BANK,
not in its individual
capacity but solely as
Owner Trustee

By_____

[FORM OF CERTIFICATE OF AUTHENTICATION]

This is one of the Notes, of the series designated herein, referred to in the within-mentioned Indenture.

MERCANTILE-SAFE DEPOSIT
AND TRUST COMPANY,
as Indenture Trustee

By_____
Authorized Officer

SCHEDULE 1
to
Series B Note

SCHEDULE OF MANDATORY REDEMPTION AND INTEREST PAYMENTS

Redemption Date	Principal to be redeemed (Expressed as a Percentage of Original Principal Amount of Series B Notes)	Interest (Expressed as a Percentage of Original Principal Amount of Series B Notes)	Total Payment (Expressed as a Percentage of Original Principal Amount of Series B Notes)

[To be provided by the Owner Participant prior to the issuance of the Note on any Closing Date pursuant to Section 29(f) of the Participation Agreement.]

(d) The Indenture Trustee and the Owner Trustee acknowledge that Basic Rent, Stipulated Loss Values and Termination Values may be increased or decreased pursuant to an adjustment as permitted in Section 9(f) of the Lease and that, pursuant to, and subject to the limitations of, Section 29(g) of the Participation Agreement, the Schedule of Mandatory Redemption and Interest Payments to each of the Series A and Series B Notes may be revised as necessary to permit such adjustments to Basic Rent, Stipulated Loss Values and Termination Values. In such event and upon receipt of the revised Schedules of Mandatory Redemption and Interest Payments, certified by the Lessee and the Owner Participant as to correctness, (A) the Indenture Trustee shall (i) forward to each of the Holders a copy of the applicable revised Schedule of Mandatory Redemption and Interest Payments, (ii) apply all payments received on the Notes in accordance with each such revised Schedule of Mandatory Redemption and Interest Payments and (iii) upon presentation of any Note by any Holder, substitute the revised Schedule of Mandatory Redemption and Interest Payments for the original schedule and (B) the Owner Trustee shall make all such payments on the Notes in accordance with each such revised Schedule of Mandatory Redemption and Interest Payments.

SECTION 203. Execution, Authentication and Delivery; Dating of Notes. Upon execution and delivery of this Indenture, or from time to time thereafter, Notes may be executed by the Owner Trustee and delivered to the Indenture Trustee for authentication, and the Indenture Trustee shall thereupon authenticate and deliver said Notes to or upon an Owner Trustee Request, without any further action by the Owner Trustee hereunder.

Each Note shall be dated the date of its authentication.

No Note shall be secured by or entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Note a certificate of authentication, in the form provided for herein, executed by the Indenture Trustee by the manual signature of one of its authorized officers, and such certificate of authentication upon any Note shall be conclusive evidence, and the only evidence, that such Note has been duly authenticated and delivered hereunder.

SECTION 204. Registration, Restrictions on Transfer and Exchange Of Notes. The Indenture Trustee shall

keep a register for the registration of Notes. Registration of transfer of Notes may be effected only as set forth in this Section 204. Such register is herein sometimes referred to as the "Note Register". The Indenture Trustee shall act as the agent of the Owner Trustee with respect to the Note Register.

All Notes issued hereunder shall be endorsed with a legend which shall read substantially as follows:

> This Note has not been registered under the Securities Act of 1933 and may not be transferred, sold or offered for sale in violation of such Act.

Upon surrender for registration of transfer of any Note to the Indenture Trustee and satisfaction of the other requirements of this Section 204, the Owner Trustee shall execute, and the Indenture Trustee shall (i) authenticate and deliver, in the name of the designated transferee or transferees, one or more new Notes of the same series, of any authorized denominations and of a like aggregate principal amount and (ii) register such transfer on the Note Register maintained by it.

At the option of the Holder, Notes may be exchanged for other Notes of the same series, of any authorized denomination and of like aggregate principal amounts upon surrender to the Indenture Trustee of the Notes to be exchanged. Whenever any Notes are so surrendered for exchange, the Owner Trustee shall execute, and the Indenture Trustee shall authenticate and deliver, the Notes which the Holder making the exchange is entitled to receive.

All Notes issued upon any transfer or exchange of Notes shall be the valid obligations of the Owner Trustee, evidencing the same obligations, and entitled to the same security and benefits under this Indenture, as the Notes surrendered upon such transfer or exchange.

Every Note presented or surrendered for registration of transfer or exchange shall be duly endorsed by, or be accompanied by a written instrument of transfer in form satisfactory to the Indenture Trustee and the Owner Trustee duly executed by, the Holder thereof or his attorney duly authorized in writing.

No service charge shall be made for any transfer or exchange of Notes, but the Indenture Trustee may require payment of a sum sufficient to cover any tax or other gov-

ernmental charge that may be imposed in connection with any transfer or exchange of Notes.

The Indenture Trustee shall not be required to issue, transfer or exchange any Note during a period beginning at the opening of business ten Business Days before any date on which interest or principal is to be paid and any Redemption Date.

The Note Register shall be maintained and the transfer of Notes effected in compliance with the requirements for registration-required obligations contained in Section 163(f) of the Code and this Section 204 shall be interpreted and applied consistently therewith.

SECTION 205. Mutilated, Destroyed, Lost and Stolen Notes. If (i) any mutilated Note is surrendered to the Indenture Trustee, or if satisfactory evidence of the destruction, loss or theft of any Note is presented to the Indenture Trustee and the Owner Trustee and (ii) there is delivered to the Indenture Trustee and the Owner Trustee such security or indemnity as may be reasonably required by either of them to save each of them harmless, then, in the absence of notice to the Indenture Trustee or the Owner Trustee that such Note has been acquired by a bona fide purchaser, the Owner Trustee shall execute and the Indenture Trustee shall authenticate and deliver, in exchange for any such mutilated Note, or in lieu of any such destroyed, lost or stolen Note, a new Note of the same series and of like tenor and principal amount and the Indenture Trustee shall cancel the Note which was mutilated, destroyed, lost or stolen; provided, however, that if the Holder of such Note is an original party to the Participation Agreement or a nominee for such an original party, the written undertaking of such party signed by the President, any Vice President, any Assistant Vice President or any investment officer thereof and delivered to the Indenture Trustee and the Owner Trustee shall be sufficient security and indemnity.

Upon the issuance of any new Note under this Section, the Indenture Trustee or the Owner Trustee may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Indenture Trustee) connected therewith.

Every new Note issued pursuant to this Section in lieu of any destroyed, lost or stolen Note shall constitute an original contractual obligation hereunder, whether or not

the destroyed, lost or stolen Note shall be at any time enforceable by anyone, and each such new Note shall be entitled to all the security and benefits of the Note so destroyed, lost or stolen, equally and proportionately with any and all other Notes duly issued hereunder.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement of mutilated, destroyed, lost or stolen Notes.

SECTION 206. Persons Deemed Owners. The Owner Trustee and the Indenture Trustee may treat the Person in whose name any Note is registered as the owner thereof for the purpose of receiving payment of principal of, and premium, if any, and interest on, such Note and for all other purposes whatsoever, whether or not such Note be overdue, and neither the Owner Trustee nor the Indenture Trustee shall be affected by notice to the contrary.

SECTION 207. Cancellation. All Notes surrendered for payment, redemption, transfer or exchange shall, if surrendered to the Owner Trustee or any agent of the Owner Trustee or of the Indenture Trustee, be delivered to the Indenture Trustee and promptly cancelled by it, or, if surrendered to the Indenture Trustee, shall be promptly cancelled by it, and no Notes shall be issued in lieu thereof except as expressly permitted by the provisions of this Indenture. The Indenture Trustee shall destroy cancelled Notes and deliver a certificate of such destruction to the Owner Trustee. If the Owner Trustee shall acquire any of the Notes, however, such acquisition shall not operate as a redemption or satisfaction of the indebtedness represented by such Notes unless and until the same are delivered to the Indenture Trustee for cancellation.

ARTICLE III

Additional Notes

SECTION 301. Issuance of Additional Notes. (a) Upon compliance with this Section and in addition to the issuance of Series A and Series B Notes, additional notes of any one or more series (herein called "Additional Notes") may from time to time, with the prior written consent of the Lessee, be executed by the Owner Trustee and delivered to the Indenture Trustee for authentication in connection with a refinancing of the Notes pursuant to Section 20 of the

Participation Agreement, and the Indenture Trustee shall thereupon authenticate and deliver said Additional Notes to or upon an Owner Trustee Request.

(b) Each series of Additional Notes shall be created and designated as shall be prescribed by the supplemental indenture creating such series and:

(i) shall bear interest at such rate or rates (including a floating rate or rates) and be payable, as to principal, premium, if any, and interest, at such time or times, as may be determined by the Owner Trustee with the prior written consent of the Lessee and expressed in such Notes;

(ii) may contain such provisions for the redemption thereof, at the option of the Owner Trustee, at such redemption price or prices, at such time or times, upon such notice, in such manner and upon such other terms and conditions, not inconsistent with the provisions of this Indenture, as may be determined by the Owner Trustee with the prior written consent of the Lessee and expressed or referred to in such Notes;

(iii) may contain such provisions, if any, for the required redemption of such Notes (including for a purchase, sinking, amortization, improvement or analogous fund) in such amounts, at such time or times, in such manner and upon such other terms and conditions as may be determined by the Owner Trustee with the prior written consent of the Lessee and expressed or referred to in such Notes; and

(iv) shall be in the form or forms provided in the supplemental indenture executed with respect to Notes of such series, which form or forms shall be in substantially the same form as is set forth in Section 202 hereof with respect to Series A Notes, with such omissions therefrom, variations therein and additions thereto as shall be appropriate.

(c) Each series of Additional Notes may be issued only if prior to or concurrently with the issuance thereof, there shall have been deposited with the Indenture Trustee the following:

(i) a supplemental indenture creating such series of Additional Notes in form and substance reasonably satisfactory to the Indenture Trustee and its counsel,

duly authorized, executed and delivered by the Owner Trustee;

(ii) an Officer's Certificate of the Owner Trustee authorizing the execution and delivery of the supplemental indenture referred to in clause (i) above and a written consent of the Lessee thereto; and

(iii) an Opinion of Counsel, dated the date of issuance of such Additional Notes, to the effect that:

(A) such supplemental indenture has been duly authorized, executed and delivered by the Owner Trustee and is a valid and binding obligation of the Owner Trustee, enforceable against the Owner Trustee in accordance with its terms, except as the enforceability thereof may be limited by (i) bankruptcy, insolvency, reorganization or other similar laws of general application affecting creditors' rights and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law);

(B) such Additional Notes have been duly authorized, executed and delivered by the Owner Trustee and, upon the authentication and delivery thereof by the Indenture Trustee, will be valid and binding obligations of the Owner Trustee, entitled to the benefits of this Indenture in accordance with the terms of this Indenture and of such Additional Notes and enforceable in accordance with their terms, except as the enforceability thereof may be limited by (i) bankruptcy, insolvency, reorganization or other similar laws of general application affecting creditors' rights and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law);

(C) the execution and delivery of such supplemental indenture by the Owner Trustee, the issuance and sale of such Additional Notes by the Owner Trustee, and fulfillment of and compliance with the respective provisions thereof by the Owner Trustee, do not conflict with, or result in a breach of the terms, conditions or provisions of, or constitute a default under, or result in any violation of any of the terms or provisions

of, or result in the creation or imposition of any lien on any properties or assets of the Owner Trustee pursuant to, the charter or by-laws of the Owner Trustee, or any statute, law, rule or regulation, or any order, judgment, decree, indenture, mortgage or other agreement or instrument by which the Owner Trustee is bound;

(D) all authorizations, consents, approvals and exemptions of, or other action by, all regulatory bodies necessary in connection with the issue, sale, authentication and delivery of such supplemental indenture and such Additional Notes have been obtained (specifying the same), or that no such authorization, consent, approval, exemption or other action is required;

(E) all recording, filing and similar action required or desirable in connection with the execution and delivery of such supplemental indenture and the issuance of such Additional Notes has been accomplished (specifying the same), or that no such recording, filing or similar action is required; and

(F) all conditions precedent provided for in this Indenture to the issuance of such Notes have been duly complied with.

ARTICLE IV

Redemption, Purchase and Assumption

SECTION 401. Redemption Of Series A Notes and Series B Notes. The Series A Notes and the Series B Notes shall, in the manner specified and subject to the provisions (including the provisions with respect to notice) set forth in this Article, be redeemable as follows:

(a) Redemption Upon the Occurrence of an Event of Loss. Each Series A Note and Series B Note shall be subject to redemption and shall be redeemed in part upon the occurrence of an Event of Loss with respect to any Railcar for which a replacement is not delivered pursuant to the terms of the Lease, in an amount equal to the product obtained by multiplying the then unpaid principal amount of such Note by a fraction, the numerator of which shall be Lessor's Cost of the

Railcar in respect of which Stipulated Loss Value is being paid and the denominator of which shall be the Lessor's Cost for all Railcars subject to the Lease immediately before such Event of Loss, by application of Stipulated Loss Value in an amount equal to 100% of the principal amount of the Series A Notes to be redeemed and 100% of the principal amount of the Series B Notes to be redeemed, in each case together with accrued and unpaid interest thereon to the Redemption Date but without payment of any Premium.

(b) Redemption in the Event of Voluntary Termination. The Series A Notes and the Series B Notes shall be subject to redemption and shall be redeemed in part in the event of a voluntary termination of the Lease pursuant to Section 12 thereof with respect to any Railcar, in an amount equal to the product obtained by multiplying the then unpaid principal amount of such Series A Note by a fraction, the numerator of which shall be Lessor's Cost of the Railcar in respect of which Termination Value is being paid and the denominator of which shall be Lessor's Cost for all Railcars subject to the Lease immediately before the exercise of such voluntary termination, by application of Termination Value in an amount equal to 100% of the principal amount of the Series A Notes to be redeemed and 100% of the principal amount of the Series B Notes to be redeemed, in each case together with accrued and unpaid interest thereon to the Redemption Date, the Premium on the Series A Notes and, if such redemption occurs prior to the final year thereof, the Premium on the Series B Notes.

(c) Redemption in the Event of Refinancing. Each of the Series A Notes and the Series B Notes shall be subject to redemption and shall be redeemed in whole in the event the Series A Notes are refinanced pursuant to Section 20 of the Participation Agreement in an amount equal to 100% of the principal amount of the Notes of such Series to be redeemed, in each case together with accrued and unpaid interest thereon to the Redemption Date, the Premium on the Series A Notes (in the event of a refinancing of such Notes) and, in the event of a refinancing of the Series B Notes, if such redemption occurs prior to the final year thereof, the Premium on such Series B Notes.

(d) Redemption in Event of Purchase of Railcars. The Series A Notes and the Series B Notes may be

subject to redemption and may be redeemed in part in the event of the purchase of any Railcar by the Lessee pursuant to Section 2(e) of the Lease, by payment to the Holder thereof in an amount equal to the product obtained by multiplying the then unpaid principal amount of such Note by a fraction, the numerator of which shall be Lessor's Cost of the Railcar which is being purchased by the Lessee and the denominator of which shall be Lessor's Cost for all Railcars subject to the Lease immediately before the exercise of such purchase option, by application of such purchase price in an amount equal to 100% of the principal amount of the Series A Notes to be redeemed and 100% of the principal amount of the Series B Notes to be redeemed, in each case together with accrued and unpaid interest thereon to the Redemption Date, the Premium, if any, on the Series A Notes and, if such redemption occurs prior to the final year thereof, the Premium on the Series B Notes.

(e) Mandatory Partial Redemption. The Series A Notes and the Series B Notes shall be subject to redemption and shall be redeemed in part on each June 15 and December 15 specified in Schedule I thereto attached in each case in the respective percentages of the original principal amount thereof provided in such Schedule 1, by payment of an amount equal to 100% of that portion of the principal amount of the Series A Notes to be redeemed and 100% of that portion of the Series B Notes to be redeemed on each such date, in each case together with accrued and unpaid interest thereon to the Redemption Date.

SECTION 402. Redemption Date; Redemption Notice; Effect of Redemption. (a) The Redemption Date for Notes to be redeemed pursuant to clause (a) of Section 401 shall be the date upon which payment of the relevant Stipulated Loss Value is required to be made by the Lessee pursuant to Section 11 of the Lease. The Redemption Date for Notes to be redeemed pursuant to clause (b) of Section 401 shall be the relevant Termination Date. The Redemption Date for Notes to be redeemed pursuant to clause (c) of Section 401 shall be the date upon which funds sufficient for such refinancing are deposited by the Owner Trustee with the Indenture Trustee. The Redemption Date for Notes to be redeemed pursuant to clause (d) of Section 401 shall be the date on which the Lessee shall have paid the purchase price referred to therein. The Redemption Dates for the Notes to be

redeemed pursuant to clause (e) of Section 401 shall be as specified in such clause (e).

(b) Except in the case of a redemption pursuant to clause (e) of Section 401, notice of redemption shall be given by the Indenture Trustee not less than 5 nor more than 30 days prior to the relevant Redemption Date to each Holder appearing on the Note Register. Each such notice of redemption shall specify the Redemption Date, the principal amount of the Notes to be redeemed and any other amounts to be distributed to such Holder upon such redemption (including accrued interest and Premium, if any) and shall state (i) that payment of all such amounts will be made on or after the Redemption Date, and (ii) that on and after said date interest on the Notes will cease to accrue.

(c) If notice of redemption shall have been given as above provided, and there shall have been deposited with the Indenture Trustee, in the manner described in, and on or before the date required by, the applicable clause of subsection (a) above, an amount sufficient to redeem the Notes (together with accrued and unpaid interest thereon to the Redemption Date and the applicable Premium, if any) the principal of the Notes to be redeemed specified in such notice shall become due and payable on the Redemption Date and, from and after the date fixed for redemption, interest on the principal amount of such Notes so called for redemption shall cease to accrue and such principal amount shall no longer be deemed to be unpaid or outstanding hereunder and such principal amount of such Notes shall cease to be entitled to the benefit of this Indenture except that the Holders thereof shall be entitled to receive payment from moneys held by the Indenture Trustee for such redemption. The Indenture Trustee shall hold all such moneys in trust for the Holders thereof.

(d) If the principal amount of or Premium, if any, or interest on any Note called for redemption shall not be so paid on or after the Redemption Date, the principal amount thereof and Premium, if any, and (to the extent permitted by applicable law) interest thereon shall, until paid, bear interest from the Redemption Date at the Overdue Rate; provided, however, in the case of a redemption pursuant to clause (b) or (d) of Section 401, if the sale of any Railcar does not take place and the Lease continues with respect to such Railcar, then the notice of redemption may be withdrawn with the same effect as if it had not been given.

(e) If less than all of the Notes of any series are to be redeemed, the particular Notes of such series to be redeemed shall be selected not more than 45 days prior to the Redemption Date by the Indenture Trustee from the Notes Outstanding of such series by such method as the Indenture Trustee shall deem fair and appropriate and which may provide for the selection for redemption of portions of the principal of Notes of a denomination larger than $1,000; provided, however, that in the case of a partial redemption of Series A Notes, the redemption shall be allocated pro rata to all Series A Notes then Outstanding.

SECTION 403. Purchase Option. At any time (a) after an Indenture Event of Default shall have occurred and be continuing and the Indenture Trustee shall have declared the principal of all Notes to be immediately due and payable pursuant to Section 602 hereof or (b) an Event of Default shall have occurred and be continuing for a period of at least 180 days and provided the Indenture Trustee shall not then have commenced to exercise any of its remedies under the Lease, upon the written notice of the Owner Trustee to all Holders of the Notes Outstanding stating that it has elected to purchase the Notes and specifying the purchase date on which it will make payment for the Notes (which shall not be less than 20 nor more than 35 days after the date of the giving of such notice) and during the period from the date the Owner Trustee has given such purchase notice through and including the purchase date specified in such notice the Indenture Trustee shall refrain from the exercise of any remedy hereunder or under the Lease in respect of such Indenture Event of Default or Event of Default. On such purchase date the Owner Trustee shall pay to such Holder an amount equal to the aggregate unpaid principal amount of all Notes then held by such Holder, together with accrued and unpaid interest thereon to such purchase date (but without any premium), plus all other sums then due and payable to such Holder hereunder and under the Lease and the Participation Agreement and, upon receipt thereof, such Holder shall promptly deliver its Notes to the Indenture Trustee duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Indenture Trustee and the Owner Trustee duly executed by, such Holder in favor of the Owner Trustee. The Owner Trustee shall make payment under this Section by check or wire transfer (as it shall elect) in immediately available funds payable to the order of such Holder.

SECTION 404. Assumption of Notes. (a) In the event of the occurrence of an Assumption Event and upon

satisfaction of the terms and conditions set forth in subsection (b) hereof, all or a pro rata portion (as the case may be) of the obligations and liabilities of the Owner Trustee hereunder and under the Notes shall be assumed by the Lessee and the Owner Trustee shall be released and discharged without further act or formality whatsoever from all or a pro rata portion (as the case may be) of such obligations and liabilities.

(b) Any assumption pursuant to the foregoing subsection (a) shall be subject to compliance to the satisfaction of the Indenture Trustee with the following conditions and shall be conclusively evidenced by delivery of an Officer's Certificate of the Lessee to the effect that the below enumerated conditions (to the extent such conditions relate to the Lessee) have been duly complied with:

(i) the Owner Trustee and the Indenture Trustee shall have executed and delivered a supplemental indenture pursuant to Sections 801 and 904 releasing from the lien of this Indenture the Railcars (and all other property included in the Indenture Estate to the extent relating to such Railcars) in respect of which an Assumption Event shall have occurred;

(ii) the Lessee shall have made all relevant payments and done all other things necessary under the Lease with respect to such Assumption Event and shall have executed and delivered a new and separate instrument evidencing the granting of a security interest by the Lessee in the Railcars in respect of which an Assumption Event has occurred on substantially the same terms provided for in this Indenture (together with such financing statements as the Indenture Trustee may at such time reasonably deem necessary to perfect such security interest) which supplemental indenture and any instrument, including any new note (referenced below) shall be independent of the obligations contained in this Indenture and shall not contain any provision for cross-collateralization with the Indenture Estate or cross-default to the obligations of the Owner Trustee herein secured; and

(iii) the Lessee shall have delivered to the Indenture Trustee an Opinion of Counsel in form and substance satisfactory to the Indenture Trustee to the effect that:

(A) each instrument executed and delivered by the Lessee pursuant to clause (i) above constitutes a valid and binding obligation of the Lessee, enforceable in accordance with its terms, except as the enforceability thereof may be limited by (i) bankruptcy, insolvency, reorganization or other similar laws of general application affecting creditors' rights and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) and creates a legal, valid and perfected lien on and security interest in such Railcars;

(B) after such assumption, such Railcars purchased by the Lessee will be free and clear of all liens, security interests, charges or other encumbrances whatsoever of record, other than Permitted Encumbrances;

(C) all authorizations, consents, approvals and exemptions of, or other action by, all regulatory bodies necessary in connection with the execution and delivery of such instruments and in connection with the conveyance and transfer of title to the Railcars by the Owner Trustee have been obtained (specifying the same), or that no such authorization, consent, approval, exemption or other action is required;

(D) no other action is necessary or advisable in order to establish and perfect the Lessee's title to and interest in such Railcars purchased by the Lessee as against the Owner Trustee or any third party;

(E) such instruments have been properly recorded, registered and filed and such other actions have been taken as are required by law to perfect, preserve and protect the security interest granted in the Railcars in respect of which an Assumption Event has occurred and reciting the details of such action or stating that, in the opinion of such counsel, no such action is necessary to perfect, preserve and protect such lien; and

(F) the Lessee has duly complied with all its obligations hereunder and under the Lease and

all other conditions hereunder and under the Lease have been satisfied, in each case with respect to such Assumption Event.

Notice of any assumption pursuant to this Section shall be given to the Holders of the Notes (and any assignee of a registered Holder which has given the Indenture Trustee written notice of such assignment) as promptly as practicable after the Indenture Trustee is notified thereof. Upon surrender of Notes Outstanding for such purpose, (x) the Owner Trustee will cancel such Notes and execute and deliver, and the Indenture Trustee will authenticate, new Notes evidencing the then outstanding obligations of the Owner Trustee in respect of the Railcars remaining subject to the lien of this Indenture after such Assumption Event and (y) the Lessee shall execute and deliver new notes secured by the instrument referred to in clause (ii) of this Section 404(b), with full recourse evidencing the liability of the Lessee so assumed.

ARTICLE V

Satisfaction and Discharge

SECTION 501. Satisfaction and Discharge of Indenture; Release of Indenture Estate. When and if all payments to the Holders of the Notes due or to become due hereunder and under the other Operative Documents shall have been made, or sufficient moneys are held by the Indenture Trustee for such purpose, if all other obligations in favor of the Holders under all Operative Documents shall have been performed in full, and if all other payments to be made hereunder shall have been made, this Indenture and the liens herein granted shall cease, determine and be void and, at the request of the Owner Trustee, the Indenture Trustee shall promptly execute and deliver such documents, assignments and releases as shall be requisite to satisfy the lien hereof and to re-transfer to the Owner Trustee or to whomever the Owner Trustee may direct any property at the time subject to the lien of this Indenture which may then be in its possession.

ARTICLE VI

Events of Default; Remedies

SECTION 601. Indenture Events of Default. "Indenture Events of Default", wherever used herein, shall mean any one of the following events (whatever the reason for such Indenture Event of Default and whether it shall be voluntary or involuntary or come about or be effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court, or any order, rule or regulation of any administrative or governmental body), subject, however, to (i) the right of the Owner Trustee to cure such Indenture Event of Default pursuant to the last paragraph of this Section 601 and (ii) the rights of the Owner Participant under Section 603(d):

(a) default in the payment of any regularly scheduled payment of principal of, or premium, if any, or interest on, any Note when such principal, premium or interest becomes due and payable and continuance of such default for a period of 10 Business Days after the same shall become due (provided that a failure to make any such payment resulting from a withholding pursuant to Section 716 shall not constitute a default hereunder); or

(b) default in the performance, or breach, of any covenant, or warranty of the Owner Trustee in this Indenture, or Section 15 of the Participation Agreement or default in the performance, or breach, of any covenant, or warranty of the Owner Participant in Section 15 of the Participation Agreement (in each case other than a covenant or warranty the default in the performance or breach of which would be an Event of Default under the Lease or which is elsewhere in this Section specifically dealt with) or breach in any material respect of any representation of the Owner Participant or the Owner Trustee in the Participation Agreement, and the Owner Trustee or the Owner Participant, as the case may be, shall not have diligently commenced to cure (in the case of a cure that cannot be effected by a payment of money or any breach of a representation) or shall not have cured (in the case of a cure which can be effected by a payment of money or any breach of a representation) such default or breach on or prior to the 30th day after there has been given, by registered or certified mail, a written notice specifying such default or breach and requiring

it to be remedied and stating that such notice is a "Notice of Default" hereunder (i) by the Indenture Trustee to all of the Owner Participant, the Owner Trustee and the Lessee or (ii) by the Holders of at least 25% in principal amount of the Notes Outstanding to all of the Owner Participant, the Owner Trustee, the Lessee and the Indenture Trustee, and thereafter diligently proceeded to complete such cure; provided that the failure by the Owner Participant or the Owner Trustee to cure within 15 months after receiving such notice shall constitute an immediate Indenture Event of Default; or

(c) subject to Section 603(d), an Event of Default under the Lease (other than an Event of Default relating to the respective rights of the Owner Trustee, in its individual capacity or as Owner Trustee, and the Owner Participant) shall have occurred and be continuing; or

(d) the entry of a decree or order by a court having jurisdiction in the premises for relief in respect of either the Trust Estate or the Owner Trustee with respect thereto or the Owner Participant under the Federal Bankruptcy Code or any other applicable federal or state law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of or for the Trust Estate, the Owner Trustee with respect thereto or the Owner Participant or any substantial part of its property or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days or a petition shall be filed against the Trust Estate, the Owner Trustee with respect thereto or the Owner Participant under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, and shall not be dismissed within 60 days after such filing; or

(e) the commencement by the Owner Trustee or the Owner Participant of a voluntary case under the Federal Bankruptcy Code or any other applicable federal or state law, or the consent or acquiescence by it to the filing of any such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Owner Trustee or the Owner Participant or

of any substantial part of the property of either of them, or the making by either of them of an assignment for the benefit of creditors, or the admission by either of them in writing of its inability to pay its debts generally as they become due, or the taking of corporate action by the Owner Trustee or the Owner Participant in furtherance of any such action and, in the case of the Owner Trustee, the Owner Trustee shall not have been replaced within 60 days after such action.

Notwithstanding the foregoing, an Event of Default or an Indenture Event of Default referred to in clause (i), (ii) or (iii) below shall not be an Indenture Event of Default hereunder:

(i) if such Event of Default or Indenture Event of Default results from non-payment of Basic Rent under the Lease due on a Payment Date, and the Owner Trustee or the Owner Participant (notwithstanding the limitation of the Owner Trustee's or the Owner Participant's obligation set forth in Section 109 hereof) shall have paid the full amount of such defaulted Basic Rent including any applicable interest at the Overdue Rate within 10 Business Days after the occurrence of such Event of Default or Indenture Event of Default;

(ii) if such Event of Default or Indenture Event of Default results from nonpayment of a specific item of Supplemental Rent under the Lease due on demand or on the date or dates specified in the Lease, and the Owner Trustee or the Owner Participant (notwithstanding the limitation of the Owner Trustee's or Owner Participant's obligation set forth in Section 109 hereof) shall have paid the full amount of such defaulted Supplemental Rent (including any interest thereon at the Overdue Rate) within 15 Business Days after the receipt of notice of such non-payment; or

(iii) if such Event of Default or Indenture Event of Default results from a failure of the Lessee to perform or observe any covenant, condition or agreement to be performed or observed by it under the Lease or the Participation Agreement, as the case may be, other than the covenants or agreements to pay Rent, and the Owner Trustee or the Owner Participant (notwithstanding the provisions of the Lease or the limitation of the Owner Trustee's or Owner Participant's obligation set forth in Section 109 hereof) shall have performed or

observed any such covenant, condition or agreement on behalf of the Lessee within 30 days after the receipt by the Owner Trustee and the Owner Participant of notice of the occurrence of such Event of Default or Indenture Event of Default (or, if such performance is being diligently pursued by the Owner Trustee or the Owner Participant but is not completed within 30 days (and cannot be accomplished by the payment of money), such performance shall be completed within 60 days after such notice),

provided, however, in the case of (i) above, the Owner Trustee or the Owner Participant shall only have the right to cure the nonpayment of Basic Rent due and payable by the Lessee in respect of three consecutive Payment Dates or [five] overall Payment Dates, and provided, further, that in the case of (iii) above, the Owner Trustee or the Owner Participant shall promptly inform the Indenture Trustee of any such cure and the nature thereof, and provided, further, that the Owner Trustee and the Owner Participant shall not be obligated to cure any such Event of Default or Indenture Event of Default. Upon the making of any such payment or the performance or observance of any such obligation by the Owner Trustee or the Owner Participant, as the case may be, as provided in this paragraph, the Owner Trustee or Owner Participant, as the case may be, shall be subrogated to all the rights of the Indenture Trustee under the Lease in respect of the payment or the obligation giving rise to such payment, performance or observance by the Owner Trustee or the Owner Participant, as the case may be, and any right to any interest in respect thereof, and shall be entitled to any payment or other performance in respect thereof upon receipt by the Indenture Trustee; provided that the Owner Trustee and the Owner Participant may not exercise any such subrogation rights at any time that an Indenture Event of Default had occurred and is continuing.

SECTION 602. Acceleration of Maturity; Rescission and Annulment. If an Indenture Event of Default occurs and is continuing, then and in every such case the Indenture Trustee or the Holders of not less than a majority in aggregate principal amount of the Notes Outstanding may declare the principal of all the Notes to be immediately due and payable, by a notice in writing to the Owner Trustee, with a copy to the Owner Participant and the Lessee (and to the Indenture Trustee, if given by Holders), and upon any such declaration such principal shall become immediately due and payable.

Subject to the limitations set forth in the proviso to the first sentence of the last paragraph of Section 601, at any time after such a declaration of acceleration has been made, but before any foreclosure or sale of any of the Indenture Estate has been made under this Article or any judgment or decree for payment of money due on any Notes has been obtained by the Indenture Trustee as hereinafter in this Article provided, the Holders of a majority in aggregate principal amount of the Notes Outstanding may in their sole discretion, by written notice to the Owner Trustee, with a copy to the Owner Participant, the Lessee and the Indenture Trustee, rescind and annul such declaration and its consequences if:

(a) the Owner Trustee or the Owner Participant has deposited with the Indenture Trustee a sum sufficient to pay

(1) all overdue installments of interest on all Notes;

(2) the principal of, and premium, if any, on, any Notes which have become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates prescribed therefor for such Notes;

(3) to the extent that payment of such interest is lawful, interest upon overdue installments of the principal amount of the Notes and of interest and premium, if any, thereon at the rate provided in the Notes; and

(4) all sums paid or advanced by the Indenture Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Indenture Trustee, its agents and counsel;

and

(b) all Indenture Events of Default, other than the non-payment of the principal amount of Notes together with accrued interest thereon which has become due solely by such declaration of acceleration, have been cured or have been waived as provided in Section 612.

No such rescission and annulment shall affect any subsequent default or impair any right consequent thereon.

SECTION 603. Remedies. (a) Subject to the last paragraph of Section 601 and to the penultimate paragraph of this subsection (a), upon the occurrence of an Indenture Event of Default and the acceleration of the principal amount of the Notes pursuant to Section 602, the Indenture Trustee, personally or by agents, may (or when required pursuant to Section 605 shall):

(1) take and enter into possession of the Railcars, at any time, wherever the same may be, without legal process and without being responsible for loss or damage and cause the Person in possession forthwith upon demand of the Indenture Trustee to surrender to the Indenture Trustee possession of such Railcars and may exclude the Owner Trustee and all Persons (including the Owner Participant) claiming under it wholly or partly therefrom, and the Indenture Trustee may, without being responsible for loss or damage, hold, lay up, lease, operate or otherwise use such Railcars (subject to obtaining any required governmental approvals) for such time and upon such terms as it may deem to be for its best advantage, and demand, collect and retain all rents, tolls, earnings, issues, revenues, income, profits and products, and all other sums due or to become due in respect of the Railcars or in respect of any insurance thereon from any Person whomsoever, provided that the gross amount of all such rents and other amounts and sums referred to above received by the Indenture Trustee shall, promptly upon receipt, be applied by the Indenture Trustee in accordance with the terms of Article X;

(2) take and enter into possession of the Railcars, at any time, wherever the same may be, without legal process, and if it seems desirable to the Indenture Trustee and without being responsible for loss or damage, sell such Railcars (subject to obtaining any required governmental approvals), at any place and at such time as the Indenture Trustee may specify and in such manner as the Indenture Trustee may deem advisable, free from any claim by the Owner Trustee or the Owner Participant in equity, at law or by statute, at public or private sale, by sealed bids or otherwise, after first giving notice of the time and place of such proposed sale with a general description of the property in the following manner:

(a) by publishing such notice for 10 consecutive days in a daily newspaper of general circulation published in New York City;

(b) if the place of sale should not be New York City, then also by publication of a similar notice in a daily newspaper, if any be published, at the place of sale; and

(c) by mailing a similar notice to the Owner Trustee, the Owner Participant and the Lessee on the day of first publication;

(3) as assignee of the Lease hereunder, if such Indenture Event of Default results from an Event of Default under the Lease, exercise any or all of the rights and powers and pursue any or all of the remedies provided in Section 15 of the Lease or otherwise provided in this Article and may take possession of all or any part of the Indenture Estate covered or intended to be covered by the lien created hereby or pursuant hereto and may exclude the Lessee and all Persons (including the Owner Trustee) claiming under it wholly or partly therefrom, and the Indenture Trustee may exercise any other right or remedy in lieu of or in addition to the foregoing which may be available to it under applicable law or proceed by appropriate court action to enforce the terms hereof or of the Lease to recover damages for the breach hereof or of the Lease or to rescind the Lease; and

(4) proceed to protect and enforce the rights of the Indenture Trustee and of the Holders by suit, whether for specific performance of any covenant herein contained, or in aid of the execution of any power herein granted, or for the foreclosure of this Indenture and the sale of any of the Indenture Estate under the judgment or decree of a court of competent jurisdiction, or for the enforcement of any other right as the Indenture Trustee, being advised by counsel, shall deem most effectual for such purpose.

In addition, the Indenture Trustee shall have all the rights at the time afforded a secured party under the Uniform Commercial Code of the State of New York; provided, however, that, anything herein to the contrary notwithstanding, the Indenture Trustee shall not exercise its rights under Section 9-505(2) of such Uniform Commercial Code without the prior written consent of the Owner Participant.

The Indenture Trustee may from time to time adjourn any sale under clause (2) above, by announcement at the time and place appointed for such sale or for any adjournment thereof; and without further notice or publication, except as may be required by law, such sale may be made at the time and place to which the same shall have been so adjourned.

At any such sale under this Article, the Indenture Trustee may bid for and purchase any property offered at such sale.

Upon the completion of any sale under this Article, the Indenture Trustee shall execute and deliver to the accepted purchaser or purchasers an instrument or instruments of conveyance, sale, assignment and transfer of all the property sold; and the Indenture Trustee or its successors are hereby irrevocably appointed the true and lawful attorneys of the Owner Trustee, in its name and stead, to make all necessary instruments of conveyance, sale, assignment and transfer of the property thus sold. Nevertheless, if so requested by the Indenture Trustee or by any purchaser, the Owner Trustee shall confirm any such sale or transfer by executing and delivering to such purchaser all proper instruments of conveyance, sale, assignment and transfer as may be designated in any such request.

Every such sale shall operate to divest all right, title, interest, claim and demand whatsoever (except for the rights of the Owner Trustee and the Owner Participant to receive payments and distributions pursuant to Article X) of the Owner Trustee of, in or to the property so sold, and shall be a perpetual bar, at law and in equity against the Owner Trustee, its successors and assigns, and against all Persons claiming the property sold, or any part thereof, through the Owner Trustee, its successors or assigns.

The receipt for the purchase money of the Indenture Trustee or of the court officer conducting any such sale shall be a full and sufficient discharge to any purchaser of any property sold as aforesaid; and no such purchaser, or his representatives, grantees or assigns, after paying such purchase money and receiving such receipt, shall be bound to see to the application of such purchase money for any purpose of this Indenture, or in any manner whatsoever be answerable for any loss, misapplication or nonapplication of any such purchase money or any part thereof, or be bound to inquire as to the propriety of any such sale.

Notwithstanding the foregoing, the Indenture Trustee agrees that if the Indenture Trustee shall proceed to foreclose the lien of this Indenture, it shall, to the extent that it is then entitled to do so hereunder and under the Lease and is not then stayed or otherwise prevented from doing so by operation of law or otherwise, concurrently proceed to exercise one or more of the remedies provided in the Lease as it shall in its sole good faith discretion determine; provided, however, that if the Indenture Trustee is so stayed or prevented by operation as a result of a case or proceeding under the Bankruptcy Code of 1978, as amended, or any comparable successor law (the "Bankruptcy Code") in respect of the Lessee's bankruptcy, the Indenture Trustee will not foreclose the lien of the Indenture (i) until two Business Days following the expiration of the 60 day period provided for in Section 1168 of the Bankruptcy Code for the Lessee's bankruptcy trustee to agree to perform all obligations of the Lessee under the Lease (or such later date to which the expiration of such period shall be extended with the prior written consent of the Indenture Trustee) or (ii) if, within said period, such trustee agrees to perform all obligations of the Lessee under the Lease and to effect a cure for any outstanding Events of Default as provided in said Section 1168 and such trustee cures all outstanding Events of Default prior to the later of (a) 30 days after the date of each such Event of Default and (b) the expiration of such period.

The Owner Trustee authorizes and empowers the Indenture Trustee or its appointees or any of them to appear in the name of the Owner Trustee, its successors and assigns, in any court or tribunal or before any agency or official of any country or nation of the world in which any Railcar may be arrested or detained or where a suit or other proceeding may be pending against any Railcar because of or on account of any alleged lien against such Railcar from which the Railcar has been released and to apply for and receive and take possession of the Railcar or to take such action as to it as may seem to the Indenture Trustee to be proper towards the defense of such suit or other proceeding and the purchase or discharge of such lien, and all expenditures thereby made or incurred by them or any of them shall constitute an additional indebtedness which shall be secured by this Indenture in like manner and extent as if the amount and description thereof were written herein.

(b) Upon payment in full of the principal amount of, and premium, if any, and interest on, all Notes Outstanding and any other amounts payable hereunder, the Inden-

ture Trustee shall, upon the written request of the Owner Trustee, execute and deliver to or as directed in writing by the Owner Trustee an appropriate instrument or instruments discharging the Railcar and all other property constituting a part of the Indenture Estate from the lien of this Indenture.

(c) In case the Indenture Trustee shall have proceeded to enforce any right, power or remedy under this Indenture by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Indenture Trustee, then and in every such case the Owner Trustee and the Indenture Trustee shall, subject to any determination in such proceedings, be restored to their former positions and rights hereunder with respect to the Indenture Estate, and all rights, remedies and powers of the Indenture Trustee shall continue as if no such proceedings had been taken.

(d) Notwithstanding anything to the contrary contained in this Indenture, no Event of Default arising as a result of the failure of the Lessee to make any payment constituting part of the Excepted Property shall be deemed to be an Indenture Event of Default hereunder unless and until the Owner Participant shall notify the Indenture Trustee in writing that it deems such failure to be an Indenture Event of Default.

(e) Notwithstanding anything to the contrary in this Indenture, so long as no Event of Default shall have occurred and be continuing, neither the Indenture Trustee nor any Holder shall take any action which materially and adversely affects the Lessee's rights under the Lease except in accordance with the provisions of the Lease, and the Lessee shall not be disturbed in its possession of any Railcar by virtue of any action taken hereunder by the Indenture Trustee or any Holder. If, following the occurrence of any Indenture Event of Default hereunder, there is not an Event of Default and if the Indenture Trustee shall sell any Railcar pursuant to this Article VI, then such sale shall be subject to, and shall not have the effect of terminating, the Lease with respect to such Railcar. The Indenture Trustee and any Holder may, however, exercise rights and remedies with respect to this Indenture that would result in the termination of the Lease with respect to one or more Railcars if an Indenture Event of Default occurs hereunder when there is no Event of Default continuing with respect to the Lease so terminated, provided that arrange-

ments are made for the Lessee to enter into a new lease with respect to such Railcars effective as of the date and time of the termination of the Lease and containing the same terms and provisions as the Lease, with the Indenture Trustee or any other Person having a right, title, or interest in or to such Railcars, including the purchaser at a foreclosure sale. Nothing in this subsection (e) shall prevent the Indenture Trustee from participating in proceedings commenced by any other Person as referred to in Section 8(b) of the Lease to the extent necessary to preserve the rights of the Indenture Trustee pending compliance by the Lessee with its obligations under Section 8(b) of the Lease. No provision of this subsection (e) is intended or shall be construed to be a waiver of the priority of the lien of this Indenture as against any other lien or subordination to any such other lien including, without limitation, any lien arising under the Lease in favor of the Lessee. The provisions of this subsection (e) are for the benefit of the Lessee and the Owner Trustee and may not be modified, altered, amended or supplemented without the consent of the Lessee.

SECTION 604. Right of Indenture Trustee to Judgment; Proofs of Claim. (a) Subject to Section 109, if an event described in paragraph (a), (b) or (c) of Section 601 shall occur, the Indenture Trustee may recover judgment, in its own name and as trustee of an express trust, against the Owner Trustee's interest in the Indenture Estate (or any other obligor on the Notes) of the whole amount of the principal of the Notes to which such event relates and interest thereon at the respective rates (including, when applicable, the Overdue Rate) prescribed therefor hereunder.

(b) The Indenture Trustee may file such proofs of claim and other papers and documents as may be necessary and advisable in order to have the claims of the Indenture Trustee and of the Holders allowed in any judicial proceedings relative to the Owner Trustee (or any other obligor on the Notes) or its creditors or its property.

SECTION 605. Control by Holders. The Holders of a majority in principal amount of the Notes Outstanding shall have the right, during the continuance of an Indenture Event of Default,

(a) to require the Indenture Trustee to proceed to enforce this Indenture, either by judicial proceedings for the enforcement of the payment of the Notes and the foreclosure of this Indenture, the sale of the

Indenture Estate or otherwise or, at the election of the Indenture Trustee, by the exercise of the power of entry and/or sale hereby conferred; and

(b) to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred upon the Indenture Trustee hereunder; provided that:

(1) such direction shall not be in conflict with any rule of law or with this Indenture, and

(2) the Indenture Trustee may, without any obligation whatsoever to do so, take any other action deemed proper by the Indenture Trustee which is not inconsistent with such direction.

SECTION 606. General Limitations on Duties of Indenture Trustee. The Indenture Trustee shall not have any duty or obligation to manage, control, use, sell, dispose of or otherwise deal with the Railcars or any other part of the Indenture Estate, or otherwise to take or refrain from taking any action under, or in connection with, the Lease except as expressly provided by the terms of this Indenture or as expressly provided in directions of the Holders under Section 605, and no implied duties or obligations shall be read into this Indenture against the Indenture Trustee.

SECTION 607. General Limitations on Powers of Indenture Trustee. The Indenture Trustee agrees that it will not manage, control, use, sell, dispose of or otherwise deal with the Railcars or any other part of the Indenture Estate except (a) as required or permitted by the terms of the Lease and the Participation Agreement, (b) in accordance with the powers granted to, or the authority conferred upon, the Indenture Trustee pursuant to this Indenture, (c) as provided in directions of the Holders under Section 605 or (d) in connection with the exercise of any rights constituting part of the Indenture Estate, as provided in directions of the Holders of a majority in principal amount of the Notes Outstanding (except as otherwise expressly provided herein).

SECTION 608. Possession of Notes by Indenture Trustee Unnecessary for Enforcement. All rights of action and claims under this Indenture or any of the Notes may be prosecuted and enforced by the Indenture Trustee without the possession of any of the Notes or the production thereof in

any proceeding relating thereto, and any such proceeding instituted by the Indenture Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall be distributed as provided in Section 1003.

SECTION 609. Actions by Holders. No Holder of any Note shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

(a) such Holder has previously given written notice to the Indenture Trustee of a continuing Indenture Event of Default;

(b) the Holders of not less than a majority in aggregate principal amount of the Notes shall have made written request to the Indenture Trustee to institute proceedings in respect of such Indenture Event of Default in its own name as Indenture Trustee hereunder;

(c) such Holder or Holders shall have offered to the Indenture Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;

(d) the Indenture Trustee for 60 days after its receipt of such notice, request and offer of indemnity shall have failed to institute any such proceeding; and

(e) no direction inconsistent with such written request shall have been given to the Indenture Trustee during such 60-day period by the Holders of a majority in aggregate principal amount of the Notes;

it being understood and intended that no one or more of the Holders shall have any right in any manner whatever by virtue of any provision of this Indenture to affect, disturb or prejudice the rights of any other Holder, or to obtain or to seek to obtain priority or preference over any other Holder or to enforce any right under this Indenture, except in the manner herein provided and for the ratable benefit of all the Holders.

SECTION 610. Unconditional Right of Holder to Receive Principal, Premium and Interest. Notwithstanding any other provision in this Indenture, the Holder of any Note shall have the right, which is absolute and unconditional, to receive payment of the principal of (and premium,

if any) and interest on such Note on the respective due dates thereof and (except as otherwise provided in Section 109) to institute suit for the enforcement of such payment, and such rights shall not be impaired without the consent of such Holder.

SECTION 611. Remedies Cumulative. No right or remedy herein conferred upon or reserved to the Indenture Trustee or to the Holders of Notes is intended to be exclusive of any other right or remedy. Every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law, in equity, by statute, or otherwise and may be exercised from time to time and as often and in such order as may be deemed expedient by the Indenture Trustee or the Holders of a majority in aggregate principal amount of the Notes.

SECTION 612. Waiver. (a) Before any foreclosure or sale of any of the Indenture Estate has been made under this Article or any judgment or decree for payment of money due has been obtained by the Indenture Trustee as provided in this Article, the Holders of not less than a majority in aggregate principal amount of the Notes Outstanding may, by Act of such Holders delivered to the Indenture Trustee and the Owner Trustee, on behalf of the Holders of all the Notes, waive any past Indenture Default or Indenture Event of Default hereunder and its consequences, except, in the absence of an Act of Holders of all the Notes, an Indenture Event of Default or Indenture Default consisting of,

(1) default in the payment of the principal of, or premium, if any, or interest on, any Note, or

(2) default in respect of a covenant or provision hereof which under Article VIII cannot be modified or amended without the consent of the Holders of all Notes Outstanding affected.

Upon any such waiver, such default shall cease to exist, and any Indenture Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

(b) No delay or omission of the Indenture Trustee or of any Holder to exercise any right or remedy accruing upon any Indenture Event of Default shall impair any such right or remedy or constitute a waiver of any such Indenture

Event of Default or an acquiescence therein. Every right and remedy given by this Article VI or by law to the Indenture Trustee or the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Indenture Trustee or by the Holders, as the case may be.

ARTICLE VII

The Indenture Trustee

SECTION 701. Acceptance of Trusts. The Indenture Trustee hereby accepts the trust imposed upon it by this Indenture, covenants and agrees to perform the same as herein expressed and agrees to receive and disburse all moneys constituting part of the Indenture Estate in accordance with the terms hereof.

SECTION 702. Certain Duties and Responsibilities of Indenture Trustee. (a) Except during the continuation of an Indenture Event of Default,

(i) the Indenture Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Indenture Trustee; and

(ii) in the absence of bad faith on its part, the Indenture Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein and the genuineness of all such writings, upon certificates or opinions furnished to the Indenture Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provisions hereof are specifically required to be furnished to the Indenture Trustee, the Indenture Trustee shall be under a duty to examine the same to determine whether or not in the Indenture Trustee's reasonable opinion they conform to the requirements as to the form of this Indenture.

(b) In case an Indenture Event of Default has occurred and is continuing, the Indenture Trustee shall exercise such of the rights and powers vested in it by this Indenture as it shall be directed in writing from time to time by the Holders of a majority in principal amount of the Notes Outstanding and in the absence of such direction the Indenture Trustee may take (or may refrain from taking), in

its sole discretion, such action as it may deem to be in the interest of the Holders, and upon exercising its rights and powers hereunder the Indenture Trustee shall use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(c) No provision of this Indenture shall be construed to relieve the Indenture Trustee from liability for its own grossly negligent action, its own grossly negligent failure to act, or its own wilful misconduct (or its negligent action, its own negligent failure to act or its own wilful misconduct with respect to the handling of funds), except that:

(i) this subsection (c) shall not be construed to limit the provisions of subsection (a) of this Section 702;

(ii) the Indenture Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer of the Indenture Trustee, unless it shall be proved that the Indenture Trustee was grossly negligent (or neglected in the case of a matter relating to the handling of funds) in ascertaining the pertinent facts;

(iii) the Indenture Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of a majority in principal amount of the Notes Outstanding relating to the time, method and place of conducting any proceedings for any remedy available to the Indenture Trustee, or exercising any trust or power conferred upon the Indenture Trustee, under this Indenture; and

(iv) no provision of this Indenture shall require the Indenture Trustee (A) to do anything contrary to law or to the provisions of any Operative Document to which it is a party, or (B) to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(d) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct of, or affecting the liability of or affording protection to, the Indenture Trustee shall be subject to the provisions of this Section 702.

SECTION 703. Notice of Defaults; Consent to Lessee Assignment. (a) As promptly as possible after a Responsible Officer in the Corporate Trust Department of the Indenture Trustee obtains actual knowledge of any Indenture Default, the Indenture Trustee shall transmit by mail notice of such Indenture Default to all Holders, the Owner Trustee and the Owner Participant, as their names and addresses appear in the Note Register, unless such Indenture Default shall have been cured or waived. In the event the Indenture Trustee shall have transmitted notice of an Indenture Default, and such Indenture Default is subsequently cured or waived, the Indenture Trustee shall give notice to such effect to the Holders in the manner hereinabove described. The Indenture Trustee shall not be deemed to have knowledge of any Default, Event of Default, Indenture Default, Indenture Event of Default, fact or circumstance absent actual knowledge thereof by a Responsible Officer of the Indenture Trustee.

(b) The Indenture Trustee shall not consent to any assignment by the Lessee pursuant to Section 13 of the Lease without the consent of Holders of at least 85% of the aggregate principal amount of Notes Outstanding, which consent shall not be unreasonably withheld as more fully set forth in said Section 13.

SECTION 704. Certain Rights of Indenture Trustee. Except as otherwise provided in Section 702:

(a) the Indenture Trustee may rely upon and shall be protected in acting or refraining from acting in reliance upon any resolution, statement, instrument, opinion, report, notice, request, direction, consent, order, certificate or other paper or document believed by it in good faith to be genuine and to have been signed or presented by the proper person or persons;

(b) any request or direction of the Owner Trustee mentioned herein shall be sufficiently evidenced by a certificate or request signed by a Responsible Officer of the Owner Trustee;

(c) whenever in the administration of this Indenture the Indenture Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, such matter (unless other evidence be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by a Responsible Officer of the Owner Trustee, and delivered to the Indenture Trustee;

(d) the Indenture Trustee may consult with counsel, and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;

(e) the Indenture Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders pursuant to this Indenture, unless such Holders shall have offered to the Indenture Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction;

(f) the Indenture Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, Note or other paper or document, but the Indenture Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit;

(g) the Indenture Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Indenture Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder; and

(h) unless otherwise specifically provided herein or in any other Operative Document, the Indenture Trustee may in the performance of its duties herein or in any other Operative Document, if it deems desirable, request direction from, and shall be protected in relying upon such direction of, the Holders of not less

than a majority in aggregate principal amount of Notes Outstanding.

SECTION 705. Limitation on Responsibility of Indenture Trustee. The recitals contained herein and in the Notes, except the certificates of authentication, shall be taken as the statements of the Owner Trustee, and the Indenture Trustee assumes no responsibility for their correctness. The Indenture Trustee makes no representation as to the value or condition of the Indenture Estate or any part thereof, as to the title of the Owner Trustee thereto or as to the security afforded thereby or hereby, or as to the validity or genuineness of any securities at any time pledged or deposited with the Indenture Trustee hereunder, or as to the validity or sufficiency of this Indenture, the Notes, the Lease, the Trust Agreement or any other of the Operative Documents. The Indenture Trustee shall not be responsible for the use or application by the Owner Trustee of the Notes or the proceeds thereof.

The Indenture Trustee (except in accordance with Section 603 and as required pursuant to Section 605 and without limiting the generality of Sections 607 and 902) shall have no duty (a) to see to any insurance on the Railcars or to effect or maintain any such insurance, whether or not the Lessee shall be in default with respect thereto, (b) to see to the payment or discharge of any tax, assessment or other governmental charge or any lien or encumbrance of any kind owing with respect to, assessed or levied against any of the Railcars, (c) to inspect the Railcars at any time or ascertain or inquire as to the performance or observance of any of the covenants of the Lessee under the Lease with respect to the Railcars, or (d) to confirm, verify or inquire into the failure to receive any financial statements of the Lessee. Notwithstanding the foregoing, the Indenture Trustee will furnish to the Owner Participant and to the Owner Trustee, promptly upon receipt thereof, duplicates or copies of all reports, notices, requests, demands, certificates and other instruments furnished to the Indenture Trustee under the Lease and this Indenture unless it shall ascertain that such Person shall have already received a copy of the same or shall be entitled to receive the same directly from the Lessee under the Lease.

EXCEPT AS EXPRESSLY SET FORTH IN SECTION 11 OF THE PARTICIPATION AGREEMENT AND EXCEPT AS REQUIRED BY SECTION 710, THE INDENTURE TRUSTEE MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE TITLE, VALUE, CONDITION, DESIGN, OPERATION OR MERCHANTABILITY OF ANY RAILCAR OR

AS TO THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP OF ANY RAILCAR OR AS TO THE FITNESS OF ANY RAILCAR FOR ANY PARTICULAR USE OR AS TO THE ELIGIBILITY OF ANY RAILCAR FOR ANY PARTICULAR TRADE, OR ANY OTHER REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO ANY RAILCAR; AND UNDER NO CIRCUMSTANCES WHATSOEVER SHALL THE INDENTURE TRUSTEE BE LIABLE OR RESPONSIBLE TO THE LESSEE, TO THE OWNER TRUSTEE, TO ANY HOLDER OR TO ANY PERSON FOR ANY CONSEQUENTIAL DAMAGES.

SECTION 706. Possession of Original Executed Lease. The Indenture Trustee shall at all times keep possession of the original executed counterparts of the Lease and all supplements or amendments to the Lease.

SECTION 707. Indenture Trustee May Hold Notes. The Indenture Trustee may become an owner or pledgee of Notes and may deal with the other parties to the Participation Agreement and the Lease and the parties to the transactions contemplated thereby, as if it were not the Indenture Trustee.

SECTION 708. Funds May Be Held by Indenture Trustee. Any moneys held by the Indenture Trustee hereunder as part of the Indenture Estate may, until paid out by the Indenture Trustee as herein provided, be carried by the Indenture Trustee on deposit with itself, and the Indenture Trustee shall not have any liability for interest upon any such moneys.

SECTION 709. Compensation and Reimbursement of Indenture Trustee. It is understood that the Indenture Trustee will receive compensation and reimbursement of expenses as provided in Section 17(d) of the Participation Agreement.

SECTION 710. Corporate Trustee Required; Eligibility. There shall at all times be an Indenture Trustee hereunder which shall be a corporation organized and doing business under the laws of the United States of America or of any State, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least $100,000,000 (or the obligations and liabilities of which are irrevocably and unconditionally guaranteed by an affiliated company having a combined capital and surplus of at least $100,000,000), subject to supervision or examination by Federal or state authority. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising

or examining authority, then for the purposes of this Section 710, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Indenture Trustee shall cease to be or have reason to believe that it shall cease to be eligible in accordance with the provisions of this Section 710, it shall resign immediately in the manner and with the effect hereinafter specified in this Article.

SECTION 711. Resignation and Removal; Appointment of Successor. (a) No resignation or removal of the Indenture Trustee and no appointment of a successor Indenture Trustee pursuant to this Article VII shall become effective until the acceptance of appointment by the successor Indenture Trustee under Section 712 hereof.

(b) The Indenture Trustee may resign at any time by giving written notice thereof to the Owner Trustee. If an instrument of acceptance by a successor Indenture Trustee shall not have been delivered to the Owner Trustee and the Indenture Trustee within 30 days after the giving of such notice of resignation, the resigning Indenture Trustee may petition any court of competent jurisdiction for the appointment of a successor Indenture Trustee.

(c) The Indenture Trustee may be removed at any time by Act of the Holders of a majority in aggregate principal amount of Notes Outstanding, delivered to the Indenture Trustee and to the Owner Trustee.

(d) If at any time:

(i) the Indenture Trustee shall cease to be eligible under Section 710 hereof and shall fail to resign after written request therefor by the Owner Trustee, acting after consultation with the Lessee, or by any Holder, or

(ii) the Indenture Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent, or a receiver of the Indenture Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Indenture Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (A) the Owner Trustee, acting after consultation with the Lessee, may remove the Indenture

Trustee or (B) any Holder who has been a bona fide Holder for at least six months may, on behalf of itself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Indenture Trustee and the appointment of a successor Indenture Trustee.

(e) If the Indenture Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of the Indenture Trustee for any cause, the Owner Trustee, acting after consultation with the Lessee, shall promptly appoint a successor Indenture Trustee. If, within one year after such resignation or removal or the occurrence of such vacancy or incapability, a successor Indenture Trustee shall be appointed by Act of the Holders of a majority in principal amount of Notes Outstanding, delivered to the Owner Trustee and the retiring Indenture Trustee, the successor Indenture Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Indenture Trustee and supersede the successor Indenture Trustee appointed by the Owner Trustee. If no successor Indenture Trustee shall have been so appointed by the Owner Trustee or the Holders and accepted appointment in the manner hereinafter provided, any Holder who has been a bona fide Holder for at least six months may, on behalf of itself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Indenture Trustee.

(f) The Indenture Trustee shall give notice of each resignation and each removal of the Indenture Trustee and each appointment of a successor Indenture Trustee by mailing written notice of such event to all Holders. Each notice shall include the name of the successor Indenture Trustee and the address of its office for purposes of Section 103 hereof.

SECTION 712. Acceptance of Appointment by Successor. Every successor Indenture Trustee appointed hereunder shall execute, acknowledge and deliver to the Owner Trustee and the retiring Indenture Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Indenture Trustee shall become effective and such successor Indenture Trustee, without any further act, deed or conveyance, shall become vested with all the estates, properties, rights, powers, trusts and duties of the retiring Indenture Trustee; but, on request of the Owner Trustee, the Lessee or the successor Indenture Trustee, such retiring Indenture Trustee shall upon payment of its charges (or the making of due provision satisfactory to it therefor)

execute and deliver an instrument conveying and transferring to such successor Indenture Trustee upon the trusts herein expressed all the estates, properties, rights, powers and trusts of the retiring Indenture Trustee, and shall duly assign, transfer and deliver to such successor Indenture Trustee all property and money held by such retiring Indenture Trustee hereunder. Upon request of any such successor Indenture Trustee, such retiring Indenture Trustee and the Owner Trustee shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Indenture Trustee all such estates, properties, rights, powers and trusts.

No successor Indenture Trustee shall accept its appointment unless at the time of such acceptance such Indenture Trustee shall be eligible under this Article.

SECTION 713. Merger, Conversion, Consolidation or Succession to Business. Any corporation into which the Indenture Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Indenture Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Indenture Trustee, shall be the successor to the Indenture Trustee hereunder, provided such corporation shall be otherwise eligible under this Article, without the execution or filing of any paper or any further act on the part of any of the parties hereto.

SECTION 714. Appointment of Co-Indenture Trustees and Separate Indenture Trustees. Whenever the Indenture Trustee shall deem it necessary or prudent in order to conform to any law of any jurisdiction in which all or any part of the Indenture Estate shall be situated, or the Indenture Trustee shall be advised by counsel, satisfactory to it, that it is so necessary or prudent in the interest of the Holders or in the event that the Indenture Trustee shall have been requested to do so by the Holders of a majority in aggregate principal amount of Notes Outstanding, the Indenture Trustee and the Owner Trustee shall execute and deliver a supplemental indenture hereto and all other instruments and agreements necessary or proper to constitute another bank or trust company, or one or more Persons approved by the Indenture Trustee and the Owner Trustee, either to act as separate trustee or separate indenture trustees of all or any part of the Indenture Estate, jointly with the Indenture Trustee, or to act as co-indenture trustee or co-indenture trustees of all or any part of the Indenture Estate, in any

such case with such powers as may be provided in such indenture supplemental hereto, and to vest in such bank, trust company or Person as such co-indenture trustee or separate indenture trustee, as the case may be, any property, title, right or power of the Indenture Trustee deemed necessary or advisable by the Indenture Trustee, subject to the remaining provisions of this Section 714. In the event the Owner Trustee shall not have joined in the execution of such indenture supplemental hereto within 10 days after the receipt of a written request from the Indenture Trustee so to do, or in case an Indenture Event of Default shall occur and be continuing, the Indenture Trustee may act under the foregoing provisions of this Section 714 without the concurrence of the Owner Trustee; and the Owner Trustee hereby appoints the Indenture Trustee its agent and attorney to act for it under the foregoing provisions of this Section 714 in either of such contingencies. The Indenture Trustee may execute, deliver and perform any deed, conveyance, assignment or other instrument in writing as may be required by any co-indenture trustee or separate indenture trustee for more fully and certainly vesting in and confirming to it or him any property, title, right or powers which by the terms of such indenture supplemental hereto are expressed to be conveyed or conferred to or upon such co-indenture trustee or separate indenture trustee, and the Owner Trustee shall, upon the Indenture Trustee's request, join therein and execute, acknowledge and deliver the same; and the Owner Trustee hereby makes, constitutes and appoints the Indenture Trustee its agent and attorney-in-fact for it and in its name, place and stead to execute, acknowledge and deliver any such deed, conveyance, assignment or other instrument in the event that the Owner Trustee shall not execute and deliver the same within ten days after receipt by it of such request so to do.

Every co-indenture trustee and separate indenture trustee hereunder shall, to the extent permitted by law, be appointed and act, and the Indenture Trustee shall act, subject to the following provisions and conditions:

(1) the Notes shall be authenticated by the Indenture Trustee and all powers, duties, obligations and rights conferred upon the Indenture Trustee in respect of the receipt, custody, investment and payment of moneys shall be exercised solely by the Indenture Trustee;

(2) all other rights, powers, duties and obligations conferred or imposed upon the Indenture Trustee

shall be conferred or imposed upon and exercised or performed by the Indenture Trustee and such co-indenture trustee or co-indenture trustees and separate indenture trustee or separate indenture trustees jointly, except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed, the Indenture Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations (including the holding of title to the Indenture Estate in any such jurisdiction) shall be exercised and performed by such co-indenture trustee or co-indenture trustees or separate indenture trustee or separate indenture trustees;

(3) no power hereby given to, or with respect to which it is hereby provided may be exercised by, any such co-indenture trustee or separate indenture trustee shall be exercised hereunder by such co-indenture trustee or separate indenture trustee except jointly with, or with the consent of, the Indenture Trustee, anything herein to the contrary notwithstanding; and

(4) no indenture trustee hereunder shall be personally liable by reason of any act or omission of any other indenture trustee hereunder.

If at any time the Indenture Trustee shall deem it no longer necessary or prudent in order to conform to any such law or shall be advised by such counsel, satisfactory to it, that it is no longer so necessary or prudent in the interest of the Holders or in the event that the Indenture Trustee shall have been requested to do so in writing by the Holders of a majority in aggregate principal amount of Notes Outstanding, the Indenture Trustee and the Owner Trustee shall execute and deliver an indenture supplemental hereto and all other instruments and agreements necessary or proper to remove any co-indenture trustee or separate indenture trustee. In the event that the Owner Trustee shall not have joined in the execution of such indenture supplemental hereto, instruments and agreements, the Indenture Trustee may act on behalf of the Owner Trustee to the same extent provided above.

Any co-indenture trustee or separate indenture trustee may at any time by an instrument in writing constitute the Indenture Trustee its agent or attorney-in-fact, with full power and authority, to the extent which may be authorized by law, to do all acts and things and exercise

all discretions which it is authorized or permitted to do or exercise, for and on its behalf and in its name. In case any such co-indenture trustee or separate indenture trustee shall die, become incapable of acting, resign or be removed, all the assets, property, rights, powers, trusts, duties and obligations of such co-indenture trustee or separate indenture trustee, as the case may be, so far as permitted by law, shall vest in and be exercised by the Indenture Trustee, without the appointment of a new successor to such co-indenture trustee or separate indenture trustee unless and until a successor is appointed in the manner herein before provided.

Any request, approval or consent in writing by the Indenture Trustee to any co-indenture trustee or separate indenture trustee shall be sufficient to warrant to such co-indenture trustee or separate indenture trustee, as the case may be, to take such action as may be so requested, approved or consented to.

Each co-indenture trustee and separate indenture trustee appointed pursuant to this Section shall be subject to, and shall have the benefit of, Article VII hereof; provided, however, no resignation of an additional or separate indenture trustee pursuant to this Section 714 shall be conditioned in any sense whatever upon the appointment of a successor to such indenture trustee.

SECTION 715. Action Upon Release or Termination of Indenture. Upon any sale or transfer of any Railcar, either upon the expiration of the Lease in accordance with its terms or upon the termination of the Lease or otherwise pursuant to Section 2(e), 11 or 12 thereof, the Indenture Trustee shall, upon the written request of the Owner Trustee, execute and deliver to, or as directed in writing by, the Owner Trustee (a) a bill of sale for the Railcar so sold or transferred releasing and transferring title thereto and interest therein to the Owner Trustee or upon its order, free of all liens, security interests and other encumbrances created or retained hereby and (b) an appropriate instrument releasing the lien of this Indenture with respect to such Railcar, but only if the Indenture Trustee shall have received an amount in cash sufficient for the payment in full of the principal of, premium, if any, and interest on all Notes or pro rata portion thereof then outstanding and to be redeemed upon such sale or transfer.

SECTION 716. Taxes; Withholding. The Indenture Trustee agrees, to the extent required by applicable law, to

withhold from each payment hereunder or under any Note, United States withholding taxes at the appropriate rate, and, on a timely basis, to deposit such amounts with an authorized depository and make such reports, filings and other reports in connection therewith, and in the manner, required under applicable law. The Indenture Trustee shall promptly furnish to each Holder (but in no event later than the date 30 days after the due date thereof) a U.S. Treasury Form 1042S and Form 8109-B (or similar forms as at any relevant time in effect), if applicable, indicating payment in full of any Taxes withheld from any payments by the Indenture Trustee to such Persons together with all such other information and documents reasonably requested by the Holder and necessary or appropriate to enable each Holder to substantiate a claim for credit or deduction with respect thereto for income tax purposes of the jurisdiction where each Holder is located. In the event that a Holder which is a Non-U.S. Person has furnished to the Indenture Trustee a properly completed and currently effective U.S. Treasury Form 1001 (or such successor form or forms as may be required by the United States Treasury Department) during the calendar year in which the payment is made, or in either of the two preceding calendar years, and has not notified the Indenture Trustee of the withdrawal or inaccuracy of such form at least 3 Business Days prior to the relevant interest payment date, only the reduced amount, if any, required by applicable law or treaty shall be withheld from payments under the Note(s) held by such Holder in respect of United States federal income tax. In the event that a Holder (x) which is a Non-U.S. Person has furnished to the Indenture Trustee a properly completed and currently effective (1) certificate in substantially the form of Exhibit A hereto and a U.S. Treasury Form W-8 or (2) U.S. Treasury Form 4224 in duplicate, as the case may be, required by the United States Treasury Department (as necessary in order to avoid withholding of United States federal income tax) during the calendar year in which the payment is made, or (in the case of the certificates referred to in clause (1)) in either of the two preceding calendar years, and has not notified the Indenture Trustee of the withdrawal or inaccuracy of such certificate or form at least 3 Business Days prior to the relevant interest payment date or (y) which is not a Non-U.S. Person has furnished to the Indenture Trustee a properly completed and currently effective U.S. Treasury Form W-9, no amount shall be withheld from payments under the Note(s) held by such Holder in respect of United States federal income tax. If any Holder has delivered to the Indenture Trustee an Officer's Certificate stating that any of the foregoing forms or certificates is withdrawn or inac-

curate, or if the Internal Revenue Code or the regulations thereunder or the administrative interpretation thereof are at any time after the date hereof amended to require such withholding of United States federal income taxes from payments under the Note(s) held by such Holder, or if such withholding is otherwise required, the Indenture Trustee agrees to withhold from each payment to the relevant Holder after the date 3 Business Days following the date on which the Indenture Trustee receives actual notice of such change withholding taxes at the appropriate rate under applicable law, and will, as more fully provided above, on a timely basis, deposit such amounts with an authorized depository and make such reports, filings and other reports in connection therewith, and in the manner required under applicable law. Each Holder shall indemnify and hold harmless the Indenture Trustee (on an after-tax basis) against any United States withholding tax which the Indenture Trustee improperly fails to withhold on payment to such Holder as a direct result of the failure by such Holder to provide the required certificate or form or the invalidity of any certificate or form provided by such Holder pursuant to this Section.

ARTICLE VIII

Supplemental Indentures

SECTION 801. Supplemental Indentures Without Consent of Holders. The Owner Trustee and the Indenture Trustee, at any time and from time to time, without the consent of any Holder (but with notice to each Holder), may enter into one or more supplemental indentures hereto, in form satisfactory to the Indenture Trustee, for the following purposes:

(a) to correct or amplify the description of any property at any time subject to the lien of this Indenture (including, without limitation, upon compliance with Section 404 hereof, pursuant to an Assumption Event) or to subject additional property to the lien of this Indenture; or

(b) to add to the covenants of the Owner Trustee for the benefit of the Holders, or to surrender any right or power herein conferred upon the Owner Trustee; or

(c) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent

with any other provision herein, or to make any other provisions with respect to matters or questions arising under this Indenture which shall not be inconsistent with the provisions of this Indenture, provided such action shall not adversely affect the interests of the Holders; or

(d) to create one or more series of Additional Notes hereunder in accordance with Article III hereof; or

(e) to evidence the succession of a successor Owner Trustee to the Owner Trustee in accordance with the Trust Agreement, and the assumption by such successor of the covenants of the Owner Trustee herein and in the Notes contained; or

(f) to provide for the appointment of any successor Indenture Trustee or co-indenture trustee or separate trustee hereunder, in accordance with Article VII hereof; or

(g) to modify, eliminate, and add to, the provisions of this Indenture to such extent as may be necessary to effect the qualification of this Indenture under the TIA; or

(h) to add record date and other customary provisions to this Indenture in connection with any public offering of the Notes, provided that such addition shall not adversely affect the interests of the Holders.

SECTION 802. Supplemental Indentures with Consent of Holders. With the consent of the Holders of at least a majority in aggregate principal amount of Notes Outstanding (or, if only one or more but not all series of Notes Outstanding would be affected by such amendment, of a majority in aggregate principal amount of the Notes Outstanding of the series so affected) by Act of said Holders delivered to the Owner Trustee and the Indenture Trustee, the Owner Trustee may, and the Indenture Trustee shall, enter into a supplemental indenture or indentures hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Holders under this Indenture; provided, however, that no such supplemental indenture shall, without the consent of each Holder affected thereby:

(a) change any Stated Maturity of the principal of, or any installment of interest on, any Note, or reduce the principal amount thereof or the interest thereon or any premium payable upon the redemption thereof, or change the place of payment where, or the coin or currency in which, the principal of, or premium or interest on, any Note is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the Redemption Date), or

(b) create any security interest with respect to the Indenture Estate ranking prior to, or on a parity with, the security interest created by this Indenture, or deprive any Holder of any Notes Outstanding of the lien of this Indenture on the Indenture Estate, except as expressly permitted herein, or

(c) reduce the percentage in aggregate principal amount of the Notes Outstanding the consent of the Holders of which is required for any supplemental indenture, or the consent of the Holders of which is required for any waiver (of compliance with certain provisions of this Indenture or of certain defaults hereunder and their consequences) provided for in this Indenture, or

(d) modify any of the provisions of this Section or Section 612, except to increase any such percentage or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Note affected thereby.

It shall not be necessary for any Act of Holders under this Section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such Act shall approve the substance thereof.

SECTION 803. Execution of Supplemental Indentures. In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article or the modifications thereby of the trusts created by this Indenture, the Indenture Trustee shall be entitled to receive, and (subject to Section 702 hereof) shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture. The Indenture Trustee may, but shall not (except to the extent required in

the case of a supplemental indenture under Section 801(g)) be obligated to, enter into any such supplemental indenture which affects the Indenture Trustee's own rights, duties or immunities under this Indenture or otherwise.

Promptly after the execution by the Owner Trustee and the Indenture Trustee of any supplemental indenture under this Article, the Owner Trustee shall duly mail a conformed copy of such supplemental indenture to all Holders affected by such supplemental indenture. The validity of any such supplemental indenture, however, shall not be impaired or affected by failure to give such notice or by any defect therein.

SECTION 804. Effect of Supplemental Indentures. Upon the execution of any supplemental indenture under this Article, this Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Indenture for all purposes; and every Holder of Notes theretofore or thereafter issued and delivered hereunder shall be bound thereby.

SECTION 805. Conformity with Trust Indenture Act. Every supplemental indenture executed pursuant to this Article shall conform to the requirements of the TIA as then in effect if this Indenture shall then be qualified under the TIA.

SECTION 806. Reference in Notes to Supplemental Indentures. Notes authenticated and delivered after the execution of any supplemental indenture pursuant to this Article may, and if required by the Indenture Trustee shall, bear a notation in form approved by the Indenture Trustee as to any matter provided for in such supplemental indenture. If the Owner Trustee shall so determine, new Notes so modified as to conform, in the opinion of the Indenture Trustee and the Owner Trustee, to any such supplemental indenture may be prepared and executed by the Owner Trustee and authenticated and delivered by the Indenture Trustee in exchange for Notes Outstanding.

ARTICLE IX

Covenants

The Owner Trustee hereby covenants and warrants as follows:

SECTION 901. To Pay Principal Amount and Interest. Subject to Section 109 hereof, the Owner Trustee will duly and punctually pay or cause to be paid the principal amount of and premium, if any, and interest on all Notes Outstanding according to the terms thereof and hereof.

SECTION 902. To Take All Action in Further Assurance. The Owner Trustee will from time to time do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, all such further acts, deeds, conveyances, transfers and assurances, as the Indenture Trustee shall reasonably require for better assuring, conveying, transferring, assigning and confirming the Indenture Estate unto the Indenture Trustee or as in the opinion of counsel for the Indenture Trustee may be required more effectively to subject the Indenture Estate to the lien of this Indenture as security for, and for the benefit and protection of, the Notes.

SECTION 903. Notice to Indenture Trustee of Default. Immediately upon a Responsible Officer of the Owner Trustee having actual knowledge of the occurrence of an Indenture Default or an Indenture Event of Default, then, unless such Indenture Default or Indenture Event of Default shall have been cured or waived, the Owner Trustee shall notify the Indenture Trustee, the Owner Participant and each Holder of such occurrence in writing setting forth in reasonable detail the circumstances actually known to the Owner Trustee surrounding such Indenture Default or Indenture Event of Default and what action the Owner Trustee proposes to take with respect thereto.

SECTION 904. Restrictions on Transfer of Indenture Estate; Purchase by Lessee. The Owner Trustee shall not convey, transfer, assign or lease the Indenture Estate, or any part thereof, to any Person except as permitted by the Operative Documents. In addition, in the event that pursuant to Section 2(e) of the Lease the Lessee purchases all, but not less than all, of the Railcars then subject to the lien of this Indenture, upon compliance with the provisions of this Section and Section 404, the Owner Trustee shall be released from all of its rights and liabilities hereunder and thereunder.

SECTION 905. Payments to Indenture Trustee. The Owner Trustee hereby directs the Lessee to make all payments to be made by it under the Lease, to the extent such payments do not constitute Excepted Property, to the Indenture Trustee until the Notes and all other amounts due hereunder

have been paid or otherwise discharged in full. The Owner Trustee agrees that should it receive any such payments or any proceeds of the Indenture Estate (excluding, however, any payments or amounts which have been distributed to the Owner Trustee or the Owner Participant by the Indenture Trustee in accordance with the provisions of this Indenture), it shall promptly forward such payments or proceeds to the Indenture Trustee or in accordance with the Indenture Trustee's instructions. The Indenture Trustee agrees to apply such amounts in accordance with Article X.

SECTION 906. Indenture Trustee as the Attorney-In-Fact for Owner Trustee. The Owner Trustee hereby irrevocably appoints the Indenture Trustee its attorney-in-fact for it, and in its name, place and stead, to perform, or cause to be performed, any of its obligations under this Article IX.

SECTION 907. Amendments, Waivers, Etc. of Other Documents. (a) Without the consent of the Holders of a majority in aggregate principal amount of Notes Outstanding by Act of said Holders delivered to the Indenture Trustee, the Owner Trustee will not modify, amend, supplement or waive any provision of the Lease or the Trust Agreement, or give any consent, waiver or authorization thereunder, except to the extent provided in the definition of Excepted Rights; provided, however, that the Owner Trustee may modify, amend, supplement or waive or consent to the modification, amendment, supplement or waiver of any provision of any of the above named documents if the effect thereof is only

(i) to correct or supplement any defective or inconsistent provision therein in any manner which will not adversely affect the interest of the Holders; or

(ii) to protect or preserve the security interest created by this Indenture or the ownership interest of the Owner Trustee (subject to the lien of this Indenture), if in the reasonable judgment of the Indenture Trustee it would be unwise to delay the effectiveness thereof for the period required to obtain the consent of the Holders; or

(iii) to cure any ambiguity or to add or modify any other provision in any of said documents in any manner which will not adversely affect the interests of the Holders.

Promptly after the execution and delivery thereof, the Owner Trustee will provide or cause to be provided to each Holder and the Indenture Trustee executed or true and correct copies of any modification, amendment, supplement, waiver, consent or authorization executed and delivered pursuant to this subsection (a) with the consent of the Holders of a majority in aggregate principal amount of Notes Outstanding.

(b) Notwithstanding any provision of this Indenture to the contrary, without the consent of each Holder affected thereby, the Owner Trustee will not modify, amend, supplement or waive any provision of, or give any consent, waiver or authorization under, and the Indenture Trustee will not, except to the extent provided in the definition of Excepted Rights, consent to the modification, amendment, supplement or waiver of

(i) the Lease, or

(ii) the Trust Agreement

if the effect thereof is to reduce the amount or extend the time of payment of Interim Rent, Basic Rent or Supplemental Rent payable under the Lease, except any adjustment pursuant to paragraphs (e), (f) and (g) of Section 9 of the Lease (subject to paragraph (h) of said Section 9).

(c) Upon receipt of a certificate of the Owner Trustee signed by a Responsible Officer thereof, and an Opinion of Counsel to the Owner Trustee, to the effect that a modification, amendment, supplement, consent, waiver or authorization is permitted by this Section 907, the Indenture Trustee shall evidence its consent thereto and the Indenture Trustee may conclusively rely, and shall be fully protected in relying, upon such certificate and Opinion of Counsel.

SECTION 908. Keeping of Books. The Owner Trustee will keep or cause to be kept proper books of record and account, in which full and correct entries shall be made of all dealings or transactions of or in relation to the Notes, the Railcars, the Lease and the other Operative Documents and the properties, business and affairs of the Owner Trustee in accordance with generally accepted accounting principles. The Owner Trustee will furnish to the Indenture Trustee any and all information as the Indenture Trustee may reasonably request with respect to the performance by the Owner Trustee of its covenants in this Indenture.

SECTION 909. Disposition of Railcars; Assignment of Lease. Without the consent of the Holders of a majority in aggregate principal amount of Notes Outstanding by Act of said Holders delivered to the Indenture Trustee, but subject to the provisions of Section 10 of the Trust Agreement regarding successor Owner Trustees, the Owner Trustee will not sell, transfer, mortgage or lease any Railcar, or assign the Lease or otherwise encumber or dispose of the Lease, any Railcar or any interest in either thereof, except for a sale of such Railcar as expressly provided for in the Lease.

ARTICLE X

Receipt, Distribution and Application of Funds

SECTION 1001. Distribution of Interim Rent, Basic Rent and Certain Other Amounts in Absence of Indenture Event of Default. Except as otherwise provided in Sections 1003 and 1006 hereof, each installment of Interim Rent, Basic Rent and any payment of interest on any installment of Basic Rent which is not paid when due, received by the Indenture Trustee in respect of any Payment Date shall be distributed by the Indenture Trustee on the date payment thereof is due (or as soon thereafter as such payment shall be received by the Indenture Trustee) in the following order of priority:

First, to the payment of principal of and interest on the Notes (including any interest on overdue principal and, to the extent legally enforceable, on interest due on the Notes) due and payable on such Payment Date; and

Second, the balance, if any, of such payment remaining thereafter shall be distributed, concurrently with any distributions pursuant to clause First hereof, to the Owner Trustee; provided, however, that if the Lessee shall have delivered to the Indenture Trustee a certificate of a Responsible Officer certifying as to the Reimbursement Amount, the Indenture Trustee shall distribute to the Lessee such portion of such balance as shall be necessary to reimburse the Lessee for the Reimbursement Amount.

SECTION 1002. Application of Stipulated Loss Value, Termination Value and Related Payments. Except as otherwise provided in Sections 1003 and 1006, (a) the Stipulated Loss Value, and other payments received by the Indenture Trustee pursuant to this Indenture upon the occurrence

of an Event of Loss with respect to any Railcar, (b) the proceeds from the sale of any Railcar as surplus, obsolete or uneconomic to the Lessee, together with any Termination Value or other payments (including Supplemental Rent to the extent such Supplemental Rent constitutes premium on the Notes) in connection with any termination for obsolescence pursuant to Section 12 of the Lease, (c) the proceeds from a refinancing of the Notes received by the Indenture Trustee pursuant to this Indenture, together with any other payments (including Supplemental Rent to the extent such Supplemental Rent constitutes premium on the Notes) in connection therewith and (d) the proceeds from the purchase of any Railcars by the Lessee pursuant to Section 2(e) of the Lease received by the Indenture Trustee pursuant to this Indenture, together with any other payments (including Supplemental Rent to the extent such Supplemental Rent constitutes premium on the Notes) in connection therewith, shall in each case be distributed on the applicable Redemption Date upon receipt by the Indenture Trustee in the following order of priority:

First, to redeem in full that portion of the aggregate unpaid principal of all Notes Outstanding, equal to the product obtained by multiplying the amount received by the Indenture Trustee pursuant to clause (a), (b), (c) or (d) above by a fraction, the numerator of which shall be the aggregate Lessor's Cost for the Railcar or Railcars in respect of which a payment pursuant to clause (a), (b), (c) or (d) above is being made and the denominator of which, shall be the aggregate Lessor's Cost of all Railcars subject to the Lease immediately before the event giving rise to such payments under the Lease, plus the accrued and unpaid interest thereon (including any interest on overdue principal, premium and, to the extent legally enforceable, on interest due on the Notes) to the Redemption Date and premium, if any;

Second, to reimburse the Owner Trustee for any expenses not reimbursed by the Lessee in connection with the collection or distribution of such payment; and

Third, the balance, if any, of such payment remaining thereafter shall be distributed to the Owner Trustee.

SECTION 1003. Payments During Continuance of Indenture Event of Default. For so long as an Indenture

Event of Default shall have occurred and be continuing, moneys held by the Indenture Trustee shall be distributed by the Indenture Trustee in the following order of priority:

First, to reimburse the Indenture Trustee for any fee, expense or other loss incurred by the Indenture Trustee in connection with its duties as Indenture Trustee (to the extent not previously reimbursed), and any compensation due and owing to the Indenture Trustee;

Second, to reimburse the Holders of the Notes for payments made by such Holders or their predecessors in interest to the Indenture Trustee pursuant to Sections 609(c) and 704(e) (to the extent not previously reimbursed) ratably, without priority of one over the other, and to pay to the Holders of the Notes all other amounts (other than principal and interest on the Notes) payable to them pursuant to the Participation Agreement, the Lease or any other Operative Document;

Third, to pay in full the aggregate unpaid principal amount of all Notes Outstanding then due (whether by declaration of acceleration or otherwise), plus the accrued and unpaid interest thereon (including any interest on overdue principal and, to the extent legally enforceable, on interest due on the Notes) to the date of payment, to the Holders of such Notes, ratably, without priority of one over the other;

Fourth, to reimburse the Owner Trustee for any expense or other loss incurred by the Owner Trustee in connection with its duties as Owner Trustee; and

Fifth, the balance, if any, shall be distributed to the Owner Trustee.

SECTION 1004. Application as Directed by Other Agreements. Except as otherwise provided in this Article, any payments received by the Indenture Trustee, provision for the application of which is made in the Lease or any other Operative Document, shall be applied to the purpose for which such payment was made in accordance with the terms of the Lease or such other Operative Document, as the case may be.

SECTION 1005. Application in Absence of Direction. Except as otherwise provided in this Article:

(a) any payments received by the Indenture Trustee for which no provision as to the application thereof is made in the Lease or any other Operative Document, and

(b) any payments received by the Indenture Trustee under the Lease or any other Operative Document, or otherwise, with respect to any Railcar after payment and performance in full of the Notes, as well as any amounts or moneys then held or thereafter received by the Indenture Trustee,

shall be distributed by the Indenture Trustee in the following order of priority:

First, in the manner provided in clause First of Section 1003;

Second, in the manner provided in clause First of Section 1001;

Third, in the manner provided in clause Fourth of Section 1003; and

Fourth, in the manner provided in clause Fifth of Section 1003.

SECTION 1006. Application of Excepted Property. Notwithstanding anything to the contrary contained herein, Excepted Property is not a part of the Indenture Estate and any Excepted Property received by the Indenture Trustee shall be paid or delivered promptly by the Indenture Trustee to the Person to whom such Excepted Property is payable or deliverable, whether or not an Indenture Event of Default has occurred.

SECTION 1007. Distribution of Certain Funds. All amounts that are to be distributed by the Indenture Trustee to the Owner Trustee pursuant to this Article shall, unless otherwise directed by an Owner Trustee Request, be so distributed to the Owner Trustee as indicated in Schedule 2 to the Participation Agreement in funds of the type furnished to the Indenture Trustee. Notwithstanding the foregoing or any other provision in this Indenture to the contrary, the Indenture Trustee will pay, unless otherwise requested by the Owner Participant by written notice to the Indenture Trustee, all amounts payable to the Owner Trustee or a nominee thereof (including all amounts distributed pursuant to this Article) to the Owner Participant either (a) by

crediting the amount to be distributed to the account maintained by the Owner Participant with the Indenture Trustee or by transferring by wire such amount to such other banks in the United States, including a Federal Reserve Bank, as shall have been specified in such written notice to the Indenture Trustee, to the extent such funds are so available for immediate credit to the account of the Owner Participant maintained at such bank, or (b) by mailing a check payable in funds which are clearing house funds to the Owner Participant at such address as the Owner Participant shall have specified in such written notice to the Indenture Trustee. For purposes of the preceding sentence, the payment instructions for the Owner Participant set forth in Schedule 2 to the Participation Agreement shall be deemed to constitute such written notice by the Owner Participant to the Indenture Trustee, unless and until the Owner Participant shall otherwise notify the Indenture Trustee. Distributions by the Indenture Trustee pursuant to this Section shall be made on the date that payment is received therefor to the extent such funds are available to do so by the Indenture Trustee, provided that if any such payment is received by the Indenture Trustee after 1:00 p.m. (New York City time), the Indenture Trustee shall, if it is impracticable to distribute such payment on the date of receipt, be permitted to distribute such payment on the next succeeding Business Day.

SECTION 1008. Priority of Applications with Respect to Principal, Premium and Interest. All payments in respect of principal of, and premium, if any, and interest on, the Notes shall be applied, first to the payment of interest and then the remainder, if any, to the payment of principal and any premium on such Notes.

SECTION 1009. Distributions Withheld from the Owner Trustee. Anything in this Article to the contrary notwithstanding, after the Indenture Trustee shall have knowledge of an Indenture Default (resulting from a failure to pay money due) or an Indenture Event of Default, all payments which, but for the provisions of this Section, would otherwise be distributable to the Owner Trustee shall be held by the Indenture Trustee as part of the Indenture Estate, and may be distributed in accordance with clauses First, Second and Third of Section 1003 hereof; provided, however that (a) if such Indenture Default or Indenture Event of Default shall cease to be continuing prior to the time such amounts may become distributable pursuant to Section 1003 hereof or (b) if such amounts shall have been retained by the Indenture Trustee for more than six months

and the Indenture Trustee shall neither (i) have declared the unpaid principal amount of all Notes to be immediately due and payable pursuant to Section 602 hereof nor (ii) have commenced the exercise of remedies under the Lease, such amounts shall be distributable as elsewhere in this Article provided; provided, however, that any such payments held by the Indenture Trustee for more than five days and not distributed pursuant to this Article X shall be invested in any Permitted Investment by the Indenture Trustee, as the Owner Participant may direct.

ARTICLE XI

Use of Indenture Estate

SECTION 1101. Possession, Etc. by Owner Trustee; Dispositions Without Release. Subject to the Granting Clauses and the provisions of this Article XI and of the Lease, the Owner Trustee shall be suffered and permitted to possess, lease, use, manage, operate and enjoy the Indenture Estate (other than any cash and securities constituting part of the Indenture Estate and deposited with the Indenture Trustee) and to collect, receive, use, invest and dispose of the rents, issues, tolls, profits, revenues and other income from the Indenture Estate and to deal with, exercise any and all rights under, receive and enforce performance under, and adjust and settle all matters relating to current performance of, choses in action, leases and contracts relating to the Indenture Estate. In addition to and notwithstanding the foregoing, the Owner Trustee and the Lessee shall be suffered and permitted, freely and without hindrance on the part of the Indenture Trustee or of the Holders, to maintain, improve, alter, repair and modify (and to permit any maintenance, improvement, alteration, repair or modification of) the Railcars or any part thereof and to replace (or permit the replacement of) any part of any Railcars, provided that such maintenance, improvement, alterations, repair, modification or replacement shall be made in accordance with the provisions of the Lease.

Notwithstanding the foregoing, nothing contained herein shall be deemed to affect the right, title and interest of the Lessee in and to any Severable Improvement, the title to which is in the Lessee and is therefore not a part of the Indenture Estate.

The Indenture Trustee shall, from time to time, execute a written instrument to confirm any action taken by

the Owner Trustee or the Lessee under this Section, upon receipt by the Indenture Trustee of (i) an Owner Trustee Request requesting the same, (ii) an Officer's Certificate of the Owner Trustee or the Lessee stating that said action was duly taken in conformity with a designated subsection of this Section and (iii) an Opinion of Counsel of the Owner Trustee or the Lessee, as the case may be, stating that said action was duly taken by or on behalf of the Owner Trustee or the Lessee, as the case may be, in conformity with said subsection and that the execution of such written instrument is appropriate to confirm such action under this Section.

SECTION 1102. Powers Exercisable Notwithstanding Default. While in possession of the Indenture Estate (other than any cash and securities constituting part of the Indenture Estate deposited with the Indenture Trustee), the Owner Trustee may exercise the powers conferred upon it in the Sections of this Article even though it is prohibited from doing so while an Indenture Event of Default exists as provided herein, if the Indenture Trustee in its discretion, or the Holders of not less than a majority in principal amount of the Notes Outstanding by Act of such Holders, shall consent to such action, in which event none of the instruments required to be furnished to the Indenture Trustee under any of such Sections as a condition to the exercise of such powers need state that no Indenture Event of Default exists as provided therein.

SECTION 1103. Purchaser Protected. No purchaser in good faith of property purporting to be released herefrom shall be bound to ascertain the authority of the Indenture Trustee to execute a release or to inquire as to the existence of any conditions herein prescribed for the exercise of such authority; nor shall any purchaser or grantee of any property or rights permitted by this Article to be sold or otherwise disposed of by the Owner Trustee be under any obligation to ascertain or inquire into the authority of the Owner Trustee to make any such sale or other disposition. Any release executed by the Indenture Trustee under this Article shall be sufficient for the purpose of this Indenture and shall constitute a good and valid release of the property therein described from the lien hereof.

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

THE CONNECTICUT NATIONAL BANK,
not in its individual capacity
but solely as Owner Trustee

By _____
Title: PHILIP G. KANE, JR.
VICE PRESIDENT

MERCANTILE-SAFE DEPOSIT AND
TRUST COMPANY,
as Indenture Trustee

By _____
Title:

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

THE CONNECTICUT NATIONAL BANK,
not in its individual capacity
but solely as Owner Trustee

By _____
Title:

(CORPORATE SEAL)

ATTEST:

By _____
Authorized Officer

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, as Indenture Trustee

By _____
Title: Vice President

To the extent that this Indenture imposes any obligations on the Lessee, the Lessee agrees to perform such obligations and to make all payments due under the Lease which are assigned to the Indenture Trustee pursuant hereto directly to the Indenture Trustee.

CSX TRANSPORTATION, INC.

By _____
Title: Treasurer

STATE OF Connecticut)
: ss.:
COUNTY OF Hartford)

On this 27 th day of Oct, 1989, before me personally appeared P. G. KANE, Jr., to be personally known, who, being by me duly sworn, says that he is Vice President of Connecticut Nat'l Bk, 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.

Susan C. Merker
Notary Public
SUSAN C. MERKER
NOTARY PUBLIC
MY COMMISSION EXPIRES MARCH 31,1990

My Commission Expires:

[Notary Seal]

STATE OF Maryland)
City
~~COUNTY~~ OF Baltimore)
: ss.:

On this 26 th day of Sept., 1989, before me personally appeared A. B. Ofenora, to be personally known, who, being by me duly sworn, says that he is Treasurer of CSX Transportation, Inc., 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.

Glenda J. Green
Notary Public

My Commission Expires: 7/1/90

[Notary Seal]

EXHIBIT A

TAX CERTIFICATE

Reference is made to the Note(s) held by the undersigned pursuant to the Indenture and Security Agreement No. 7 dated as of September 7, 1989 between The Connecticut National Bank, not in its individual capacity except as expressly provided therein, but solely as Owner Trustee (the "Lessor"), and Mercantile Safe-Deposit and Trust Company, as Indenture Trustee (the "Indenture and Security Agreement"). Except as otherwise defined herein, the capitalized terms used herein shall have the respective meanings specified in Schedule X to the Indenture and Security Agreement. The undersigned hereby declares under the penalties of perjury that:

(1) the undersigned is the beneficial owner of the Note(s) registered in its name;

(2) the income from the Note(s) held by the undersigned is not effectively connected with the conduct of a trade or business within the United States;

(3) the undersigned is not a bank (as such term is used in section 881(c)(3)(A) of the United States Internal Revenue Code (the "Code");

(4) the undersigned is not a controlled foreign corporation (as such term is used in section 881(c)(3)(C) of the Code) related (within the meaning of section 864(d)(4) of the Code) to the Lessor or the Owner Participant;

(5) the undersigned is not a 10% shareholder (within the meaning of section 871(h)(3)(B) of the Code) of the Lessor or the Owner Participant;

(6) the undersigned is a Person other than (i) a citizen or resident of the United States of America, its territories and possessions (including the Commonwealth of Puerto Rico and all other areas subject to its jurisdiction) (for purposes of this definition, the "United States"), (ii) a corporation, partnership or other entity created or organized under the laws of the United States or any political subdivision thereof or therein or (iii) an estate or trust that is subject

to United States federal income taxation regardless of the source of its income; and

(7) the undersigned is not a natural person.

By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall so inform the Indenture Trustee in writing within thirty days of such change and (2) the undersigned shall furnish the Indenture Trustee in connection with each payment on the Note(s) held by the undersigned a properly completed and currently effective certificate (in substantially the form hereof) in the calendar year in which the payment is to be made by the Indenture Trustee to the undersigned, or in either of the two calendar years preceding such payment.

[NAME]

By _____
[Address]

Dated: