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September 29, 1999

RECORDATION NO. 22441, A, B, C, D, E, F, G FILED

SEP 29 '99

3-10 PM

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, D.C. 20423

Re: BP Amoco Chemical Trust 1999-C

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a), are two (2) copies of an Equipment Lease 1999-C, dated as of September 29, 1999, a primary document as defined in the Board's Rules for the Recordation of Documents; and two (2) copies of each of the following secondary documents related thereto: Lease Supplements No. 1, No. 2, and No. 3, Security Agreement - Trust Deed 1999-C, Security Agreement - Trust Deed 1999-C Supplements No. 1, No. 2. and No. 3, all dated September 29, 1999.

The names and addresses of the parties to the enclosed documents are:

Equipment Lease  
Lease Supplements No. 1, No. 2, and No. 3

Owner Trustee/Lessor: State Street Bank and Trust Company of  
Connecticut, National Association  
Goodwin Square  
225 Asylum Street  
Hartford, Connecticut 06103

Lessee: BP Amoco Chemical Company  
150 W. Warrenville Road  
Naperville, Illinois 60563

*Vernon A. Williams*

Mr. Vernon A. Williams  
September 29, 1999  
Page 2

Security Agreement - Trust Deed  
Security Agreement - Trust Deed Supplements No. 1, No. 2, and No. 3

Debtor: State Street Bank and Trust Company of  
Connecticut, National Association  
Goodwin Square  
225 Asylum Street  
Hartford, Connecticut 06103

Secured Party: LaSalle Bank, National Association  
135 LaSalle Street  
Chicago, Illinois 60603

A description of the railroad equipment covered by the enclosed documents is:

set forth on the Annex attached to each of the Supplements

Also enclosed is a check in the amount of \$208.00 payable to the order of the  
Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed documents to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/bg  
Enclosures

RECORDATION NO. 22441 FILED

SEP 29 '99

3-10PM

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EQUIPMENT LEASE 1999-C

between

BP AMOCO CHEMICAL COMPANY,  
as Lessee,

and

STATE STREET BANK AND TRUST COMPANY  
OF CONNECTICUT, NATIONAL ASSOCIATION,  
not in its individual capacity  
but solely as Trustee for  
the Owner Participant,  
as Trustee

Dated as of September 27, 1999

Certain rights and interests of the Trustee under this Lease are subject to a security interest in favor of LaSalle Bank National Association, as Indenture Trustee for the Lenders. The "original" counterpart of this Lease bears the signature thereon of said Indenture Trustee

(BP AMOCO CHEMICAL TRUST 1999-C)

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## EQUIPMENT LEASE 1999-C

THIS EQUIPMENT LEASE 1999-C, dated as of September 27, 1999 (as from time to time supplemented or amended, this "Lease"), between BP AMOCO CHEMICAL COMPANY, a Delaware corporation ("Lessee"), and STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION, a national banking association ("SSB"), acting not in its individual capacity but solely as Trustee ("Trustee") under a Trust Agreement dated as of the date hereof with Comerica Leasing Corporation, a Michigan corporation ("Owner Participant") which creates a trust referred to as BP Amoco Chemical Trust 1999-C.

### WITNESSETH:

WHEREAS, the Trustee is entering into an Acquisition Agreement 1999-C (as from time to time thereafter supplemented or amended, the "Acquisition Agreement") with the Lessee, pursuant to which the Trustee has agreed to purchase and take delivery of all units of equipment (individually a "Unit" and collectively the "Units") relating to each Tranche (as such term is hereinafter defined), generally described in Schedule I hereto, and as more fully described in the related Lease Supplement (as such term is hereinafter defined) hereto; and

WHEREAS, the Lessee, BP Amoco Company, a Delaware corporation, BP Amoco Corporation, an Indiana corporation (together with BP Amoco Company, the "Guarantors" and each a "Guarantor"), LaSalle Bank National Association, a national banking association ("Indenture Trustee"), the Owner Participant, the Trustee and the lenders named therein (collectively, together with their respective successors and assigns, "Lenders") have entered into a Participation Agreement 1999-C, dated as of the date hereof (as from time to time thereafter supplemented or amended, the "Participation Agreement"), pursuant to which the purchases under the Acquisition Agreement are to be financed and the Lessee has agreed to enter into this Lease; and

WHEREAS, the Lessee will lease from the Trustee the Units that are delivered and accepted under the Acquisition Agreement at the rentals and for the term and upon the conditions hereinafter provided; and

WHEREAS, the Trustee will assign certain of its rights under this Lease and in the Units for security to the Indenture Trustee pursuant to the Security Agreement-Trust Deed 1999-C, dated as of the date hereof (as from time to time thereafter supplemented or amended, the "Security Agreement"); and

WHEREAS, each Guarantor, pursuant to Section 19 of the Participation Agreement, unconditionally guarantees the due and punctual payment and performance of all obligations of the Lessee under the Documents (as defined in the Participation Agreement) to which the Lessee is a party, including, without limitation, the Participation Agreement, this Lease and the Tax Indemnity Agreement

1999-C, dated as of the date hereof (as from time to time supplemented or amended, the "Tax Indemnity Agreement"), between the Lessee and the Owner Participant;

NOW, THEREFORE, in consideration of the Rentals (as hereinafter defined) to be paid and the covenants hereinafter mentioned to be kept and performed by the Lessee, the Trustee hereby leases the Units in each Tranche subjected to this Lease by a related Lease Supplement to the Lessee upon the following terms and conditions:

#### SECTION 1 - NET LEASE

This Lease is a net lease. The Lessee's obligation to pay all Rentals and other amounts hereunder shall be absolute and unconditional and, except as provided in Section 3.03 (with respect to adjustments of Periodic Rental (as hereinafter defined)), or in Sections 7.01, 7.02, 7.06, 7.07, 7.09, 7.11, 7.12 and 7.13 hereof (with respect to termination of this Lease regarding certain Units in accordance with the provisions thereof), the Lessee shall not be entitled to any abatement or adjustment of Rentals (as hereinafter defined), reduction thereof or setoff against Rentals, including, but not limited to, abatements, reductions or setoffs due or alleged to be due by reason of any past, present or future claims of the Lessee or the Guarantors against the Trustee, the Indenture Trustee, the Owner Participant or any holder of any Note, whether under this Lease, under the Participation Agreement or under any other Document or otherwise and including the Lessee's rights by subrogation thereunder against any manufacturer ("Manufacturer") of the Units or otherwise; nor, except as otherwise expressly provided herein, shall this Lease terminate, or the respective obligations of the Trustee or the Lessee be otherwise affected, by reason of any defect in or damage to or loss of possession or loss of use or destruction of all or any of the Units from whatsoever cause, any liens, encumbrances or rights of others with respect to any of the Units, the prohibition of or other restriction against the Lessee's use of all or any of the Units, the failure of the Units to be fit for the particular use contemplated by the Lessee, the interference with such use by any person or entity, including, without limitation, the Indenture Trustee, the holders of the Notes, the Trustee and the Owner Participant, the invalidity or unenforceability or lack of due authorization of this Lease, to the extent permitted by applicable law, any insolvency of or bankruptcy, reorganization or similar proceeding against the Lessee, the Trustee, the Owner Participant or any other Person, or, to the extent permitted by applicable law, for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the Rentals and other amounts payable by the Lessee hereunder shall continue to be payable in all events in the manner and at the times herein provided unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease. To the extent permitted by applicable law, the Lessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender the lease of any of the Units except in accordance with the express terms hereof. Each Rental or other payment made by the Lessee hereunder (other than

sums which are paid pursuant to the terms of the Tax Indemnity Agreement or Section 21.01 of the Participation Agreement) shall be final and the Lessee, without waiving any other remedies it may have, will not seek or have any right to recover all or any part of such payment from the Owner Participant, the Trustee, the Indenture Trustee or any holder of the Notes for any reason whatsoever except for prior payment or overpayment.

## SECTION 2 - DELIVERY AND ACCEPTANCE OF UNITS

The Trustee hereby appoints the Lessee or the Lessee's designee as its agent for acceptance of the Units pursuant to the Acquisition Agreement. Each delivery of a Unit to the Trustee under the Acquisition Agreement shall be deemed to be a delivery hereunder to the Lessee at the point or points within the United States of America at which such Unit is delivered to the Trustee under the Acquisition Agreement. Upon such delivery, the Lessee will cause, or will have caused, an employee or agent of the Lessee to accept delivery of such Unit on behalf of the Trustee under the Acquisition Agreement and itself hereunder whereupon such Unit shall be deemed to have been delivered to and accepted by the Lessee and shall be subject thereafter to all the terms and conditions of this Lease. On the Closing Date (as defined in the Participation Agreement), the Lessee will execute and deliver to the Trustee a supplement to this lease in the form of Exhibit A hereto (each a "Lease Supplement"; and, unless the context shall otherwise require, each reference herein or in any other Document to this Lease shall include each Lease Supplement) for each Tranche stating that, in accordance with the provisions of Section 2(b) of the Acquisition Agreement, each Unit in such Tranche in question has been accepted on behalf of the Lessee on the date of such Lease Supplement and has been marked in accordance with Section 5 hereof. Each Unit shall be part of a tranche of Units (each a "Tranche") as follows: Units accepted pursuant to Lease Supplement No. 1 shall be part of Tranche 1; Units accepted pursuant to Lease Supplement No. 2 shall be part of Tranche 2; and Units accepted pursuant to Lease Supplement No. 3 shall be part of Tranche 3 (together Tranches 1 through 3, the "Tranches").

## SECTION 3 - PERIODIC RENTAL

3.01 Rentals. With respect to each of the Units subject to this Lease, the Lessee will pay to the Trustee the rentals in the amounts and on the dates shown in Annex II to the relevant Lease Supplement (such rentals, as adjusted pursuant to Section 3.03(a) but subject always to Section 3.04, together with any rentals payable in accordance with Sections 13.01 or 13.03, being "Periodic Rental"). The Trustee and the Lessee agree that Periodic Rental shall be allocated as follows: (i) each installment of Periodic Rental that is indicated as payable in advance on Annex II of the related Lease Supplement or pursuant to Section 13.01 hereof will be allocated over the six-month period beginning on the Periodic Rental payment date on which such advance payment is scheduled to be made, and (ii) each installment of Periodic Rental that is indicated as payable in arrears on Annex II of the related Lease Supplement or pursuant to Sections 13.01 or 13.03 hereof will be allocated and accrued over

the six-month period ending on the Periodic Rental payment date on which such arrears payment is scheduled to be made.

3.02 Trustee Direction as to Payments. Until all indebtedness secured by the Security Agreement has been fully paid and satisfied or until the Lessee shall have received notice from the Indenture Trustee that a successor indenture trustee has been appointed and has accepted such appointment pursuant to Sections 6.9 and 6.10 of the Security Agreement, the Trustee irrevocably instructs the Lessee to make all the payments due the Trustee provided for in this Lease including, without limitation, Periodic Rental, Casualty Value, Termination Value, and any amount determined by reference to Make-Whole Amount (other than sums which are included within Excepted Rights in Collateral, as defined in the Security Agreement) to the Indenture Trustee, for the account of the Trustee, in care of the Indenture Trustee, with instructions to the Indenture Trustee to apply such payments in accordance with the terms of the Security Agreement. If the Lessee receives written notice from the Indenture Trustee that a successor indenture trustee has been appointed and has accepted such appointment pursuant to Sections 6.9 and 6.10 of the Security Agreement, the Trustee irrevocably instructs the Lessee to make all payments due the Trustee provided for in this Lease (other than sums which are included within Excepted Rights in Collateral) to the successor indenture trustee for the account of the Trustee, in care of such successor indenture trustee, with instructions to the successor indenture trustee to apply such payments in accordance with the terms of the Security Agreement.

3.03 Adjustments and Disputes. (a) With respect to each Tranche of Units acquired on the Closing Date, the Periodic Rental shown in Schedule II hereto, the Casualty Values and Termination Values (each as hereinafter defined) shown in Schedule III hereto have been calculated on the assumptions that (i) the Closing Date (as defined in the Participation Agreement), will occur on September 29, 1999, (ii) the fees and expenses payable by the Owner Participant pursuant to Section 14(a) of the Participation Agreement will be equal to 2.6% of the aggregate Purchase Price (as defined in the Acquisition Agreement) of the Units acquired on the Closing Date for Tranche 1, 2.29% of the aggregate Purchase Price of the Units acquired on the Closing Date for Tranche 2, and 2.12% of the aggregate Purchase Price of the Units acquired on the Closing Date for Tranche 3, (iii) no Change in Tax Law (as hereinafter defined) shall have occurred prior to the Closing Date, (iv) the percentage of the Purchase Price financed through the issuance of Notes pursuant to Section 2.01 of the Participation Agreement shall be 59.526446693% for Tranche 1, 67.788899689% for Tranche 2 and 70.881850700% for Tranche 3, the scheduled interest rate on the Series 1 Notes shall be 7.38% per annum, on the Series 2 Notes shall be 7.38% per annum and on the Series 3 Notes shall be 7.8% per annum (each Series as defined in the Security Agreement) and the amortization of each Series of Notes shall be as set forth in Annex A to the Security Agreement, and (v) no refinancing has occurred pursuant to Section 18(b) of the Participation Agreement. The term "Change in Tax Law" means (A) the enactment of any change in the Internal Revenue Code of 1986, as amended (the "Code"), or the promulgation of any change in the related Income Tax Regulations and/or (B) the issuance of proposed

regulations or an administrative announcement, which in the case of either clause (A) or clause (B) would affect the tax assumptions described in Section 1 of the Tax Indemnity Agreement (the "Tax Assumptions"). If any of the foregoing assumptions proves to be incorrect prior to the Closing Date (and becomes known as a result of the procedures for the Closing Date), Periodic Rental relating to the affected Tranche of Units will be adjusted prior to the Closing Date so as to be effective as of the Closing Date upward or downward by the amount necessary to maintain the Owner Participant's nominal after-tax yield and total after-tax cash flow, without regard to the timing thereof, through the end of the Base Term (as hereinafter defined) using the multiple investment sinking fund method (such nominal after-tax yield (having been adjusted on the third business day prior to the Closing Date by adjusting the pre-tax equivalent thereof, upward or downward, on a basis point-for-basis point basis based on any change in the 7.25% coupon August 2004 U.S. Treasury rate as reported in the Wall Street Journal (vs. the reference rate of 5.88% as of July 29, 1999) and total after-tax cash flow being hereinafter called "Net Economic Return"), computed on the same assumptions (including compliance with Section 467 of the Code or regulations promulgated thereunder and Revenue Procedures 75-21 and 75-28 to the extent of such compliance prior to the adjustment to be effected hereunder) as were originally utilized by the Owner Participant in calculating such Periodic Rental, while minimizing, to the extent possible, the present value of the Periodic Rental of the Lessee (such present value to be determined by using the Debt Rate (as defined in the Participation Agreement) on the Series of Notes to be sold to finance the acquisition of the Units such Tranche to be purchased on the Closing Date) through the end of the Base Term; provided that if any such pre-Closing Date adjustments cause such net present value of the Periodic Rental to increase by 10 basis points or more from the present value of the Periodic Rental set forth on Schedule II hereto for such Tranche, the Lessee shall have the right not to proceed with the transaction without any penalty or liability (other than liability for transaction costs as stated in Section 14(a) of the Participation Agreement). Casualty Values, Termination Values, EBO Price and amortization of Notes (subject to Section 18(a) of the Participation Agreement and Section 3.04) will be adjusted, upward or downward, in a manner consistent with the foregoing sentence in connection with any adjustment of Periodic Rental pursuant to the foregoing sentence. If a refinancing of a Series of Notes occurs pursuant to Section 18(b) of the Participation Agreement, Periodic Rental, Casualty Values, Termination Values (subject to the last sentence of Section 3.04 hereof) for the related Tranche and amortization of such Notes will be adjusted (so as to be effective as of the first Periodic Rental payment date following a refinancing) upward or downward by the amount necessary to maintain the Owner Participant's Net Economic Return, through the end of the Base Term using the multiple investment sinking fund method, computed on the same assumptions (including compliance with Section 467 of the Code or regulations promulgated thereunder and Revenue Procedures 75-21 and 75-28 to the extent of such compliance prior to the adjustment to be effected hereunder) as were originally utilized by the Owner Participant in calculating such Periodic Rental, Casualty Values, Termination Values, and amortization schedules, while minimizing, to the extent possible and consistent with maintaining the Owner Participant's Net Economic Return, the present value of the Periodic Rental of the Lessee (such present value to be determined by using the interest

rate on the replacement indebtedness); it being understood that, in addition to the other requirements of Section 18(b) of the Participation Agreement, there shall be no change in the amount of the Owner Participant's equity investment nor any increase in the principal amount of the indebtedness outstanding as a result of the replacement indebtedness. With respect to any Change in Tax Law to which such Periodic Rental, Casualty Values, Termination Values and amortization schedules relate, unless the parties shall otherwise agree, no such adjustment shall be made in respect of such Change in Tax Law unless the Owner Participant or the Lessee shall have given written notice thereof to the Lessee or the Owner Participant and the Lenders and the Indenture Trustee with regard to any Change in Tax Law, prior to the Closing Date.

(b) Any adjustment in Periodic Rental, Casualty Values, Termination Values and amortization of Notes pursuant to Section 3.03(a) shall initially be calculated by the Owner Participant. Any dispute between the Owner Participant and the Lessee with respect to the computation of the amount of any adjustments made pursuant to Section 3.03(a) or in the computation of the Annexes attached to a Lease Supplement and amortization schedules attached to a Security Agreement Supplement shall be resolved by an independent nationally recognized certified public accounting firm chosen by the Lessee and reasonably acceptable to the Owner Participant (it being understood that such resolution shall apply only to computations and that any dispute between the Lessee and the Owner Participant as to the interpretation of the provisions of this Agreement shall not be resolved in the manner set forth in this sentence). The reasonable costs of the foregoing resolution process shall be borne by the Lessee, unless as a result of such resolution process the payments of Periodic Rental are adjusted and such adjustment causes the net present value of the aggregate Periodic Rental payments, discounted semi-annually in the same manner as the adjustment in question, compounded semi-annually, to decline by 5 basis points or more from the net present value of the aggregate Periodic Rental payments, discounted semi-annually in the same manner as the adjustment in question, compounded semi-annually, as computed by the Owner Participant, in which case the Owner Participant shall be responsible for the reasonable costs of such resolution.

3.04 Sufficiency of Rentals, etc. Notwithstanding anything to the contrary set forth herein, the Periodic Rental, the Casualty Values and Termination Values set forth in Annex II and Annex III, respectively, to each Lease Supplement delivered on the Closing Date, together with the other amounts payable under Sections 7.01 and 7.09 hereof, will on Closing Date and at all times thereafter (after giving effect to any adjustment pursuant to Section 3.03) be sufficient to satisfy the scheduled obligations of the Trustee under the Notes related to such Lease Supplement and the Security Agreement, regardless of any limitation of liability set forth therein on the date on which any Periodic Rental, Casualty Value and Termination Value or amounts determined by reference to Make-Whole Amount is payable, and shall in any event be consistent with the Trustee's payment obligations under the Security Agreement and such Notes. In no event shall the foregoing covenant or any other provision of this Lease be construed as a guaranty by the Lessee of the Notes.

3.05 Supplemental Rental. The Lessee also agrees to pay to the Trustee or to whomever shall be entitled thereto as supplemental rental ("Supplemental Rental"; and Periodic Rental and Supplemental Rental are sometimes collectively referred to as "Rental") any and all amounts, liabilities and obligations which the Lessee is obligated to pay hereunder, under the Participation Agreement, under the Tax Indemnity Agreement or under any of its other Documents, including, without limitation, payments required pursuant to Sections 21.01 and 22.01 of the Participation Agreement, payments required to be made by the Lessee pursuant to Section 3.04 hereof and an amount equal to any and all Make-Whole Amount (as defined in the Security Agreement) any time payable by the Trustee under the Security Agreement in connection with the Notes (except pursuant to Section 5.3(b) of the Security Agreement), but excluding Periodic Rental, promptly as the same shall become due and owing, and in the event of any failure on the part of the Lessee to pay any Supplemental Rental, the Trustee shall have all rights, powers and remedies provided for herein or by law or equity or otherwise in the case of nonpayment of Periodic Rental. The payment or satisfaction of the Lessee's obligation with respect to Periodic Rental or any installment thereof shall not limit any obligation of the Lessee which may have accrued during the Term of this Lease with respect to Supplemental Rental.

3.06 Business Days. If any of the Rental payment dates is not a business day, the Rental payment otherwise payable on such date shall then be payable on the following business day, and no interest shall be payable for the period from and after the scheduled date for payment thereof to such following business day. The term "business day" means a calendar day, excluding Saturdays, Sundays and any other day on which banking institutions in New York, New York or Chicago, Illinois (or the city and state in which the Indenture Trustee, the Trustee or the Owner Participant maintains its principal place of business) are authorized or obligated to remain closed.

3.07 Lessee's Agreement as to Payments. Until such time as the lien of the Security Agreement shall have been released, the Trustee hereby directs the Lessee, and the Lessee hereby agrees, to make each payment to the Trustee provided for herein as contemplated by this Section 3 by wire transfer in immediately available funds at or prior to 10:00 a.m., Chicago, Illinois time, to the office of the Indenture Trustee 135 S. LaSalle Street, Suite 1960, Chicago, IL 60603 for credit to BP Amoco Chemical Trust 1999-C, Account No. 2090067, on the date due, or if the lien of the Security Agreement shall have been released, at the office of the Trustee.

#### SECTION 4 - TERM OF LEASE

4.01 Term of Lease. The original term ("Original Term" or "Base Term") of this Lease shall begin on the date of delivery and acceptance of each Tranche of Units hereunder pursuant to the related Lease Supplement for each Tranche on the Closing Date and, subject to the provisions of Sections 7 and 10 hereof, shall be the term for each Tranche set forth in such Lease Supplement.

Except for obligations of the Lessee under Sections 3.05, 10, 11, 14 and 16 hereof, the obligations of the Lessee hereunder will terminate upon the expiration of the Term of this Lease. The "Term" of this Lease consists of the Original Term and, to the extent exercised the Fixed Renewal Term and all Fair Renewal Terms (as such terms are hereinafter defined).

4.02 Lessee's Quiet Enjoyment. So long as no Event of Default (as defined in Section 10.01 hereof) exists hereunder this Lease may not be terminated (except as expressly provided in Sections 7 and 13) and the Lessee shall be entitled to the quiet enjoyment of the Units, including the rights of possession, use and sublease provided under Section 12 hereof.

#### SECTION 5 - IDENTIFICATION NUMBERS

The Lessee will cause each Unit to be kept numbered with its identifying number set forth in Annex I to the Lease Supplement extending this Lease to cover such Unit. The Lessee will not change or permit to be changed the identifying number of any Unit unless and until (i) a statement of a new number or numbers to be substituted therefor shall have been filed with the Indenture Trustee and the Trustee and filed, recorded and deposited by the Lessee in all public offices where this Lease and the Security Agreement (or notice thereof) shall have been filed, recorded and deposited and (ii) the Lessee shall have furnished the Indenture Trustee and the Trustee with an opinion of counsel reasonably acceptable to the Indenture Trustee and the Trustee to the effect that such statement has been so filed, recorded and deposited, that such filing, recordation and deposit will protect the Indenture Trustee's and the Trustee's interests in such Units and that no filing, recording, deposit or giving of notice with or to any other federal, state or local government or agency thereof is necessary to protect the interests of the Indenture Trustee and the Trustee in such Units.

#### SECTION 6 - INSIGNIA

Except as provided in Section 5, the Lessee will not allow the name of any person, association or corporation to be placed on any Unit as a designation that might be interpreted as a claim of ownership, provided, however, that the Lessee may permit any of the Units to be lettered with the names, trademarks, initials or other insignias customarily used by the Lessee or its Affiliates, or any sublessee or its Affiliates, on railroad equipment used by it of the same or a similar type for convenience of identification of its rights to use such Units under this Lease, and any of the Units may be lettered in an appropriate manner for convenience of identification of the interest of the Lessee therein.

#### SECTION 7 - CASUALTY OCCURRENCES; TERMINATION; INSURANCE; ETC.

7.01 Casualty Occurrences. In the event that any Unit shall be or become (a) lost or stolen or cannot be located, (b) in the good faith opinion of a Responsible Officer of the Lessee (as hereinafter

defined) worn out, (c) destroyed or damaged, in the good faith opinion of a Responsible Officer of the Lessee, so as to make repair uneconomic or render such Unit unfit for commercial use, (d) returned to the Manufacturer because of what a Responsible Officer of the Lessee reasonably believes to be an irreparable defect, (e) taken by condemnation or otherwise by the United States Government or governmental authority of the United States of America ("Government") or any other governmental authority so as to be a transfer of title to such Unit, (f) requisitioned for use by the Government or by any other governmental authority for a period in excess of six months (or, if less, the remaining Term of this Lease thereof), or (g) subject to any governmental rule, regulation or other action prohibiting the Lessee from using such Unit where such Unit is operating for longer than a period in excess of 18 consecutive months (or, if less, the remaining Term of this Lease thereof), each such event described in clauses (a) through (g) above shall be referred to herein as a "Casualty Occurrence". Not less often than once in every consecutive six-month calendar period, the Lessee will notify the Trustee, the Guarantors and the Indenture Trustee of all Casualty Occurrences occurring during the period commencing with the thirtieth day prior to the immediately preceding notice and ending thirty days prior to the notice in question (except that the first such notice shall be for the period commencing with the Closing Date and ending thirty days prior to such notice) (each such notice being a "Casualty Occurrence Notice" and the date of each Casualty Occurrence Notice being a "Casualty Date"). Each Casualty Occurrence Notice shall specify the nature of the Casualty Occurrence with respect to each Unit covered thereby. The Lessee shall in any event deliver Casualty Occurrence Notices covering the full Term of this Lease. On the Periodic Rental payment date next succeeding the Casualty Date or, in the event the Term of this Lease has already expired or will expire within 15 days after the Casualty Date, on a date within 15 days of the Casualty Date ("Casualty Payment Date"), the Lessee shall with respect to each Unit described in the related Casualty Occurrence Notice either (i) pay to the Trustee (or, with respect to Supplemental Rental such other person to whom such Supplemental Rental is due) on such Casualty Payment Date, a sum equal to the Casualty Value (as defined in Section 7.03) of such Unit as of such Casualty Payment Date together with any Periodic Rental payable in arrears accrued as of such Casualty Payment Date with respect to such Unit, together with any such Supplemental Rental (including an amount equal to any Make-Whole Amount then due and payable pursuant to Section 4.3 of the Security Agreement), or (ii) unless a Specified Default (as hereinafter defined) or Event of Default shall have occurred and be continuing, transfer to the Trustee full legal, beneficial and unencumbered title to equipment of the same Functional Type (as hereinafter defined) and having a Fair Market Value (as determined pursuant to Section 13.05), utility and remaining economic useful life at least equal to such Unit suffering the Casualty Occurrence, assuming such Unit was maintained in the condition required by this Lease (such equipment is referred to herein as a "Replacement Unit"). Upon the making of payment under clause (i) above by the Lessee in respect of any Unit, the Periodic Rental for such Unit shall cease to accrue as of such Casualty Payment Date and the Term of this Lease as to such Unit, if not theretofore terminated, shall terminate. Prior to or at the time of any transfer of title to any Replacement Unit pursuant to this Section 7.01, the Lessee, at its own expense, shall promptly (I) furnish the Trustee with a bill of sale, in form and substance satisfactory to the Trustee and the Indenture

Trustee, with respect to such Replacement Unit, (II) enter into a supplement hereto, in form and substance reasonably satisfactory to the Trustee and the Indenture Trustee, subjecting such Replacement Unit to this Lease, and cause such supplement, together with an appropriate supplement to the Security Agreement and all such other documents and instruments, to be filed, deposited and recorded in such manner and places as shall be necessary or appropriate to confirm the title and interest of the Trustee and to perfect the lien of the Indenture Trustee pursuant to the Security Agreement in respect of such Replacement Unit, (III) furnish the Trustee and the Indenture Trustee with a certificate of a Responsible Officer of the Lessee stating, at the time of delivery of such Replacement Unit, that the Lessee has good and lawful right to sell such Replacement Unit, that the Lessee has good and marketable title to such Replacement Unit, that such Replacement Unit is free of all liens except Permitted Liens (as hereinafter defined) and that such Replacement Unit complies with the requirements therefor set forth in this Section 7.01, and (IV) furnish the Trustee and the Indenture Trustee with an opinion of the Lessee's counsel to the effect that the bill of sale is valid and effective to transfer to the Trustee good and marketable title to such Replacement Unit free and clear of all liens except Permitted Liens and that the Lease Supplement in which such Replacement Unit is included constitutes a legal, valid and binding agreement of the Lessee enforceable against it in accordance with its terms and the Security Agreement creates a valid first security interest in the Trustee's right, title and interest in the Replacement Unit, effective as against creditors of and purchasers from the Trustee and the Lessee and the security interest has been perfected in accordance with the appropriate provisions of the Interstate Commerce Act and of state law and Canadian law. The term "Functional Type" means rolling stock of the same type as the original equipment types included within the Tranche in question and determined in a manner consistent with the rules of the United States Department of Transportation.

7.02 Disposition or Transfer of a Unit Suffering a Casualty: Definition of Transfer. The Trustee hereby appoints the Lessee its agent to dispose of any Unit suffering a Casualty Occurrence and for which the Lessee has paid Casualty Value pursuant to clause (i) of Section 7.01 hereof, or any component thereof, before or after the expiration of this Lease, at no less than the best price obtainable pursuant to an arms-length sale on an "as is, where is" basis. If the Lessee has previously paid the amounts specified in clause (i) of Section 7.01 hereof and no Event of Default or event which after notice or lapse of time, or both, would become an Event of Default hereunder is continuing, the Lessee shall be entitled to the proceeds of such sale to the extent they do not exceed the Casualty Value of such Unit, and any excess shall be paid to the Trustee. Upon the transfer of a Replacement Unit to the Trustee and fulfillment of Lessee's obligations pursuant to Section 7.01 hereof, the Trustee shall Transfer the Unit having suffered the Casualty Occurrence to the Lessee. The term "Transfer" as used in this Lease means the transfer of all right, title and interest of the Trustee in the property being transferred, on an "as-is, where is" basis and free and clear of any liens or encumbrances required to be discharged by the Owner Participant or the Trustee, in their respective individual capacities, pursuant to Sections 12.01 and 12.02 of the Participation Agreement, but otherwise without representation or warranty.

7.03 Casualty Value. The Casualty Value of each Unit in a Tranche as of the Casualty Payment Date for each such Unit in such Tranche shall be that percentage of the Purchase Price of such Unit in such Tranche as is set forth in Annex III to the related Lease Supplement with respect to such Unit in such Tranche opposite such date, as may be amended from time to time in accordance with Sections 3.03(a) and 3.04 hereof.

7.04 Requisitions Not Constituting Casualty Occurrences. In the event of the requisition for use by the Government or any other governmental authority of any Unit during the Term of this Lease, unless such requisition shall constitute a Casualty Occurrence, all of the Lessee's obligations under this Lease with respect to such Unit shall continue to the same extent as if such requisition had not occurred. All payments received by the Trustee or the Lessee from the Government or any other governmental authority for the use of such Unit during the Term of this Lease shall be paid over to, or retained by, the Trustee if an Event of Default (or event which after notice or lapse of time, or both, would become an Event of Default) shall have occurred and be continuing and otherwise shall be paid over to, or retained by, the Lessee. All payments received by the Trustee or the Lessee from the Government or any other governmental authority for the use of such Unit after the Term of this Lease shall be paid over to, or retained by, the person holding title to such Unit during the period for which such payment was made.

7.05 Risk of Loss. The Lessee shall not be released from its obligations hereunder in the event of, and shall bear the risk of, any Casualty Occurrence to any Unit from and after delivery and acceptance thereof by the Lessee hereunder for so long as such Units are subject to the Lease.

7.06 Surplus Termination. In the event that the Lessee shall, in its sole good faith opinion, as evidenced by a certificate of a Responsible Officer of the Lessee, determine that not less than 50 of the Units (or, if there are less than 50 Units originally or remaining under this Lease prior to exercise of such termination option of a Functional Type or there will be less than 50 Units of such Functional Type remaining under this Lease after exercise of such termination option and any of such Units of such Functional Type are to become subject to a termination under this Section 7.06, then not less than all Units of such Functional Type) (a "Specified Number of Units") then subject to this Lease, chosen at random on a non-discriminatory basis, have become obsolete, surplus, uneconomic to its needs or uneconomic to modify in order to meet the standards of Section 9.02 hereof, then the Lessee shall have the right, at its option and on not more than 179 days' and not less than 90 days' prior written notice (such notice to become irrevocable on the 30th day prior to the Surplus Termination Date (as hereinafter defined) to the Trustee, the Guarantors and the Indenture Trustee, to terminate (herein called a "Surplus Termination" or "Termination") this Lease in accordance with this Section 7 for the consideration specified in Section 7.09(a) as to not less than the Specified Number of Units on the first Periodic Rental payment date to occur following such notice of Surplus Termination for such Units, as specified in such notice (the "Surplus Termination Date" or "Termination Date"); provided, however,

that (i) except as provided in Section 9.02, the Surplus Termination Date shall not be earlier than (A) the second and one-half anniversary of the Closing Date in the case of Units in Tranche 1, (B) the third anniversary of the Closing Date in the case of Units in Tranche 2, and (C) the third anniversary of the Closing Date in the case of Units in Tranche on which such Units in such Tranche (or any Unit for which such Unit has been properly substituted) were leased to Lessee pursuant to this Lease, (ii) no Specified Default or Event of Default shall have occurred and be continuing on the Surplus Termination Date, unless the Lessee elects to terminate all Units then subject to this Lease, and (iii) on the Surplus Termination Date, such Units shall be in the same condition as if being redelivered pursuant to Section 14 hereof. On the Surplus Termination Date, the Lessee shall pay the sums required by Section 7.09(a). Notwithstanding the foregoing provisions of this Section 7.06, the Lessee may, not less than 30 days prior to any proposed Termination Date under this Section 7.06, irrevocably notify the Trustee, the Owner Participant and the Indenture Trustee (if applicable) in writing of its election to revoke a termination notice given by the Lessee pursuant to this Section 7.06; provided that the Lessee may not exercise such right to revoke its termination notice more than twice under the Lease Term. The Lessee shall pay all costs and expenses of the Owner Participant, the Trustee and Indenture Trustee with respect to each Surplus Termination and each proposed or withdrawn Surplus Termination.

**7.07 Sale of Surplus Termination Units.** Subject to the Trustee's exercise of its rights pursuant to Section 7.12(a) hereof, during the period after notice of a proposed Surplus Termination and prior to the fifth business day preceding the Surplus Termination Date, the Lessee, as exclusive agent of the Trustee, shall use its best efforts to obtain bids for the purchase of all Units subject to such Surplus Termination Date, and at least five business days prior to such Surplus Termination Date the Lessee shall certify to the Trustee the amount of each such bid and the name and address of each party (which shall not be a corporation or an individual affiliated with the Lessee or any party from whom the Lessee or any such affiliate intends thereafter to lease or acquire such Unit) submitting a bid. Nothing herein shall obligate or prevent or restrict the Trustee or the Owner Participant from soliciting bids for any such sale of such Units. On the Surplus Termination Date the Trustee shall, subject to satisfaction by the Lessee of its obligations under Section 7.09(a) hereof, Transfer all such Units for cash to the bidders who shall have submitted the highest bids prior to the Surplus Termination Date. The total sale price realized at each such sale shall be applied in accordance with Sections 4.1(b) and 4.3 of the Security Agreement.

**7.08 [Intentionally Omitted]**

**7.09 Payments on Termination.** (a) On a Surplus Termination Date, the Lessee shall pay to the Trustee (or, with respect to clause (iv) below such other persons to whom any such other amounts are due and owing) (i) any Periodic Rental payment payable in arrears (but not in advance) on such Termination Date, plus (ii) the excess, if any, of (y) the Termination Value for each such Unit subject to

termination on such Termination Date computed as of such date over (z) the sale price of such Unit received by the Trustee after the deduction of all costs and expenses (including any taxes indemnified by the Lessee under Section 21.01 of the Participation Agreement) incurred by the Trustee or the Indenture Trustee in connection with such sale, plus (iii) an amount equal to the Make-Whole Amount payable pursuant to Section 4.3 of the Security Agreement on such date in respect of the portion of the Notes to be prepaid by the Trustee on such date, plus (iv) any other Supplemental Rental then due and accrued or owing.

(b) (i) the Termination Value of each such Unit as of the payment date on which payment is to be made shall be that percentage of the Purchase Price of such Unit in such Tranche as is set forth in Annex III, to the relevant Lease Supplement with respect to such Unit in such Tranche opposite such date, as such schedule may be amended from time to time pursuant to Sections 3.03(a) and 3.04 hereof and (ii) the Lessee shall, at least 1 business day prior to the due date for any payment determined by reference to the Make-Whole Amount, furnish the Trustee and the Indenture Trustee with a written statement setting forth its calculation of the Make-Whole Amount due in connection with such termination or exercise of such purchase option.

(c) If on any Termination Date the Lessee (and, if the Trustee has exercised its option under Section 7.12(a), the Trustee) shall have failed to pay all amounts payable pursuant to Section 7.09 on such date, this Lease shall continue in full force and effect without change and no Event of Default shall occur as a result thereof; provided, that the Lessee shall pay the reasonable out-of-pocket appraisal, legal, inspection and similar costs and expenses of the Indenture Trustee, each of the holders of the Notes, the Trustee and the Owner Participant in connection with any proposed termination whether or not such termination is consummated.

7.10 Failure to Sell. If no sale shall occur on the Surplus Termination Date, this Lease shall continue in full force and effect without change but, at the Lessee's election, the Lease shall terminate with respect to the Units if the Lessee pays on the Surplus Termination Date all applicable amounts specified in Section 7.09(a) to the persons specified therein for each Unit subject to the Surplus Termination and returns each such Unit to the Trustee in the manner required by Section 14 hereof.

7.11 Duties and Obligations in Connection with Termination. In the event of any such sale and the receipt by the Trustee of the applicable amounts specified in Section 7.09, the obligation of the Lessee to pay Periodic Rental pursuant to Section 3.01 hereof in respect of such Unit on each Periodic Rental payment date shall continue to and including the Termination Date but, upon satisfaction of the Lessee's obligations under this Section 7, shall then terminate. The Trustee shall be under no duty to solicit bids, to inquire into the efforts of the Lessee to obtain bids or otherwise to take any action or incur any cost or expense in connection with any sale other than to Transfer or to cause to be

Transferred all the Trustee's right, title and interest in and to such Unit to the purchaser named in the highest bid as to such Unit certified by the Lessee to the Trustee as provided in Section 7.07.

7.12 Trustee's Option; Lessee's Option. (a) If the Lessee shall exercise its option to terminate pursuant to Section 7.06, the Trustee may, notwithstanding such election by the Lessee, by written notice to the Lessee and the Indenture Trustee given within 50 days after the termination notice is given to the Trustee, elect to pay on the Surplus Termination Date the outstanding principal balance of and accrued interest and the Make-Whole Amount payable pursuant to Section 4.3 of the Security Agreement on the Notes with respect to the Specified Number of Units, in which case the Trustee shall be entitled to retain the Specified Number of Units, and this Lease shall terminate (except with respect to any accrued obligations not yet due) as to the Specified Number of Units upon such Surplus Termination Date; provided, however, that the Lessee shall pay to the Trustee, on such Surplus Termination Date, (i) any Periodic Rental payments otherwise due in arrears on such Termination Date, and (ii) all Supplemental Rentals (other than Supplemental Rentals described in Sections 7.09(a)(ii) and 7.09(a)(iii) hereof) then due, accrued or owing, and provided, further that if the Trustee shall not have (x) delivered to the Indenture Trustee on or before the 30th day prior to the Surplus Termination Date, cash or a letter of credit (in form and substance reasonably satisfactory to the Indenture Trustee providing for payment on the Surplus Termination Date) for application pursuant to the Security Agreement in an amount equal to the outstanding principal balance of and accrued interest on the Notes with respect to the Specified Number of Units or (y) made, on or before the 30th day prior to the Surplus Termination Date, alternate arrangements, acceptable to the Lessee and Indenture Trustee, to assure the Lessee and the Indenture Trustee that the Trustee will pay on behalf of the Owner Participant, on the Surplus Termination Date, an amount equal to the outstanding principal balance of, and accrued interest on the Notes with respect to the Specified Number of Units, the Trustee's election pursuant to this Section 7.12 shall be deemed rescinded and on the Surplus Termination Date, subject to Section 7.09(a), the Trustee shall Transfer such Units to the highest bidders pursuant to Section 7.07. In the event the Trustee shall so elect to retain the Specified Number of Units and such election is not rescinded or deemed rescinded, the Lessee thereupon shall deliver such Units to the Trustee in accordance with the provisions of Section 14 hereof.

(b) [Intentionally Omitted]

7.13 Insurance. (a) The Lessee shall be permitted to self-insure for all risks (including casualty and public liability) with respect to the Units and shall not be required to obtain or maintain any casualty or commercial liability or other insurance with respect to the Units or otherwise; provided, however, in the event that the leasehold interest under this Lease is assigned or transferred pursuant to Section 12.04(b) and the surviving entity carries insurance on its other similar leased property, the surviving entity shall be required to insure the Units on the same basis as the surviving entity insures such other similar leased property from time to time, provided that, in any event, the surviving entity shall be

required to carry insurance on the Units if and to the extent it is prudent industry practice to carry such insurance for companies of similar size and creditworthiness giving due consideration to the then use of the Units).

(b) Any insurance proceeds received by the Lessor, the Owner Participant, the Loan Participant, the Guarantors or the Lessee from any insurance policy maintained by such person that is not required to be maintained hereunder shall be paid to, and retained by, the person maintaining such policy.

7.14 Substitution. Unless a Specified Default or an Event of Default shall have occurred and be continuing, the Lessee shall have the right, at its option from time to time during the Term and without the Trustee's consent, to replace a Unit with a unit of the same Functional Type having a Fair Market Value, utility and remaining useful life at least equal to the Unit so replaced (assuming such replaced Unit has not suffered a Casualty Occurrence and was in the condition required to be maintained by the terms of this Lease) so long as the Lessee complies with the requirements for a Replacement Unit set forth in Section 7.01 hereof in connection with such substitution (and such item of equipment shall be treated as a Replacement Unit for the purposes thereof), and (ii) if the aggregate value of Replacement Units in any calendar year exceeds \$1,000,000, the Lessee shall provide, within 90 days after the end of such year, verification of the Fair Market Value, utility and remaining useful life (as well as of the comparability of Functional Types) from a recognized independent appraiser selected by the Lessee and reasonably acceptable to the Owner Participant. Upon each such substitution, the Trustee shall transfer the replaced Unit to the Lessee.

## SECTION 8 - REPORTS

8.01 Reports and Inspection. On or before May 1 in each year, commencing on May 1, 2000, the Lessee will furnish to the Trustee, the Owner Participant and the Indenture Trustee an accurate statement: (a) setting forth as at the preceding December 31 the quantity, description and identification numbers of all Units then leased hereunder and covered by the Security Agreement; and (b) stating that, in the case of all Units repainted during the period covered by such statement, the numbers and markings required by Section 5 hereof have been preserved or replaced. The Trustee and the Indenture Trustee shall each have the right (but not any obligation) by its respective agents to inspect the Units and the Lessee's records with respect thereto (not including any records relating to customers of the Lessee) at such reasonable times as the Trustee or the Indenture Trustee, as the case may be, may request during the continuance of this Lease. Upon the reasonable request of the Trustee or the Indenture Trustee, the Lessee shall furnish to the Trustee, the Owner Participant and the Indenture Trustee a written report setting forth in reasonable detail the nature and aggregate cost of any Voluntary Modifications (as defined in Section 9.04 hereof) to the Units from and after the date hereof.

8.02 Reports to Regulatory Authorities. The Lessee will at its expense prepare and deliver to the Trustee within a reasonable time prior to the required date of filing (or, to the extent permissible, file on behalf of the Trustee) any and all reports (other than income tax returns, except as provided in Section 21 of the Participation Agreement) to be filed by the Trustee with any federal, state or other regulatory authority by reason of the ownership by the Trustee of, or the interest of the Indenture Trustee in, the Units or the leasing thereof to the Lessee. The Trustee and the Owner Participant shall promptly furnish any information reasonably required by the Lessee in connection with the preparation of such reports.

SECTION 9 - REPLACEMENT AND TITLE TO PARTS; ALTERATIONS,  
MODIFICATIONS AND MAINTENANCE

9.01 Disclaimer of Warranties. (i) EACH UNIT IS OF A SIZE DESIGN, CAPACITY AND MANUFACTURE SELECTED BY AND ACCEPTABLE TO THE LESSEE, (ii) LESSEE IS SATISFIED THAT EACH UNIT IS SUITABLE FOR ITS PURPOSES AND THE LESSEE HAS ACCEPTED EACH UNIT AND THE TRUSTEE AND THE OWNER PARTICIPANT EACH EXPRESSLY DISCLAIMS SELECTION OF THE UNITS LEASED UNDER THIS LEASE, (iii) NEITHER THE TRUSTEE NOR THE OWNER PARTICIPANT IS A MANUFACTURER OR A DEALER IN PROPERTY OF SUCH KIND, (iv) EACH UNIT IS LEASED HEREUNDER SUBJECT TO ALL APPLICABLE LAWS AND GOVERNMENTAL REGULATIONS NOW IN EFFECT OR HEREAFTER ADOPTED, AND (v) THE TRUSTEE LEASES AND THE LESSEE TAKES EACH UNIT "AS-IS, WHERE-IS" AND "WITH ALL FAULTS", IN WHATEVER CONDITION IT MAY BE, AND THE LESSEE ACKNOWLEDGES THAT NEITHER THE TRUSTEE, AS LESSOR OR IN ITS INDIVIDUAL CAPACITY, NOR THE OWNER PARTICIPANT MAKES NOR SHALL BE DEEMED TO HAVE MADE, AND EACH EXPRESSLY DISCLAIMS, ANY AND ALL RIGHTS, CLAIMS, WARRANTIES OR REPRESENTATIONS, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, COMPLIANCE WITH SPECIFICATIONS, OPERATION OR CONDITION OF, OR AS TO THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE UNITS OR ANY COMPONENT THEREOF DELIVERED TO THE LESSEE HEREUNDER, AND THE TRUSTEE DOES NOT MAKE ANY WARRANTY OF MERCHANTABILITY OR FITNESS OF THE UNITS OR ANY COMPONENT THEREOF FOR ANY PARTICULAR PURPOSE OR AS TO TITLE TO THE UNITS OR ANY COMPONENT THEREOF, FREEDOM FROM PATENT, COPYRIGHT OR TRADEMARK INFRINGEMENT, THE ABSENCE OF ANY LATENT OR OTHER DEFECT, WHETHER OR NOT DISCOVERABLE, OR AS TO THE ABSENCE OF ANY OBLIGATIONS BASED ON STRICT LIABILITY IN TORT OR ANY OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO ANY UNIT OR ANY COMPONENT THEREOF (EITHER UPON DELIVERY THEREOF TO THE LESSEE OR OTHERWISE), it being agreed that all such risks, as between the Trustee and the

Lessee, are to be borne by the Lessee; but the Trustee hereby irrevocably appoints and constitutes the Lessee its agent and attorney-in-fact during the Term of this Lease as to a Unit, so long as no Event of Default shall have occurred and be continuing, to assert and enforce from time to time, in the name of and for the account of the Trustee and/or the Lessee, as their interests may appear, at the Lessee's sole cost and expense whatever claims and rights (including warranty or similar claims) the Trustee may have against the Manufacturer of such Unit or any components thereof and the Lessee hereby further agrees to assert and enforce from time to time at the Lessee's sole cost and expense, whatever claims and rights (including warranty or similar claims) the Lessee directly may have against the Manufacturer of such Unit or any components thereof. The Lessee shall be obligated to proceed diligently with respect to any such claims and to use the proceeds, if applicable, for the repair or restoration of the Units affected thereby unless such repair or restoration theretofore had been accomplished, in which event such proceeds shall be paid over to the Lessee or retained by the Lessee, as the case may be. The Trustee shall have no responsibility or liability to the Lessee or any other person with respect to any of the following: (i) any liability, loss or damage caused or alleged to be caused directly or indirectly by any Units or by any inadequacy thereof or deficiency or defect therein or by any other circumstance in connection therewith, including strict liability in tort; (ii) the use, operation or performance of any Units or any risks relating thereto; (iii) any interruption of service, loss of business or anticipated profits or consequential damages; (iv) the delivery, operation, servicing, maintenance, repair, improvement or replacement of any Units or (v) any other claim or occurrence for which the Lessee is obligated to indemnify the Trustee pursuant to the Documents. The Lessee's delivery of a Lease Supplement shall be conclusive evidence as between the Lessee and the Trustee that the Units described therein are in all the foregoing respects satisfactory to the Lessee; and the Lessee will not assert any claim of any nature whatsoever against the Trustee based on any of the foregoing matters; however, the Manufacturers of such Units are not intended to be third party beneficiaries of any acceptance by the Lessee.

9.02 Compliance with Laws and Rules. The Lessee will, for the benefit of the Trustee, the Owner Participant and the Indenture Trustee, comply in all material respects (including, without limitation, with respect to the use, maintenance and operation of each Unit) with all applicable laws, rules and regulations, including, without limitation, all laws of the jurisdictions in which operations involving the Units may extend, with the Rules of the Association of American Railroads, the Federal Railroad Administration and with all rules of the United States Department of Transportation, the Surface Transportation Board, and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Units, to the extent that such laws and rules affect the title, operation, maintenance or use of the Units (all such laws and rules to such extent being hereinafter called "Applicable Laws") and in the event that Applicable Laws require any alteration, replacement, modification or addition of or to any part of any Unit, the Lessee will fully conform therewith at its own expense; provided, however, that the Lessee may, in good faith, contest the validity or application of any such Applicable Laws in any reasonable manner which does not, in the reasonable opinion of the Trustee or the Indenture Trustee, adversely affect or risk any loss of the property or rights of the

Trustee or the Indenture Trustee, respectively, under this Lease or under the Security Agreement or subject the affected Unit(s) to risk of forfeiture or loss, and provided further, that if compliance with this Section 9.02 would be uneconomic in the reasonable good faith opinion of a Responsible Officer of the Lessee, then notwithstanding that the number of Units in question would not qualify as a Specified Number of Units, the Lessee may declare a Surplus Termination with respect to the Units in question in lieu of complying with this Section 9.02, if there will be no less than 50 Units of each Functional Type in question remaining under this Lease after exercise of such termination option.

9.03 Maintenance. The Lessee shall, at its own cost and expense, maintain, modify and keep, or cause to be maintained, modified and kept, each Unit (including any Parts (as defined in Section 9.05) installed on or replacements made to any Unit and considered an accession thereto as hereinbelow provided) which is subject to this Lease (a) in good working order and operating condition and in as good a condition as when originally delivered by the Manufacturer, ordinary wear and tear excepted, (b) in compliance in all material respects with all Applicable Laws, (c) in accordance with prudent industry practices and (d) in condition eligible for railroad interchange in the hands of the Lessee, the Trustee or any other person or entity in accordance with the interchange rules of the Association of American Railroads, the Federal Railroad Administration or other applicable regulatory bodies. The Lessee will maintain and use the Units in a manner consistent with Lessee's maintenance and usage of similar equipment owned or leased by it, and the Lessee will not discriminate in the maintenance or use of the Units and such similar equipment on the basis of ownership or on the basis that such Units are leased. The Lessee shall use the Units only in the manner for which they were designed and intended. The Lessee will maintain or cause to be maintained any records, logs and other materials required by, and will prepare and file any reports required by, any governmental authority having jurisdiction to be maintained or filed in respect of the Units. The Lessee will not, and will not permit any sublessee to, maintain, use, or operate the Units in material violation of any law or regulation of any governmental authority having jurisdiction. The Lessee, at its own expense, will procure or cause to be procured and pay or cause to be paid for all permits, inspections and licenses necessary or appropriate in connection with the Units, the use or operation thereof or any repair, restoration, replacement, renewal, addition or improvement with respect thereto.

9.04 Voluntary Modifications. The Lessee and its Affiliates, at their own cost and expense, may from time to time make such other alterations, modifications, upgrades, and additions at any time, the cost of which is not included in the Purchase Price of such Unit and which are not required for the operation or use of such Unit by Applicable Law, Manufacturers' warranties (hereinafter collectively called "Voluntary Modifications"), to the Units as the Lessee may deem desirable in the proper conduct of its business so long as such Voluntary Modifications shall not be inconsistent with the continuing operation of the Units in accordance with the requirements of this Lease and shall not diminish the remaining economic useful life, value or utility of the Units below the remaining useful life, value or utility thereof immediately prior to the making of such Voluntary Modifications, assuming the Units were then

in the condition required to be maintained by the terms of this Lease. So long as an Event of Default shall have occurred and be continuing, the Trustee may direct that any Voluntary Modifications the making of which has not as yet commenced shall not commence.

9.05 Parts. Title to all Parts (as hereinafter defined) incorporated in or installed as part of a Unit shall without further act vest in the Trustee and, so long as such Unit shall be subject to the lien of the Security Agreement, be subject to a valid first lien and prior perfected security interest under the Security Agreement in any of the following cases: (i) such Part is in replacement of or in substitution for, and not in addition to, any Part originally incorporated in or installed as part of such Unit at the time of the acceptance thereof hereunder or any Part in replacement of, or in substitution for any such original Part (however, title to such removed Part shall thereupon vest in the Lessee free and clear of all rights of the Trustee and shall no longer be deemed a Part hereunder), (ii) such Part is required to be incorporated in, or installed as part of, such Unit pursuant to the terms of Section 9.02 or 9.03 (however, if such Part is subsequently replaced or a substitution is made therefor under this Lease, then title to the removed Part shall thereupon vest in the Lessee free and clear of all rights of the Trustee and shall no longer be deemed a Part hereunder) or (iii) notwithstanding the provisions of Section 9.04, such Part cannot be readily removed from the Unit to which it relates without unrepairable damage thereto and without diminishing or impairing the remaining economic useful life, value or utility which such Unit shall have had at such time had such Voluntary Modification not occurred; provided, however, that prior to returning such Unit to the Trustee pursuant to this Lease, Lessee shall have repaired at its expense any repairable damage to the Unit created by the removal of any Part by the Lessee or its Affiliates. In all other cases title to Parts incorporated in or installed as parts of the Units as a result of such Voluntary Modifications shall vest in the Lessee. The term "Part" shall be defined to include any appliance, part, instrument, accessory, furnishing or other equipment of any nature, including any Voluntary Modifications described in clause (iii) above, which may from time to time be incorporated in or installed as part of any Unit.

## SECTION 10 - DEFAULT AND REMEDIES

10.01 Default and Remedies. If, during the continuance of this Lease, one or more of the following events (each such event being herein sometimes called an "Event of Default"; and an event under clause (a),(b),(e),(f) or (g) below which with the passage of time or notice, or both, if required would constitute an Event of Default being herein sometimes called a "Specified Default") shall occur:

- (a) payment of any part of the Periodic Rental, Casualty Values or Termination Values hereof shall not be made by or on behalf of the Lessee and such failure to make payment shall continue for 5 business days after the same shall become due; or

(b) payment of any other amount payable by the Lessee hereunder or under any other Document shall not be made by or on behalf of the Lessee and such failure to make payment shall continue for 20 days after receipt by the Lessee of written notice thereof from the Trustee or (unless such amount constitutes an, or a payment upon an, Excepted Right in Collateral) the Indenture Trustee; or

(c) breach in any material respect of any covenants, conditions and agreements on the part of the Lessee contained herein or in the Participation Agreement, or on the part of either Guarantor under the Participation Agreement, and such breach shall continue for 30 days after written notice from the Trustee or the Indenture Trustee to the Lessee or such Guarantor specifying the breach and demanding that the same be remedied (or, if such event is not capable of cure within such 30 day period, such additional period not to exceed 150 days (or 335 days in the case of a breach in any material respect of Section 9.02 or 9.03 hereof with respect to not more than ten Units at any one time) during which the Lessee or such Guarantor shall be diligently attempting to cure such breach so long as failure to cure such breach will not result in any sale, forfeiture or loss of any Unit or adversely affect the Owner Participant's entitlement to the tax benefits contemplated by the Tax Indemnity Agreement); or

(d) any representation or warranty made by the Lessee or by either Guarantor herein or in the Participation Agreement or in any agreement, document or certificate delivered by the Lessee in connection herewith or therewith (other than the Tax Indemnity Agreement, for which the sole remedy shall be the indemnity provided by the Lessee in the Tax Indemnity Agreement) shall prove to have been incorrect in any material respect when made or given, shall remain material when discovered and the Lessee or such Guarantor shall not remedy the situation within 30 days after written notice thereof from the Trustee or the Indenture Trustee (or, if such incorrectness is not curable within such 30 day period, such additional period not to exceed 60 days during which the Lessee or such Guarantor shall be diligently attempting to correct such incorrectness so long as failure to cure such breach will not result in any sale, forfeiture or loss of any Unit; or

(e) the Lessee or either Guarantor shall consent to the appointment of a receiver, trustee or liquidator of itself or of a material part of its property; or the Lessee or either Guarantor shall admit in writing its inability to pay its debts generally as they come due, or shall make a general assignment for the benefit of creditors; or the Lessee or either Guarantor shall file, or the Board of Directors of the Lessee or either Guarantor shall authorize the Lessee or either Guarantor, as appropriate, to file or grant one or more persons authority (at their discretion) to file, a voluntary petition in bankruptcy or a voluntary petition or an answer seeking reorganization in a case under any bankruptcy laws or other insolvency laws (as in effect at such time) or an answer admitting the material allegations of a petition filed against the

Lessee or either Guarantor, as appropriate, in any such case; or the Lessee or either Guarantor shall, or the Board of Directors of the Lessee or either Guarantor shall authorize the Lessee or either Guarantor, as appropriate, to, or grant one or more persons authority (at their discretion) to, seek relief by voluntary petition, answer or consent, under the provisions of any other bankruptcy or other similar law providing for the reorganization or liquidation of corporations (as in effect at such time) or providing for agreement, composition, extension or adjustment with creditors; or

(f) an order, judgment or decree shall be entered by any court of competent jurisdiction appointing, without the consent of the Lessee or either Guarantor, a receiver, trustee or liquidator of the Lessee or either Guarantor, as appropriate, or of any substantial part of its property or granting any other relief in respect of the Lessee or either Guarantor under any bankruptcy laws or other insolvency laws (as in effect at such time), and any other such order, judgment or decree of appointment shall remain in force undismissed, unstayed or unvacated for a period of 90 days after the date of entry thereof; or

(g) a petition against the Lessee or either Guarantor in a case or other proceeding under any bankruptcy laws or other insolvency or similar laws (as in effect at such time) shall be filed and shall not be withdrawn or dismissed within 90 days thereafter, or if, under the provisions of any law providing for reorganization or liquidation of corporations which may apply to the Lessee or either Guarantor, any court of competent jurisdiction shall assume jurisdiction, custody or control of the Lessee or either Guarantor or of any substantial part of its property and such jurisdiction, custody or control shall remain in force unrelinquished, unstayed or unterminated for a period of 90 days; or

(h) the guaranty of either Guarantor contained in Section 19 of the Participation Agreement shall in whole or in part not be in full force and effect for any reason whatsoever (except in the event either Guaranty is replaced or terminated pursuant to Sections 19(f)(4) or 19(k) of the Participation Agreement or Section 12.04 hereof), including, without limitation, a determination by any governmental body or court that such agreement is invalid, void or unenforceable; or either Guarantor shall contest or deny the validity or enforceability of any of its obligations contained in Section 19 of the Participation Agreement (except in the event either Guaranty is replaced or terminated pursuant to Sections 19(f)(4) or 19(k) of the Participant Agreement or Section 12.04 hereof);

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

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

(ii) by notice in writing to the Lessee terminate this Lease with respect to any or all of the Units, whereupon all rights of the Lessee to the use of such Units shall absolutely cease and terminate as though this Lease had never been made, but the Lessee shall remain liable as herein provided and upon demand by the Trustee the Lessee shall return such Units in accordance with Section 11 hereof; and the Trustee may by its agents enter upon the premises of the Lessee or other premises where any of such Units may be and take possession of all or any of such Units and thenceforth hold, store, keep idle, possess, sell, operate, lease to others and enjoy the same free from any right of the Lessee, or its successors or assigns, to use such Units for any purposes whatever and without any duty to account to the Lessee for such action or inaction or for any proceeds arising therefrom; but the Trustee shall, nevertheless, have a right to recover from the Lessee any and all amounts which under the terms of this Lease may be then due or which may have accrued to the date of such termination (computing the Periodic Rental payable in arrears for any number of days less than a full rental period by multiplying the Periodic Rental for such full rental period by a fraction of which the numerator is such number of days and the denominator is the total number of days in such full rental period), in respect of such Units and, whether or not the Trustee shall have exercised any of the foregoing remedies, also to recover forthwith from the Lessee as damages for loss of the bargain and not as a penalty whichever of the following amounts the Trustee, in its sole discretion, shall specify: (x) a sum with respect to each Unit which represents the excess of the present value at the time of such termination, of all Periodic Rental for such Unit which would otherwise have accrued hereunder from the date of such termination to the end of the Term of this Lease then in effect for such Unit over the then present value of the then Fair Market Rental of such Unit for such period computed by discounting from the end of such Term to the date of such determination, such present value to be computed in each case on the basis of a 7.63% per annum discount, compounded from the respective Periodic Rental payment dates upon which Periodic Rental would have been payable hereunder had this Lease not been terminated and (y) an amount equal to the excess, if any, of the Casualty Value of each such Unit as of the Periodic Rental payment date on or (if such termination does not occur on a Periodic Rental payment date) next preceding the date of termination over the Fair Market Value thereof at such time; provided, however, that in the event the Trustee shall have sold any such Unit, the Trustee, in lieu of collecting any amounts payable to the Trustee by the Lessee as aforesaid, may, if it shall so elect, demand that the Lessee pay to the Trustee, and the Lessee shall pay to the Trustee on the date of such sale, as liquidated damages for loss of a bargain and not as a penalty, an amount equal to the excess, if any, of the Casualty Value for such Unit, as of the Periodic Rental

payment date on or (if such termination does not occur on a Periodic Rental payment date) next preceding the date of termination, over the net proceeds of such sale.

In addition, the Lessee shall be liable, except as otherwise provided above, for any and all unpaid amounts due hereunder before, during or after the exercise of any of the foregoing remedies and for all reasonable attorneys' fees and other costs and expenses incurred by reason of the occurrence of any Event of Default or the exercise of the Trustee's remedies with respect thereto, including all costs and expenses incurred in connection with the return of any Unit. For purposes of Section 10.01 above, the Fair Rental Value and Fair Market Value for any Unit shall be determined in the manner provided for appraisal arrangements in Section 13.05, except that such values shall be determined assuming the Units are to be sold or leased on an as-is, where-is basis; provided that any sale in a commercially reasonable manner of any Unit prior to any such determination shall conclusively establish the Fair Market Value of such Unit and any rental in a commercially reasonable manner of any Unit prior to any such determination shall conclusively establish the Fair Rental Value of such Unit; provided further, that, notwithstanding Section 13.05 hereof, for purposes of any appraisal procedure pursuant to this Section 10.01, the Lessor shall have the sole right to select an independent a qualified independent appraiser to conduct such appraisal and all costs and expenses of any appraisal pursuant to this Section 10.01 shall be at the Lessee's expense. Notwithstanding any of the foregoing, for purposes of this Section 10.01, the Fair Rental Value or Fair Market Value, as the case may be, shall be zero with respect to any Unit if the Lessor has not been able to recover possession of such Unit in accordance with the terms of this Section 10.01 prior to the making of the related calculation.

10.02 Cumulative Remedies. The remedies in this Lease provided in favor of the Trustee shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in its favor existing at law or in equity. The Lessee hereby waives any mandatory requirements of law, now or hereafter in effect, which might limit or modify any other remedies herein provided, to the extent that such waiver is permitted by law.

10.03 Failure to Exercise Remedies; Waivers. The failure of the Trustee to exercise the rights granted it hereunder upon the occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or recurrence of any such contingencies or similar contingencies; and a waiver of any such right on one occasion shall not constitute a waiver of such right as to any other occasion and shall not be effective unless in writing signed by the Trustee.

10.04 Default Notice. The Lessee agrees to furnish the Trustee, the Owner Participant and the Indenture Trustee, promptly upon any Responsible Officer of the Lessee acquiring actual knowledge of any condition which constitutes an Event of Default hereunder or event which after notice or lapse of time, or both, would constitute such an Event of Default, written notice specifying such condition and the nature and status thereof. For the purposes of this Lease, a "Responsible Officer of

the Lessee shall mean, with respect to the subject matter of any covenant, agreement or obligation of the Lessee, any corporate officer of the Lessee who in the normal performance of his operational responsibilities would have knowledge of such matter and the requirements of this Lease with respect thereto.

#### SECTION 11 - RETURN OF UNITS UPON DEFAULT; AGENCY

11.01 Return of Units Upon Default. If this Lease shall terminate in respect of any of the Units pursuant to Section 10.01 hereof, the Lessee shall forthwith deliver possession of such Units to the Trustee and, upon request of the Trustee, shall give prompt written notice to the Association of American Railroads and all railroads having possession of any Unit to return such Units. Each Unit returned to the Trustee pursuant to this Section 11.01 shall (i) be in the operating order, repair and condition required by this Lease (including Sections 9 and 12 hereof), (ii) have attached or affixed thereto any Part title to which is in the Trustee pursuant to Section 9.05 hereof and have removed therefrom at Lessee's expense any Part or Voluntary Modification title to which is in the Lessee or any other person pursuant to such Section 9.05 (iii) have repaired at Lessee's expense any damage arising from the Lessee's removal of any Part or Voluntary Modification title to which is in the Lessee pursuant to Section 9.05 and (iv) meet the standards then in effect under the Interchange Rules of the Association of American Railroads and the Federal Railroad Administration, if applicable, or such comparable standards as may then be in effect. For the purpose of delivering possession of any such Unit or Units to the Trustee as above required, the Lessee shall at its own cost, expense and risk:

- (a) forthwith and in the usual manner for transporting railcars cause such Units to be transported to such location as shall be reasonably designated by the Trustee in the continental United States and there assembled,
- (b) furnish and arrange for the storage of such Units on any lines of railroad or at premises acceptable to the Trustee in the continental United States until such Units have been sold, leased or otherwise disposed of by the Trustee, and
- (c) cause such Units to be moved to such interchange point or points in the continental United States as shall be designated by the Trustee upon any sale, lease or other disposal of all or any of such Units.

The assembling, delivery, maintenance, storage and transporting of the Units as hereinbefore provided shall be at the expense and risk of the Lessee and are of the essence of this Lease; and, upon application to any court of equity having jurisdiction in the premises, the Trustee shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to

assemble, deliver, store and transport the Units. During any storage period, the Lessee will permit the Trustee or any person designated by it, including the authorized representative or representatives of any prospective purchaser or lessee of any such Unit, to inspect the same. In the event that any of the Units are sold by or on behalf of the Trustee, the Lessee shall pay to the Trustee the per diem interchange for each such Unit which shall not have been assembled, delivered and stored, as hereinbefore provided, by the date of such sale for each day from the date of such sale to the date of delivery to the purchaser thereof.

11.02 Agency. Without in any way limiting the obligation of the Lessee under the foregoing provisions of Section 11.01, the Lessee hereby irrevocably appoints the Trustee as the agent and attorney of the Lessee, with full power and authority, at any time while the Lessee is obligated to deliver possession of any Unit to the Trustee pursuant to Section 11.01 hereof, to demand and take possession of such Unit in the name and on behalf of the Lessee from whomsoever shall be in possession of such Unit at the time.

#### SECTION 12 - POSSESSION AND USE; LIENS

12.01 Trustee Assignments. This Lease shall be assignable in whole or in part by the Trustee to the Indenture Trustee without the consent of the Lessee; and the Lessee shall be under no obligation to any assignee of the Trustee other than the Indenture Trustee. All the rights of the Trustee hereunder and obligations of the Lessee to the Trustee (including, but not limited to, the rights under Sections 7 and 10) shall inure to the benefit of the Trustee and, so long as the lien of the Security Agreement shall not have been released, the Indenture Trustee; provided that (i) all Periodic Rental and payments in connection with a Casualty Occurrence, Voluntary Termination or Surplus Termination shall be paid over to the Indenture Trustee and (ii) all other Supplemental Rental shall be paid to or for the account of the person to whom it is owed. No sublease permitted pursuant to Section 12.02 hereof shall be assigned to the Trustee or the Indenture Trustee.

12.02 Quiet Enjoyment; Use; Sublease. (a) So long as no Event of Default exists hereunder, the Lessee and each sublessee shall be entitled (to the extent specified in its sublease) to the quiet enjoyment, use and possession of the Units, including use in normal interchange and the right to subject any Units to normal pooling or similar arrangements;

(b) the Lessee shall have the unlimited right to use each Unit in any lawful manner whatsoever consistent with the design and intended use of such Unit in North America (including Mexico, provided that no such Unit shall be subjected to dedicated use in Mexico); and

(c) so long as no Specified Default or Event of Default has occurred and is continuing, the Lessee and each such sublessee shall be entitled to sublease any or all the Units so long as at the time

any such sublease is entered into (i) such sublease term as to a Unit extends for no longer than the remaining Term of this Lease for such Unit, unless such sublease provides for the Lessee's right to substitute similar equipment thereunder, (ii) on the effective date of the sublease, the sublessee under any such sublease is not then insolvent as such term is defined in the Federal Bankruptcy Code § 101 and 805 ILCS 105/101.80(j), (iii) the sublessee under any such sublease shall have no option to purchase any Unit and (iv) such sublease is expressly subject and subordinate to all the terms and conditions of this Lease and provides that any further sublease shall be expressly subject and subordinate to all the terms and conditions of this Lease and otherwise comply with all requirements of this sentence; provided that no such sublease shall release the Lessee from its obligations under this Lease, the Participation Agreement or any other Document which shall be and remain those of a principal and not a surety or guarantor.

12.03 Liens. The Lessee, at its own expense, will cause to be duly discharged any lien, charge, security interest or other encumbrance except for Permitted Liens (as hereinafter defined) which may at any time be imposed on or with respect to any Unit, including any accession thereto or part thereof, or the interest of the Trustee, the Owner Participant, the Indenture Trustee or the Lessee therein. The Lessee shall not assign its rights hereunder, except to the extent permitted by the provisions of Sections 12.02 and 12.04.

"Permitted Liens" means: (a) any sublease permitted under Section 12.02(c), (b) any lien or encumbrance resulting from claims against the Owner Participant or the Trustee, in their respective individual capacities, which are required to be discharged pursuant to Sections 12.01 and 12.02 of the Participation Agreement ("Lessor's Liens"), (c) all liens permitted pursuant to Sections 12.01 and 12.02 of the Participation Agreement, (d) the security interest of the Indenture Trustee in the Units pursuant to the Security Agreement, (e) the respective rights of the Trustee and Lessee as provided herein, (f) liens for taxes either not yet due or being contested in good faith by appropriate proceedings so long as such proceedings do not involve any material danger of the sale, forfeiture or loss of the Units, (g) suppliers', mechanics', workers', repairers', employees' or other like liens arising in the ordinary course of business and for amounts the payment of which is either not yet delinquent or is being contested in good faith by appropriate proceedings, and so long as such proceedings do not involve a material danger of the sale, forfeiture or loss of the Units, and (h) liens arising out of judgments or awards against the Lessee which have been in force for less than the applicable time for filing an appeal so long as execution is not levied thereunder (or in respect of which the Lessee shall at the time in good faith be prosecuting an appeal or proceeding for review and in respect of which a stay of execution or appropriate appeal bond shall have been obtained pending such appeal or review).

12.04 Lessee Mergers, Assignments, etc. Nothing in this Section 12 shall be deemed to restrict the right of the Lessee to assign or transfer its leasehold interest under this Lease in the Units or

possession of the Units to any corporation, partnership or other person (which if required by law shall have assumed in writing the obligations of the Lessee hereunder and under the Participation Agreement by an appropriate instrument reasonably satisfactory to the Owner Participant and the Indenture Trustee) which is (a) an Affiliated Company (as hereinafter defined) of (i) the Lessee or (ii) either Guarantor, or (b) a corporation, partnership or other person into or with which the Lessee shall have become merged or consolidated or which shall have acquired the property of the Lessee as an entirety or substantially as an entirety; provided that (A) (i) upon the effectiveness of such assignment or transfer, no Event of Default or event which, with the passage of time or notice, or both, would be an Event of Default shall have occurred and be continuing and (ii) such assignee or transferee ("transferee") shall have delivered to the Trustee and the Indenture Trustee within 30 days after the effectiveness of such assignment or transfer an opinion of counsel to the effect that the assumption (and, if there is an assumption agreement, it) is the legal, valid and binding obligation of such transferee and (B) upon the effectiveness of such assignment or transfer, either (i) the guaranties set forth in Section 19 of the Participation Agreement (each a "Guaranty" and together the "Guaranties") shall continue in full force and effect, or (ii) the Guaranties shall be terminated if the unsecured long-term debt of the surviving entity which is the transferee of the Lessee's leasehold interest under this Lease, or of any guarantor of such transferee's obligations under the Documents (pursuant to a guaranty equivalent to the Guaranties), shall be rated by a nationally recognized rating agency at least equal to the rating of the higher-rated Guarantor that is rated immediately prior to such event; it being understood, however, that (i) so long as any Notes are outstanding the foregoing clause (B)(ii) shall be of no force or effect unless the Indenture Trustee shall have consented in writing (with a copy of such proposed consent being provided to each holder of a Note at least 5 business days before such consent shall become effective) to the termination of the Guaranties and (ii) in the event neither Guarantor's unsecured long-term debt is rated immediately prior to such event, the foregoing clause B(ii) shall be of no force or effect unless the Owner Participant and the Trustee shall have consented to the termination of the Guaranties, which consent is not to be unreasonably withheld. Notwithstanding the foregoing provisions of this Section 12.04, in the event the Lessee assigns its rights and obligations to a third party not affiliated with the Lessee, the assignment shall be subject to the Trustee's and Indenture Trustee's prior consent, not to be unreasonably withheld. The term "Affiliated Company" shall mean (i) any company (the "Parent") owning 50% or more of the securities of any class or classes of the Lessee, the holders of which are ordinarily, in the absence of contingencies, entitled to elect a majority of the corporate directors (the "Voting Stock") of the Lessee (or the beneficial interest therein), (ii) any company (the "Holding Company") owning 50% or more of the Voting Stock (or the beneficial interest therein) of the Parent, and (iii) any company 50% or more of the Voting Stock of which (or the beneficial interest therein) is owned, directly or indirectly, by the Holding Company, the Parent or the Lessee or any entity with which the Lessee merges or consolidates or which acquires substantially all of the Lessee's assets.

## SECTION 13 - END OF TERM OPTIONS

13.01 Fixed Rental Renewal Option. Provided that this Lease has not been earlier terminated and no Specified Default or Event of Default hereunder has occurred and is continuing at the end of the Original Term, with respect to not less than 50 Units subject to a Lease Supplement (or if there are less than 50 Units originally or remaining under such Lease Supplement prior to exercise of such renewal option of a Functional Type or there will be less than 50 Units of such Functional Type remaining under such Lease Supplement after exercise of such renewal option and any of such Units of such Functional Type are to be renewed, then not less than all Units under such Lease Supplement of such Functional Type shall be renewed or purchased under Section 13.04), the Lessee may, by written notice (which notice shall be irrevocable) delivered to the Trustee not less than 180 days prior to the end of such Original Term, elect to extend the Term of this Lease for such Units as specified in such notice, selected at random and on a non-discriminatory basis, for a period of not less than one year nor exceeding as to any Functional Type of Units when added to the Base Term, the lesser of (a) 80% of the then estimated useful life of the relevant Units (commencing with the Closing Date), and (b) the point at which the relevant Units are then estimated to have a Fair Market Value (calculated without inflation or deflation) of at least 20% of the original Purchase Price thereof, each as established by an appraisal pursuant to Section 13.05 hereof to be conducted at the end of the Base Lease Term (the "Fixed Renewal Term"); provided that the Fixed Renewal Term shall always consist of an integral multiple of semi-annual periods and if the period described in clause (a) and (b) above would not end on a semi-annual date which is the same date in the same month as were Periodic Rental payment dates during the Original Term for such Units, then it shall end on such date in the same month as immediately precedes the date determined pursuant to clauses (a) and (b) above. The Periodic Rental during the Fixed Renewal Term shall be payable semi-annually in arrears (on the same dates in the same months as were Periodic Rental payment dates during the Original Term for such Units). During the first year of the Fixed Renewal Term the Periodic Rental shall be 110% of the Fair Market Value at the commencement of the Fixed Renewal Term payable semi-annually in arrears (on the same dates in the same months as were Periodic Rental payment dates during the Original Term for such Units). Thereafter, the Periodic Rental for each Unit during the Fixed Renewal Term shall be equal to the relevant Unit's Fair Market Rental at the commencement of the Fixed Renewal Term payable semi-annually in arrears (on the same dates in the same months as were Periodic Rental Payment dates during the Original Term for such units), but not to exceed \$1350 per Unit for each semi-annual period.

13.02 Determination of Fair Market Value and Fair Market Rental Value. Not more than 365 days nor less than 270 days prior to the end of the Original Term, the Fixed Renewal Term or any Fair Renewal Term with respect to Units subject to a Lease Supplement the Lessee may notify the Trustee in writing that the Lessee desires a determination of the Fair Market Value of such Units as of the end of the Original Term, the Fixed Renewal Term or the Fair Renewal Term then continuing, as appropriate, the remaining useful life of such Units, the Fair Rental Value for a permitted Fair Renewal

Term (or the Fixed Renewal Term) specified in such notice of such Units (on a Unit-by-Unit basis), and the Fair Market Value of such Units as of the end of such Fair Renewal Term. Such Fair Market Value and Fair Rental Value shall be determined by the procedure set forth in Section 13.05 hereof. All costs and expenses of any appraisal procedure pursuant to this Section 13.02 shall be at the Lessee's expense.

**13.03 Fair Market Renewal Options.** Provided that this Lease has not been earlier terminated and no Specified Default or Event of Default hereunder has occurred and is continuing at the end of the then Term of this Lease with respect to Units subject to a Lease Supplement, the Lessee may, by written notice (which notice shall be irrevocable) delivered to the Trustee not less than 180 days prior to the end of such Original Term, Fixed Renewal Term or prior Fair Renewal Term of this Lease then continuing, elect to extend the Term of this Lease for a term of not less than one year (the "Fair Renewal Term") with respect to the not less than 50 Units then subject to such Lease Supplement (or if there are less than 50 Units originally or remaining under such Lease Supplement prior to exercise of such renewal option or any Functional Type and any of such Units of such Functional Type are renewed, then not less than all Units under such Lease Supplement of such Functional Type shall be renewed or purchased under Section 13.04) as specified in such notice at the Fair Market Rental Value therefor, selected at random and on a non-discriminatory basis. The Periodic Rental for each Fair Market Term shall be payable semi-annually in arrears (on the same dates in the same months as were Periodic Rental payment dates during the Original Term for such Units).

**13.04 Fair Market Purchase Option.** Provided that this Lease has not been earlier terminated and neither the Fixed Renewal Term option nor the Fair Renewal Term option has been exercised as to the Units then remaining under this Lease with respect to which the Lessee exercises its option under this Section 13.04, the Lessee may, by written notice (which notice shall be irrevocable) delivered to the Trustee not less than 180 days prior to the end of the, Fixed Renewal Term or Fair Renewal Term with respect to not less than 50 Units subject to a Lease Supplement (or if there are less than 50 Units originally or remaining under such Lease Supplement prior to exercise of such purchase option and any of such Units of such Functional Type are to be purchased, then not less than all of such Units shall be purchased or renewed under Section 13.01 or 13.03) selected at random and on a non-discriminatory basis, elect to purchase at the expiration of the then continuing Original Term Fixed Renewal Term or Fair Renewal Term such Units as the Lessee shall specify in the notice for an amount equal to the then Fair Market Value thereof. Upon payment thereof the Trustee shall Transfer the subject Units to the Lessee on an "as is, where is" basis and otherwise meeting the requirements of the definition of "Transfer".

**13.05 Fair Market Value and Rental.** Fair Market Value (Fair Market Rental) shall mean, and shall be determined on the basis of, and shall be equal in amount to, the price which would be obtained in an arm's-length transaction between an informed and willing buyer (lessee) and an informed

and willing seller (lessor) under no compulsion to buy (lease) or sell (lease) and, in such determination, costs of assembly and removal from the location of current use shall not be a deduction from such price and it shall be assumed that the Units in question are in the condition required by this Lease, have been assembled in one place and are not encumbered by this Lease. If after 30 days from the giving of notice (w) by the Lessee of its election to replace Unit(s) suffering a Casualty Occurrence with Replacement Unit(s) pursuant to Section 7.01, (x) by the Lessee of its election to obtain an appraisal pursuant to Section 13.02, (y) by the Lessee of the Lessee's election to purchase under Section 13.04 or lease under Section 13.01 or 13.03, or (z) by the Trustee of the Trustee's election to purchase under Section 14.03, the Trustee and the Lessee are unable to agree upon a determination of the Fair Market Value (Fair Market Rental), the Fair Market Value (Fair Market Rental) required by such election shall be determined in accordance with the foregoing definition by the following procedure: If either party to such determination shall have given written notice to the other requesting determination of such value by this appraisal procedure, the parties shall consult for the purpose of appointing a qualified independent appraiser by mutual agreement. If no such appraiser is so appointed within 20 days after such notice is given, each party shall appoint an independent appraiser within 25 days after such notice is given, and the two appraisers so appointed shall, within 30 days after such notice is given, appoint a third independent appraiser. If no such third appraiser is appointed within 30 days after such notice is given, either party may apply to make such appointment to the American Arbitration Association, and both parties shall be bound by any appointment so made. Any appraiser or appraisers appointed pursuant to the foregoing procedure shall be instructed to determine the Fair Market Value (Fair Market Rental) within 45 days after his or their appointment. If the parties shall have appointed a single appraiser or if either party shall have failed to appoint an appraiser, the determination of Fair Market Value (Fair Market Rental) of the single appraiser appointed shall be final. If three appraisers shall be appointed, the determination of the appraiser which differs most from the other two appraisers shall be excluded, the remaining two determinations shall be averaged and such average shall be final and binding upon the parties hereto as the Fair Market Value (Fair Market Rental). The appraisal proceedings shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association as in effect on the date hereof, except as modified hereby. The provision for this appraisal procedure shall be the exclusive means of determining Fair Market Value (Fair Market Rental) and shall be in lieu of any judicial or other procedure for the determination thereof, and each party hereto hereby consents and agrees not to assert any judicial or other procedures. If the parties agree upon the decision of the first appraiser or if the Lessee elects to replace Unit(s) suffering a Casualty Occurrence or elects to purchase any Unit pursuant to Section 13.04 or lease any Unit pursuant to this Section 13, and requests an appraisal pursuant to Section 13.02 or this Section 13.05 to determine the Fair Market Value (or Fair Market Rental) at the end of the then current Term, the Lessee will pay the appraisal expenses. Otherwise, the expenses of the appraisal procedure shall be borne by the Trustee.

**13.06 Casualty Values and Termination Values During Renewals.** During the Fixed Renewal Term, if any, for a Unit the Casualty Values and Termination Values for each payment date as set forth

in Annex III to the related Lease Supplement executed on the Closing Date therefor. During each Fair Renewal Term for a Unit the Casualty Values and Termination Values for each payment date shall be the Fair Market Value of such Unit as determined pursuant to Sections 13.02 and 13.05 hereof as of the end of the Original Term, the Fixed Renewal Term or Fair Renewal Term ended immediately prior to the Fair Renewal Term in question declining on a straight-line basis during such renewal to the Fair Market Value of such Unit as determined pursuant to Sections 13.02 and 13.05 hereof as if the end of such Fair Renewal Term.

#### SECTION 14 - RETURN OF UNITS

14.01 Return of Units upon Expiration of Term. As soon as practicable on or after the termination of the Term of this Lease as to any Units, the Lessee will, at its own cost and expense, cause all of the Units then subject to this Lease (other than any Unit which has been purchased by the Lessee hereunder or the term of the Lease as to which has been renewed hereunder) to be transported to such point or points (not in excess of three points) as shall be selected by the Lessee (with 30 days' notice of such return locations and approximate number of Units at each such location) and reasonably acceptable to the Trustee, or, if the Lessee and Trustee cannot agree on such points, to any Class 1 interchange or storage in the United States within 1,000 miles of Houston, Texas selected by the Lessee. The Lessee will not be required to pay for or provide storage or insurance pursuant to this Section 14.01. If a Unit is to be returned at the end of the Original Term, the lease thereof shall be deemed extended and for each day following termination of the Original Term as to such Unit until such Unit is returned in accordance with this Section 14.01, the Lessee shall: (i) pay to the Trustee monthly in arrears an amount equal to the per diem equivalent of the average semiannual Periodic Rental payable with respect to such Unit during the Original Term; and (ii) otherwise comply with all of the other terms and conditions of this Lease as if it continued in effect. In the event that a Casualty Occurrence shall occur during the assembly period, the Lessee shall pay to the Trustee the Casualty Value for such Unit as provided in Section 7.01 (which Casualty Value shall be equal to the Casualty Value on the last day of the Term of the Lease as to such Unit). During the assembly period, the Lessee will permit the Trustee or any person designated by it, including the authorized representative or representatives of any prospective purchaser or lessee of such Unit, to inspect the same; provided, however, that the Lessee shall not be liable except in the case of gross negligence or intentional act of the Lessee or of its employees or agents nor shall it be liable, except to the extent otherwise provided by law, for any injury to or the death of any person exercising, either on behalf of the Trustee or any prospective purchaser or lessee, the rights of inspection granted under this sentence. In the event any Unit shall not have been returned to the Lessor in accordance with this Section 14.01 by the 181st day following the expiration of the Term with respect to such Unit, a Casualty Occurrence shall be deemed to have occurred and the Lessee, shall pay to the Lessor, (x) the greater of applicable Casualty Value of such Unit determined as of the last Periodic Rental payment date for such Unit or the Fair Market Value thereof as of such last Periodic Rental payment date plus (y) the rent then due, if any, provided in

clause (i) of the second preceding sentence, and the Lessor shall thereupon Transfer to the Lessee such Unit. The assembly, preparation for shipment and delivery of the Units as hereinbefore provided are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises, the Trustee shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to cause the assembly, preparation for shipment and delivery of the Units.

14.02 Return Condition. Each Unit returned to the Trustee pursuant to this Section 14 shall (i) be in the same operating order, repair and condition as required by this Lease (including Sections 9 and 12 hereof) and (ii) have attached or affixed thereto any Part title to which is in the Trustee pursuant to Section 9 hereof and have removed therefrom at Lessee's expense any Part or Voluntary Modification title to which is in the Lessee or any other person pursuant to such Section 9 and in connection therewith have repaired all repairable damage caused by the removal of any such Part or Voluntary Modification.

14.03 Fair Market Purchase Option of Accessions. With respect to any Unit to be returned pursuant to Section 14.01, the Trustee may, by written notice delivered to the Lessee not less than 60 days prior to the termination of the Term of this Lease with respect to such Unit, elect to purchase any or all Parts to such Unit to which title vests in the Lessee pursuant to Section 9.05 hereof for an amount equal to the then Fair Market Value thereof. Not later than the 90th day prior to the return of any Unit hereunder, the Lessee shall furnish to the Trustee and the Owner Participant a written report setting forth in reasonable detail the nature and cost of any such Parts. Notwithstanding anything in this Agreement to the contrary, title to any such Part which is not removed from a Unit upon the return of such Unit to the Trustee hereunder shall vest in the Trustee upon such return.

## SECTION 15 - RECORDATION; FILINGS

15.01 Recording. The Lessee will, at its own expense, undertake the filing, registering, deposit, and recording required of the Trustee under the Security Agreement (including filing with the Surface Transportation Board pursuant to 49 U.S.C. § 11301, depositing with the Registrar General of Canada pursuant to Section 105 of the Canada Transportation Act (notice of such deposit to be given forthwith in The Canada Gazette) and filing of Uniform Commercial Code financing statements with the Secretary of State of Illinois and the Secretary of State of Connecticut) and will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register, record (and will refile, re-register, deposit and redeposit or rerecord whenever required) any and all further instruments required by law or reasonably requested by the Trustee or the Indenture Trustee for the purpose of proper protection, to their satisfaction, of the Indenture Trustee's and the Trustee's respective interests in the Units, or for the purpose of carrying out the intention of this Lease and the Security Agreement. Notwithstanding the foregoing, the Lessee only will be obligated to file, deposit and/or record this

Lease and/or the Security Agreement (or memoranda or other evidence of such documents) in Mexico at such time as there is a central filing system which provides for perfection of liens or interests in railroad rolling stock which may be effective against third party creditors and if Units are being used in Mexico and such filing, deposit or recording does not involve a material administrative burden upon the Lessee nor require the payment of amounts other than recording fees and expenses not in excess of \$20,000 in the aggregate; however, if Units are from time to time located in Mexico and if the Lessee has filed, deposited and/or recorded leases and/or security agreements (or memoranda or other evidence of such documents) under such central filing system in connection with other lease transactions, then the Lessee will not discriminate against the transactions contemplated by this Lease and the Security Agreement and shall file, deposit and/or record this Lease and/or the Security Agreement (or memoranda or other evidence of such documents) under such central filing system.

15.02 Evidence of Filings. The Lessee will promptly furnish to the Indenture Trustee and the Trustee evidence of all such filing, registering, depositing or recording, and an opinion or opinions of counsel for the Lessee with respect thereto satisfactory to the Trustee and the Indenture Trustee.

#### SECTION 16 - TRUSTEE'S RIGHT TO PERFORM FOR THE LESSEE

If the Lessee fails to perform or comply with any of its agreements contained herein, the Trustee may upon notice to the Lessee itself perform or comply with such agreement, and the amount of the reasonable cost and expenses of the Trustee incurred in connection with such performance or compliance, together with interest on such amount at the Overdue Rate relating to Notes issued on the Closing Date, shall be payable by the Lessee upon demand. For purposes hereof, any such amounts, other than with respect to the agreement to pay Rental, payable by the Lessee to the Trustee shall be deemed Supplemental Rental. No such performance or compliance by the Trustee shall be deemed a waiver of the rights and remedies of the Trustee against the Lessee hereunder or be deemed to cure the default of the Lessee hereunder.

#### SECTION 17 - OVERDUE RATE; PERMITTED INVESTMENT

17.01 Interest on Overdue Rentals. If any Rental payable to the Trustee or to any other Indemnified Person (as defined in the Participation Agreement) is not paid when due, the Lessee shall pay as Supplemental Rental an amount equal to interest on such unpaid Rental for the period commencing on (and including) the due date thereof and ending (but not including) the date of payment thereof at a rate per annum equal to the Debt Rate for the Series of Notes related to the original Lease Supplement in connection with which the Unit giving rise to such Rental became subject to this lease plus 2% per annum (the "Overdue Rate") (computed on the basis of a 360-day year of twelve consecutive 30-day months).

**17.02 Investment of Security Moneys.** Any moneys required to be paid to the Lessee pursuant to Section 7.02 or 7.04 hereof and which are paid to or retained by the Trustee because of the existence of an Event of Default, or event which after notice or lapse of time, or both, would become an Event of Default, shall, until paid to the Lessee as provided in Section 7.02 or 7.04 hereof or applied pursuant to Section 10.01 hereof, be invested by the Trustee from time to time as directed in writing by the Lessee and at the expense and risk of the Lessee in Permitted Investments (as hereinafter defined). The Lessee will promptly pay to the Trustee, on demand, the amount of any net loss realized as the result of any such investment (together with any fees, commissions and other expenses, if any, incurred in connection with such investment). At the time of payment to the Lessee pursuant to Section 7.02 or 7.04 hereof of moneys invested by the Trustee pursuant to this Section 17.02 there shall be remitted to the Lessee, or at the time of application of moneys pursuant to Section 10.01 hereof the Trustee also may apply, any gain (including interest received) realized as the result of any such investment (net of any fees, commissions and other expenses, if any, incurred in connection with such investment). The Trustee shall be deemed to have complied fully with its obligations under this Section 17.02 to the extent the Security Agreement obligates the Indenture Trustee to perform the duties of the Trustee under this Section 17.02 with respect to all such funds, if such funds are received by or paid over to the Indenture Trustee. The term "Permitted Investments" shall mean direct obligations of the United States of America or obligations for which the full faith and credit of the United States is pledged to provide for the payment of principal and interest, maturing not more than 90 days from the date of such investment.

#### SECTION 18 - NOTICES

**Notices.** Any notice required or permitted to be given by any party hereto to any other party or parties shall be deemed to have been received by the addressee on the date of actual receipt (if such date is a business day, otherwise on the next business day), if transmitted by mail, telecopy or similar transmission, or by express courier service or by hand, addressed as follows:

if to the Trustee, at Goodwin Square, 225 Asylum Street, Hartford, Connecticut 06103, attention of Corporate Trust Department with a copy to Owner Participant at its address for notice set forth in the Participation Agreement;

if to the Lessee, at BP Amoco Chemical Company, Logistics/North America, 150 W. Warrenville Rd, Naperville, Illinois 60563-8460, Attention of Director, Transportation and Distribution, Mail Code L3 with a copy to BP Amoco Corporation Law Department, 200 East Randolph Drive, Chicago, Illinois 60601, attention of Associate General Counsel, Corporate Department, Mail Code 2106;

if to the Guarantor, at its address for notices contained in Section 15 of the Participation Agreement;

if to the Indenture Trustee, at 135 South LaSalle Street, Suite 1960, Chicago, Illinois 60603,

or addressed to any party at such other address as such party shall hereafter furnish to the other parties in writing. Any certificate, document or report required to be furnished by any party hereto to the other parties shall be delivered to the address set forth above or so furnished for such party. Any notice to the Lessee by the Indenture Trustee regarding the Lessee's failure to perform any obligation hereunder shall also be furnished by the Lessee to the Trustee.

#### SECTION 19 - TRUSTEE IMMUNITIES

Each and all of the representations, warranties, covenants and agreements herein made on the part of the financial institution acting as Trustee hereunder are made and intended not as personal representations, warranties, covenants and agreements by said institution or for the purpose or with the intention of binding said institution personally but are made and intended for the purpose of binding only the Trust Estate (as defined in the Trust Agreement), and this Lease is executed and delivered by said institution solely in the exercise of the powers expressly conferred upon said institution as Trustee under the Trust Agreement; and no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against said institution on account of any representation, warranty, covenant or agreement herein of the Trustee (except in the case of gross negligence or willful misconduct of the Trustee), either expressed or implied, all such personal liability, if any, being expressly waived and released by the Lessee and by all persons claiming by, through or under the Lessee; provided, however, that the Lessee or any person claiming by, through or under the Lessee making claim hereunder may look to said Trust Estate for satisfaction of the same.

#### SECTION 20 - SEVERABILITY; EFFECT AND MODIFICATION OF LEASE; THIRD PARTY BENEFICIARIES

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

(b) Except as otherwise contemplated by the definition of Excepted Rights in Collateral, no variation or modification of this Lease and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized signatories for the Trustee and the Lessee; and until the

security interest of the Indenture Trustee under the Security Agreement is discharged as provided therein, no variation, modification or waiver (except insofar as it relates to Excepted Rights in Collateral) shall be effective unless joined in by the Indenture Trustee.

#### SECTION 21 - EXECUTION

21.01 Execution. This Lease may be executed in several counterparts, such counterparts together constituting but one and the same agreement. To the extent, if any, that this Lease constitutes chattel paper (as defined in the Uniform Commercial Code as in effect in any applicable jurisdiction), no security interest may be created through the transfer of any counterpart other than the "original" counterpart which is deemed to be the counterpart containing the receipt therefor executed by the Indenture Trustee on the signature page thereof.

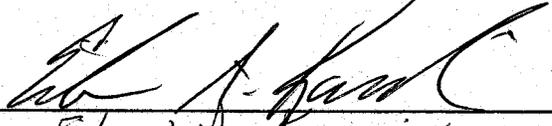
21.02 Governing Law. The terms of this Lease and all rights and obligations hereunder shall be governed by and construed in accordance with the laws of the State of Illinois; provided, however, that the parties shall be entitled to all rights arising out of the filing, recording or depositing of this Lease and any assignment hereof as shall be conferred by the laws of the several jurisdictions in which the same shall be filed, recorded or deposited, or in which any Units shall be located, and any rights arising out of the markings on the Units.

\* \* \* \* \*

IN WITNESS WHEREOF, each of the parties hereto, pursuant to due corporate authority, has caused this instrument to be duly executed in its corporate name by its officers thereunto duly authorized, all as of the date first above written.

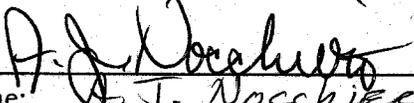
LESSEE

BP AMOCO CHEMICAL COMPANY

By:   
Name: Eileen J. Kamerrick  
Title: VICE PRESIDENT

CORPORATE SEAL

ATTEST:

By:   
Name: A. J. Nocchiero  
Title: VICE PRESIDENT

TRUSTEE

STATE STREET BANK AND TRUST  
COMPANY OF CONNECTICUT, NATIONAL  
ASSOCIATION,  
not in its individual capacity,  
but solely as Trustee

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

CORPORATE SEAL

ATTEST:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
 ) SS  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_ day of September, 1999, before me personally appeared \_\_\_\_\_ and \_\_\_\_\_, to me personally known, who being by me duly sworn, say that they are \_\_\_\_\_ and \_\_\_\_\_ respectively of STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION, that said instrument was signed and sealed on behalf of said corporation on such day by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

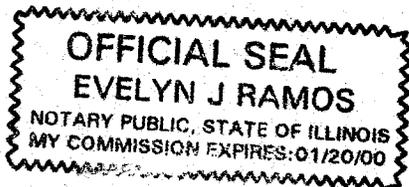
\_\_\_\_\_  
Notary Public

[NOTARIAL SEAL]

My commission expires: \_\_\_\_\_

STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

On this 24<sup>th</sup> day of September, 1999, before me personally appeared E. A. Americk and A. J. Vecchiero, to me personally known, who being by me duly sworn, say that they are VICE PRESIDENT and VICE PRESIDENT, respectively, of BP AMOCO CHEMICAL COMPANY, that said instrument was signed and sealed on behalf of said corporation on such day by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Evelyn J Ramos  
Notary Public

[NOTARIAL SEAL]

My commission expires: 01/20/00

IN WITNESS WHEREOF, each of the parties hereto, pursuant to due corporate authority, has caused this instrument to be duly executed in its corporate name by its officers thereunto duly authorized, all as of the date first above written.

LESSEE

BP AMOCO CHEMICAL COMPANY

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

CORPORATE SEAL

ATTEST:

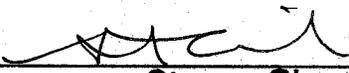
By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

TRUSTEE

STATE STREET BANK AND TRUST  
COMPANY OF CONNECTICUT, NATIONAL  
ASSOCIATION,  
not in its individual capacity,  
but solely as Trustee

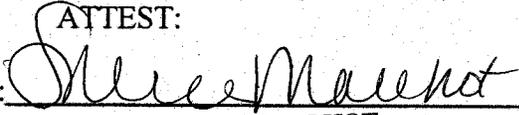
By:  \_\_\_\_\_

Name: **Steven Cimalore**

Title: **Vice President**

CORPORATE SEAL

ATTEST:

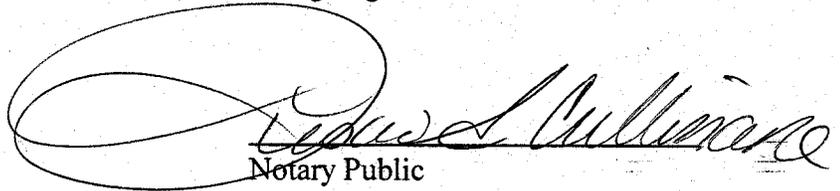
By:  \_\_\_\_\_

Name: **SHEREE MAILHOT**

Title: **VICE PRESIDENT**

STATE OF CONNECTICUT )  
 ) SS  
COUNTY OF HARTFORD )

On this 27<sup>TH</sup> day of September, 1999, before me personally appeared STEVEN CIMALORE and SHEREE MAILHOT, to me personally known, who being by me duly sworn, say that they are VICE PRESIDENT and Vice President respectively of STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION, that said instrument was signed and sealed on behalf of said corporation on such day by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Notary Public

[NOTARIAL SEAL]

**LESLIE A. CULLINANE**  
**NOTARY PUBLIC**  
MY COMMISSION EXPIRES MAR. 31, 2001

My commission expires: \_\_\_\_\_

STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

On this \_\_\_ day of September, 1999, before me personally appeared \_\_\_\_\_ and \_\_\_\_\_, to me personally known, who being by me duly sworn, say that they are \_\_\_\_\_ and \_\_\_\_\_, respectively, of BP AMOCO CHEMICAL COMPANY, that said instrument was signed and sealed on behalf of said corporation on such day by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

\_\_\_\_\_  
Notary Public

[NOTARIAL SEAL]

My commission expires: \_\_\_\_\_

RECEIPT

Receipt of this original counterpart of the foregoing Lease Supplement is hereby acknowledged.

LASALLE BANK NATIONAL  
ASSOCIATION  
Indenture Trustee

By: \_\_\_\_\_



Name: ERIK R. BENSON

Title: Assistant Vice President

**SCHEDULE I**  
**(to Equipment Lease)**

**Description of Tranches of Units**

**Tranche 1:**

**Tranche 2:**

**Tranche 3:**

**SCHEDULE II**  
(to Equipment Lease)

**Periodic Rental**  
(Expressed as a Percentage of Purchase Price)

Tranche 1:

<u>Date</u>	<u>Arrears Rent</u>	<u>Advance Rent</u>	<u>Total Rent</u>
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Tranche 2:

<u>Date</u>	<u>Arrears Rent</u>	<u>Advance Rent</u>	<u>Total Rent</u>
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Tranche 3:

<u>Date</u>	<u>Arrears Rent</u>	<u>Advance Rent</u>	<u>Total Rent</u>
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SCHEDULE III  
(to Equipment Lease)

Casualty Values; Termination Values  
(Expressed as a Percentage of Purchase Price)

Tranche 1:

<u>Date</u>	<u>Casualty Value/Termination Value</u>
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Tranche 2:

<u>Date</u>	<u>Casualty Value/Termination Value</u>
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Tranche 3:

<u>Date</u>	<u>Casualty Value/Termination Value</u>
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**EXHIBIT A**

LEASE SUPPLEMENT NO. \_\_\_

LEASE SUPPLEMENT NO. \_\_\_, dated \_\_\_\_\_, 19\_\_ (this "Supplement"), between BP AMOCO CHEMICAL COMPANY, a Delaware corporation (the "Lessee"), and STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION, a national banking association, acting not in its individual capacity but solely as Trustee under a Trust Agreement 1999-C, dated as of September 27, 1999 (the "Trustee"), with Comerica Leasing Corporation, a Michigan corporation (the "Owner Participant").

**WITNESSETH:**

WHEREAS, the Trustee and the Lessee heretofore have entered into that certain Equipment Lease 1999-C, dated as of September 27, 1999 (herein, together with any amendments and supplements heretofore made thereto, the "Lease"); and

WHEREAS, the Lease provides for the execution and delivery on the Closing Date (such term and other defined terms in the Lease being herein used with the same meanings) of a Supplement thereto substantially in the form hereof;

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the Trustee and the Lessee agree as follows:

1.01 Acceptance and Lease. The Lessee hereby acknowledges and confirms that on the date hereof the Units described in Annex I hereto have been unconditionally accepted by the Lessee from the Trustee and are now leased under the Lease and have been marked in accordance with Section 5 of the Lease. The Units being accepted hereby are located in various jurisdictions, but none of the Units being accepted hereby is being accepted in Chicago, Illinois. The Base Term of the Lease shall begin on the date hereof and, subject to the provisions of Sections 7 and 10 of the Lease, shall be for [\_\_\_] years from the date hereof.

1.02 Periodic Rental, Casualty Values and Termination Values. Attached as Annex II, and Annex III hereto are the Periodic Rental, Casualty Values and Termination Values for the Units covered by this Supplement.

2. Miscellaneous. Any and all notices, requests, certificates and other instruments executed and delivered after the execution and delivery of this Supplement may refer to the Lease without making specific reference hereto, but nevertheless all such references shall be deemed to include this Supplement unless the context thereof shall otherwise require.

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

This Supplement may be executed in several counterparts, such counterparts together constituting but one and the same agreement. To the extent, if any, that this Lease Supplement constitutes chattel paper (as defined in the Uniform Commercial Code as in effect in any applicable jurisdiction), no security interest may be created through the transfer of any counterpart other than the "original" counterpart which is deemed to be the counterpart containing the receipt therefor executed by the Indenture Trustee on the signature page thereof.

\* \* \* \* \*

IN WITNESS WHEREOF, each of the parties hereto, pursuant to due corporate authority, has caused this instrument to be duly executed in its corporate name by its officers thereunto duly authorized, all as of the date first above written.

LESSEE

BP AMOCO CHEMICAL COMPANY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

CORPORATE SEAL

ATTEST:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

TRUSTEE

STATE STREET BANK AND TRUST  
COMPANY OF CONNECTICUT, NATIONAL  
ASSOCIATION,  
not in its individual capacity,  
but solely as Trustee

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

CORPORATE SEAL

ATTEST:

By: \_\_\_\_\_

4

Name: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
 ) SS  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_ day of September, 1999, before me personally appeared \_\_\_\_\_ and \_\_\_\_\_, to me personally known, who being by me duly sworn, say that they are \_\_\_\_\_ and \_\_\_\_\_ respectively of STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION, that said instrument was signed and sealed on behalf of said corporation on such day by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

\_\_\_\_\_  
Notary Public

[NOTARIAL SEAL]

My commission expires: \_\_\_\_\_

STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

On this \_\_\_\_ day of September, 1999, before me personally appeared \_\_\_\_\_ and \_\_\_\_\_, to me personally known, who being by me duly sworn, say that they are \_\_\_\_\_ and \_\_\_\_\_, respectively, of BP AMOCO CHEMICAL COMPANY, that said instrument was signed and sealed on behalf of said corporation on such day by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation

\_\_\_\_\_  
Notary Public

[NOTARIAL SEAL]

My commission expires: \_\_\_\_\_

**RECEIPT**

Receipt of this original counterpart of the foregoing Lease Supplement is hereby acknowledged.

LASALLE BANK NATIONAL  
ASSOCIATION  
Indenture Trustee

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ANNEX I  
(to Lease Supplement No. )

Units - Tranche [ ]

Description of Units

Unit Identifying Number

Manufacturer

ANNEX II  
(to Lease Supplement No. \_)

Tranche \_\_\_\_  
Periodic Rental  
(Expressed as a Percentage of Purchase Price)

<u>Date</u>	<u>Arrears Rent</u>	<u>Advance Rent</u>	<u>Total Rent</u>
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ANNEX III  
(to Lease Supplement No. \_)

Tranche \_\_  
Casualty Values; Termination Values  
(Expressed as a Percentage of Purchase Price)

<u>Date</u>	<u>Casualty Value/Termination Value</u>
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