Law Offices of

CHAPMAN AND CUTLER

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(801) 533-0066

April 28, 1994

RECORDATION NO. 18787 FILED 1425

APR 28 1994 -9 50 AM

INTERSTATE COMMERCE COMMISSION

Mr. Sidney L. Strickland, Jr., Secretary
Interstate Commerce Commission
Twelfth Street & Constitution Avenue, N.W.
Washington, DC 20423

RECEIVED
OFFICE OF THE
SECRETARY
APR 28 9 40 AM '94
LICENSING BRANCH

Re: Burlington Northern Railroad Company
Leveraged Lease Locomotive Financing
BNRR 1994-B

Dear Mr. Strickland:

I am enclosing for recording pursuant to Section 11303 of Title 49 of the United States Code, two original copies of the document described below. As one of the attorneys representing the Lessee in this transaction, I have knowledge of the matters described in this letter.

The enclosed document is as follows:

(1) Lessor Security Agreement (BNRR 1994-B), dated as of April 28, 1994, between Lincoln Locomotive Lease Co., Ltd., as lessor (the *"Lessor"*), and Burlington Northern Railroad Company, as lessee (the *"Lessee"*).

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

LESSOR SECURITY AGREEMENT

Lessee: Burlington Northern Railroad Company
3800 Continental Plaza
777 Main Street
Fort Worth, Texas 76102

Lessor: Lincoln Locomotive Lease Co., Ltd.
c/o Babcock & Brown, Incorporated
Hills Plaza, 2 Harrison Street
6th Floor
San Francisco, California 94105

The Lessor Security Agreement provides, *inter alia,* for the granting of a junior security interest in certain Locomotives (the *"Equipment"*) in favor of the Lessee.

Edward M. Lewis

253438.01.01
1063213

COPY

The description of the Equipment covered as of the date hereof by the aforesaid Lessor Security Agreement is as set forth on Exhibit A hereto.

A fee of sixteen dollars ($16.00) is enclosed. Please time and date stamp the enclosed copy of the enclosed document along with the extra copy of this letter as proof of filing and recordation of the enclosed document and return the original and any extra copies of such document and this letter not needed by the Commission for recordation to:

Michael G. McGee
Chapman and Cutler
111 West Monroe
Chicago, Illinois 60603

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

(1) LESSOR SECURITY AGREEMENT:

Lessor Security Agreement (BNRR 1994-B) between Lincoln Locomotive Lease Co., Ltd., as Lessor, c/o Babcock & Brown Incorporated, Hills Plaza, 2 Harrison Street, 6th Floor, San Francisco, California 94105, and Burlington Northern Railroad Company, as Lessee, 3800 Continental Plaza, 777 Main Street, Fort Worth, Texas 76102, dated as of April 28, 1994, covering certain diesel electric locomotives.

If you have any questions or need further information, please do not hesitate to contact the undersigned (312-845-3767).

Sincerely,

CHAPMAN AND CUTLER

By Michael McGee
Michael G. McGee

MGM/cs
Enclosure

COPY

Law Offices of

CHAPMAN AND CUTLER

EXHIBIT A

UNITS

EQUIPMENT	QUANTITY	REPORTING MARKS
Diesel Electric Locomotives	13	BN 9425 through BN 9430, inclusive BN 9432 through BN 9438, inclusive

COPY

Interstate Commerce Commission
Washington, D.C. 20423

4/28/94

OFFICE OF THE SECRETARY

Michael G. McGee
Chapman & Cutler
111 West Monroe
Chicago, Illinois 60603

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 4/28/94 at 9:50am, and assigned recordation number(s). 18787-D

Sincerely yours,

Secretary
SIDNEY L. STRICKLAND, JR.

Enclosure(s)

LESSOR SECURITY AGREEMENT (BNRR 1994-B)

RECORDATION NO. 18787 FILED 1425
APR 28 1994 -9 50 AM
INTERSTATE COMMERCE COMMISSION

Between

LINCOLN LOCOMOTIVE LEASE CO., LTD.,
as Lessor

and

BURLINGTON NORTHERN RAILROAD COMPANY,
as Lessee

Dated as of April 28, 1994

Thirteen General Motors Corporation (Electro-Motive Division)
Model SD 70M-AC
Diesel Electric Locomotives

Filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303 on _____, 1994, at _____, recordation number _____, and deposited in the Office of the Registrar General of Canada pursuant to Section 90 of the Railway Act of Canada on _____, 1994 at __:__ _.m.

LESSOR SECURITY AGREEMENT (BNRR 1994-B)

This LESSOR SECURITY AGREEMENT (BNRR 1994-B) (the "Agreement"), dated as of April 28, 1994, by and between LINCOLN LOCOMOTIVE LEASE CO., LTD., a corporation formed under the laws of the Cayman Islands, with its registered office at Caledonian House, Mary Street, P.O. Box 1043, George Town, Grand Cayman, Cayman Islands (together with its successors and permitted assigns, the "Lessor"), and BURLINGTON NORTHERN RAILROAD COMPANY, a corporation organized under the laws of the State of Delaware, with its principal place of business at 777 Main Street, Fort Worth, Texas 76102 (together with its successors and permitted assigns, the "Lessee"),

W I T N E S S E T H:

WHEREAS, simultaneously with the execution and delivery of this Agreement, the Lessor and the Lessee are entering into the Lease (such term and other capitalized terms used in these recitals having the meanings specified in Section 1 hereof) whereby the Lessor has agreed to lease to the Lessee, and the Lessee has agreed to lease from the Lessor, the Items of Equipment, subject to the terms and conditions of the Lease; and

WHEREAS, the Lessor has, under the terms of Sections 9, 10, 15 and 19 of the Lease, granted to the Lessee the option to purchase the Items of Equipment upon satisfaction of the conditions for such purchase set forth therein; and

WHEREAS, to induce the Lessee to enter into the Lease, the Lessor desires by this Agreement to grant to the Lessee a security interest in all of the Lessor's right, title and interest in and to the Items of Equipment (subject and subordinate to the security interest in the Items of Equipment granted to the Indenture Trustee under the Indenture) to secure the prompt and faithful performance and observance of the Lessor's obligation to transfer title to the Items of Equipment to the Lessee pursuant to the aforesaid provisions of the Lease.

NOW, THEREFORE, in consideration of the premises and of the covenants herein contained and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

Section 1. Definitions. Unless the context otherwise requires, all capitalized terms used herein shall have the meanings set forth in Appendix X hereto for all purposes of this Agreement.

Section 2. Grant of Security Interest.

NOW, THEREFORE, in order to secure the due and punctual transfer by the Lessor to the Lessee of all of the Lessor's right, title and interest in and to the Items of Equipment in accordance with Sections 9(e)(v), 10(a)(ii), 15(b) and (c) and 19 of the Lease (or, alternatively, if the Lessor shall then be the subject of any bankruptcy, insolvency or similar proceeding, to satisfy any claim arising out of the rejection or unilateral termination of such obligation to transfer all of its right, title and interest in and to the Items of Equipment), and in consideration of the premises and covenants herein contained, the Lessor has granted, assigned, transferred and pledged to the Lessee and created in favor of the Lessee a security interest in, and does hereby grant, assign, transfer and pledge to the Lessee and create in favor of the Lessee a security interest in, all of the Lessor's right, title and interest in and to the Items of Equipment, including all such items and types of property which hereafter become a part of the Items of Equipment by operation of law or any agreement, and all proceeds thereof (all of which shall be included in the term "LSA Collateral").

SUBJECT AND SUBORDINATE to the Lien with respect to the LSA Collateral granted pursuant to that certain Trust Indenture and Security Agreement (BNRR 1994-B), dated as of April 28, 1994, among the Lessor, the Lessee and Wilmington Trust Company, as Indenture Trustee (the "Indenture"), for the duration thereof.

TO HAVE AND TO HOLD the LSA Collateral unto the Lessee, its successors and assigns, for the uses and purposes set forth in this Agreement and subject to the terms and provisions set forth in this Agreement and the Indenture.

The Lessee shall not be required or obligated in any manner to perform or fulfill any obligations of the Lessor under or pursuant to the Lease or, except as herein expressly provided, to make any payment, or to make any inquiry as to the nature or sufficiency of any payment received by it, or present or file any claim, or take any action to collect or enforce the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

Unless and until a Default (as defined below) shall have occurred and be continuing, the Lessor may in its own behalf exercise the rights, powers and privileges with respect to the LSA Collateral possessed by the Lessor under the Operative Documents.

Section 3. Certain Covenants of the Lessor. The Lessor hereby covenants and agrees as follows:

(a) Except as expressly permitted by Section 15 of the Lease, neither the Lessor nor anyone claiming through or under the Lessor, other than the Indenture Trustee, shall interrupt or interfere with the exercise of the Lessee's purchase rights with respect to the Items of Equipment under, or the passage to the Lessee of title to the Items of Equipment provided for by, Sections 9(e)(v), 10(a)(ii), 15(b) and (c) and 19 of the Lease.

(b) The Lessor's obligations under this Agreement shall be absolute, and unconditional and shall not be affected by any circumstances whatsoever, including, without limitation, any insolvency, bankruptcy, reorganization or similar proceedings by or against the Lessor.

(c) The Lessor shall duly and promptly execute and deliver to the Lessee such further documents and assurances and take such further action as may from time to time be reasonably requested by the Lessee in order to carry out more effectively the intent and purpose of this Agreement.

(d) The Lessor will give the Lessee at least thirty (30) days' prior written notice of any change in the Lessor's name, identity, corporate structure, principal place of business or chief executive office or places where the Lessor keeps its records concerning the LSA Collateral which change would affect any filings previously made in any public registry with respect to the Lessee's rights hereunder. The Lessor will take all actions (or make arrangements to take such action substantially simultaneously with such change if it is impossible to take such action in advance of such change) reasonably requested by the Lessee to amend any such filings.

Section 4. Defaults. The following shall constitute a default ("Default") under this Agreement:

(a) the Lessee shall have exercised any of the purchase options referred to in Section 9(e)(v), 10(a)(ii), 15(b) and (c) or 19 of the Lease, as the case may be, and shall have purchased the Items of Equipment in accordance with the terms thereof, and

(b) all right, title and interest of the Lessor therein and thereto, subject to the Lien of the Indenture, shall not have been transferred to the Lessee in accordance with Section 9(e)(v), 10(a)(ii), 15(b) and (c) or 19 of the Lease, as the case may be.

Section 5. Remedies.

(a) Upon the occurrence of any Default and at any time thereafter so long as the same shall be continuing, subject to Section 12(h) hereof, the Lessee may proceed to protect and enforce its rights by suit in equity, action at law or other appropriate proceeding, including, without limitation, specific performance, and may exercise any or all of the rights and powers and pursue any and all of the remedies provided under this Agreement. The remedies referred to in this Section 5 are not exclusive but shall be cumulative and in addition to any other remedy available to the Lessee at law or in equity.

(b) The Lessee may, at its option, declare this Agreement to be in default; and at any time thereafter the Lessee may retain or take possession of and take title to, by summary proceedings or otherwise, the Items of Equipment, and hold, use, operate, sell or otherwise dispose of, lease to others or keep idle such Items of Equipment as the Lessee, in its sole discretion, may determine, all free and clear of any rights or claims of the Lessor (but not of the Indenture Trustee if the Lien of the Indenture is then in effect), including, without limitation, any claim of title, and without any duty to account to the Lessor for such action or inaction or any proceeds with respect thereto.

(c) The parties agree that the transfer of all of the Lessor's right, title and interest in and to the Items of Equipment to the Lessee upon the Lessee's exercise of any of its purchase options and the purchase of the Items of Equipment in accordance with the provisions of Sections 9(e)(v), 10(a)(ii), 15(b) and (c) and 19 of the Lease and the Lessor's obligation to execute and deliver bills of sale and other documents and instruments reasonably requested by the Lessee in order to evidence (on the public record or otherwise) the transfer and vesting of title, are essential to the transactions contemplated by the Operative Documents. The parties further agree that in the event that, notwithstanding such purchase, title failed to vest in the Lessee for any reason or the Lessor failed for any reason to perform such obligations, the Lessee's remedies at law would be incomplete and inadequate because, among other things, the Items of Equipment would cease to be marketable in the hands of the Lessee and the Lessee's damages would be incapable of ascertainment. It is therefore agreed that the Lessee shall be entitled to equitable relief to ensure that title so vests, including, without limitation, relief by way of an action for a declaratory judgment or otherwise to quiet title, or for specific performance, or an injunction. The Lessor hereby waives any and all objections to such equitable relief.

Section 6. Appointment of Attorney. The Lessor hereby irrevocably constitutes and appoints the Lessee and each of the duly authorized officers of the Lessee, upon the occurrence and during the continuance of a Default, as the true and lawful attorney-in-fact of the Lessor to perform any of the Lessor's obligations referred to in Sections 9(e)(v), 10(a)(ii), 15(b) and (c) and 19 of the Lease to execute a bill of

sale transferring title to the Lessee or take any other action for the purpose of transferring title in the Items of Equipment to the Lessee; provided, however, that neither the Lessee nor any of its officers shall have any obligation whatsoever to exercise any of such powers hereby conferred. The Lessor hereby ratifies and confirms all that the said attorney-in-fact or any substitute shall lawfully do or cause to be done in furtherance of the foregoing.

Section 7. Waivers. The Lessor hereby waives to the extent not prohibited by applicable law (i) all presentments, demands for performance, notices of nonperformance (except to the extent required by the provisions hereof), protests and notices of protest, and (ii) any requirement of diligence or promptness on the part of the Lessee in the enforcement of its rights under the provisions of this Agreement, and (iii) any defense of any kind which it may now or hereafter have with respect to its liability under this Agreement.

Section 8. Course of Dealing. No course of dealing between the Lessee and the Lessor shall operate as a waiver of any of the Lessee's rights under this Agreement. No delay or omission on the part of the Lessee in exercising any right under this Agreement shall operate as a waiver of such right or any other right hereunder. A waiver on any one occasion shall not be construed as a bar to or waiver of any right or remedy on any future occasion. No such waiver or consent shall be binding unless it is in writing and signed by both parties hereto.

Section 9. Marshaling, etc. The Lessee shall not be required to make any demand upon or pursue or exhaust any of its rights or remedies against the Lessor or any other Person, or to pursue or exhaust any of its rights or remedies with respect to any of the LSA Collateral or any other security therefor, or any direct or indirect guarantee thereof. The Lessee shall not be required to marshal the LSA Collateral or any other security for or any guarantee of the Lessor's obligations or to resort to the LSA Collateral or any other security or any such guarantee in any particular order and all of its rights hereunder shall be cumulative.

Section 10. Title Instruments. At any time after the occurrence and during the continuance of a Default, at the request of the Lessee, the Lessor shall promptly execute and deliver to the Lessee such instruments of title and other documents as the Lessee reasonably may deem necessary or advisable to enable the Lessee or an agent or representative designated by the Lessee, at such time or times and place or places as the Lessee may specify, to obtain possession of all or any part of the LSA Collateral to whose possession the Lessee shall at the time be entitled hereunder. If the Lessor shall for any reason fail to execute and deliver such instruments and documents after such request by the Lessee, the Lessee may (a) obtain a judgment conferring on the Lessee the right to immediate possession and requiring the Lessor to deliver such instruments and documents to the Lessee (to the entry of which judgment the Lessor hereby specifically consents), and (b) to the extent permitted by applicable

law, pursue all or any part of such LSA Collateral wherever it may be found and may enter any of the premises of the Lessor wherever such LSA Collateral may be or be supposed to be and search for such LSA Collateral and take possession of and remove such LSA Collateral. All expenses of obtaining such judgment or of pursuing, searching for and taking such property shall be paid by Lessor and, until paid, shall be secured by the Lien of this Agreement.

Section 11. Sale of the LSA Collateral. At any time after the occurrence and during the continuance of a Default, and subject to Section 12(h) hereof, any item of the LSA Collateral may be sold for cash or other value in any number of lots at public or private sale without demand, advertisement or notice (except only that the Lessee shall give the Lessor 10 days' prior written notice of the time and place of any public sale, or the time after which a private sale may be made, which notice the Lessor and the Lessee hereby agree to be reasonable). At any sale or sales of the LSA Collateral (except to the extent prohibited by applicable law which cannot be waived) the Lessee or any of its officers acting on its behalf or assigns may bid for and purchase the whole or any part of the property and rights so sold and upon compliance with the terms of such sale may hold, exploit and dispose of such property and rights without further accountability to the Lessor.

Section 12. Miscellaneous.

(a) Termination of this Assignment. This Agreement shall terminate and shall be of no further force and effect upon the earlier to occur of (a) the expiration of the Lessee's option to purchase the Items of Equipment pursuant to Sections 9(e)(v), 10(a)(ii), 15(b) and (c) and 19 of the Lease, (b) the transfer by the Lessor to the Lessee of all of the Lessor's right, title and interest in and to the Items of Equipment in accordance with the terms hereof and of Sections 9(e)(v), 10(a)(ii), 15(b) and (c) or 19 of the Lease, as the case may be, and (c) the Conversion Date.

(b) Sale by Lessee Binding. Any sale or other conveyance of the LSA Collateral or any part thereof by the Lessee made pursuant to the terms of this Agreement shall be effective to transfer or convey all right, title and interest of the Lessee and the Lessor in and to the LSA Collateral or such part thereof. No purchaser or other grantee shall be required to inquire as to the authorization, necessity, expediency or regularity of such sale or conveyance or as to the application of any sale or other proceeds with respect thereto by the Lessee. In the event of any such sale, the Lessor shall execute any and all such bills of sale and other documents, and perform and do all other acts and things requested by the Lessee in order to permit consummation of such sale and to effectuate the transfer or conveyance referred to in the first sentence of this Section 12(b); provided that no such act or thing requested of the Lessor hereunder shall be inconsistent with or enlarge the Lessor's obligations respecting transfer of title to the Items of Equipment beyond the requirements imposed on the Lessor under Sections 9(e)(v), 10(a)(ii), 15(b) and (c) and 19 of the Lease.

(c) Benefit of this Agreement. Nothing in this Agreement, whether express or implied, shall be construed to give to any person other than the Lessee and any assignee of the Lessee any legal or equitable right, remedy or claim under or in respect of this Agreement.

(d) Notices. All notices, declarations, instructions, demands, requests, consents, approvals and other communications required under the terms and provisions hereof shall be in English and in writing, and may be given by airmail, telegram, cable, telex, telecopy or telefax or any other customary means of communication and any such notice, declaration, demand, request, consent, approval or other communication shall be effective when delivered (i) if to Lessee, at 777 Main Street, Fort Worth, Texas 76102, Attention: Treasurer, Telecopy/Telefax: (817) 333-7484, or at such other address as Lessee shall from time to time designate in writing to Lessor and (ii) if to Lessor, c/o Babcock & Brown, Incorporated, Hills Plaza, 2 Harrison Street, 6th Floor, San Francisco, California 94105, Attention: General Counsel, Telecopy/Telefax: (415) 267-1500, with a copy to Nomura Babcock & Brown Co., Ltd. at Dai-Ichi Edobashi Building, 1-11-1 Chuo-ku, Tokyo 103, Japan, Attention: General Manager, Telex: J33704, Answerback: NOMBAB, Telecopy/Telefax: 011-81-3-3281-0215, or at such other address as Lessor shall from time to time designate in writing to Lessee.

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

(f) Successors and Assigns. The Lessee may assign, in whole or in part, all of its rights, interests and benefits hereunder and in and to the Lease and the Items of Equipment, as provided herein or in any other Operative Document. All covenants and agreements contained herein shall be binding upon, and inure to the benefit of, the Lessee and its successors and permitted assigns, and the Lessor and its successors and assigns, all as herein provided.

(g) **GOVERNING LAW. THIS AGREEMENT SHALL IN ALL RESPECTS BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE (BUT EXCLUDING THE LAWS APPLICABLE TO CONFLICTS OR CHOICE OF LAW).**

(h) Lessee Covenants. This Agreement is subject and subordinate in all respects to the Indenture and the Lessee agrees for the benefit of the Indenture Trustee and the holders of the Equipment Certificates that during the Security Period the

Lessee will not exercise any rights or remedies with respect to the Items of Equipment provided under this Agreement without first obtaining the written consent of the Indenture Trustee. The Lessee will not change, modify, amend or waive any provision of this Agreement without the prior written consent of the Indenture Trustee so long as the Lien of the Indenture has not been released.

Section 13. Counterparts. This Agreement may be executed in several counterparts, each of which is an original but all of which together constitute one and the same instrument.

Section 14. Service of Process.

(a) Each of the Lessor and the Lessee irrevocably submits to the non-exclusive jurisdiction of each of a court of competent jurisdiction in the State of New York, the United States District Court for the Southern District of New York, the Tokyo District Court of Japan and other courts of the State of New York, the United States or Japan with jurisdiction to hear appeals from any such court for the purposes of any suit, action or other proceedings of any type whatsoever arising out of this Agreement or the subject matter hereof or any of the transactions contemplated hereby, and to the extent permitted by applicable law hereby waives, and agrees not to assert by way of motion, as a defense or otherwise in any such suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of the above named courts, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court. The Lessor has designated and appointed Babcock & Brown Inc., with offices on the date hereof at 599 Lexington Avenue, New York, New York 10022, to receive for it and on its behalf service of process in any proceedings arising hereunder in New York. The Lessee has designated and appointed CT Corporation, with offices on the date hereof at 1633 Broadway, New York, New York 10019, to receive for it and on its behalf service of process in any proceedings arising hereunder in New York. The Lessor has designated and appointed Nomura Babcock & Brown Co., Ltd., with offices at Dai-Ichi Edobashi Building, 1-11-1 Chuo-Ku, Tokyo 103, Japan, to receive for it and on its behalf service of process in any proceeding arising hereunder in Japan. The Lessee has designated and appointed Kamano Sogo Law Offices, with offices on the date hereof at American International Building, 20-5 Ichibancho Chiyoda-Ku, Tokyo 102, Japan to receive for it and on its behalf service of process in any proceeding arising hereunder in Japan. Each of the Lessor and the Lessee further covenants and agrees that so long as it retains any right or interest in and to this Agreement, it shall maintain a duly appointed agent for service of summonses or other legal process in the State of New York or Tokyo, Japan, as the case may be. Nothing in this Agreement shall affect the right to serve process in any other manner permitted by law.

(b) To the extent that the Lessor or the Lessee or any of the property of the Lessor or the Lessee is or becomes entitled at any time to any immunity on the grounds of sovereignty or otherwise from any legal action, suit or proceeding, from set-off or counterclaim, from the jurisdiction of any competent court, from service of process, from attachment prior to judgment, from attachment in aid of execution, or from execution prior to judgment, or other legal process in any jurisdiction, each of the Lessor and the Lessee, for itself and its property, does hereby irrevocably and unconditionally waive, and agrees not to plead or claim, any such immunity with respect to its obligations, liability or any other matter under or arising out of or in connection with this Agreement or the subject matter hereof.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed by their respective officers or attorneys-in-fact thereunto duly authorized as of the day and year first above written.

LINCOLN LOCOMOTIVE LEASE
CO., LTD.
Lessor

By_____
Name: LEONARD B. CHAVEL
Title: Vice President

BURLINGTON NORTHERN RAILROAD
COMPANY
Lessee

By_____
Name: Robert F. McKenney
Title: Senior Vice President and Treasurer

STATE OF NEW YORK :
SS
COUNTY OF NEW YORK :

On this, the 27th day of April, 1994, before me, a notary public, personally appeared Leonard B. Shavel, to me personally known, who being by me duly sworn, says that he is the Vice President of Lincoln Locomotive Lease Co., Ltd., that said instrument was executed on April 27, 1994 on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Sworn to before me this
27th day of April, 1994.

(NOTARIAL SEAL)

Notary Public

My Commission Expires:
LINDA CORRIGAN
Notary Public, State of New York
No. 01CO 4746956
Qualified in Westchester County
Commission Expires August 31, 1995

STATE OF TEXAS :

SS

COUNTY OF TARRANT :

On this, the 28 day of April, 1994, before me, a notary public, personally appeared Robert F. McKenney, to me personally known, who being by me duly sworn, says that he is the Senior Vice President and Treasurer of Burlington Northern Railroad Company, that said instrument was executed on April 28, 1994 on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Sworn to before me this
28 day of April, 1994.

(NOTARIAL SEAL)

LaVoice Meier
Notary Public
STATE OF TEXAS
My Comm. Exp. 08/10/97

Notary Public

My Commission Expires:

BURLINGTON NORTHERN RAILROAD COMPANY
LINCOLN LOCOMOTIVE LEASE CO., LTD.
FINANCING OF THIRTEEN GENERAL MOTORS CORPORATION
(ELECTRO-MOTIVE DIVISION) MODEL SD 70M-AC
DIESEL ELECTRIC LOCOMOTIVES

The definitions stated herein shall apply equally to both the singular and plural forms of the terms defined.

"Affiliate" of any Person means any other Person directly or indirectly controlling, controlled by or under common control with such Person. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct, or cause the direction of, the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Agreement," "this Agreement," "hereof," "hereby," or any other like term means, unless the context requires otherwise, the agreement in which such term is used, including all annexes, exhibits, schedules, and supplements thereto, as such agreement may be amended, modified or supplemented from time to time.

"Applicable Laws" means all rules, regulations and orders issued by the ICC, the Department of Transportation and any other government or instrumentality, subdivision or agency thereof having jurisdiction and relating to the registration, operation, maintenance and service of the Items of Equipment.

"Assignment of Lessor's Interest in Lease and Supplemental Indenture" means the document so titled, which is described in Section 2.11(b)(ii)(x) of the Indenture.

"Assignment of Warranties" means the Assignment of Warranties (BNRR 1994-B), dated as of April 28, 1994, from the Seller to the Lessor, as the same may be amended, modified or supplemented from time to time.

"Bankruptcy Code" shall mean the United States Bankruptcy Reform Act of 1978, as amended from time to time, 11 U.S.C. § 101 et seq.

"Basic Rent" for the Items of Equipment means the rent payable to Lessor for the Items of Equipment pursuant to Section 3(b) of the Lease in the amounts and payable on the dates set forth in Schedule A to the Lease.

"Basic Termination Payment" means, with respect to any termination of the Lease pursuant to Section 9 or 15 of the Lease, the amount computed and payable as provided in Schedule B to the Lease.

"Bill of Sale" means a full warranty bill of sale executed by the Seller for all of the Items of Equipment.

"Business Day" means any day other than a Saturday, Sunday or a day on which commercial banking institutions are authorized or required by law, regulation or executive order to be closed in New York, New York, Fort Worth, Texas, or Tokyo, Japan or a city in which the Indenture Trustee or the Pass Through Trustee maintains its Corporate Trust Office.

"Casualty Value Termination Payment" means, with respect to any termination of the Lease with respect to one or more Items of Equipment pursuant to Section 10 of the Lease, the amount computed and payable as provided in Schedule C to the Lease.

"Certificates" means, collectively, those 6.52% Pass Through Certificates, Series 1994-A1, and those 7.40% Pass Through Certificates, Series 1994-A2, executed and authenticated by the Pass Through Trustee pursuant to the terms of the applicable Pass Through Trust Agreement, upon the purchase of the Equipment Certificates, and any replacement Certificates thereto.

"Certificates of Participation" means those 6.52% Certificates of Participation Series A1, and those 7.40% Certificates of Participation, Series A2, issued by the Indenture Trustee upon conversion of the Equipment Certificates in accordance with provisions of Section 2.11 of the Indenture.

"Change in Law" means any change in, deletion from, or amendment or addition to, Japanese Tax Law occurring on or after the Delivery Date, regardless of whether such change, deletion, amendment or addition has been discussed or proposed prior to the Delivery Date.

"Claims" has the meaning set forth in Section 20(a) of the Lease.

"Closing" shall mean the execution and delivery of the initial Lease Supplement by the parties thereto.

"Closing Date" means the date specified as such in Section 2(b) of the Debt Participation Agreement.

"Closing Time" shall have the meaning set forth in Section 2(b) of the Debt Participation Agreement.

"Code" means the Internal Revenue Code of 1986, as in effect on the date hereof or as hereafter amended.

"Conversion Date" means the date on which the Discharge and Conversion is effected pursuant to Section 2.11 of the Indenture.

"Corporate Trust Office" means, with respect to the Pass Through Trustee and the Indenture Trustee, the office of such trustee in the city at which at any particular time its corporate trust business shall be principally administered.

"Custodian" means Morgan, Lewis & Bockius, a Pennsylvania general partnership, and its successors and permitted assigns.

"Custodian Agreement" means the Custodian Agreement (BNRR 1994-B), dated as of April 28, 1994, among the Custodian, Lessor and Lessee.

"Debt Participation Agreement" means the Debt Participation Agreement (BNRR 1994-B), dated as of April 28, 1994, among the Indenture Trustee, the Pass Through Trustee, the Lessor, the Lessee and the Seller, and all annexes, supplements and exhibits thereto, all as amended, modified or supplemented from time to time.

"Deficiency Payment" has the meaning specified in Section 19 of the Lease.

"Delivery Date" means the date of the initial Lease Supplement for the Items of Equipment, which date shall be the date on which the Items of Equipment are delivered to and accepted by Lessor and Lessor leases the Items of Equipment to Lessee pursuant to the Lease.

"Discharge and Conversion" has the meaning specified in Section 2.11 of the Indenture.

"Distribution Date" means, with respect to distributions of Scheduled Payments, each June 26 and December 26 until payment of all the Scheduled Payments to be made under the Equipment Certificates has been made, commencing on June 26, 1994.

"Dollar" or "$" means the lawful currency of the United States of America.

"Dollar Account" means the account of Lessor specified as such in the Payment Instruction Letter.

"Equipment Certificates" means, collectively, that certain 6.52% Series 1 Equipment Certificate, and that certain 7.40% Series 2 Equipment Certificate, each substantially in the forms thereof set forth in Section 2.01 of the Indenture, issued by the Lessor on or prior to the Closing Date and any other such Equipment Certificates thereafter issued in exchange therefor or replacement thereof pursuant to Section 2.07 or 2.08 of the Indenture.

"Equity Participation Agreement" means the Equity Participation Agreement (BNRR 1994-B), dated as of April 28, 1994, by and among the Lessor, the Lessee and the Seller, and all annexes, supplements and exhibits thereto, all as amended, modified or supplemented from time to time.

"Event of Default" has the meaning set forth in Section 14 of the Lease.

"Event of Loss" means with respect to any property any of the following events occurring during the Term: (i) such property suffers an actual or constructive total loss, (ii) such property suffers destruction or damage beyond economic repair or such property is rendered permanently unfit for commercial use by the Lessee and for the purpose for which it was designed, as determined in good faith by the Lessee, (iii) such property is taken, condemned or requisitioned for title by any governmental authority, (iv) such property is taken, condemned or requisitioned for use by the Government or any other governmental authority for a period extending beyond the Term or (v) such property is lost, stolen or otherwise disappears. The date of such Event of Loss shall be the date of such loss, damage, condemnation, taking, requisition or disappearance, except that for purposes of clause (iv) above, no Event of Loss shall be deemed to have occurred until the earlier of (1) the last day of the Term and (2) the Lessee's declaration of the occurrence of an Event of Loss at any time following 12 months after such taking or requisition.

"Excepted Interests" means (i) any indemnity payments and interest thereon paid or payable to Lessor under the Lease, (ii) proceeds of public liability insurance in respect of the Items of Equipment paid or payable as a result of insurance claims made, or losses suffered by, the Lessor, (iii) proceeds of insurance maintained in respect of the Items of Equipment by or for the benefit of the Lessor and not required under Section 11 of the Lease, (iv) any Basic Rent, Casualty Value Termination Payments, Special Termination Payments, Purchase Price or

Deficiency Payments payable in Yen under the Lease, (v) any amounts paid or payable to the Lessor under the Lease to reimburse the Lessor for expenses incurred by it in exercising its rights under, or performing or complying with any of the obligations of the Lessee under, the Lease (vi) any payments or other amounts which would otherwise constitute part of the Indenture Estate, which have been released from the Lien of the Indenture, (vii) the right to exercise inspection rights pursuant to Section 12 of the Lease, (viii) the right to approve as satisfactory any accountants, engineers, counsel, or other Persons to render services for or issue opinions to the Lessor pursuant to express provisions of the Lease, (ix) the right as Lessor to seek specific performance of the covenants of the Lessee under the Lease relating to the protection, insurance and maintenance of the Items of Equipment and to maintain separate insurance with respect to the Items of Equipment pursuant to Section 11 of the Lease; (x) the right to demand, collect, sue for or otherwise receive and enforce the payment of any Excepted Interests; and (xi) the right to amend, settle or reduce the amount of any claim payable to Lessor as an Excepted Interest.

"Government" means the government of the United States of America and any instrumentality, subdivision or agency thereof and the government of Canada and any instrumentality, subdivision or agency thereof.

"ICC" means the Interstate Commerce Commission and any agency or instrumentality of the United States government succeeding to its functions.

"Improvement" means any improvement, structural change, modification or addition to any Item of Equipment made after the Delivery Date.

"Indemnified Person" means any Person identified as such in Section 20(b) of the Lease.

"Indenture" or "Trust Indenture" means the Trust Indenture and Security Agreement (BNRR 1994-B), dated as of April 28, 1994, among the Lessor, the Lessee and Wilmington Trust Company, as Indenture Trustee, and all annexes, supplements and exhibits thereto, all as amended, modified or supplemented from time to time, including supplementation by each Indenture Supplement executed and delivered pursuant thereto.

"Indenture Default" means an event which with notice or the lapse of time or both would become an Indenture Event of Default.

"Indenture Estate" has the meaning specified in the Granting Clause of the Indenture.

"Indenture Event of Default" has the meaning specified in Section 4.01 of the Indenture.

"Indenture Supplement" means the Indenture Supplement No. 1 (BNRR 1994-B), substantially in the form of Exhibit A to the Indenture, to be entered into by and among the Lessor, the Lessee and the Indenture Trustee on the Delivery Date covering the Items of Equipment referenced therein, any amendment to the Indenture Supplement and any subsequent Indenture Supplement executed and delivered in connection with a Replacement Item of Equipment.

"Indenture Trustee" means Wilmington Trust Company, a Delaware banking corporation, together with any successors, permitted assigns and co-trustees, not in its individual capacity but solely as Indenture Trustee.

"Initial Storage Period" has the meaning set forth in Section 5(d) of the Lease.

"Interest Payment Date" means the last day of a Lease Period.

"Investment Banker" means an independent investment banking institution of national standing appointed by Lessee.

"Item of Equipment" means (i) each of the General Motors Corporation (Electro-Motive Division) Model SD 70M-AC diesel electric locomotives (or an improved model of the same Manufacturer) listed by Lessee's road numbers BN 9425 through BN 9430, inclusive, and BN 9432 through BN 9438, inclusive in the Lease Supplement executed and delivered on the Delivery Date, including any and all Parts or Improvements incorporated or installed in or attached to such Item of Equipment, and including any and all Parts or Improvements removed from such Item of Equipment so long as title thereto shall remain vested in Lessor in accordance with the terms of Section 8 of the Lease after removal from such Item of Equipment, and (ii) any Replacement Item of Equipment which may from time to time be substituted, pursuant to Section 10(a) of the Lease, for an Item of Equipment leased under the Lease, including any and all Parts or Improvements incorporated or installed in or attached to such Replacement Item of Equipment, and including any and all Parts or Improvements removed from such Replacement Item of Equipment so long as title thereto shall remain vested in Lessor in accordance with the terms of Section 8 of the Lease after removal from such Replacement Item of Equipment. The term "Items of Equipment" also means, as of any date of determination, all Items of Equipment then leased under the Lease.

"Japanese Tax Law" means the Tax Act and all official interpretations thereof, and published decisions and rulings (tsutatsu) and administrative guidance (gyoseishido) by the National Tax Administration Agency and other relevant government agencies and all judicial precedents and decisions of national or local offices of the National Tax Tribunal applicable thereto.

"Kumiai-in" means any Person who is a party to a Tokumei Kumiai Agreement with Lessor and any transferee of such Person entered on Lessor's Record of Ownership for the purposes of the Operative Documents and the transactions contemplated thereby.

"Lease Agreement" or "Lease" means the Lease Agreement (BNRR 1994-B), relating to the Items of Equipment, dated as of April 28, 1994, between Lessor and Lessee, and all annexes, supplements and exhibits thereto, all as amended, modified or supplemented from time to time. The term "Lease" shall include each Lease Supplement entered into pursuant to the terms of the Lease.

"Lease Default" means an event which with notice or lapse of time or both would become a Lease Event of Default.

"Lease Event of Default" and "Event of Default" mean an Event of Default under the Lease as specified in Section 14 thereof.

"Lease Expiry Date" means the day immediately preceding the fourteenth anniversary of the Delivery Date; provided, that where any amount is expressed to be payable on the Lease Expiry Date, for such purposes only the Lease Expiry Date means the fourteenth anniversary of the Delivery Date.

"Lease Period" means each of (x) the period commencing on and including the Delivery Date and ending on and including the first Lease Period Date, and (y) each period commencing on and including the day immediately following the prior Lease Period Date (other than the last) and ending on and including the next subsequent Lease Period Date.

"Lease Period Date" means each of the Lease Period Dates listed on Schedule A to the Lease.

"Lease Supplement" means the Lease Supplement No. 1 (BNRR 1994-B), substantially in the form of Exhibit A to the Lease, to be entered into between Lessor and Lessee on the Delivery Date for the purpose of leasing the Items of Equipment under and pursuant to the terms of the Lease, any amendment to the Lease Supplement and any subsequent Lease Supplement executed and delivered in connection with a Replacement Item of Equipment.

"Lessee" means Burlington Northern Railroad Company, a Delaware corporation, and its successors and permitted assigns.

"Lessee's Record of Ownership" means the Lessee's record of ownership required to be kept by the Lessee pursuant to Section 13(c) of the Lease.

"Lessor" means Lincoln Locomotive Lease Co., Ltd., a corporation organized under the laws of the Cayman Islands, and its successors and permitted assigns.

"Lessor Security Agreement" means the Lessor Security Agreement (BNRR 1994-B), dated as of April 28, 1994, between Lessor and Lessee, and all annexes, supplements and exhibits thereto, all as amended, modified or supplemented from time to time.

"Lessor's Cost" for each Item of Equipment means an amount equal to $2,000,000.

"Lessor's Event of Default" shall have the meaning set forth in Section 22(b) of the Lease Agreement.

"Lessor's Liens", with respect to any Operative Document, means any Liens on or relating to or affecting any of the Indenture Estate arising as a result of (i) claims against or affecting Lessor or any Kumiai-in, other than claims arising solely from Lessor's participation in the transactions contemplated by the Lease, the Equity Participation Agreement, the Debt Participation Agreement, or any other Operative Document; (ii) acts or omissions of Lessor or any Kumiai-in not expressly permitted under the terms of the Lease, the Equity Participation Agreement, the Debt Participation Agreement, or any other Operative Document; (iii) Taxes imposed against Lessor or any Kumiai-in which are not indemnified against by Lessee pursuant to the Equity Participation Agreement; or (iv) claims against Lessor or any Kumiai-in arising out of the voluntary or involuntary transfer (other than pursuant to Sections 9, 10, 15 or 19 of the Lease) by Lessor (without the consent of Lessee) of its interest in any Item of Equipment or the Lease or any other Operative Document or by such Kumiai-in of its interest in the Tokumei Kumiai Agreement to which it is a party or any right to receive payment thereunder or any interest in the business of the Tokumei Kumiai contemplated thereunder.

"Lessor's Record of Ownership" means the Lessor's record of ownership required to be kept by the Lessor pursuant to the Custodian Agreement.

"Lien" means any mortgage, pledge, lien, charge, encumbrance, lease, assignment, exercise of rights, security interest or claim.

"Loss Notice" has the meaning set forth in Section 10(a) of the Lease.

"Loss Notice Date" has the meaning set forth in Section 10(a) of the Lease.

"LSA Collateral" has the meaning set forth in Section 2 of the Lessor Security Agreement.

"Make-Whole Amount" means, with respect to the principal amount of any Equipment Certificate to be prepaid (whether by acceleration or otherwise) on any Prepayment Date which occurs on or prior to April 28, 1997, for the Series 1 Equipment Certificates and June 6, 2004, for the Series 2 Equipment Certificates, the amount which the Investment Banker determines as of the third Business Day prior to such Prepayment Date (or, in the case of a prepayment resulting from an acceleration, as of such Prepayment Date) to equal the excess, if any, of (i) the sum of the present values of all the remaining scheduled payments of principal and interest from the Prepayment Date to maturity of such Equipment Certificate, discounted on a semiannual basis according to the Treasury Rate (as defined in Appendix A to the Trust Indenture), based on a 360-day year of twelve 30-day months, over (ii) the aggregate unpaid principal amount of such Equipment Certificate plus any accrued but unpaid interest thereon; provided that the aggregate unpaid principal amount of such Equipment Certificate for the purposes of clause (ii) of this definition shall be determined after deducting the principal installment, if any, due on such Prepayment Date.

"Manufacturer" means General Motors Corporation (Electro-Motive Division), a Delaware corporation, and its successors and assigns.

"Monthly Date", with respect to Schedules B and D to the Lease, means each date set forth in any such Schedule.

"National Tax Administration Agency" means the "National Tax Administration Agency" (Kokuzeicho) of Japan and includes any national tax administration regional bureau (Kokuzeikyoku) and national tax local office (Zeimusho) and any successor agencies.

"NBB" means Nomura Babcock & Brown Co., Ltd., a corporation organized under the laws of Japan, and its successors and permitted assigns.

"NBB Guaranty" means the Guaranty Agreement (BNRR 1994-B), dated as of April 28, 1994, between NBB and Lessee, and all annexes, supplements and exhibits thereto, all as amended, modified or supplemented from time to time.

"Nonseverable Improvement" means, at any time, an Improvement that shall not be readily removable from an Item of Equipment without causing material damage to such Item of Equipment.

"Offering Circular" means the Offering Circular relating to the offering of the Certificates.

"Officer's Certificate" means, with respect to any entity, a certificate signed by any Person authorized by or pursuant to the organizational documents, by-laws or any board resolution (in the case of a corporation), partnership agreement (in the case of a partnership), or trust agreement (in the case of a trust) to execute, deliver and take all actions on behalf of such entity in respect of any of the Operative Documents.

"Operative Document" means each of the Equity Participation Agreement, the Debt Participation Agreement, the Lease, each Lease Supplement, the NBB Guaranty, the Lessor Security Agreement, the Indenture, each Indenture Supplement, the Equipment Certificates, each Pass Through Trust Agreement, the Assignment of Warranties, the Custodian Agreement, the Pledge Agreement, and the Bill of Sale.

"Opinion of Counsel" means an opinion in writing signed by legal counsel, who may be (a) a senior attorney employed by the Lessee, or (b) such other counsel designated by the Lessee, whether or not such counsel is an employee of the Lessee, and who shall be acceptable to the Trustee.

"Overdue Rate" means (i) with respect to payments required to be made in U.S. Dollars or, if no currency is specified with respect to a payment, payments in fact made in U.S. Dollars, 8.40% per annum, and (ii) with respect to payments required to be made in Yen or, if no currency is specified with respect to a payment, payments in fact made in Yen, 5.41% per annum.

"Parts" means all appliances, parts, instruments, appurtenances, accessories, furnishings and other equipment of whatever nature that at any time of determination are incorporated or installed in or attached to an Item of Equipment or the ownership of and title to which remains vested in Lessor in accordance with Section 8 of the Lease after removal therefrom.

"Pass Through Trust" means, as applicable, the Burlington Northern Railroad Company 1994-A1 Pass Through Trust created pursuant to the Pass

Through Trust Agreement (BNRR 1994-A1), or the Burlington Northern Railroad Company 1994-A2 Pass Through Trust created pursuant to the Pass Through Trust Agreement (BNRR 1994-A2).

"Pass Through Trust Agreement" means, as applicable, the Pass Through Trust Agreement (BNRR 1994-A1) or the Pass Through Trust Agreement (BNRR 1994-A2), each dated as of April 28, 1994, between the Pass Through Trustee and the Lessee, and all annexes, supplements and exhibits thereto, all as amended, modified for supplemented from time to time.

"Pass Through Trustee" means First Security Bank of Utah, National Association, a national banking association, not in its individual capacity but solely as Pass Through Trustee under the Pass Through Trust Agreements, and each other person which may from time to time be acting as successor trustee under any such Pass Through Trust Agreements.

"Payment Instruction Letter" means any letter so titled which is delivered by the Lessor to the Lessee and acknowledged by the Indenture Trustee.

"Permitted Liens" means any Lien of the type described in clauses (a) through (g) of Section 6 of the Lease.

"Person" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization, or government or any agency, instrumentality or political subdivision thereof.

"Pledge Agreement" means the Pledge and Assignment Agreement (BNRR 1994-B), dated as of April 28, 1994, between the Lessee and the Lessor, and all annexes, supplements and exhibits thereto, all as amended, modified or supplemented from time to time.

"Potential Event of Default" means any occurrence or event which, with the passage of time or the giving of notice or both, would become an Event of Default.

"Prepayment Date" means the date described as such in Section 2.10 of the Indenture.

"Purchase Price" has the meaning, specified in Section 19 of the Lease.

"Rent" means Basic Rent and Supplemental Rent.

"Rent Payment Date" or "Payment Date" means each June 26 and December 26 of each year during the Lease Term, provided that if any such date shall not be a Business Day, then "Rent Payment Date" or "Payment Date" shall mean the next succeeding Business Day.

"Replacement Item of Equipment" means a General Motors Corporation (Electro-Motive Division) Model SD 70M-AC diesel electric locomotive (or an improved model of the same Manufacturer), which shall have been leased pursuant to clause (i) of Section 10(a) of the Lease, together with all Parts relating thereto.

"Responsible Officer" means, with respect to the subject matter of any covenant, agreement or obligation of any party contained in any Operative Document, the President, or any Vice President, Assistant Vice President, Treasurer, Assistant Treasurer or other officer who in the normal performance of his operational responsibility would have actual knowledge of such matter and the requirements with respect thereto.

"Scheduled Payment" means, with respect to a Distribution Date, any payment (other than a Special Payment) of principal and/or interest on an Equipment Certificate, due from Lessor, which payment represents the payment of principal at the stated maturity of such Equipment Certificate or any regularly scheduled installment of principal at the due date thereof, or the payment of regularly scheduled interest accrued on such Equipment Certificate.

"Secured Obligations" means, collectively, the obligations from time to time of the Lessor under and in respect of the principal of, interest on and premium, if any, with respect to the Equipment Certificates heretofore or hereafter issued under the Indenture and all other amounts from time to time due and payable to the Indenture Trustee and the holders of the Equipment Certificates under the Indenture or under the Debt Participation Agreement.

"Security Period" means the period commencing on the Delivery Date and terminating on the date on which all Secured Obligations have been paid in full or a Discharge and Conversion has been effected pursuant to Section 2.11 of the Indenture.

"Seller" means BN Leasing Corporation, a Delaware corporation, and its successors and assigns.

"Selling Costs" means all reasonable costs and expenses incurred by Lessor in connection with a sale or attempted sale of the Items of Equipment, pursuant to Section 15 or 19 of the Lease, including the costs and expenses of any agent retained by Lessor in connection with such sale.

"Severable Improvement" means any Improvement other than a Nonseverable Improvement.

"Special Distribution Date" means (a) with respect to the prepayment of any Equipment Certificates, the 26th day of the month in which such prepayment is scheduled to occur pursuant to the terms of the applicable Indenture and (b) with respect to any Special Payment relating to an Equipment Certificate other than as described in clause (a) of the definition of Special Payments, the earliest 26th day of a month for which it is practicable for the Pass Through Trustee to give notice pursuant to Section 4.02(c) of the Pass Through Trust Agreement 20 days prior thereto.

"Special Termination Payment" means, with respect to any termination of the Lease with respect to all of the Items of Equipment pursuant to Section 9 or 15 thereof or any termination of the Lease with respect to one or more Items of Equipment pursuant to Section 10 thereof, the amount computed and payable as provided in Schedule D to the Lease.

"Specified Exchange Rate" means the exchange rate of U.S. $1.00 equals 103.39 (Yen).

"Statement" means, in the case of the Lessor, a Statement in the form of Exhibit F to the Equity Participation Agreement and, in the case of the Kumiai-in, a Statement in the form of Exhibit G to the Equity Participation Agreement.

"Supplemental Rent" means all amounts, liabilities and obligations (other than Basic Rent) which Lessee assumes the obligation to pay or agrees to pay under the Lease or the Equity Participation Agreement to Lessor or others, including, without limitation, Casualty Value Termination Payments, Basic Termination Payments, Special Termination Payments, Purchase Price or Deficiency Payment, as the case may be, and payment of indemnities (including, without limitation, under Section 11 of the Equity Participation Agreement).

"Tax Act" means the Corporation Tax Law of Japan (Law No. 34 of 1965, as amended) and the regulations implemented thereunder, the provisions of the Income Tax Law of Japan (Law No. 33 of 1965, as amended) concerning withholding tax and the regulations implemented thereunder, the Consumption Tax Act of Japan (Law No. 108 of 1988) and the regulations implemented thereunder, the provisions of the Local Tax Law of Japan (Law No. 276 of 1950, as amended) concerning corporate enterprise tax and inhabitants tax and the regulations implemented thereunder, the Special Taxation Measures Law of Japan (Law No. 26 of 1957, as amended), and treaties, laws and regulations which affect the application and interpretation of, or amend, supplement, or replace, any provision of the Corporation Tax Law of Japan, the Consumption Tax Law of Japan, the

Income Tax Law of Japan, the Local Tax Law of Japan, or the Special Taxation Measures Law or any regulation implemented thereunder.

"Tax Indemnitee" means Lessor and each Kumiai-in and each of their respective Affiliates, shareholders, directors, officers, employees, servants, agents, successors and permitted assigns.

"Tax Ruling" means any tax ruling, tax assessment, notice, instruction, explanation or any other determination by the Japanese tax authorities given to Lessor or any Kumiai-in in writing.

"Taxes" means all license, registration and filing fees and all taxes, withholdings, assessments, levies, imposts, duties or charges of any nature whatsoever, together with any penalties, fines or interest thereon or other additions thereto imposed, withheld, levied or assessed by any country or any taxing authority or governmental subdivision thereof or therein or by any international authority.

"Term" means the term for which the Items of Equipment are leased as provided in Section 3(a) of the Lease and Section 4 of the initial Lease Supplement relating to the Items of Equipment.

"Termination Date" means the date specified as such in Section 9 or 15 of the Lease with respect to all of the Items of Equipment, or the date specified as such in Section 10 of the Lease with respect to one or more Items of Equipment, each of which dates shall be a Business Day; provided, that only for purposes of determining the date on which the Basic Termination Payment and Special Termination Payment is payable pursuant to Section 15(d) of the Lease, the Termination Date shall be the 10th day after the declaration referred in Section 15(a) of the Lease.

"Tokumei Kumiai" means the tokumei kumiai, as such term is described in the Japanese Commercial Code (including, without limitation, Articles 535 through 542 thereof), created pursuant to the Tokumei Kumiai Agreements.

"Tokumei Kumiai Agreement" means each of the separate agreements entered into or to be entered into by Lessor, in its capacity as proprietor and manager of the investment made by its investors (or Kumiai-in) substantially the same, in form and substance, as the form of the Tokumei Kumiai Agreement attached as Exhibit H to the Equity Participation Agreement and containing the covenants described in Section 8 of the Equity Participation Agreement.

"Treaty" means the Convention between the United States of America and Japan for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, as in effect on the Delivery Date.

"U.S. Dollars" or "U.S. $" means lawful currency of the United States of America.

"United States Taxes" means any Taxes imposed, withheld, levied or assessed by any federal, state or local government or taxing authority of or in the United States of America.

"Yen" (¥) means lawful money of Japan.

"Yen Account" means the account of Lessor with The Sakura Bank Limited, Tokyo Main Office, Account Name: Lincoln Locomotive Lease Co., Ltd., Account Number: Non-Resident Yen Savings Account No. 8316249.

"Yen Deposit Agreement" means the Yen Deposit Agreement, dated April 28, 1994, between the Lessee and Midland Bank plc.