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RECORDATION NO. 19118 - A4B

December 23, 1994

DEC 27 1994 - 11 05 AM

INTERSTATE COMMERCE COMMISSION

Mr. Vernon A. Williams
Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are two (2) copies each of the following documents: a Railcar Lease Agreement, dated as of December 1, 1994, a primary document; and a Supplement No. 1 to Railcar Lease Agreement, dated as of December 1, 1994, and a Bill of Sale, dated as of December 23, 1994, both secondary documents related to the aforesaid primary document.

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

Railcar Lease Agreement and Supplement No. 1

Lessor: The CIT Group/Equipment Financing, Inc.
1211 Avenue of the Americas
New York, New York 10036

Lessee: ACF Industries, Incorporated
3301 Rider Trail South
Earth City, Missouri 63045

Counterparts - Williams

Mr. Vernon A. Williams
December 23, 1994
Page 2

Bill of Sale

Seller: ACF Industries, Incorporated
 3301 Rider Trail South
 Earth City, Missouri 63045

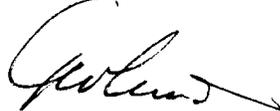
Buyer: The CIT Group/Equipment Financing, Inc.
 1211 Avenue of the Americas
 New York, New York 10036

A description of the railroad equipment covered by the enclosed document is:
179 railcars bearing ACFX reporting marks and road numbers within the series 66051
through 66233, inclusive.

Also enclosed is a check in the amount of \$63.00 payable to the order of the
Interstate Commerce Commission covering the required recordation fee.

Kindly return one stamped copy of each of the enclosed documents to the
undersigned.

Very truly yours,



Robert W. Alvord

RWA/bg
Enclosures

Interstate Commerce Commission
Washington, D.C. 20423

12/27/94

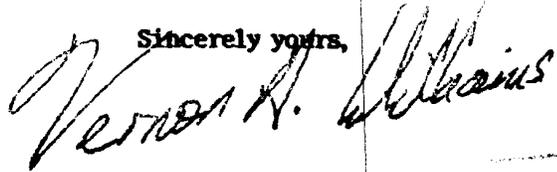
OFFICE OF THE SECRETARY

Robert W. Alvord
Alvord and Alvord
918 Sixteenth St., NW., Ste. 200
Washington, DC. 20006-2973

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 12/27/94 at 11:05AM, and assigned recordation number(s). 19118, 19118-A and 19118-B.

Sincerely yours,



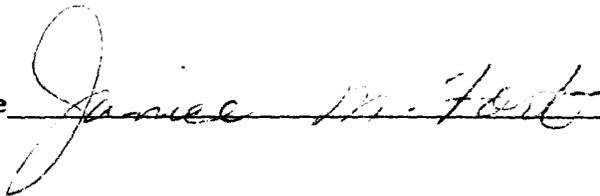
Vernon A. Williams
Secretary

Enclosure(s)

(0100466011)

\$ 63.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature



RECORDATION NO. **19118** FILED 1425

DEC 27 1994 - 11 05 AM

INTERSTATE MORTGAGE COMPANY

RAILCAR LEASE AGREEMENT
BETWEEN
THE CIT GROUP/EQUIPMENT FINANCING, INC.
AND
ACF INDUSTRIES, INCORPORATED

Dated as of December 1, 1994

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Rider, Exhibits and Schedules

- Exhibit A Equipment
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 - Schedule 1 Units Subject to Supplement
- Exhibit C Form of Acceptance Certificate
 - Schedule 1 Units

RAILCAR LEASE AGREEMENT

This RAILCAR LEASE AGREEMENT, dated as of December __, 1994 ("Lease"), is entered into by and between THE CIT GROUP/EQUIPMENT FINANCING, INC., a New York corporation ("Lessor"), and ACF INDUSTRIES, INCORPORATED, a New Jersey corporation ("Lessee").

1. Lease.

(a) Pursuant to the terms and conditions of this Lease, Lessor agrees to lease to Lessee and Lessee agrees to lease from Lessor, those units of railroad rolling stock which are generally described on Exhibit A and/or which are specifically described on any Supplement (each, a "Supplement") executed by the parties from time to time in substantially the form of Exhibit B attached hereto, together with all attachments, additions, accessories, appliances, replacement parts, substitutions and repairs attached thereto, incorporated therein or placed or placeable thereon (referred to herein collectively as the "Equipment" or individually as a "Unit"). Lessee shall execute an Acceptance Certificate in the form attached hereto as Exhibit C for each Unit or group of Units delivered to Lessee as provided herein or in any Supplement. Lessee's execution and delivery to Lessor of an Acceptance Certificate with respect to any Unit shall constitute Lessee's irrevocable acceptance of such Unit for all purposes of this Lease. Receipt of a Supplement and an Acceptance Certificate shall be a condition to any obligation of Lessor to acquire and lease to Lessee any Unit. Lessor shall have no obligation to acquire or lease any Equipment other than that described on Exhibit A, and Lessor shall have no obligation to acquire or lease any equipment after December 30, 1994.

(b) Lessee shall be responsible for arranging transportation and all costs of delivery of each Unit, and Lessor shall have no responsibility or obligation whatsoever with respect to such arrangement.

2. Definitions.

(a) As used in this Lease, the following terms shall have the following meanings (such definitions to be equally applicable to both the singular and plural forms of the terms defined):

"AAR" shall mean the Association of American Railroads or any successor organization or agency having similar responsibilities.

"Asset Purchase Agreement" shall mean that certain Asset Purchase Agreement dated as of the date hereof, between ACF Industries, Incorporated as Seller thereunder, and The CIT Group/Equipment Financing, Inc., as Buyer thereunder.

"Basic Rent" shall be \$535 per month per Unit leased hereunder.

"Basic Term" as defined in Section 3 hereof.

"Basic Term Commencement Date" means January 1, 1995.

"Business Day" shall mean a day other than a Saturday, Sunday or legal holiday under the laws of the State of New York.

"Code" shall mean the Internal Revenue Code of 1986, as it may be amended hereafter, or any comparable successor law.

"Commodity" shall mean polyethylene pellets.

"Default" shall mean any event or condition which after the giving of notice or lapse of time or both would become an Event of Default.

"Equipment" as defined in Subsection 1(a) hereof.

"Event of Default" as defined in Section 16 hereof.

"Event of Loss" with respect to any Unit means any of the following events: (i) a Unit shall be or become lost, stolen, destroyed, or irreparably damaged (as provided under Rule 107 of the AAR Interchange Rules), from any cause whatsoever during the Term hereof or until the Unit is returned pursuant to the Lease, or during any storage period, or (ii) title to the Unit shall be taken by any governmental entity by condemnation or otherwise, or (iii) use of the Unit shall be taken or requisitioned (a) by condemnation or otherwise resulting in loss of possession by the Lessee for 180 consecutive days or (b) by any governmental entity for a period which equals or exceeds or is expected to equal or exceed the shorter of (I) the then remaining term of the Lease or (II) a period of two years, or (iv) as a result of any rule, regulation, order or other action by the AAR, FRA or any government or any agency or instrumentality thereof, the use of such Unit in the normal course of interstate rail transportation and unrestricted interchange shall have been prohibited for a continuous period of 180 days.

"FRA" shall mean the United States Department of Transportation, the Federal Railroad Administration and every other state, federal or provincial agency having jurisdiction over the condition, maintenance, repair or safety of the Equipment or of any Unit.

"Indemnatee" as defined in Section 15 hereof.

"Interim Rent" shall mean, with respect to any Unit, all rent payable by Lessee to Lessor on the Basic Term Commencement Date relating to the Interim Term pursuant to Section 4(b) of this Lease.

"Interim Term" as defined in Section 3 hereof.

"ICC" shall mean the Interstate Commerce Commission, or any federal agency created to perform the same or similar functions.

"Late Charge Rate" shall mean an interest rate per annum equal to the higher of two percent (2%) over the Prime Rate or fifteen percent (15%), but not to exceed the highest rate permitted by applicable law.

"Lease" and the terms "hereof", "herein," "hereto" and "hereunder," when used in this Lease, shall mean and include this Railcar Lease Agreement and each Supplement, Acceptance Certificate and amendment hereto, as the same may from time to time be amended, modified or supplemented.

"Lease Term" or "Term" shall mean, with respect to any Unit, the term of the lease of such Unit hereunder specified in Section 3 hereof, including any Interim Term, Basic Term, and Renewal Term.

"Lessee" as defined in the introductory paragraph to this Lease.

"Lessor" as defined in the introductory paragraph to this Lease.

"Lessor's Cost" shall mean, with respect to any Unit, the total amount paid by Lessor for such Units, which amount shall be set forth on the applicable Acceptance Certificate.

"Lessor's Lien" shall mean any mortgage, pledge, hypothecation, assignment, deposit arrangement, lien, security interest, charge, encumbrance, financing statement, title retention or any other right or claim of any person claiming through or under Lessor, not based upon or relating to ownership of the Equipment or the lease thereof hereunder or under any Permitted Sublease.

"Lien" shall mean any mortgage, pledge, hypothecation, assignment, deposit arrangement, lien, security interest, charge, encumbrance, financing statement, title retention or any other right or claim of any person, other than any Lessor's Lien.

"Loss Payment Date" shall mean, with respect to any Unit, the date on which payment, as described in Subsection 14(b) hereof, is made to Lessor by Lessee as the result of an Event of Loss with respect to such Unit. The Loss Payment Date shall be upon the next Rent Payment Date that is at least thirty (30) days after the said Event of Loss.

"Permitted Sublease" as defined in Section 19 hereof.

"Prime Rate" shall mean the rate publicly announced from time to time as the prime rate of Chemical Bank ("Chemical"); the Prime Rate shall be determined by Lessor at the close of business on the 15th day of each calendar month (if the 15th day is not a Business Day then on the first preceding Business Day) and shall become effective as of the first day of the calendar month succeeding such determination and shall continue in effect to, and including, the last day of said calendar month. The Prime Rate is not intended to be the lowest rate of interest charged by Chemical in connection with extensions of credit to debtors.

"Registrar General" shall mean the Registrar General of Canada or any successor agency or official having similar jurisdiction or authority.

"Renewal Term" as defined in Section 6(c)(v).

"Rent Payment Date" shall mean each date on which an installment of rent is due and payable pursuant to Section 4 hereof.

"Stipulated Loss Value" shall mean, with respect to any Unit, the greater of (a) the amount payable in compensation for an Event of Loss pursuant to the AAR Interchange Rules (whether or not such rules are actually applicable to the Event of Loss), or (b) any amount received by Lessee from a sublessee under a Permitted Sublease in compensation for an Event of Loss, or such lesser amount as Lessor shall agree to in writing.

"Supplemental Rent" shall mean all amounts, liabilities and obligations which Lessee assumes or agrees to perform or pay under this Lease to Lessor, including, without limitation, payments of Stipulated Loss Value, but excluding Interim Rent and Basic Rent.

"Tax Benefits" shall mean such deductions, credits and other benefits to the maximum extent available under applicable federal, state, local or foreign law to an owner of property similar to the Equipment.

(b) All accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles.

3. Term. The interim term of the lease of each Unit hereunder (the "Interim Term") shall mean the period commencing on the Closing Date and ending on December 31, 1994 unless earlier terminated pursuant to the provisions hereof. The basic term of the lease of each Unit hereunder (the "Basic Term") shall mean the period commencing on and including the Basic Term Commencement Date and, unless earlier terminated pursuant to the provisions hereof, shall continue until December 31, 1999 or the termination of any Permitted Sublease, whichever first occurs.

4. Rent; Unconditional Obligations. (a) Payments of rent with respect to the Equipment leased hereunder shall be payable to Lessor at such address as Lessor may designate.

(b) Lessee shall pay to Lessor for each Unit leased hereunder, as Interim Rent, in one installment on the Basic Term Commencement Date, an amount equal to \$17.84 multiplied by the number of days in the Interim Term.

(c) Lessee shall pay to Lessor as rent for each Unit leased hereunder the Basic Rent, in consecutive monthly installments payable in arrears, with the first installment of Basic Rent with respect to such Unit of Equipment being due on the Basic Term Commencement Date, and succeeding installments being due on the first day of each calendar month thereafter.

(d) Lessee shall also pay to Lessor, on demand, interest at the Late Charge Rate on any installment of rent and on any other amount owing hereunder which is not paid when due, for any period for which the same shall be overdue; provided, however, that as to late payments of Basic Rent, such interest shall not be payable for any period that Lessee shall not have received its corresponding rent payment under a Permitted Sublease. Each payment made under this Lease shall be applied first to the payment of interest then owing and then to rent or other amounts owing hereunder. Interest shall be computed on the basis of a 360-day year and actual days elapsed.

(e) This Lease is a net lease, and except as otherwise set forth in Section 16A, Lessee's obligation to pay all rent and all other amounts payable hereunder is ABSOLUTE AND UNCONDITIONAL under any and all circumstances and shall not be affected by any circumstances of any character whatsoever, including, without limitation, (i) any setoff, counterclaim, recoupment, defense, abatement or reduction or any right which Lessee may have against Lessor, the manufacturer or supplier of any of the Equipment or anyone else for any reason whatsoever; (ii) any defect in the title, condition, design or operation of or lack of fitness for use of, or any damage to, or loss of, all or any part of the Equipment from any cause whatsoever; (iii) the existence of any Lien or Lessor's Lien with respect to the Equipment; (iv) the invalidity, unenforceability or disaffirmance of this Lease or any other document related hereto; (v) any withholding or other taxes (subject to Section 9); or (vi) the prohibition of or interference with the use or possession by Lessee of all or any part of the Equipment, for any reason whatsoever, including, without limitation, by reason of (1) claims for patent, trademark or copyright infringement, (2) present or future governmental or non-governmental laws, rules, regulations, or orders, (3) the insolvency, bankruptcy or reorganization of any person, and (4) any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding. Lessee hereby waives, to the extent permitted by applicable law and subject to the immediately preceding proviso, any and all rights which it may now have or which may at any time hereafter be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender the lease of any Equipment. Except as otherwise expressly provided herein, if for any reason whatsoever this Lease shall be terminated in whole or in part by operation of law or otherwise, Lessee will nonetheless pay to Lessor an amount equal to each installment of rent at the time such installment would have become due and payable in accordance with the terms hereof. Each payment of rent or other amount paid by Lessee hereunder shall be final and Lessee will not seek to recover all or any part of such payment from Lessor for any reason whatsoever.

(f) Lessee shall pay to Lessor any and all Supplemental Rent promptly as the same shall become due. If Lessee fails to pay any Supplemental Rent when due, Lessor shall have all rights, powers and remedies provided for in this Lease, or by law or equity or otherwise in the case of nonpayment of Basic Rent. Lessee will also pay to Lessor, on demand, as Supplemental Rent, to the extent permitted by applicable law, an amount equal to interest at the Late Charge Rate on any part of any installment of Basic Rent not paid when due, for any period until the same shall be paid, and on any payment of Supplemental Rent not paid when due, for the period until the same shall be paid. The expiration or other termination of Lessee's obligation to pay Basic Rent shall not limit or otherwise modify the obligations of Lessee with respect to the payment of Supplemental Rent.

5. Disclaimer; Assignment of Warranties.

LESSOR NEITHER MAKES NOR SHALL BE DEEMED TO HAVE MADE AND LESSEE HEREBY EXPRESSLY WAIVES ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE EQUIPMENT, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OR REPRESENTATION AS TO THE DESIGN, QUALITY OR CONDITION OF THE EQUIPMENT OR ANY WARRANTY OF MERCHANTABILITY OR FITNESS OF THE EQUIPMENT FOR ANY PARTICULAR PURPOSE OR AS TO ANY PATENT, TRADEMARK OR COPYRIGHT OWNERSHIP OR INFRINGEMENT OR AS TO ANY OTHER MATTER RELATING TO THE EQUIPMENT OR ANY PART THEREOF.

LESSEE CONFIRMS THAT IT HAS SELECTED THE EQUIPMENT AND EACH PART THEREOF ON THE BASIS OF ITS OWN JUDGMENT AND EXPRESSLY DISCLAIMS RELIANCE UPON ANY STATEMENTS, REPRESENTATIONS OR WARRANTIES MADE BY LESSOR, AND LESSEE ACKNOWLEDGES THAT LESSOR IS NOT A MERCHANT WITH RESPECT TO THE EQUIPMENT AND IS NOT A MANUFACTURER OF ANY PART OF THE EQUIPMENT.

EXCEPT AS OTHERWISE PROVIDED IN SECTION 9 HEREOF, NEITHER LESSOR NOR LESSEE MAKES NOR SHALL BE DEEMED TO HAVE MADE ANY REPRESENTATION OR WARRANTY AS TO THE ACCOUNTING TREATMENT TO BE ACCORDED TO THE TRANSACTIONS CONTEMPLATED BY THIS LEASE OR AS TO ANY TAX CONSEQUENCES AND/OR TAX TREATMENT THEREOF.

6. Return; Storage; Renewal Option.

(a) Return. Lessee shall, upon the expiration of the Term of each Unit or any earlier termination hereof, return such Unit to Lessor to:

- (1) (A) Clinton, Iowa;
- (B) Tuscola, Illinois; or
- (C) East Morris, Illinois;

or

(2) such other location as is mutually agreed upon by Lessor and Lessee.

Notwithstanding Subsections (1) and (2) of this Section 6(a), at Lessor's request and expense, Lessee shall return such Unit to such other location within the continental United States as directed by Lessor. Until all Units are returned to Lessor pursuant to the provisions of this Section and the condition thereof is accepted by Lessor, all of the provisions of this Lease shall continue in full force and effect except that, after such expiration or termination, rent shall accrue at 100% of the rate effective prior to such expiration or termination; provided, however, that the foregoing rent rate provision shall not impair any claim of Lessor for any

remedies available to it pursuant to Section 17 hereof; further provided, however, that if the return is to such location as directed by Lessor pursuant to the provisions of the immediately preceding sentence, rent shall cease to accrue unless Lessee fails to take reasonable steps to accomplish the return of the Units to the location to which the Units are directed by Lessor to be delivered, in which event, rent shall accrue at 100% of the rate effective prior to such expiration or termination. Lessee shall pay all the costs and expenses in connection with or incidental to the return of the Equipment, including, without limitation, the cost of assembling and transporting the Equipment. At the time of such return, the Equipment shall be (i) in the same condition as when received by Lessee, ordinary wear and tear excepted, (ii) in the condition and repair required to be maintained by Section 10 hereof, (iii) in a condition such that after a change of user and running marks it will be in compliance with all rules of AAR and FRA and immediately acceptable in unrestricted interchange in the United States and Canada, (iv) free of all accumulations or residues, (v) immediately suitable for loading, transporting and unloading the commodity for which it was designed, and (vi) free and clear of all Liens.

(b) [Intentionally omitted]

(c) Renewal Option. (i) Provided that this Lease has not been earlier terminated and no Default or Event of Default shall be continuing at the time of renewal, Lessee shall have the option to renew this Lease in respect of all (and not less than all) Units then subject to this Lease, but only upon the terms and conditions, and in accordance with the procedures, set forth in this Section 6(c).

(ii) Not later than 180 days prior to the end of the Basic Term, Lessee may, by written notice to Lessor, propose a new Permitted Sublease and proposed sublessee for the Units, a new basic rent amount and lease term therefor, and any other modifications to this Lease that Lessee may wish to effect. During the ensuing 180-day period (the "Renewal Negotiation Period"), Lessee and Lessor agree to consult with respect to such proposals.

(iii) If, and only if, the proposed new sublessee and Permitted Sublease, new basic rent, term and any other changes proposed by Lessee (or as modified during the Renewal Negotiation Period) shall be fully satisfactory to Lessor in its sole discretion, then this Lease shall be renewed at the end of its term in accordance with such acceptable proposals and subject to the execution, delivery and pledge of a new Permitted Sublease incorporating all such agreed terms and conditions. Lessee acknowledges that the identity and credit quality of the proposed sublessee, and the financial terms and conditions of the proposed Permitted Sublease, shall be subject to the review and approval of Lessor.

(iv) If this Lease is not renewed upon the terms and conditions and in accordance with the procedures set forth in this Section 6(c) before the end of the Basic Term, then no renewal shall occur, this Lease shall terminate in accordance with its terms, and, in the case of a failure to agree on an acceptable new sublessee, Permitted Sublease, rent or other terms and conditions, neither party shall have any liability to the other for failure to reach such agreement; provided that all other obligations of the parties under this Lease shall remain in full force and effect until satisfied as provided herein.

(v) If agreement upon renewal is reached (the term of such renewal herein referred to as "Renewal Term"), the parties shall execute an extension agreement in respect thereof, which Lessee shall cause to be filed with the ICC and the Registrar General.

7. Liens. Lessee will not directly or indirectly create, incur, assume or suffer to exist any Lien on or with respect to the Equipment, other than any Permitted Sublease.

8. Insurance. Lessee shall maintain at all times on the Equipment, at its expense, comprehensive general liability insurance in such amounts, against such risks, in such form and with such insurers (or such other insurers satisfactory to Lessor) as reflected in the certificate of insurance delivered to and accepted by Lessor at the closing. Such insurance policy will, among other things, name Lessor as an additional insured, require that the insurer give Lessor at least thirty (30) days prior written notice (at the address for notice to Lessor set forth in Section 23 hereof) of any cancellation of the terms of such policy. At Lessor's option, Lessee shall furnish to Lessor an original certificate or other evidence satisfactory to Lessor that such insurance coverage is in effect, provided, however, that Lessor shall be under no duty to ascertain the existence or adequacy of such insurance. The insurance maintained by Lessee shall be primary without any right of contribution from insurance which may be maintained by Lessor. The obligations of Lessee under this Section shall be independent of all other terms under this Lease and shall in no event relieve Lessee from any indemnity obligation hereunder.

9. General Tax Indemnity. Lessee hereby agrees to pay and to indemnify and hold Lessor harmless from and against, all fees, taxes (whether sales, use, excise, value added, personal property or other taxes), imposts, duties, withholdings, assessments and other governmental charges of whatever kind or character, however designated (together with any penalties, fines or interest thereon), all of the foregoing being herein collectively called "Impositions", which are at any time levied or imposed against Lessor, Lessee, this Lease, the Equipment or any part or Unit thereof by any federal, state, local or foreign government or taxing authority thereof upon, with respect to, as a result of or measured by (i) the Equipment (or any part or Unit thereof), or this Lease or the interest of the Lessor therein; or (ii) the purchase, ownership, delivery, leasing, possession, maintenance, use, operation, return, sale or other disposition of the Equipment or any part or Unit thereof; or (iii) the rentals, receipts or earnings payable under this Lease or otherwise arising from the Equipment or any part thereof; excluding, however, (a) taxes based on or measured by the income of Lessor that are imposed by (1) the United States of America, or (2) any State of the United States of America or any political subdivision of any such state in which Lessor is either qualified to do business or is subject to Impositions as the result (whether solely or in part) of business or transactions unrelated to this Lease (other than, in each case, any such Imposition in the nature of a sales, use, ad valorem or similar tax), (b) any Impositions imposed as a result of a voluntary sale, transfer of title, mortgaging, pledging, financing, transfer or other voluntary disposition by the Lessor of the Equipment (or any part or Unit thereof), or of this Lease or the interest of the Lessor therein, or of the rentals, receipts or earnings payable under this Lease or otherwise arising from the Equipment or any part thereof (other than, in each case the execution of this Lease or any such disposition caused by or resulting from any action of the Lessee), (c) income taxes attributable to the payments made pursuant to this Section 9, (d) any Impositions that result from acts of gross negligence

or willful misconduct of the Lessor, (e) withholding taxes imposed as a result of the Lessor or any successor or assignee of the Lessor not being a domestic corporation within the meaning of section 7701(a)(4) of the Code, and (f) income taxes imposed by any foreign jurisdiction to the extent the Lessor actually realizes a tax credit or other tax savings as a result of the payment of such income taxes. Lessee shall pay when due all such non-excluded Impositions to the appropriate authority. If Lessee fails to pay any non-excluded Imposition when due, Lessor shall pay, and, promptly upon receipt of Lessor's invoice therefor, Lessee shall reimburse Lessor for paying, such Impositions, with interest at the Late Charge Rate. In case any report or return is required to be filed with respect of any obligation of Lessee under this Subsection 9 or arising out of this Subsection 9, Lessee shall make such report or return in such manner as will show the ownership of the Equipment in Lessor. The obligations of Lessee under this Subsection 9 shall survive the expiration or earlier termination of this Lease.

10. Compliance with Laws; Operation and Maintenance; Additions.

(a) Lessee will use the Equipment in a careful and proper manner, will comply with and conform to all governmental laws, rules and regulations and industry association rules and regulations relating thereto, and will cause the Equipment to be operated in accordance with the manufacturer's or supplier's instructions or manuals. Without limitation to the generality of the foregoing, Lessee will (i) cause the Equipment to be used in compliance with all rules and recommendations of AAR and FRA; (ii) will not permit any Unit to be loaded improperly or in excess of the load limit stenciled thereon; (iii) will not permit any Unit to be loaded with any commodity other than the Commodity, and in no event will any hazardous material, hazardous commodity, hazardous waste or hazardous substance be loaded in any Unit; and (iv) will not permit any Unit to be outside the continental United States at any time except for incidental use in Canada.

(b) Lessee will, at its own expense, keep and maintain the Equipment in good repair, condition and working order and furnish all parts, replacements, mechanisms, devices and servicing required therefor so that the value, condition and operating efficiency thereof will at all times be maintained and preserved. Lessee will cause each Unit to be maintained in conformance with all rules and regulations of AAR and FRA and, if mandated, modified so that it will qualify for unrestricted interchange in the United States and Canada and remain suitable for loading, transporting and unloading the Commodity. All such repairs, parts, mechanisms, devices, replacements and modifications shall immediately, without further act, become the property of Lessor and part of the Equipment.

(c) Lessee will not make or authorize any improvement, change, addition or alteration to the Equipment (i) if such improvement, change, addition or alteration will impair the originally intended function or use of the Equipment or impair the value of the Equipment as it existed immediately prior to such improvement, change, addition or alteration; (ii) unless the parts installed are new and in compliance with all rules and recommendations of AAR and FRA; or (iii) if any parts installed in or attached to or otherwise becoming a part of the Equipment as a result of any such improvement, change, addition or alteration shall not be readily removable without damage to the Equipment (unless such improvement is mandated by AAR, FRA or other agency or organization having

jurisdiction over the Equipment). All such parts shall be and remain free and clear of any Liens. Any such part attached to any Unit shall, without further act, become the property of Lessor and part of the Equipment.

11. Inspection. At Lessor's cost, Lessor or its authorized representatives may at any reasonable time or times inspect the Equipment then in the possession or custody of Lessee and the records of Lessee and Lessee's contractors and agents pertaining to the Equipment. Upon Lessor's request and at its expense, Lessee will reasonably assist Lessor or its authorized representatives to inspect any Equipment not then in the possession or custody of Lessee, and Lessee will reasonably assist Lessor to locate and make available such Equipment for inspection. Lessee will at all times requested by Lessor cooperate with and assist Lessor in locating and gaining access to the Equipment.

12. [Intentionally omitted]

13. [Intentionally omitted]

14. Loss or Damage.

(a) All risk of loss, theft, damage or destruction to the Equipment or any part or Unit thereof, however incurred or occasioned, shall be borne by Lessee and, unless such occurrence constitutes an Event of Loss pursuant to Subsection (b) of this Section 15, Lessee shall promptly give Lessor written notice thereof and shall promptly cause the affected part or parts of any Unit to be replaced or restored to the condition and repair required to be maintained by Section 10 hereof.

(b) If an Event of Loss with respect to any Unit shall occur, Lessee shall promptly give Lessor written notice thereof, and Lessee shall pay to Lessor on or before the next Loss Payment Date an amount equal to the sum of (i) the Stipulated Loss Value of such Unit computed as of the Rent Payment Date with respect to such Unit on or immediately preceding the date of the occurrence of such Event of Loss; and (ii), subject to Section 16A hereof in the case of Basic Rent, all rent and other amounts due and owing hereunder for such Unit on or prior to the Loss Payment Date. Upon payment of such amount to Lessor, the lease of such Unit hereunder shall terminate, and Lessor will transfer to Lessee Lessor's right, title and interest in and to such Unit, on an "as-is, where-is" basis, without recourse and without representation or warranty, express or implied, other than a representation and warranty that such Unit is free and clear of any Lessor's Liens.

(c) Any payments received at any time by or for the benefit of Lessor or Lessee from any insurer or railroad with respect to loss or damage to any Unit shall be applied as follows: (i) if such payments are received with respect to an Event of Loss they shall be paid to Lessor, but to the extent received by Lessor, they shall reduce or discharge, as the case may be, Lessee's obligation to pay the amounts due to Lessor under Subsection 14(b) hereof with respect to such Event of Loss and any excess over the Stipulated Loss Value will be paid to Lessee; or (ii) if such payments are received with respect to any loss of or damage to the Equipment other than an Event of Loss, such payments shall, unless a Default or Event of Default shall have occurred and be continued, be paid over to Lessee to reimburse Lessee

for its payment of the costs and expenses incurred by Lessee in replacing or restoring pursuant to Subsection 14(a) hereof the part or parts of the Equipment which suffered such loss or damage.

15. General Indemnity. Lessee assumes liability for, and shall indemnify, protect, save and keep harmless Lessor and its agents, servants, officers, directors, employees, attorneys, affiliates, successors and assigns (each, an "Indemnitee") from and against any and all losses or damages imposed on, incurred by or asserted against any Indemnitee, in any way relating to or arising out of this Lease, the Asset Purchase Agreement or any Permitted Sublease or the enforcement hereof or thereof, or the breach of any covenant of Lessee contained herein or therein, or any misrepresentation of Lessee contained herein or therein, or the manufacture, purchase, acceptance, rejection, ownership, possession, use, selection, delivery, lease, sublease, operation, condition, sale, return or other disposition of the Equipment or any part or Unit thereof (including, without limitation, latent or other defects, whether or not discoverable by Lessee or any other person, any claim in tort for strict liability, any claim for patent, trademark or copyright infringement, and any claim for loss of lading or damage caused by commodity); provided, however, that Lessee shall not be required to indemnify any Indemnitee for loss or liability arising from acts or events which occur after the Equipment has been returned to Lessor in accordance with this Lease, or for loss or liability resulting solely from the willful misconduct or gross negligence of such Indemnitee. The provisions of this Section 15 shall survive the expiration or earlier termination of this Lease.

16. Events of Default. Subject to Section 16A hereof, the following events shall each constitute an event of default (herein called "Event of Default") under this Lease:

(a) Lessee shall fail to make any payment due hereunder on or before the date the same shall have become due; or

(b) Lessee shall fail to maintain the insurance required by Section 8 hereof or to perform or observe any of the warranties or covenants contained in Sections 19 or 20 hereof; or

(c) Lessee shall fail to perform or observe any other warranty, covenant, condition or agreement to be performed or observed by it with respect to this Lease or the Asset Purchase Agreement and such failure shall continue unremedied for 30 days after the earlier of (a) the date on which Lessee obtains knowledge of such failure; or (b) the date on which notice thereof shall be given by Lessor to Lessee; or

(d) any representation or warranty made by Lessee herein or in the Asset Purchase Agreement or in any document, certificate or financial or other statement now or hereafter furnished Lessor in connection with this Lease or the Asset Purchase Agreement shall prove at any time to have been untrue or misleading in any material respect as of the time when made; or

(e) an event of default shall occur under any loan agreement, note or security agreement (each as amended from time to time) under which Lessor is a party or a beneficiary; or

(f) the entry of a decree or order for relief by a court having jurisdiction in respect of Lessee adjudging Lessee a bankrupt or insolvent, or approving as properly filed a petition seeking a reorganization, arrangement, adjustment or composition of or in respect of such entity in an involuntary proceeding or case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal, state or foreign bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee or sequestrator (or other similar official) of Lessee or of any substantial part of its property, or ordering the winding-up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 30 days; or

(g) the institution by Lessee of proceedings to be adjudicated a bankrupt or insolvent, or the consent by it to the institution of bankruptcy or insolvency proceedings against it, or the commencement by such entity of a voluntary proceeding or case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal, state or foreign bankruptcy, insolvency or other similar law, or the consent by it to the filing of any such petition or to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian or sequestrator (or other similar official) of Lessee or of any substantial part of its property, or the making by it of any assignment for the benefit of creditors or the admission by it of its inability to pay its debts generally as they become due or its willingness to be adjudicated a bankrupt or the failure of Lessee generally to pay its debts as they become due or the taking of corporate action by Lessee in furtherance of any of the foregoing.

16A. Special Provisions Regarding Permitted Sublease. None of the events specified in Section 16(a), but as to payment of Basic Rent only, or Section 16(c), except in respect of any failure by Lessee to perform or observe a warranty, covenant, condition or agreement set forth in any one or more of Sections 6, 8, 9, 14 or 15, shall constitute an Event of Default hereunder (and, in the case of a failure to pay Basic Rent, Lessee shall not be obligated to pay, and shall have no liability for, Basic Rent, and, in the case of a failure to comply with any sections not excepted above, Lessee shall have no liability to comply therewith) if and so long as both of the following circumstances shall be true:

- (i) such event or failure to comply shall result solely from a default by the sublessee under any Permitted Sublease (and such event, in the case of a failure to pay Basic Rent, shall be deemed so to result to the extent such sublessee shall have failed to pay rents under such Permitted Sublease in amounts at least equal to Basic Rent); and
- (ii) either
 - a. if Lessor shall have so requested, Lessee shall have assigned to Lessor, free and clear of all rights of Lessee and all third parties claiming

through or under Lessee, all of Lessee's right, title and interest in and to such Permitted Sublease and all claims of Lessee against the sublessee under such Permitted Sublease in respect thereof; or

- b. if Lessor shall have so instructed, Lessee shall be diligently pursuing such rights and remedies under such Permitted Sublease as (and in the manner that) Lessor shall have specified to Lessee in writing;

it being understood and agreed that the obligations of Lessee to make payments hereunder other than Basic Rent, and to perform or observe the provisions of said Sections 6, 8, 9, 14 and 15, shall be absolute and unconditional in accordance with Section 4 notwithstanding any compliance or non-compliance by the sublessee under any Permitted Sublease. It is further understood and agreed, however, that so long as any Permitted Sublease shall remain in effect, (I) compliance by Lessee with all of its obligations as lessor under such Permitted Sublease in respect of maintenance of the Equipment shall be deemed to constitute full compliance by Lessee with its obligations under Section 10(b), and (II) Lessee shall be deemed to be in compliance with all of the provisions of Sections 10(a) and (c), and 24 if and so long as there shall be no related material default by the sublessee under such Permitted Sublease. It is further understood and agreed that, notwithstanding any provision to the contrary in Section 4, so long as any Permitted Sublease shall remain in effect which provides for an abatement of rent payable to Lessee thereunder for any period that the Equipment is in a shop for maintenance or repair at the direction of Lessee, there shall be an equal abatement of the Basic Rent due hereunder. It is further understood and agreed that, notwithstanding any provision to the contrary in Section 4, so long as any Permitted Sublease shall remain in effect, if there shall be a delay of not more than 30 days in payment of Basic Rent which is caused by a delay in the Lessee's receipt of mileage credits, such delay shall not constitute an Event of Default under Section 16(a).

17. Remedies. If an Event of Default described in Subsections 16(f) or (h) above shall occur, then, and in any such event, this Lease shall automatically, without any notice or other action by Lessor, be deemed to be in default, and if any other Event of Default shall occur and be continuing, then, and in any such event, Lessor may, at its option, declare this Lease to be in default; and at any time after this Lease shall be deemed to be in default pursuant to this sentence or be declared to be in default, Lessor may do any one or more of the following with respect to all of the Equipment or any part thereof as Lessor in its sole discretion shall elect, to the extent permitted by applicable law then in effect:

- (a) demand that Lessee, and Lessee shall at its expense upon such demand, return the Equipment promptly to Lessor at such place or places in the continental United States as Lessor shall specify, or Lessor, at its option, may enter upon any property where any Unit is located and take immediate possession of such Unit and remove the same by summary proceedings or otherwise, all without liability for or by reason of such entry or taking of

possession, whether for the restoration of damage of property caused by such taking or otherwise;

(b) sell the Equipment or any Unit at public or private sale, with or without notice, advertisement or publication, as Lessor may determine, or otherwise dispose of, hold, use, operate, lease to others or keep idle the Equipment or any Unit as Lessor in its sole discretion may determine, all free and clear of any rights of Lessee and without any duty to account to Lessee with respect to such action or inaction or for any proceeds with respect thereto;

(c) by written notice to Lessee specifying a payment date, demand that Lessee pay to Lessor, and Lessee shall pay to Lessor, on the payment date specified in such notice, all damages caused by Lessee's default, including, but not limited to, any deficiency between the Basic Rent and the rentals actually realized by Lessor (as reduced by expenses of re-taking and re-letting the Equipment and collecting the rentals thereof to satisfy the rental herein reserved) through any re-letting of the Equipment;

(d) [Intentionally omitted]

(e) Lessor may exercise any other right or remedy which may be available to it under applicable law or proceed by appropriate court action to enforce the terms hereof or to recover damages for the breach hereof or to terminate this Lease.

In addition, Lessee shall be liable for any and all unpaid rent and other amounts due hereunder before or during the exercise of any of the foregoing remedies and for all legal fees and other costs and expenses incurred by reason of the occurrence of any Event of Default or the exercise of Lessor's remedies with respect thereto, including all costs and expenses incurred in connection with the placing of the Equipment in the condition required by Section 10 hereof.

NO REMEDY REFERRED TO IN THIS SECTION 17 IS INTENDED TO BE EXCLUSIVE BUT EACH SHALL BE CUMULATIVE AND IN ADDITION TO ANY OTHER REMEDY REFERRED TO HEREIN OR OTHERWISE AVAILABLE TO LESSOR AT LAW OR IN EQUITY; and the exercise or beginning of exercise by Lessor of any one or more of such remedies shall not preclude the simultaneous or later exercise by Lessor of any or all such other remedies. No express or implied waiver by Lessor of an Event of Default shall in any way be, or be construed to be, a waiver of any future or subsequent Event of Default. To the extent permitted by applicable law, Lessee hereby waives any rights now or hereafter conferred by statute or otherwise which may require Lessor to sell, lease or otherwise use the Equipment in mitigation of Lessor's damages or losses or which may otherwise limit or modify any of Lessor's rights or remedies under this Lease.

18. Lessor's Right to Perform. If Lessee fails to make any payment required to be made by it hereunder or fails to perform or comply with any of its other agreements contained herein, Lessor may itself make such payment or perform or comply with such agreement, and the amount of such payment and the amount of the reasonable expenses of

Lessor incurred in connection with such payment or the performance of or compliance with such agreement, as the case may be, together with interest thereon at the Late Charge Rate, shall be deemed to be additional rent, payable by Lessee on demand.

19. Assignment or Sublease. (a) LESSEE WILL NOT, WITHOUT THE PRIOR WRITTEN CONSENT OF LESSOR, ASSIGN THIS LEASE OR ANY INTEREST HEREIN OR SUBLEASE OR OTHERWISE TRANSFER ITS INTEREST IN ANY UNIT, AND ANY ATTEMPTED ASSIGNMENT, SUBLEASE OR OTHER TRANSFER BY LESSEE IN VIOLATION OF THIS PROVISION SHALL BE VOID; provided, however, Lessee may place the Equipment in interchange in accordance with industry custom so long as such Units remain subject to this Lease and Lessee remains the primary obligor hereunder; further provided, however, that the sublessee under a Permitted Sublease shall have the right to sublease any of the Units for single trips ("Single Trip Subleases") to its customers or to its suppliers, and to cause such Units so subleased to be boarded or placarded with the names of such sublessees under Single Trip Subleases in accordance with the provisions of demurrage tariffs lawfully in effect, where the sole purpose of such subleasing is to obtain an exemption from demurrage for said Units so subleased.

(b) After obtaining the prior written consent of Lessor, Lessee may sublease the Equipment (a "Permitted Sublease"). Lessee shall not, without the prior written consent of Lessor, amend or modify any Permitted Sublease or grant any waiver or consent thereunder, except in respect of amendments, modification, waivers or consents given in the ordinary course of business as to all railcars then subject to lease between Lessee and such sublessee and which, in all cases, have no adverse effect upon Lessor or its rights or interest in the Equipment or hereunder. Lessee shall at all times fully comply with all of Lessee's obligations under the Permitted Sublease, and Lessee shall enforce performance by any sublessee of all of such sublessee's material obligations under any Permitted Sublease.

20. No Changes in Lessee. During the Term, Lessee shall not undertake any changes in its business that would impair its ability to perform this Lease and the Asset Purchase Agreement.

21. Further Assurances; Reports.

(a) Lessee will, at its own expense, promptly and duly execute and deliver to Lessor such further documents and assurances and take such further action as Lessor may from time to time request in order to more effectively carry out the intent and purpose of this Lease and to establish and protect the rights, interests and remedies created or intended to be created in favor of Lessor hereunder. To the extent permitted by applicable law, Lessee hereby authorizes Lessor to file any financing statements and memoranda with respect to the Equipment without the signature of Lessee, notice of which will be provided to Lessee within a reasonable period of time. Lessee will also provide such information as Lessor may reasonably require from Lessee to enable Lessor to fulfill all of its tax filing obligations.

(b) Lessee will furnish or cause to be furnished to Lessor within sixty (60) days after the end of each calendar year a report executed by an officer of Lessee certifying the identity of each Unit by serial number and running mark and number, the condition of such

Unit, including all accessories, whether or not a Default has occurred under the Lease, that all tax returns have been filed, all taxes imposed on each Unit have been paid in full or are being contested in good faith by or on behalf of Lessee, the number of days each Unit was outside the United States during said year, and such other information as Lessor may reasonably request.

22. Recording. Lessor may cause this Lease and all Supplements and amendments to this Lease to be filed with the ICC pursuant to 49 U.S.C. Section 11303 and with the Registrar General pursuant to the Railway Act of Canada. Lessor may further cause this Lease and/or appropriate financing statements to be filed and recorded in accordance with the applicable provisions of the Uniform Commercial Code as in effect in the States of Missouri and New York (and, if Lessee changes its chief place of business, in any other state) in the same manner as if Lessor's interest in this Lease represented a security interest and in any other state of the United States of America or the District of Columbia where filing is necessary or requested by Lessor. Lessee in addition will from time to time do and perform any act or execute, acknowledge and deliver to Lessor any and all further instruments required by law or any additional documents reasonably requested by Lessor for the purpose of proper protection, to its satisfaction, of its interest in the Equipment, or for the purpose of carrying out the intention of this Lease.

23. Notices. Any notice required or permitted to be given by either party hereto to the other shall be in writing, and any such notice shall become effective upon personal delivery thereof 24 hours following delivery to or deposit with a recognized overnight delivery service or three days after the date on which it shall have been deposited in the United States mail with return receipt requested, addressed as follows:

(i) if to Lessor, at

THE CIT GROUP/EQUIPMENT FINANCING, INC.
1211 Avenue of the Americas
New York, New York 10036
Attention: Senior Vice President-Credit

and

THE CIT GROUP/EQUIPMENT FINANCING, INC.
Suite 400
1400 Renaissance Drive
Park Ridge, Illinois 60068
Attention: Senior Vice President

(ii) if to Lessee, at

ACF INDUSTRIES, INCORPORATED
3301 Rider Trail South
Earth City, Missouri 63045-1393
Attention: Treasurer

24. Identification Marks. Lessee will cause each Unit to be kept marked and numbered with the identifying mark and number set forth in the applicable Supplement. No Unit will bear any running marks other than those registered in the name of Lessee or a person with whom Lessee has a contractual relationship permitting use of such marks by Lessee. Lessee will not place or permit any such Unit to be placed in operation or exercise any control or dominion over the same until such mark and number shall have been so marked on all sides thereof and will cause to be replaced promptly any such marks and numbers that may be removed or defaced. Lessee will not in any way permit the identifying mark or number of any Unit to be changed unless and until (i) a statement of new mark and/or number or numbers to be substituted therefor shall have been filed by Lessee in all public offices where this Lease or any Supplement shall have been filed and (ii) Lessee shall have furnished Lessor an opinion of counsel to the effect that such statement has been so filed, such filing will protect Lessor's interests in such Units and no additional filing or giving of notice with or to any other federal, state, provincial or local government or agency thereof is necessary to protect the interests of the Lessor in such Units. Lessee will not alter, deface, cover or remove such markings without the prior written consent of Lessor.

25. Conditions Precedent. Lessor shall not be obligated to lease any Equipment to Lessee, and Lessor shall not be obligated to accept any Supplement or Acceptance Certificate hereunder, unless:

(i) Lessor shall have received evidence satisfactory to it of authority of Lessee to execute, deliver and perform this Lease and all documents in connection herewith, including a copy of Corporate Resolutions certified by the Secretary or an Assistant Secretary of the Lessee;

(ii) Lessor shall have received an incumbency and signature certificate of Lessee, dated the date of the Lease and in form and substance satisfactory of Lessor, setting forth the names and signatures of each officer of Lessee, authorized to sign this Lease, the Supplements, the Acceptance Certificates and all other instruments and documents relating thereto, which certificate may be relied on by Lessor until it receives written notice to the contrary;

(iii) Lessor shall have received evidence satisfactory to it as to the due compliance by Lessee with the provisions regarding insurance contained in Section 9 hereof;

(iv) Lessor shall have received an appraisal report describing and appraising the applicable Units in form and substance satisfactory to Lessor;

(v) Lessor shall have received good and marketable title to the applicable Units, free and clear of Liens (other than a Permitted Sublease) and all such Units shall be satisfactory to Lessor in its sole discretion;

(vi) Lessor shall have conducted a physical inspection of the applicable Units and shall be satisfied with their individual condition;

(vii) Such Uniform Commercial Code financing statements and other documents with respect to the Units as Lessor shall deem necessary or desirable in order to perfect and protect its interests therein shall have been duly executed and delivered to Lessor for filing;

(viii) All representations and warranties of Lessee contained herein or in any document or certificate furnished Lessor in connection herewith shall be true and correct with the same force and effect as if made on such date; no Event of Default or Default shall be in existence;

(ix) In the sole judgment of Lessor, there shall have been no material adverse change in the business, financial condition or operations of Lessee or any existing sublessee under a Permitted Sublease;

(x) Lessor shall have received from Lessee, in form and substance satisfactory to it, such other documents and information, including without limitation, any supplements to previously executed documents, as Lessor shall reasonably request;

(xi) All legal matters in connection with the transactions contemplated by this Lease shall be satisfactory to Lessor's counsel;

(xii) Lessor shall have received an opinion of Lessee's counsel in form and substance satisfactory to Lessor and its counsel;

(xiii) Lessor shall have acquired the Units described on the applicable Supplement on terms and conditions reasonably satisfactory to Lessor;

(xiv) No change in law shall have occurred or, in Lessor's reasonable judgment shall appear imminent, which could adversely affect Lessor's economics or Lessor's current or potential rights with respect to the Units described on each Supplement;

(xv) Lessor shall have received and approved, in its sole discretion, a certified copy of any existing Permitted Sublease for the Units described on each Supplement; and

(xvi) Lessor shall have received an Acceptance Certificate, in form attached hereto as Exhibit C, covering all of the Units, executed by or on behalf of Lessee.

26. Additional Covenants.

(a) Lessee will provide, or direct any manager of any Unit to provide, to Lessor at all times the pass key and other access information with respect to any register containing information relating to any Unit, including without limitation the Uniform Machine Language Equipment Register or any other register maintained by AAR, provided that Lessor shall not make use of such information to alter any register so long as no Default has occurred.

(b) Lessee irrevocably grants to Lessor power of attorney to take any action in the name of Lessee (or otherwise) with respect to any Unit, provided that Lessor shall not exercise such power so long as no Event of Default has occurred.

(c) To further secure the obligations of Lessee to Lessor hereunder, Lessee hereby grants to Lessor a security interest in Lessee's rights and interest in, to and under any Permitted Sublease and any other agreement affecting any Unit, including any maintenance agreement, any agreement relating to use of reporting marks, and the proceeds from any of the foregoing.

(d) Lessee shall maintain at its chief executive office specified in Section 2.01(q) of the Asset Purchase Agreement the Lessor's fully executed original counterpart of any Permitted Sublease (and, if this Lease is renewed, any Permitted Sublease during such renewal term) and note thereon the assignment and security interest granted to Lessor therein pursuant hereto by means of (x) a written legend on the first page (or cover page, if applicable) of any Permitted Sublease (or such other Permitted Sublease if this Lease is renewed) bearing the words "THE INTERESTS OF ACF INDUSTRIES, INCORPORATED UNDER THIS LEASE HAVE BEEN ASSIGNED FOR COLLATERAL PURPOSES. SEE SCHEDULE OF ASSIGNEE(S) ATTACHED HERETO." and (y) a schedule securely affixed to such Permitted Sublease (or other Permitted Sublease if this Lease is renewed) setting forth the name of Lessor as an assignee thereof with respect to the Units of Equipment subject thereto.

27. Miscellaneous.

(a) Miscellaneous. Any provision of this Lease 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 provision hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, Lessee hereby waives any provision of law which renders any provision hereof prohibited or unenforceable in any respect.

(b) Amendment; Waiver. NO TERM OR PROVISION OF THIS LEASE MAY BE CHANGED, WAIVED, DISCHARGED OR TERMINATED ORALLY, BUT ONLY BY AN INSTRUMENT IN WRITING SIGNED BY THE PARTY AGAINST WHICH THE ENFORCEMENT OF THE CHANGE, WAIVER, DISCHARGE OR TERMINATION IS SOUGHT. No delay or failure on the part of Lessor to exercise any power or right hereunder shall operate as a waiver hereof, nor as an acquiescence in any default, nor shall any single or partial exercise of any power or right preclude any other or further exercise thereof, or the exercise of any other power or right. After the occurrence of any Default or Event of Default, the acceptance by Lessor of any payment of rent or other amount owed pursuant hereto shall not constitute a waiver by Lessor of such Default or Event of Default, regardless of Lessor's knowledge or lack of knowledge thereof at the time of acceptance of any such payment, and shall not constitute a restatement of this Lease if the Lease shall have been declared in default by Lessor pursuant to Section 17 hereof or otherwise, unless Lessor shall have agreed in writing to reinstate the Lease and to waive the Default or Event of Default.

(c) Fees and Expenses. Each party shall bear the fees and expenses incurred by it (including its own counsel fees) in connection with the execution and delivery of this Lease.

(d) Entire Agreement. This Lease and the agreements referred to herein contain the full, final and exclusive statement of the agreement between Lessor and Lessee relating to the lease of the Equipment.

(e) Agreement of Lease. This Lease shall constitute an agreement of lease, and nothing herein shall be construed as conveying to Lessee any right, title or interest in the Equipment except as lessee only.

(f) Successors and Assigns. This Lease and the covenants and agreements contained herein shall be binding upon, and inure to the benefit of, Lessor and its successors and assigns and Lessee and, to the extent permitted by Section 19 hereof, its successors and assigns.

(g) Captions. The headings of the Sections are for convenience of reference only, are not a part of this Lease and shall not be deemed to effect the meaning or construction of any of the provisions hereof.

(h) Execution in Counterparts. This Lease may be executed by the parties hereto on any number of separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

(i) GOVERNING LAW. THIS LEASE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

(j) JURISDICTION. LESSEE HEREBY IRREVOCABLY CONSENTS AND AGREES THAT ANY LEGAL ACTION, SUIT, OR PROCEEDING ARISING OUT OF OR IN ANY WAY IN CONNECTION WITH THIS LEASE MAY BE INSTITUTED OR BROUGHT IN THE COURTS OF THE STATE OF NEW YORK, IN THE COUNTY OF NEW YORK, OR THE UNITED STATES COURTS FOR THE SOUTHERN DISTRICT OF NEW YORK, AS LESSOR MAY ELECT, AND BY EXECUTION AND DELIVERY OF THIS LEASE, LESSEE HEREBY IRREVOCABLY ACCEPTS AND SUBMITS TO, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE NON-EXCLUSIVE JURISDICTION OF ANY SUCH COURT, AND TO ALL PROCEEDINGS IN SUCH COURTS. LESSEE IRREVOCABLY CONSENTS TO SERVICE OF ANY SUMMONS AND/OR LEGAL PROCESS BY REGISTERED OR CERTIFIED UNITED STATES AIR MAIL, POSTAGE PREPAID, TO LESSEE AT THE ADDRESS SET FORTH IN SECTION 23 HEREOF, SUCH METHOD OF SERVICE TO CONSTITUTE, IN EVERY RESPECT, SUFFICIENT AND EFFECTIVE SERVICE OF PROCESS IN ANY LEGAL ACTION OR PROCEEDING. NOTHING IN THIS LEASE SHALL AFFECT THE RIGHT TO SERVICE OF PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR LIMIT THE RIGHT OF LESSOR TO BRING ACTIONS, SUITS OR PROCEEDINGS IN THE COURT OF ANY OTHER JURISDICTION. LESSEE FURTHER AGREES THAT FINAL JUDGMENT AGAINST IT IN ANY SUCH LEGAL ACTION, SUIT OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN ANY OTHER JURISDICTION, WITHIN OR OUTSIDE THE UNITED STATES OF AMERICA, BY SUIT ON THE JUDGMENT, A CERTIFIED

OR EXEMPLIFIED COPY OF WHICH SHALL BE CONCLUSIVE EVIDENCE OF THE FACT AND THE AMOUNT OF LIABILITY.

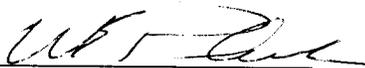
(k) JURY TRIAL. LESSOR AND LESSEE IN ANY LITIGATION RELATING TO OR IN CONNECTION WITH THIS LEASE IN WHICH THEY SHALL BE ADVERSE PARTIES WAIVE TRIAL BY JURY.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Lessor and Lessee have each caused this Lease to be duly executed as of the date first above written, and the undersigned signatories each hereby declare pursuant to 28 U.S.C. Section 1746 under penalty of perjury that the foregoing is a true and correct document and was executed on the date indicated below its signature.

LESSOR:

THE CIT GROUP/EQUIPMENT
FINANCING, INC.

By: 

Title: WILLIAM E. PLUMB
SENIOR VICE PRESIDENT

Date: _____

LESSEE:

ACF INDUSTRIES, INCORPORATED

By: _____

Title: _____

Date: _____

ACKNOWLEDGMENTS

State of _____)

) ss.

County of _____)

On this ____ day of December, 1994, before me personally appeared _____, to me personally known, who, being by me duly sworn, did say that he is a _____ of ACF INDUSTRIES, INCORPORATED, that said instrument was signed on behalf of said corporation on said date by authority of its Board of Directors, and he acknowledged that the execution of the foregoing Railcar Lease Agreement was the free act and deed of the corporation.

Notary Public

My commission expires:

State of Illinois

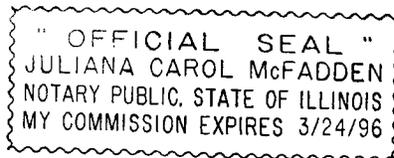
) ss.

County of Franklin)

On this 21 day of December, 1994, before me personally appeared Thurston Thurston, to me personally known, who, being by me duly sworn, did say that he is a VP of THE CIT GROUP/EQUIPMENT FINANCING, INC., that said instrument was signed on behalf of said corporation on said date by authority of its Board of Directors, and he acknowledged that the execution of the foregoing Railcar Lease Agreement was the free act and deed of the corporation.

Juliana Carol McFadden
Notary Public

My commission expires:



IN WITNESS WHEREOF, Lessor and Lessee have each caused this Lease to be duly executed as of the date first above written, and the undersigned signatories each hereby declare pursuant to 28 U.S.C. Section 1746 under penalty of perjury that the foregoing is a true and correct document and was executed on the date indicated below its signature.

LESSOR:

THE CIT GROUP/EQUIPMENT
FINANCING, INC.

By: _____

Title: _____

Date: _____

LESSEE:

ACF INDUSTRIES, INCORPORATED

By: *Unnes Chad*

Title: ASSISTANT TREASURER

Date: _____

ACKNOWLEDGMENTS

State of Missouri)

) ss.

County of St. Louis)

On this 21st day of December, 1994, before me personally appeared _____
Umesh Choksi, to me personally known, who, being by me duly sworn, did say that
he is a Asst. Treas. of ACF INDUSTRIES, INCORPORATED, that said instrument was
signed on behalf of said corporation on said date by authority of its Board of Directors, and
he acknowledged that the execution of the foregoing Railcar Lease Agreement was the free
act and deed of the corporation.

Nancy Collins

Notary Public

NANCY COLLINS
NOTARY PUBLIC - STATE OF MISSOURI
ST. CHARLES COUNTY
MY COMMISSION EXPIRES AUG. 2, 1996

My commission expires:

State of _____)

) ss.

County of _____)

On this ___ day of December, 1994, before me personally appeared _____
_____, to me personally known, who, being by me duly sworn, did say that he is a _____
_____ of THE CIT GROUP/EQUIPMENT FINANCING, INC., that said instrument was
signed on behalf of said corporation on said date by authority of its Board of Directors, and
he acknowledged that the execution of the foregoing Railcar Lease Agreement was the free
act and deed of the corporation.

Notary Public

My commission expires:

EXHIBIT A

CAR
IDENT

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CAR

IDENT

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CAR
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CAR
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EXHIBIT B
TO
RAILCAR LEASE AGREEMENT

SUPPLEMENT NO. 1
TO
RAILCAR LEASE AGREEMENT

THIS SUPPLEMENT is entered into as of December 1, 1994, between THE CIT GROUP/EQUIPMENT FINANCING, INC. ("Lessor") and ACF INDUSTRIES, INCORPORATED ("Lessee") pursuant to and in accordance with the Railcar Lease Agreement dated as of December 1, 1994 between Lessor and Lessee (the "Lease", the defined terms therein being used herein with their defined meanings).

1. Agreement to Lease. Subject to the terms and conditions of the Lease and the additional terms and conditions of this Supplement, Lessor shall Lease to Lessee and Lessee shall lease from Lessor the railroad rolling stock more fully described on Schedule 1, Part A hereto (referred to in this Supplement as the "Units"). The Term of the lease of the Units shall commence on the date hereof. Lessee agrees to execute and deliver an Acceptance Certificate on the form attached to the Lease as Exhibit C.

2. Rent. The Interim Rent for the Units is \$17.84 per day per Unit. The Basic Rent for the Units is \$535.00 per month per Unit.

3. [Intentionally omitted]

4. Lessee confirms and agrees that:

(a) no Default or Event of Default is in existence as of the date hereof, nor shall any Default or Event of Default occur as a result of the lease by Lessee of the Units specified herein;

(b) all representations and warranties of Lessee contained in the Lease are true and correct as of the date hereof and shall be true and correct as of the Interim Term

Commencement Date set forth on the applicable Acceptance Certificate with the same force and effect as if made on such dates.

(c) Lessee has reviewed the provisions of Section 5 of the Lease disclaiming warranties and acknowledges that it is bound by said provisions.

(d) Lessee has reviewed the provisions of Section 19 of the Lease prohibiting or restricting the assignment or other transfer of its interests in the Lease or the Equipment leased to it and is bound by such provisions as set forth in said Lease. Lessee agrees that said provisions are made "conspicuous" by this paragraph.

(e) Lessee has reviewed the provisions of Section 27(b) of the Lease providing that no provision of the Lease as written may be modified except by a written agreement, and Lessee is bound by such provisions. Lessee's authorized representative has separately initialed this paragraph to evidence Lessee's agreement to be bound by said provisions.

Lessee:

(Please initial here)

ACF INDUSTRIES, INCORPORATED

By: _____

Its: _____

5. Additional Terms. Rent will continue on all Units subject to this Supplement until all Units described herein are returned as required in Section 6 of the Lease, and the free storage period described in Section 6 of the Lease shall not commence until all Units are so returned.

6. Incorporation of Terms of Lease. All of the terms, provisions and conditions of the Lease are hereby incorporated herein and made a part hereof as if such terms, provisions and conditions were set forth in full in this Supplement. By its execution and delivery of this Supplement, the Lessee reaffirms all of the terms, provisions and conditions of the Lease.

IN WITNESS WHEREOF, Lessor and Lessee have each caused this Supplement No. _
to be duly executed as of the date first above written, and the undersigned signatories each
hereby declare pursuant to 28 U.S.C. Section 1746 under penalty of perjury that the
foregoing is a true and correct document and was executed on the date indicated below its
signature.

LESSOR:

**THE CIT GROUP/EQUIPMENT
FINANCING, INC.**

By: _____

Title: _____

Date: _____

LESSEE:

ACF INDUSTRIES, INCORPORATED

By: _____

Title: _____

Date: _____

ACKNOWLEDGMENTS

State of _____)

) ss.

County of _____)

On this ____ day of _____, _____, before me personally appeared _____, to me personally known, who, being by me duly sworn, did say that he is a _____ of ACF INDUSTRIES, INCORPORATED, that said instrument was signed on behalf of said corporation on said date by authority of its Board of Directors, and he acknowledged that the execution of the foregoing Supplement was the free act and deed of the corporation.

Notary Public

My commission expires:

State of _____)

) ss.

County of _____)

On this ____ day of _____, _____, before me personally appeared _____, to me personally known, who, being by me duly sworn, did say that he is a _____ of THE CIT GROUP/EQUIPMENT FINANCING, INC., that said instrument was signed on behalf of said corporation on said date by authority of its Board of Directors, and he acknowledged that the execution of the foregoing Supplement was the free act and deed of the corporation.

Notary Public

My commission expires:

SCHEDULE 1

Part A:

Units:

AAR Mechanical Design: _____

AAR Car Type Code: _____

Term: sixty (60) calendar months from the Basic Term Commencement Date

EXHIBIT C
TO
RAILCAR LEASE AGREEMENT

ACCEPTANCE CERTIFICATE

Interim Term Commencement Date: December __, 1994
Basic Term Commencement Date: January 1, 1995

THIS ACCEPTANCE CERTIFICATE is delivered to THE CIT GROUP/EQUIPMENT FINANCING, INC. ("Lessor") by ACF INDUSTRIES, INCORPORATED ("Lessee") pursuant to and in accordance with the Railcar Lease Agreement dated as of December 1, 1994 between Lessor and Lessee and the Supplement No. 1 thereto dated as of December 1, 1994 (the "Lease") (the defined terms therein being used herein with their defined meanings).

1. The Units covered by this Certificate are described in Schedule 1, and each Unit was plainly marked with the marks and numbers indicated on Schedule 1, as required by the Lease.

2. Lessee confirms that

(a) the Units covered hereby have been delivered to Lessee;

(b) the Units covered hereby have been inspected by Lessee, have been delivered in good working order and condition, and are of the size, design, capacity and manufacture selected by Lessee and conform to the specifications applicable thereto and to all applicable FRA requirements and specifications and to all standards recommended by the AAR reasonably interpreted as being applicable to new railroad equipment of the character of such Units;

(c) no Default or Event of Default is in existence as of the Interim Term Commencement Date set forth above, nor shall any Default or Event of Default occur as a result of the lease by Lessee of the Units specified herein; and

(d) all representations and warranties of Lessee contained in the Lease are true and correct as of the Interim Term Commencement Date set forth above with the same force and effect as if made on such date.

3. All of the terms, provisions and conditions of the Lease are hereby incorporated herein and made a part hereof as if such terms, provisions and conditions were set forth in full in this Certificate. By its execution and delivery of this Certificate, the Lessee reaffirms all of the terms, provisions and conditions of the Lease.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Lessee has caused this Acceptance Certificate to be duly executed by its duly authorized officer as of the Interim Term Commencement Date set forth above.

LESSEE:

ACF INDUSTRIES, INCORPORATED

By: _____

Title: _____

ACKNOWLEDGED AS OF
THE INTERIM TERM COMMENCEMENT
DATE SET FORTH ABOVE

THE CIT GROUP/EQUIPMENT FINANCING, INC.

By: _____

Title: _____

SCHEDULE 1

Units:

[SEE ATTACHED]

AAR Mechanical Design: ____

AAR Car Type Code: _____