

1999-D

BILL OF SALE

FMC Corporation, a Delaware corporation (the "Seller"), in consideration of good and valuable consideration to it paid, the receipt of which is hereby acknowledged, does hereby grant, bargain, sell, transfer, convey and set over unto First Security Bank of Utah, National Association, not in its individual capacity, but solely as Owner Trustee (the "Owner Trustee") under a Trust Agreement (1996-1) which creates a trust referred to as the FMC Rail Trust 1996-1, dated as of September 15, 1995, as thereafter from time to time amended or supplemented, with KBNY Leasing Inc. (as successor in interest to NationsBank, National Association), its successors and assigns, all right, title and interest of the Seller in and to the items of equipment described on the attachment hereto (the "Items of Equipment"), including, without limitation, all warranties provided by any manufacturer of an Item of Equipment to be conveyed with such Item of Equipment to the Owner Trustee to the maximum extent permitted by such warranty and by law and to the extent so permitted such warranty shall be deemed conveyed and a part of the sale of the related Items of Equipment.

To have and to hold, all and singular, the Items of Equipment to the said Owner Trustee, its successors and assigns, for its and their own use and behoof forever.

The Seller hereby represents and warrants to the Owner Trustee, its successors and assigns, that on the date hereof, the Seller is the lawful owner of the Items of Equipment with good right and full power to sell the Items of Equipment and has full legal and beneficial title to the Items of Equipment, free and clear of all Liens; that there is hereby conveyed to the Owner Trustee on the date hereof, full legal and beneficial title to the Items of Equipment, free and clear of all Liens; and the Seller agrees that it will warrant and forever defend such title to the Items of Equipment against the claims and demands of all other Persons.

At any time and from time to time after the date hereof, the Seller shall execute and deliver or cause to be executed and delivered to the Owner Trustee such other instruments and take such other action, all as the Owner Trustee may reasonably request, in order to carry out the intent and purpose of this Bill of Sale.

This Bill of Sale shall be governed by the internal laws of the State of Illinois without regard to principles of conflict of law.

Capitalized terms used herein and not otherwise defined have the respective meanings ascribed thereto in Appendix I to the Participation Agreement.

IN WITNESS WHEREOF, the Seller has caused this Bill of Sale to be duly executed and delivered as of the 29th day of March, 1996.

FMC CORPORATION

By: 
Name: D.N. Schuchardt
Title: Assistant Treasurer

**Schedule I
(to the Bill of Sale)**

Description of Items of Equipment

FMLX051151	FMLX051191	FMLX051231	FMLX051271	FMLX051311
FMLX051152	FMLX051192	FMLX051232	FMLX051272	FMLX051312
FMLX051153	FMLX051193	FMLX051233	FMLX051273	FMLX051313
FMLX051154	FMLX051194	FMLX051234	FMLX051274	FMLX051314
FMLX051155	FMLX051195	FMLX051235	FMLX051275	FMLX051315
FMLX051156	FMLX051196	FMLX051236	FMLX051276	FMLX051316
FMLX051157	FMLX051197	FMLX051237	FMLX051277	FMLX051317
FMLX051158	FMLX051198	FMLX051238	FMLX051278	FMLX051318
FMLX051159	FMLX051199	FMLX051239	FMLX051279	FMLX051319
FMLX051160	FMLX051200	FMLX051240	FMLX051280	FMLX051320
FMLX051161	FMLX051201	FMLX051241	FMLX051281	FMLX051321
FMLX051162	FMLX051202	FMLX051242	FMLX051282	FMLX051322
FMLX051163	FMLX051203	FMLX051243	FMLX051283	FMLX051323
FMLX051164	FMLX051204	FMLX051244	FMLX051284	FMLX051324
FMLX051165	FMLX051205	FMLX051245	FMLX051285	FMLX051325
FMLX051166	FMLX051206	FMLX051246	FMLX051286	FMLX051326
FMLX051167	FMLX051207	FMLX051247	FMLX051287	FMLX051327
FMLX051168	FMLX051208	FMLX051248	FMLX051288	FMLX051328
FMLX051169	FMLX051209	FMLX051249	FMLX051289	FMLX051329
FMLX051170	FMLX051210	FMLX051250	FMLX051290	FMLX051330
FMLX051171	FMLX051211	FMLX051251	FMLX051291	FMLX051331
FMLX051172	FMLX051212	FMLX051252	FMLX051292	FMLX051332
FMLX051173	FMLX051213	FMLX051253	FMLX051293	FMLX051333
FMLX051174	FMLX051214	FMLX051254	FMLX051294	FMLX051334
FMLX051175	FMLX051215	FMLX051255	FMLX051295	FMLX051335
FMLX051176	FMLX051216	FMLX051256	FMLX051296	FMLX051336
FMLX051177	FMLX051217	FMLX051257	FMLX051297	FMLX051337
FMLX051178	FMLX051218	FMLX051258	FMLX051298	FMLX051338
FMLX051179	FMLX051219	FMLX051259	FMLX051299	FMLX051339
FMLX051180	FMLX051220	FMLX051260	FMLX051300	FMLX051340
FMLX051181	FMLX051221	FMLX051261	FMLX051301	FMLX051341
FMLX051182	FMLX051222	FMLX051262	FMLX051302	FMLX051342
FMLX051183	FMLX051223	FMLX051263	FMLX051303	FMLX051343
FMLX051184	FMLX051224	FMLX051264	FMLX051304	FMLX051344
FMLX051185	FMLX051225	FMLX051265	FMLX051305	FMLX051345
FMLX051186	FMLX051226	FMLX051266	FMLX051306	FMLX051346
FMLX051187	FMLX051227	FMLX051267	FMLX051307	FMLX051347
FMLX051188	FMLX051228	FMLX051268	FMLX051308	FMLX051348
FMLX051189	FMLX051229	FMLX051269	FMLX051309	FMLX051349
FMLX051190	FMLX051230	FMLX051270	FMLX051310	FMLX051350

FMLX051351	FMLX051371	FMLX051391	FMLX051411	FMLX051431
FMLX051352	FMLX051372	FMLX051392	FMLX051412	FMLX051432
FMLX051353	FMLX051373	FMLX051393	FMLX051413	FMLX051433
FMLX051354	FMLX051374	FMLX051394	FMLX051414	FMLX051434
FMLX051355	FMLX051375	FMLX051395	FMLX051415	FMLX051435
FMLX051356	FMLX051376	FMLX051396	FMLX051416	FMLX051436
FMLX051357	FMLX051377	FMLX051397	FMLX051417	FMLX051437
FMLX051358	FMLX051378	FMLX051398	FMLX051418	FMLX051438
FMLX051359	FMLX051379	FMLX051399	FMLX051419	FMLX051439
FMLX051360	FMLX051380	FMLX051400	FMLX051420	FMLX051440
FMLX051361	FMLX051381	FMLX051401	FMLX051421	FMLX051441
FMLX051362	FMLX051382	FMLX051402	FMLX051422	FMLX051442
FMLX051363	FMLX051383	FMLX051403	FMLX051423	FMLX051443
FMLX051364	FMLX051384	FMLX051404	FMLX051424	FMLX051444
FMLX051365	FMLX051385	FMLX051405	FMLX051425	FMLX051445
FMLX051366	FMLX051386	FMLX051406	FMLX051426	FMLX051446
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FMLX051369	FMLX051389	FMLX051409	FMLX051429	FMLX051449
FMLX051370	FMLX051390	FMLX051410	FMLX051430	FMLX051450

IN WITNESS WHEREOF, the Owner Trustee and the Indenture Trustee have caused this Indenture to be executed, as of the day and year first above written.

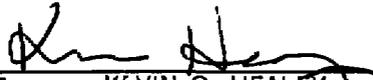
FIRST SECURITY BANK OF UTAH,
NATIONAL ASSOCIATION, not
in its individual capacity
but solely as Owner Trustee

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Name: _____
Title: _____

HARRIS TRUST AND SAVINGS BANK,
as Indenture Trustee

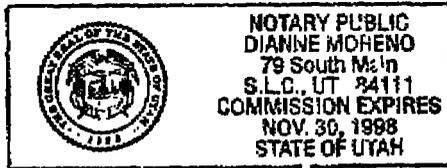
By:  _____
Name: KEVIN O. HEALEY
Title: VICE PRESIDENT

ATTEST:

By:  _____
Name: D. G. DONOVAN
Title: ASSISTANT SECRETARY

STATE OF Utah)
COUNTY OF Salt Lake) SS

On this 18th day of March, 1996, before me personally appeared Brett R. King and C. Scott Nielsen, to me personally known, who being by me duly sworn, says that they are the Trust Officer and Assistant Vice President of First Security Bank of Utah, National Association, that said instrument was signed 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.



[Signature]
Notary Public

(SEAL)

My commission expires: _____

STATE OF _____)
COUNTY OF _____) SS

On this ____ day of March, 1996, before me personally appeared _____ and _____, to me personally known, who being by me duly sworn, says that they are the _____ and _____ of Harris Trust and Savings Bank, that said instrument was signed on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

(SEAL)

My commission expires: _____

STATE OF _____)
) SS
COUNTY OF _____)

On this _____ day of March, 1996, before me personally appeared _____ and _____, to me personally known, who being by me duly sworn, says that they are the _____ and _____ of First Security Bank of Utah, National Association, that said instrument was signed on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

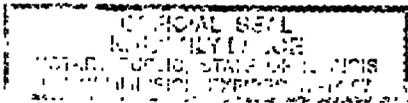
Notary Public

(SEAL)

My commission expires: _____

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this 15TH day of March, 1996, before me personally appeared KEVIN O. HEALEY and D. G. DONOVAN, to me personally known, who being by me duly sworn, says that they are the VICE PRESIDENT and ASSISTANT SECRETARY of Harris Trust and Savings Bank, that said instrument was signed 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.



Kevin O. Healey
Notary Public

(SEAL)

My commission expires: 12. 14. 97

AMORTIZATION SCHEDULES

[Intentionally Omitted]

SCHEDULE 1
(to TRUST INDENTURE AND SECURITY AGREEMENT)

SCHEDULE 2

TRUST INDENTURE AND SECURITY AGREEMENT
SUPPLEMENT (1996-1) NO. ____

TRUST INDENTURE AND SECURITY AGREEMENT SUPPLEMENT (1996-1) NO. ____ dated _____, 19__ (this "Supplement"), by and between FIRST SECURITY BANK OF UTAH, NATIONAL ASSOCIATION, not in its individual capacity but solely as Owner Trustee (the "Owner Trustee"), and HARRIS TRUST AND SAVINGS BANK (the "Indenture Trustee").

RECITAL:

The Trust Indenture and Security Agreement (1996-1), dated as of March 15, 1996 (herein, together with any amendments and supplements heretofore made thereto, called the "Trust Indenture"), between the parties hereto, provides for the execution and delivery on each Closing Date (such term and other defined terms in the Trust Indenture being herein used with the same meanings and the rules of interpretation applicable thereto being applicable hereto) of a Supplement thereto substantially in the form hereof, which shall particularly describe the Items of Equipment being acquired on such Closing Date and shall specifically grant and confirm a security interest in such Items of Equipment to the Indenture Trustee;

NOW, THEREFORE, the Owner Trustee in consideration of the premises and other good and valuable consideration, receipt whereof is hereby acknowledged, and intending to be legally bound, and in order to secure the payment of the principal of and interest on the Notes at any time outstanding under the Trust Indenture according to their tenor and effect, and to secure the payment and performance of all other indebtedness and obligations secured by the Trust Indenture does hereby convey, warrant, mortgage, assign and pledge unto the Indenture Trustee, its successors and assigns, and grant to the Indenture Trustee, its successors and assigns a security interest in, forever, all and singular of the Owner Trustee's right, title and interest in the Items of Equipment described in Schedule 1 attached hereto, whether now owned by the Owner Trustee or hereafter acquired, leased or intended to be leased under the Lease, together with all accessories, equipment, parts and appurtenances appertaining or attached to such Items of Equipment, whether now owned or hereafter acquired, and all substitutions, renewals or replacements of and additions, improvements, accessions and accumulations to any and all of said Items of Equipment, together with all the rents, issues, income, profits and avails therefrom, in each case excepting (i) such thereof as remain the property of the Lessee under the Lease and (ii) all Excepted Rights in Collateral.

TO HAVE AND TO HOLD the aforesaid property unto the Indenture Trustee, its successors and assigns forever, upon the terms and conditions set forth in the Trust Indenture for its benefit, security and protection.

Attached as Schedule 2 hereto is each amortization schedule for each Series of Note(s) issued on _____, 199__.

It is expressly understood and agreed by and between the Owner Trustee, the Owner Participant, the Indenture Trustee and their respective successors and assigns that, except as expressly provided in Section 2.2 of the Indenture, this Supplement and each other Operative Agreement is executed by the Trust Company, not in its individual capacity or personally but solely as Owner Trustee under the Trust Agreement in the exercise of the power and authority conferred and vested in it as such Owner Trustee, that (except as otherwise expressly provided in the Indenture) each and all of the representations, undertakings and agreements herein and therein made on the part of the Owner Trustee are each and every one of them made and intended not as personal representations, undertakings and agreements by the Trust Company or the Owner Participant, or for the purpose or with the intention of binding the Trust Company or the Owner Participant in its individual capacity or personally, but are made and intended for the purpose of binding only the Trust Estate, that this Supplement is executed and delivered by the Trust Company solely in the exercise of the powers expressly conferred upon the Trust Company as Owner Trustee under the Trust Agreement, that actions to be taken by the Owner Trustee pursuant to its obligations hereunder and thereunder may, in certain instances, be taken by the Owner Trustee only upon specific authority of the Owner Participant, that nothing herein or therein contained shall be construed as creating any liability on the Trust Company or the Owner Participant, in its individual capacity or personally, or any incorporator or any past, present or future subscriber to the capital stock of, or stockholder, officer or director of, the Trust Company or the Owner Participant, to perform any covenant either express or implied contained herein, all such liability, if any, being expressly waived by the Indenture Trustee and by any person claiming by, through or under the Indenture Trustee, and that so far as the Trust Company or the Owner Participant, in its individual capacity or personally are concerned, the Indenture Trustee and any person claiming by, through or under the Indenture Trustee shall look solely to the Trust Estate and the Collateral for the performance of any obligation under any of the instruments referred to herein; provided, however, that except as herein provided, nothing herein shall be construed to limit or otherwise modify the rights and remedies of the Indenture Trustee and the holders of the Notes contained in Section 5 of the Indenture, and provided, further, that nothing contained herein shall be construed to limit the liability of the Trust Company for any breach of any

representations or warranties of the Trust Company set forth herein or to limit the liability of the Trust Company for gross negligence or willful misconduct or with respect to the handling of funds, for liability with respect to the failure to exercise ordinary care. Any obligation of the Owner Trustee hereunder may be performed by the Owner Participant, and any such performance shall not be construed as revocation of the trust created by the Trust Agreement. Nothing contained in this Supplement shall restrict the operation of the provisions of the Trust Agreement with respect to its revocation or the resignation or removal of the Owner Trustee thereunder.

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

Any and all notices, requests, certificates and other instruments executed and delivered after the execution and delivery of this Supplement may refer to the "Trust Indenture dated as of March 15, 1996" without making specific reference to this Supplement, but nevertheless all such references shall be deemed to include this Supplement unless the context shall otherwise require.

* * * * *

IN WITNESS WHEREOF, the Owner Trustee has caused this Supplement to be executed and delivered, and the Indenture Trustee, in evidence of its acceptance of the trusts hereby created, has caused this Supplement to be executed and delivered on the day and year first above written.

Owner Trustee:

FIRST SECURITY BANK OF UTAH,
NATIONAL ASSOCIATION, not in
its individual capacity but
solely as Owner Trustee

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Name: _____
Title: _____

Indenture Trustee:

HARRIS TRUST AND SAVINGS BANK,
as Indenture Trustee

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Name: _____
Title: _____

SCHEDULE 1
(to Trust Indenture and Security Agreement Supplement)

DESCRIPTION OF ITEMS

SCHEDULE 2
(to Trust Indenture and Security Agreement Supplement)
AMORTIZATION SCHEDULES

EXHIBIT A
(to TRUST INDENTURE AND SECURITY AGREEMENT)

FIRST SECURITY BANK OF UTAH, NATIONAL ASSOCIATION,
not in its individual capacity but solely
as Owner Trustee

7.53% SECURED NOTE DUE JANUARY 1, 2017

Series _____
No. R- _____, 199_

\$

FOR VALUE RECEIVED, the undersigned, FIRST SECURITY BANK OF UTAH, NATIONAL ASSOCIATION, a national banking association, not in its individual capacity but solely as Owner Trustee (the "Owner Trustee") under that certain Trust Agreement dated (1996-1) as of March 15, 1996 (the "Trust Agreement") between it and KBNY LEASING INC. (as successor in interest to NationsBank, National Association) (the "Owner Participant") promises to pay to

or registered assigns,
the principal sum of

DOLLARS (\$)

together with interest from the date hereof until maturity at the Applicable Rate (computed on the basis of a 360-day year of twelve consecutive 30-day months) on the unpaid principal hereof, in installments as follows:

(i) _____ () installments in the respective amounts set forth in the amortization schedule attached hereto, payable on _____, 1996 and on each _____ and _____ thereafter to and including _____; followed by

(ii) A final installment on _____ in the amount equal to the entire principal and interest remaining unpaid hereunder as of said date;

and to pay interest on overdue principal and (to the extent legally enforceable) on overdue interest at the Late Rate after maturity, whether by acceleration or otherwise, until paid. Both the principal hereof and interest hereon are payable to the registered holder hereof in such coin or currency of the United States of America which at the time of payment shall be legal tender for the payment of public and private debts.

This Note is one of the Series _____ 7.53% Secured Notes due January 1, 2017 of the Owner Trustee not exceeding

\$ _____^{1/} in aggregate principal amount (the "Notes") which is issued under and pursuant to the Participation Agreement dated as of September 15, 1995 among the Owner Trustee, the Owner Participant, FMC Corporation (the "Lessee"), Harris Trust and Savings Bank (the "Indenture Trustee") and the Note Purchasers listed on Schedule 2 thereto (the "Note Purchasers"), and which is also issued under and secured by that certain Trust Indenture and Security Agreement dated as of March 15, 1996 (the "Indenture") from the Owner Trustee to the Indenture Trustee. Reference is made to the Indenture and all supplements and amendments thereto executed pursuant to the Indenture for a description of the collateral, the nature and extent of the security and rights of the Indenture Trustee, the holder or holders of the Notes and of the Owner Trustee in respect thereof.

Certain prepayments are required to be made on this Note and any other Notes outstanding under the Indenture and this Note is subject to purchase pursuant to Section 5.3 of the Indenture. The Owner Trustee agrees to make the required prepayments on the Notes in accordance with the provisions of the Indenture.

The terms and provisions of the Indenture and the rights and obligations of the Indenture Trustee and the rights of the holders of the Notes may be changed and modified to the extent permitted by and as provided in the Indenture. By acceptance of this Note, the holder hereof agrees and accepts all of the terms and conditions of the Indenture (including Section 5.3 thereof) and all the provisions of the Participation Agreement applicable to a Note Purchaser.

Each holder hereof, by its acceptance of this Note, agrees that each payment received by it hereunder shall be applied, first, to the payment of accrued but unpaid interest on this Note then due, second, to the payment of the unpaid principal amount of this Note then due, and third, to the payment of any premium then due.

This Note is a registered Note and is transferable only by surrender thereof at the principal office of the Owner Trustee, duly endorsed or accompanied by a written instrument of transfer, duly executed by the registered holder of this Note or his attorney duly authorized in writing and otherwise in compliance with the Indenture.

This Note and the Indenture are governed by and construed in accordance with the laws of the State of Illinois.

Unless the certificate of authentication hereon has been executed by or on behalf of the Indenture Trustee by manual

^{1/}All Series shall not exceed \$25,645,191 in the aggregate.

signature, this Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

It is expressly understood and agreed by and between the Owner Trustee, the Owner Participant and the holder of this Note and their respective successors and assigns that this Note is executed by First Security Bank of Utah, National Association, not in its individual capacity or personally but solely as Owner Trustee under the Trust Agreement in the exercise of the power and authority conferred and vested in it as such Owner Trustee, that each and all of the representations, undertakings and agreements herein made on the part of the Owner Trustee are each and every one of them made and intended not as personal representations, undertakings and agreements by First Security Bank of Utah, National Association or the Owner Participant, or for the purpose or with the intention of binding First Security Bank of Utah, National Association or the Owner Participant in its individual capacity or personally, but are made and intended for the purpose of binding only the Trust Estate, that this Note is executed and delivered by First Security Bank of Utah, National Association solely in the exercise of the powers expressly conferred upon First Security Bank of Utah, National Association as Owner Trustee under the Trust Agreement, that nothing herein contained shall be construed as creating any liability on First Security Bank of Utah, National Association or the Owner Participant, in its individual capacity or personally, or any incorporator or any past, present or future subscriber to the capital stock of, or stockholder, officer or director of, First Security Bank of Utah, National Association or the Owner Participant, to perform any covenant either express or implied contained herein, all such liability, if any, being expressly waived by the holder of this Note and by each and every person now or hereafter claiming by, through or under the holder of this Note, and that so far as First Security Bank of Utah, National Association or the Owner Participant, in its individual capacity or personally are concerned, the holder of this Note and any person claiming by, through or under the holder of this Note shall look solely to the Collateral for the performance of any obligation under this Note, provided, however, that except as herein provided, nothing in this paragraph shall be construed to limit or otherwise modify the rights and remedies of the holder of this Note contained in Section 5 of the Indenture, and, provided, further, that nothing contained in this paragraph shall be construed to limit the liability of the Owner Trustee in its individual capacity for any breach of any representations or warranties of the Owner Trustee in its individual capacity set forth in the Participation Agreement or the Indenture or to limit the liability of the Owner Trustee for gross negligence or willful misconduct or with respect to the handling of funds, for liability with respect to the failure to exercise ordinary care. Any obligation of the Owner Trustee hereunder may be performed by the Owner Participant, and any such performance shall not be construed as revocation of the trust created by the Trust Agreement. Nothing contained in this Note

shall restrict the operation of the provisions of the Trust Agreement with respect to its revocation or the resignation or removal of the Owner Trustee as Owner Trustee thereunder.

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

FIRST SECURITY BANK OF UTAH,
NATIONAL ASSOCIATION, not in
its individual capacity but
solely as Owner Trustee

By _____
Its: _____

NOTICE

THIS NOTE HAS NOT BEEN REGISTERED PURSUANT TO THE SECURITIES ACT OF 1933 OR UNDER THE SECURITIES LAWS OF ANY STATE. THE NOTE MAY NOT BE OFFERED OR SOLD UNLESS IT IS REGISTERED UNDER THE APPLICABLE SECURITIES LAWS OR UNLESS AN EXCEPTION FROM SUCH REGISTRATION IS AVAILABLE. THE HOLDER HEREOF, BY PURCHASING THIS NOTE, SHALL BE DEEMED TO HAVE MADE AND ASSUMED THE REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE NOTE PURCHASERS CONTAINED IN SECTIONS 3.5(a), (b) AND (c) AND SECTION 3.7 OF THE PARTICIPATION AGREEMENT DATED AS OF SEPTEMBER 15, 1995 AMONG KBNY LEASING INC. (AS SUCCESSOR IN INTEREST TO NATIONSBANK, NATIONAL ASSOCIATION), FIRST SECURITY BANK OF UTAH, NATIONAL ASSOCIATION, NOT IN ITS INDIVIDUAL CAPACITY EXCEPT AS EXPRESSLY STATED THEREIN, BUT SOLELY AS OWNER TRUSTEE, FMC CORPORATION, HARRIS TRUST AND SAVINGS BANK, NOT IN ITS INDIVIDUAL CAPACITY EXCEPT AS EXPRESSLY STATED THEREIN, BUT SOLELY AS INDENTURE TRUSTEE, AND THE NOTE PURCHASERS LISTED ON SCHEDULE 2 THERETO.

INDENTURE TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Note is one of the Notes described in the within-mentioned Indenture.

HARRIS TRUST AND SAVINGS BANK,
as Indenture Trustee

By _____
Its: Vice President

Document Number: 0054378.03
3-26-96/05:17pm

DEFINITIONS

In each Operative Agreement (as hereinafter defined):

(a) the terms set forth in this Appendix I or in any such Operative Agreement shall have the meanings herein provided for and any term used in a Operative Agreement and not defined therein or in this Appendix I but in another Operative Agreement shall have the meaning provided for in such other Operative Agreement;

(b) any term defined in this Appendix I by reference to another document, instrument or agreement shall continue to have the meaning ascribed thereto whether or not such other document, instrument or agreement remains in effect;

(c) words importing the singular include the plural and vice versa;

(d) words importing a gender include any gender;

(e) a reference to a part, clause, party, section, paragraph, article, annex, appendix, exhibit, schedule or other attachment to or in respect of a Operative Agreement is a reference to a part and clause of, or a party, section, paragraph, article, annex, appendix, exhibit, schedule or other attachment to, such Operative Agreement unless, in any such case, otherwise expressly provided in any such Operative Agreement;

(f) a reference to any statute, regulation, proclamation, ordinance or law includes all statutes, regulations, proclamations, ordinances or laws varying, consolidating or replacing the same from time to time, and a reference to a statute includes all regulations, proclamations and ordinances issued or otherwise applicable under that statute;

(g) a reference to any document, instrument or agreement includes an amendment or supplement to, or restatement, replacement, modification or novation of, any such document, instrument or agreement;

(h) a reference to a particular section, paragraph or other part of a particular statute shall be deemed to be a reference to any other section, paragraph or other part substituted therefor from time to time;

(i) if a capitalized term describes, or shall be defined by reference to, a document, instrument or agreement that has not as of any particular date been executed and delivered and such document, instrument or agreement is attached as an exhibit to the Participation Agreement (each as hereinafter defined), such reference shall be deemed to be to such form and, following such execution and delivery and subject to paragraph (g) above, to the document, instrument or agreement as so executed and delivered;

(j) a reference to any Person (as hereinafter defined) includes such Person's successors and permitted assigns;

(k) any reference to "days" shall mean calendar days unless "Business Days" are expressly specified;

(l) when used herein or in any document or certificate, accounting terms not defined in this Appendix I and accounting terms partly defined in this Appendix I, shall have the respective meanings given to them under GAAP;

(m) any reference to the satisfaction, release and/or discharge of any Operative Agreement (as hereinafter defined) or the Lien (as hereinafter defined) thereof (or words of similar import) shall, whether or not so expressly stated, be deemed to be a reference to the satisfaction, release and discharge in full and cancellation of the Lien of such Operative Agreement in accordance with the express provisions thereof or, if such discharge has not occurred when the same is required pursuant to the express provisions of such Operative Agreement, to the date when such discharge is or was required thereunder;

(n) when used in any document, words such as "hereunder", "hereto", "hereof" and "herein" and other words of similar import shall, unless the context requires otherwise, refer to the whole of the applicable document and not to any particular article, section, subsection, paragraph or clause thereof;

(o) references to "including" shall mean including without limitation and without limiting the generality of any description preceding such term; and

(p) references in any document (including this Appendix I and any Operative Agreement) to "NationsBank, National Association" shall be deemed to be references instead to "KBNY Leasing Inc. (as successor in interest to NationsBank, National Association)" and for purposes of each of the Operative Agreements (including Section 6.2 of the Participation Agreement), KBNY Leasing Inc. shall be deemed to

be the original Owner Participant under the Operative Agreements.

"ACF 5000 Hopper Cars" shall mean the Items constituting 5000 cubic foot capacity covered hopper cars manufactured by ACF Industries Corporation, as more fully described in each Lease Supplement relating thereto.

"ACF 5100 Hopper Cars" shall mean the Items constituting 5100 cubic foot capacity covered hopper cars manufactured by ACF Industries Corporation, as more fully described in each Lease Supplement relating thereto.

"Adjustment Event Certificate" shall have the meaning specified in Section 2.4(e) of the Lease.

"Advance" shall have the meaning specified in Section 2.6 of the Lease.

"Affiliate" shall mean any Person who or which, directly or indirectly, through one or more intermediaries controls, or is controlled by, or is under common control with, another Person. The term "control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"After-Tax Basis" shall mean, with respect to any payment to be received, the amount of such payment supplemented by a further amount so that, after deduction of the amount of all Taxes actually required to be paid by the recipient of the payment (taking into account any Tax savings actually realized by the recipient from deduction of the payment of the indemnified amount) with respect to the receipt by it of such amounts are equal to the payment required to be made on an After-Tax Basis. In the case of the Owner Participant or any Affiliate thereof, it shall be assumed that the recipient is fully taxable for United States federal income tax purposes at the highest marginal rate applicable to corporations at the time such amount is received or properly accrued.

"All-in Present Value" shall have the meaning specified in Section 2.4(a) of the Lease.

"Applicable Law" shall mean all applicable United States, foreign, federal, state and local laws, ordinances, statutes, rules, regulations, orders, injunctions, writs, treaties, decrees, licenses and permits of any Governmental Authority (including the Interchange Rules and all Environmental Laws).

"Applicable Rate" shall have the meaning set forth in Section 2.2(a) of the Participation Agreement.

"Appraiser" shall have the meaning set forth in Section 4.1(p) of the Participation Agreement.

"Basic Lease Term" shall have the meaning specified in Section 2.2 of the Lease.

"Base Lease Term Commencement Date" shall mean January 1, 1997.

"Basic Rent" shall have the meaning specified in Section 2.1(a) of the Lease.

"Beneficial Interest" shall mean the beneficial interest of the Owner Participant in the Trust Estate under the Trust Agreement.

"Bill or Bills of Sale" shall have the meaning specified in Recital A(1) of the Participation Agreement.

"Business Day" shall have the meaning set forth in Section 2.2 of the Lease.

"Casualty Occurrence" shall have the meaning specified in Section 9.2(a) of the Lease.

"Certificate of Acceptance" shall mean any Certificate of Acceptance delivered pursuant to Section 1.3 of the Lease.

"Change in Tax Law" shall mean the enactment, promulgation or issuance of a change, amendment, modification, addition or deletion in or to the Code, any regulation thereunder (whether proposed, temporary or final) or any revenue ruling, revenue procedure, other formal announcement or other published administrative determination or guidance by the Internal Revenue Service or the Department of Treasury, or any other administrative or judicial interpretation.

"Closing Date" shall have the meaning specified in Section 2.3 of the Participation Agreement.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Collateral" shall have the meaning specified in Section 1 of the Indenture.

"Default" shall mean an event or condition, which with the passage of time or notice (or both) would become an Event of Default under the Lease.

"Designated Locations" shall have the meaning specified in Section 11 of the Lease.

"EBO Amount" with respect to any Item of Equipment shall have the meaning specified in Schedule G to the Lease.

"EBO Date" with respect to any Item of Equipment shall have the meaning specified in Schedule G to the Lease.

"EBO Payment Date" shall have the meaning specified in Section 17.1 of the Lease.

"Enforcement Date" shall have the meaning specified in Section 5.3(a) of the Indenture.

"Enforcement Notice" shall have the meaning specified in Section 5.3(a) of the Indenture.

"Environmental Laws" shall mean any federal, state or local laws, ordinances, rules, orders, statutes, decrees, judgments, injunctions, directives, permits, licenses, approvals, codes and regulations relating to the environment, human health, natural resources or Hazardous Materials, as may from time to time be amended, supplemented or supplanted.

"Equipment" shall mean, collectively, all of the Items of Equipment.

"Equipment Lot" shall mean, with respect to each Closing Date, that portion of the items of railroad rolling stock described on Schedule 4 to the Participation Agreement to be sold to the Owner Trustee, as set forth in the Notice of Closing delivered by the Lessee pursuant to Section 2.3 of the Participation Agreement, and on and after such Closing Date all of the Items of Equipment described on the Bill of Sale and the Lease Supplement or Supplements entered into and delivered by Lessee and Lessor on such Closing Date.

"Equity Commitment" shall have the meaning specified in Section 2.1 of the Participation Agreement.

"Equity Investment" shall have the meaning specified in Section 2.1 of the Participation Agreement.

"Equity Rent" shall mean, in respect of any payment of Basic Rent, (i) the amount of Basic Rent payable under the Operative Agreements minus (ii) the amount then scheduled to be due and payable to the holders of the outstanding Notes.

"Equity SLV" shall mean, in respect of any payment of Stipulated Loss Value or Termination Value, (i) the amount of Stipulated Loss Value or Termination Value payable under the Operative Agreements minus (ii) the aggregate principal amount of the outstanding Notes.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"Event of Default" (unless the context otherwise shall require) shall have the meaning specified in Section 12 of the Lease.

"Excepted Rights in Collateral" shall have the meaning specified in Section 1.5 of the Indenture.

"Fair Market Rental Value" shall have the meaning specified in Section 16.5 of the Lease.

"Fair Market Value" shall have the meaning specified in Section 16.4 of the Lease.

"Final Election Notice" shall have the meaning specified in Section 16.1 of the Lease.

"First Closing Date" shall have the meaning specified in Section 2.3 of the Participation Agreement.

"GAAP" shall mean generally accepted accounting principles in the United States of America.

"Governmental Authority" shall mean any federal, state, county, municipal or other United States federal, state or local governmental authority, agency, board, body, instrumentality, tribunal, court or quasi-governmental authority or governmental authority, agency, board, body, instrumentality, tribunal, court or quasi-governmental authority of Canada or Mexico (or any subdivision thereof).

"Granting Clause Agreements" shall have the meaning specified in Section 1.3 of the Indenture.

"Guarantor" shall mean Key Bank of New York, a New York state chartered banking organization, as guarantor.

"Hazardous Material" shall mean any substance that is toxic, explosive, corrosive, flammable, infectious or radioactive, or defined as a "hazardous substance," "hazardous waste," "toxic substance" or the like under any Environmental Law, including petroleum, petroleum derivatives, crude oil or any fraction thereof.

"Indemnitee" shall have the meaning set forth in Section 6.1(a) of the Participation Agreement.

"Indenture" shall have the meaning specified in Recital A(3) of the Participation Agreement.

"Indenture Default" shall have the meaning specified in Section 4.4 of the Indenture.

"Indenture Supplement" shall have the meaning specified in Section 1.1 of the Indenture.

"Indenture Trustee" shall have the meaning specified in the introductory paragraph of the Participation Agreement.

"Indenture Trustee Agreements" shall have the meaning specified in Section 3.6(a) of the Participation Agreement.

"Initial Election Notice" shall have the meaning specified in Section 16.1 of the Lease.

"Interchange Rules" shall have the meaning specified in Section 6 of the Lease.

"Interests" shall mean the Beneficial Interest and the Notes, collectively, and "Interest" shall mean the Beneficial Interest or a Note, individually.

"Interim Term" shall have the meaning specified in Section 2.2 of the Lease.

"Item" or "Item of Equipment" shall mean individually each item of railroad rolling stock described in the Bill of Sale and the Lease Supplement delivered on each Closing Date, together with any and all accessions, additions, improvements, substitutions and replacements from time to time incorporated or installed on such item which are the property of the Owner Trustee pursuant to the terms of the Operative Agreements, and "Items of Equipment" shall mean collectively the various Items.

"Late Rate" shall have the meaning specified in Section 18 of the Lease.

"Lease" shall have the meaning specified in Recital A(2) of the Participation Agreement.

"Lease Supplement" shall have the meaning specified in the Recitals to the Lease.

"Lease Term" shall have the meaning specified in Section 3 of the Lease.

"Lessee" shall have the meaning specified in the introductory paragraph of the Participation Agreement.

"Lessee Agreements" shall mean the Operative Agreements to which the Lessee is or is to become a party.

"Lessee Controlled Contest" shall have the meaning specified in Section 6.2(e) of the Participation Agreement.

"Lessee's Business" shall have the meaning specified in Section 3.5(d) (v) of the Participation Agreement.

"Lessee's Counsel" shall have the meaning specified in Section 6.2(e) (ii) of the Participation Agreement.

"Lessor" shall have the meaning specified in the introductory paragraph of the Lease.

"Lessor Lien" shall mean any lien, charge or encumbrance on any part of the Trust Estate which results from any act of or claim against the Owner Participant, the Owner Trustee or the Trust Company not related to or connected with the ownership, leasing, use or operation of the Equipment, the administration of the Trust Estate or to any transaction contemplated by the Operative Agreements.

"Lien" shall mean any mortgage, pledge, lien, charge, encumbrance, lease, adverse possession, exercise of rights, security interest, easement, servitude or claim of any kind, including any arising under any conditional sale or other title retention agreement.

"Loan Value" shall have the meaning specified in Section 4.6 of the Indenture.

"Majority in Interest" shall have the meaning specified in Section 5.10 of the Indenture.

"Manufacturer" of an Item of Equipment shall mean any of ACF Industries, Thrall Manufacturing Company and Union Tank Car Company, as the case may be.

"Material Adverse Effect" shall have the meaning specified in Section 3.3(a) of the Participation Agreement.

"Minimum Number" shall mean, in the case of ACF 5100 Hopper Cars, 50 of such Items, and in the case of any other Type of Equipment, 20 of such Items.

"Net Economic Return" shall mean (i) with respect to each Equipment Lot, the Owner Participant's anticipated after-tax yield and aggregate after-tax cash flow as a percentage of the Purchase Price of each Equipment Lot utilizing the multiple investment sinking fund method of analysis, computed on the basis of the same methodology and assumptions as were utilized by the Owner Participant in determining Basic Rent, EBO Amount, Termination Values and Stipulated Loss Values as of the First Closing Date as such assumptions may be adjusted for events which have been the

basis for adjustments pursuant to Section 2.4 of the Lease, (ii) with respect to each Equipment Lot, at least 95% of Owner Participant's anticipated after-tax cash flow for each of the first five 12-month periods after the Closing Date for such Equipment Lot (which 12-month periods will run consecutively with the first such period commencing on the Closing Date) and (iii) with respect to each Equipment Lot, at least 90% of Owner Participant's anticipated after-tax cash flow for each of the 12-month periods commencing following the first 60 months after the Closing Date for such Equipment Lot.

"Non-U.S. Person" shall mean any person other than (i) a citizen or resident of the United States, as defined in section 7701(a)(30) of the Code (for purposes of this definition, the "United States"), (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or any political subdivision thereof or therein, or (iii) any estate or trust that is subject to United States federal income taxation regardless of the source of its income.

"Note Commitment" shall have the meaning specified in Section 2.2(b) of the Participation Agreement.

"Note Purchasers" shall have the meaning specified in the introductory paragraph of the Participation Agreement.

"Notes" shall have the meaning specified in Section 2.2(a) of the Participation Agreement.

"Operative Agreements" shall mean collectively this Participation Agreement, the Trust Agreement, the Lease, the Lease Supplements, Certificates of Acceptance, the Indenture, the Indenture Supplements, the Tax Indemnity Agreement, the Notes, the Bills of Sale, the Amendment and Termination Agreement dated as of March 26, 1996, among the parties to the Participation Agreement and the other parties named therein, the Assignment and Assumption Agreement, dated as of March 26, 1996 (the "Transfer Agreement") between NationsBank, National Association and KBNY Leasing Inc. and the Guaranty dated as of March 26, 1996 by the Guarantor.

"Owner Participant" shall have the meaning set forth in the introductory paragraph of the Participation Agreement.

"Owner Trustee" shall have the meaning specified in the introductory paragraph to the Participation Agreement.

"Participant" shall have the meaning specified in the introductory paragraph to the Participation Agreement.

"Participation Agreement" shall mean the Participation Agreement (1996-1) dated as of September 15, 1995 among the Lessee, the Owner Participant, the Note Purchasers, the Owner Trustee and

the Indenture Trustee, as from time to time amended or supplemented.

"Parts" shall mean any and all appliances, parts, instruments, appurtenances, accessories, furnishings, seats, and other equipment of whatever nature which may from time to time be incorporated or installed in or attached to any Item of Equipment.

"Payment Date" shall have the meaning specified in Section 5.3(b) of the Indenture.

"Permitted Liens" shall mean (i) the security interest created by the Indenture; (ii) Liens against one or more Items of Equipment for taxes either not yet due or being contested in good faith and by appropriate proceedings diligently conducted so long as such proceedings shall stay the enforcement thereof and the sale or forfeiture of any Item or any part thereof or interest therein and for which adequate reserves have been provided in accordance with GAAP; (iii) undetermined or inchoate materialmen's, mechanic's, workmen's, repairmen's or employees' Liens or other like Liens against one or more Items arising in the ordinary course of business and securing obligations which are not delinquent or which shall have been bonded or the enforcement of which shall have been suspended (but only for the duration of such suspension); (iv) the rights of any permitted sublessee or assignee under the Lease, (v) Lessor Liens; (vi) the right, title and interest of the Lessee in and to the Equipment under the Lease; and (vii) Liens which the Indenture Trustee is required to discharge pursuant to Section 6.3(a) of the Indenture.

"Permitted Subleases" shall have the meaning specified in Section 15.2 of the Lease.

"Person" shall mean an individual, partnership, association, joint venture, corporation, limited liability company, trust or unincorporated organization, and a government or agency or political subdivision thereof, domestic or foreign.

"Present Value" shall have the meaning specified in Section 8.14 of the Indenture.

"Purchase Agreements" shall mean the purchase agreements and purchase orders for the Items of Equipment.

"Purchase Notice" shall have the meaning specified in Section 5.3(b) of the Indenture.

"Purchase Price" shall mean, for each Item of Equipment, the price therefor as set forth in the invoice covering such Item delivered pursuant to Section 4.1(h) of the Participation Agreement; provided that in no event shall the Purchase Price of the Equipment exceed \$33,522,500 in the aggregate.

"Reasonable Basis" for a position shall exist if tax counsel may properly advise reporting such position on a tax return in accordance with ABA formal Opinion 85-352 issued by the Standing Committee on Ethics and Professional Responsibility of the American Bar Association.

"Redemption Premium" shall have the meaning specified in Section 8.14 of the Indenture.

"Register" shall have the meaning specified in Section 8.3 of the Indenture.

"Release" shall mean the release, deposit, disposal, discharge, emission, spill, leak or the like of any Hazardous Material into the environment.

"Renewal Option" shall have the meaning specified in Section 16.3(a) of the Lease.

"Renewal Rent" shall have the meaning specified in Section 16.3(a) of the Lease.

"Renewal Term" shall have the meaning specified in Section 16.3 of the Lease.

"Rent" shall mean collectively Basic Rent and Supplemental Rent.

"Rent Payment Date" shall have the meaning specified in Section 2.2 of the Lease.

"Replacement Item" shall have the meaning specified in Section 9.4(a) of the Lease.

"Required Modifications" shall have the meaning specified in 7.2(c) of the Lease.

"Responsible Officer" shall have the meaning specified in Section 5.3 of the Trust Agreement.

"Restricted Notes" shall mean all Notes (i) directly or indirectly held by or for the benefit of the Owner Participant, unless 100% of the Notes are so held by or for the benefit of the Owner Participant and (ii) directly or indirectly held by or for the benefit of the Lessee or any Affiliate of the Lessee.

"Second Closing Date" shall have the meaning specified in Section 2.3 of the Participation Agreement.

"Security" shall have the same meaning as in Section 2(1) of the Securities Act of 1933, as amended.

"Seller" shall mean FMC Corporation, a Delaware corporation.

"Series" shall mean any of the Series A Notes, Series B Notes and Series C Notes, as the context may require.

"Series A Notes" shall mean the Owner Trustee's 7.53% Series A Notes due January 1, 2017 in respect of ACF 5100 Hopper Cars.

"Series B Notes" shall mean the Owner Trustee's 7.53% Series B Notes due January 1, 2017 in respect of ACF 5000 Hopper Cars.

"Series C Notes" shall mean the Owner Trustee's 7.53% Series C Notes due January 1, 2017 in respect of Thrall Hopper Cars.

"Significant Remedy" shall have the meaning specified in Section 5.3(b) of the Indenture.

"SLV Payment Date" shall have the meaning specified in Section 9.3 of the Lease.

"Special Canadian Counsel" shall mean McCarthy Tétrault, Suite 4700, Toronto Dominion Bank Tower, Toronto Dominion Centre, Toronto, Ontario, Canada M5K 1E6.

"Special Surface Transportation Board Counsel" shall mean Alvord & Alvord, 200 World Center Building, 918 Sixteenth Street, N.W., Washington D.C.

"Stipulated Loss Value" payable for any Item as of any date of determination shall mean the amount determined by multiplying the Purchase Price for such Item by the percentage set forth in Schedule E to the Lease opposite the SLV Payment Date on which such Stipulated Loss Value will be paid (as such percentages may be adjusted from time to time pursuant to Section 2.4 of the Lease); provided that during any Renewal Term, "Stipulated Loss Value" shall be determined as provided in Section 16.3(c) of the Lease.

"Substitution Date" shall have the meaning specified in Section 9.4(a) of the Lease.

"Supplemental Rent" shall have the meaning specified in Section 2.1(b) of the Lease.

"Tax Benefits" shall have the meaning specified in Section 1 of the Tax Indemnity Agreement.

"Taxes" shall mean any and all present or future liabilities, losses, expenses and costs of any kind whatsoever that are fees (including, without limitation, license fees, documentation fees, filing fees and registration fees), taxes (including without limitation, income, gross or net income, gross or net receipts, sales, use, value added, rental franchise, business, transfer, capital, property (tangible and intangible), municipal assessments, excise and stamp taxes), levies, imposts, duties, charges, assessments or withholdings of any nature, in each case, whether existing or hereinafter enacted or adopted, together with any penalties, fines, additional to tax or interest thereon or addition thereto, imposed by any United States Federal taxing authority or by any state in the United States or any political subdivision thereof or any government or taxing authority of a foreign country or by any international authority or by any territory or possession of the United States (or any taxing authority thereof or therein) (any of the foregoing being referred to individually as a "Tax").

"Tax Indemnity Agreement" shall mean the Tax Indemnification Agreement (1996-1) dated as of March 15, 1996 between the Lessee and the Owner Participant, as from time to time amended or supplemented.

"Termination Date" shall have the meaning specified in Section 17.2(a) of the Lease.

"Termination Notice" shall have the meaning specified in Section 17.2(a) of the Lease.

"Termination Value" for any Item as of any date of determination shall mean the amount determined by multiplying the Purchase Price for such Item by the percentage set forth in Schedule F to the Lease opposite the Termination Date on which such Termination Value will be paid (as such percentages may be adjusted from time to time pursuant to Section 2.4 of the Lease); provided that during any Renewal Term, "Termination Value" shall be determined as provided in Section 16.3(c) of the Lease.

"Thrall Hopper Cars" shall mean the Items constituting 6200 cubic foot capacity covered hopper cars manufactured by Thrall Car Company, as more fully described in each Lease Supplement relating thereto.

"Transaction Expenses" shall have the meaning specified in Section 2.6(a) of the Participation Agreement.

"Transferee" shall have the meaning specified in Section 3.5(d) of the Participation Agreement.

"Treasury Yield" shall have the meaning specified in Section 8.14 of the Indenture.

"Trust" shall have the meaning specified in Recital (i) of the Trust Agreement.

"Trust Agreement" shall have the meaning specified in Recital A of the Participation Agreement.

"Trust Company" shall mean First Security Bank of Utah, National Association, in its individual capacity.

"Trust Estate" shall have the meaning specified in Section 2 of the Trust Agreement.

"Type" with respect to an Item of Equipment, shall mean a Thrall Hopper Car, an ACF 5000 Hopper Car or an ACF 5100 Hopper Car, it being understood and agreed that the only Type of Equipment subject, or to be subject, to the Lease, the Indenture and the other Operative Agreements is ACF 5100 Hopper Cars.

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