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EQUIPMENT LEASE AGREEMENT (L-8K)
(UTC Trust No. 1992-A)

17845

JUN 30 1992 -12 30 PM
INTERSTATE COMMERCE COMMISSION

Dated as of June 30, 1992

Between

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

and

UNION TANK CAR COMPANY,
Lessee

Tank Cars

CERTAIN OF THE RIGHT, TITLE AND INTEREST OF THE LESSOR IN AND TO THIS LEASE, THE EQUIPMENT COVERED HEREBY AND THE RENT DUE AND TO BECOME DUE HEREUNDER HAVE BEEN ASSIGNED AS COLLATERAL SECURITY TO, AND ARE SUBJECT TO A SECURITY INTEREST IN FAVOR OF, NATIONSBANK OF SOUTH CAROLINA, NATIONAL ASSOCIATION NOT IN ITS INDIVIDUAL CAPACITY BUT SOLELY AS INDENTURE TRUSTEE UNDER A TRUST INDENTURE AND SECURITY AGREEMENT (UTC TRUST NO. 1992-A), DATED AS OF JUNE 30, 1992 BETWEEN SAID INDENTURE TRUSTEE, AS SECURED PARTY, AND THE LESSOR, AS DEBTOR. INFORMATION CONCERNING SUCH SECURITY INTEREST MAY BE OBTAINED FROM THE INDENTURE TRUSTEE AT ITS ADDRESS SET FORTH IN SECTION 20 OF THIS LEASE. SEE SECTION 25.2 FOR INFORMATION CONCERNING THE RIGHTS OF THE ORIGINAL HOLDER AND THE HOLDERS OF THE VARIOUS COUNTERPARTS HEREOF.

Filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303 on _____, 1992 at _____ [A.M.] [P.M.] Recordation Number _____, and deposited in the Office of the Registrar General of Canada pursuant to Section 90 of the Railway Act of Canada on _____, 1992 at ____ [A.M.] [P.M.].[1]

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[1] For conformed copy.

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EQUIPMENT LEASE AGREEMENT (L-8K)
(UTC Trust No. 1992-A)

This EQUIPMENT LEASE AGREEMENT (L-8K) (UTC Trust No. 1992-A), dated as of June 30, 1992 (as supplemented in accordance with the terms hereof, this "Lease"), between The Connecticut National Bank, a national banking association, not in its individual capacity, but solely as Owner Trustee under the Trust Agreement (the "Lessor"), and UNION TANK CAR COMPANY, a Delaware corporation (the "Lessee").

SECTION 1. DEFINITIONS.

Unless the context otherwise requires, all capitalized terms used herein without definition shall have the respective meanings set forth in Appendix A hereto for all purposes of this Lease.

SECTION 2. ACCEPTANCE AND LEASING OF EQUIPMENT.

The Lessor hereby agrees, simultaneously with the delivery of a Bill of Sale with respect to each Unit from the Lessee to the Lessor, to accept delivery of such Unit from the Lessee, and contemporaneously therewith to lease such Unit to the Lessee hereunder, and the Lessee hereby agrees to lease such Unit from the Lessor hereunder as evidenced by the execution and delivery by the Lessee and the Lessor of a Lease Supplement covering such Unit. The Lessee hereby agrees that such execution and delivery of such Lease Supplement by the Lessee shall, without further act, irrevocably constitute acceptance by the Lessee of such Unit for all purposes of this Lease. All risk of loss of a Unit will be borne by the Lessee as provided in this Lease upon the acceptance of such Unit hereunder.

SECTION 3. TERM AND RENT.

3.1 Lease Term. The interim term of this Lease (the "Interim Term") for each Unit shall commence on the Closing Date and shall expire at 11:59 p.m. (Chicago time) on the day before the Basic Term Commencement Date. The basic term of this Lease (the "Basic Term") applicable to such Unit shall commence on the Basic Term Commencement Date and, subject to earlier termination pursuant to Section 10, 11 or 15, shall expire at 11:59 P.M. (Chicago time) on the Basic Term Expiration Date. Subject and pursuant to Section 22.3, the Lessee may elect one or more Renewal Terms.

3.2 Basic Rent. The Lessee hereby agrees to pay the Lessor as Basic Rent for each Unit throughout the Basic Term applicable thereto Basic Rent in consecutive semi-annual installments payable on each Rent Payment Date. Each such semi-annual payment of Basic Rent shall be in an amount equal to the product of the Equipment Cost for such Unit multiplied by the Basic Rent percentage set forth opposite such Rent Payment Date on Schedule 3 to the Participation Agreement (as such Schedule 3 shall be adjusted pursuant to Section 2.6 of the Participation Agreement). Basic

Rent shall be payable in advance on certain Rent Payment Dates and in arrears on certain Rent Payment Dates, as specified in Schedule 3 to the Participation Agreement, as so adjusted, and such Schedule 3, as so adjusted from time to time, is hereby incorporated herein by reference. The Lessee shall also pay Basic Rent pursuant to and in accordance with Section 3.5.

Anything contained herein or in the Participation Agreement to the contrary notwithstanding, each installment of Basic Rent (both before and after any adjustment pursuant to Section 2.6 of the Participation Agreement) shall be, under any circumstances and in any event, in an amount at least sufficient for the Lessor to pay in full as of the due date of such installment any payment of principal of and interest on the Equipment Notes required to be paid by the Lessor pursuant to the Indenture on such due date.

3.3 Supplemental Rent. The Lessee also agrees to pay to the Lessor, or to whomsoever shall be entitled thereto, any and all Supplemental Rent, promptly as the same shall become due and owing, or where no due date is specified, promptly after demand by the Person entitled thereto, and in the event of any failure on the part of the Lessee to pay any Supplemental Rent, the Lessor shall have all rights, powers and remedies provided for herein or by law or equity or otherwise as in the case of nonpayment of Basic Rent. The Lessee also will pay, as Supplemental Rent, (i) on demand, an amount equal to interest at the applicable Late Rate on any part of any installment of Basic Rent not paid when due for any period for which the same shall be overdue and on any payment of Supplemental Rent not paid when due or demanded, as the case may be, for the period from such due date or demand until the same shall be paid, (ii) in the case of (A) the termination of this Lease with respect to any Unit pursuant to Section 10, and (B) any refinancing of the Equipment Notes pursuant to Section 10.2 of the Participation Agreement, on the applicable date specified therefor, an amount equal to the Make-Whole Amount, if any, with respect to the principal amount of each Equipment Note to be prepaid as a result thereof, and (iii) in the case of any other event in connection with which the Make-Whole Amount is payable pursuant to any Operative Agreement on the applicable date specified therefor, an amount equal to the Make-Whole Amount, if any, with respect to the principal amount of each Equipment Note to be prepaid in connection therewith. All Supplemental Rent to be paid pursuant to this Section 3.3 shall be payable in the type of funds and in the manner set forth in Section 3.6.

3.4 Adjustment of Rent. The Lessee and the Lessor agree that the Basic Rent, Stipulated Loss Value and Termination Value percentages shall be adjusted to the extent provided in Section 2.6 of the Participation Agreement.

3.5 Rent for Interim Term; Advance.

(a) On the Basic Term Commencement Date, the Lessee shall pay the Lessor as Basic Rent for each Unit for each day during that portion of the Interim Term commencing on and including December 29, 1992 and ending on and including the day before the Basic Term Commencement Date an amount equal to the product of the Equipment Cost for such Unit multiplied by the Daily Interim Rent Percentage set forth on Schedule 3 to the Participation Agreement.

(b) If and to the extent that the Indenture Trustee on the Basic Term Commencement Date shall not have received funds from the Owner Trustee sufficient for the payment in full of the interest then due and owing on the Equipment Notes with respect to that portion of the Interim Term commencing on and including the Closing Date and ending on and including December 28, 1992, the Lessee shall pay as Supplemental Rent, in one installment due on the Basic Term Commencement Date, an amount equal to such deficiency (such payment being referred to herein as an "Advance"). In the event the Lessee makes any Advance pursuant to this Section 3.5 and is not promptly reimbursed therefor by the Owner Participant after demand therefor and if and so long as no Lease Default or Lease Event of Default has occurred and is continuing, the Lessee shall be entitled to offset and deduct (without duplication) against each succeeding payment or portion thereof of (i) Basic Rent (excluding the portion thereof equal to, as of the Payment Date, principal and accrued interest on the Equipment Notes required to be paid on the date such Basic Rent is paid), (ii) Supplemental Rent (to the extent such Supplemental Rent is payable to the Owner Participant or to the Lessor as Owner Trustee, but not to the Lessor in its individual capacity), other than that portion of Supplemental Rent which is denominated as Stipulated Loss Value, Termination Value or the purchase price payable by the Lessee upon exercise of its purchase option pursuant to Section 22) (the "Option Price") or (iii) Stipulated Loss Value, Termination Value or the Option Price (excluding, with respect to Stipulated Loss Value, Termination Value or the Option Price, the portion thereof equal, together with Basic Rent, if any, payable contemporaneously therewith (and not distributable to the Owner Participant), as of the payment date of Stipulated Loss Value, Termination Value or the Option Price, as appropriate, any payment of principal of and interest on the Equipment Notes required to be paid on such date), an amount equal to such Advance plus interest on such amount at the Late Rate until the Lessee has been fully reimbursed for such Advance plus such interest, and in each such case, such offset shall be deemed to constitute a reduction in the amount of such Advance so payable. The amount offset with respect to each payment of Basic Rent, Supplemental Rent, Stipulated Loss Value, Termination Value or the Option Price shall be applied, first, to the payment of accrued but unpaid interest on such Advance to the date of such payment and, second, to the repayment of the Advance.

3.6 Manner of Payments. All Rent (other than Supplemental Rent payable to Persons other than the Lessor, which shall be payable to such other Persons in accordance with written instructions furnished to the Lessee by such Persons, unless otherwise provided in any of the Operative Agreements or required by law) shall be paid by the Lessee to the Lessor at its office at 777 Main Street, Hartford, Connecticut 06115, ABA No. 011-900-445, Attention: Corporate Trust Administration (UTC Trust No. 1992-A), Account No. 675-482-90 (Union Tank Car Leveraged Lease Financing). All Rent shall be paid by the Lessee in funds consisting of lawful currency of the United States of America, which shall be immediately available to the recipient not later than 11:00 a.m. (Chicago time) on the date of such payment; provided that for so long as the Indenture shall not have been discharged pursuant to the terms thereof, the Lessor hereby directs, and the Lessee agrees, that all Rent (excluding Excepted Property) payable to the Lessor and assigned to the Indenture Trustee shall be paid directly to the Indenture Trustee at the times and in funds of the type specified in this Section 3.6 at the office of the Indenture Trustee at NationsBank of South Carolina, National Association, c/o NationsBank of Georgia, N.A., Suite 900, NationsBank Plaza, 600 Peachtree Street, NE, Atlanta, Georgia 30308, ABA No. 061-000-052, Attention: Corporate Trust Department (UTC Trust No. 1992-A), Account. No. 3060, or at such other location in the United States of America as the Indenture Trustee may otherwise direct.

3.7 Net Lease, Etc. This Lease is a net lease and the Lessee's obligation to pay all Rent payable hereunder in accordance with the terms hereof shall, subject to Section 3.5, be absolute, unconditional and irrevocable and shall not be affected by any circumstance of any character whatsoever, including, without limitation, (i) any set-off, abatement, counterclaim, suspension, recoupment, reduction, rescission, defense or other right that the Lessee may have (other than pursuant to Section 3.5(b) hereof) against the Lessor, the Owner Participant, the Pass Through Trustee, the Indenture Trustee or any holder of an Equipment Note or Pass Through Certificate, any vendor or manufacturer of any Unit, or any other Person for any reason whatsoever, (ii) any defect in or failure of title, merchantability, condition, design, compliance with specifications, operation or fitness for use of all or any part of any Unit, (iii) any damage to, or removal, abandonment, requisition, taking, condemnation, loss, theft or destruction of all or any part of any Unit or any interference, interruption, restriction, curtailment or cessation in the use or possession of any Unit by the Lessee or any other Person for any reason whatsoever or of whatever duration, (iv) to the maximum extent permitted by law, any insolvency, bankruptcy, reorganization or similar proceeding by or against the Lessee, the Lessor, the Owner Participant, the Pass Through Trustee, the Indenture Trustee, any holder of an Equipment Note or Pass Through Certificate or any other Person, (v) the invalidity, illegality or unenforceability of this Lease, any other Operative Agreement, or any other agreement,

document or instrument referred to herein or therein or any other infirmity herein or therein or any lack of right, power or authority or authorization of the Lessee, the Lessor, the Owner Participant, the Pass Through Trustee, the Indenture Trustee, any holder of an Equipment Note or Pass Through Certificate or any other Person to enter into this Lease or any other Operative Agreement or to perform the obligations hereunder or thereunder or consummate the transactions contemplated hereby or thereby or any doctrine of force majeure, impossibility, frustration or failure of consideration, (vi) the breach or failure of any warranty or representation made in this Lease or any other Operative Agreement by the Lessee, the Lessor, the Owner Participant, the Pass Through Trustee, the Indenture Trustee, any holder of an Equipment Note or Pass Through Certificate or any other Person, or (vii) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, any present or future law notwithstanding, it being the intention of the parties hereto that all Rent being payable by the Lessee shall continue to be payable in all events in the manner and at the times provided herein. To the maximum extent permitted by law, the Lessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender this Lease with respect to any Unit, except in accordance with the express terms hereof. If for any reason whatsoever this Lease shall be terminated in whole or in part by operation of law or otherwise, except as specifically provided herein, the Lessee nonetheless agrees, subject to Section 3.5(b), to pay to the Lessor and to any other Person entitled thereto, amounts equal to each installment of Basic Rent and all Supplemental Rent due and owing at the time such payment would have become due and payable in accordance with the terms hereof had this Lease not been terminated in whole or in part. The obligations of the Lessee in the immediately preceding sentence shall survive the expiration or termination of this Lease. Each payment of Rent made by the Lessee hereunder shall be final and the Lessee shall not seek or have any right to recover all or any part of such payment from the Lessor or any Person for any reason whatsoever; provided, however, that nothing contained herein shall be construed to waive any claim which the Lessee might have under any of the Operative Agreements or otherwise, or to limit the right of the Lessee to independently make any claim it might have against the Lessor or any other Person or to pursue such claim in such manner as the Lessee shall deem appropriate.

SECTION 4. OWNERSHIP AND MARKING OF EQUIPMENT.

4.1 Retention of Title. The Lessor shall and hereby does retain full legal title to and beneficial ownership of the Equipment notwithstanding the delivery to and possession and use of the Equipment by the Lessee hereunder or any sublessee under any sublease permitted hereby.

4.2 Duty to Number and Mark Equipment. With respect to the Units to be delivered on the Closing Date, the Lessee has caused, and as soon as practicable after the date on which a Lease Supplement is executed and delivered in respect of a Replacement Unit pursuant to Section 11.4(b), the Lessee will cause, each Unit to be marked with its reporting number and mark shown on the Lease Supplement dated the date on which such Unit was delivered and covering such Unit, and will from and after such date keep and maintain, plainly, distinctly, permanently and conspicuously marked by a plate or stencil printed in contrasting colors upon each side of each Unit, in letters not less than three-eighths of one inch in height, a legend substantially as follows:

"OWNERSHIP SUBJECT TO A SECURITY AGREEMENT FILED WITH THE INTERSTATE COMMERCE COMMISSION"

with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the Lessor's right, title and interest in and to such Unit, its rights under this Lease and the rights of the Indenture Trustee. Except as provided hereinabove, the Lessee will not place any Units in operation or exercise any control or dominion over the same until the required legend shall have been so marked on both sides thereof, and will replace promptly any such word or words in such legend which may be removed, defaced, obliterated or destroyed. The Lessee shall not change, or permit to be changed, the reporting marks of any of the Units at any time covered hereby except in accordance with a statement of new numbers or reporting marks to be substituted therefor which statement shall be delivered to the Lessor by the Lessee, and a supplement to this Lease and the Indenture with respect to such new reporting numbers or marks shall be filed and recorded as provided in Section 16.

4.3 Prohibition Against Certain Designations. Except as above provided, the Lessee will not allow the name of any Person to be placed on any Unit as a designation that might reasonably be interpreted as a claim of ownership; provided, however, that subject to the delivery of the statement specified in the final sentence of Section 4.2, the Lessee may cause the Equipment to be lettered with the names or initials or other insignia customarily used by the Lessee or any permitted sublessees or any of their respective Affiliates on railroad equipment used by it of the same or a similar type for convenience of identification of the right of the Lessee to use the Equipment hereunder or any permitted sublessee to use the Equipment pursuant to a sublease permitted hereby.

SECTION 5. DISCLAIMER OF WARRANTIES.

Without waiving any claim the Lessee may have against any seller, supplier or manufacturer, THE LESSEE ACKNOWLEDGES AND AGREES THAT, (i) EACH UNIT IS OF A SIZE, DESIGN, CAPACITY AND

MANUFACTURE SELECTED BY AND ACCEPTABLE TO THE LESSEE, AND THAT THE LESSEE HAS EXAMINED AND APPROVED ALL SUPPLY CONTRACTS RELATING TO ANY UNIT, (ii) THE LESSEE IS SATISFIED THAT EACH UNIT IS SUITABLE FOR ITS PURPOSES, (iii) NEITHER THE LESSOR NOR THE OWNER PARTICIPANT IS A MANUFACTURER OR A DEALER IN PROPERTY OF SUCH KIND, (iv) EACH UNIT IS LEASED HEREUNDER SUBJECT TO ALL APPLICABLE LAWS AND GOVERNMENTAL REGULATIONS NOW IN EFFECT OR HEREAFTER ADOPTED, AND (v) THE LESSOR LEASES AND THE LESSEE TAKES EACH UNIT "AS-IS", "WHERE-IS" AND "WITH ALL FAULTS", IN WHATEVER CONDITION IT MAY BE, AND THE LESSEE ACKNOWLEDGES THAT NEITHER THE LESSOR, AS THE LESSOR OR IN ITS INDIVIDUAL CAPACITY, NOR THE OWNER PARTICIPANT MAKES NOR SHALL BE DEEMED TO HAVE MADE, AND EACH EXPRESSLY DISCLAIMS, ANY AND ALL CLAIMS, WARRANTIES OR REPRESENTATIONS, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, CONDITION, FITNESS FOR ANY PARTICULAR PURPOSE, DESIGN, OPERATION, MERCHANTABILITY, OR TITLE, OF ANY UNIT OF THE EQUIPMENT, THE QUALITY OF THE MATERIAL THEREIN OR WORKMANSHIP THEREOF OR CONFORMITY THEREOF TO SPECIFICATIONS, FREEDOM FROM PATENT, COPYRIGHT OR TRADEMARK INFRINGEMENT, THE ABSENCE OF ANY LATENT OR OTHER DEFECT, WHETHER OR NOT DISCOVERABLE, OR AS TO THE ABSENCE OF ANY OBLIGATIONS BASED ON STRICT LIABILITY IN TORT OR ANY OTHER EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY WHATSOEVER WITH RESPECT THERETO, except as expressly provided in Sections 3.1(h) and (k) of the Participation Agreement. The Lessor hereby appoints and constitutes the Lessee its agent and attorney-in-fact during the Lease Term to assert and enforce, from time to time, in the name and for the account of the Lessor and the Lessee, as their interests may appear, but in all cases at the sole cost and expense of the Lessee, whatever claims and rights the Lessor may have as owner of the Equipment against the manufacturers or any prior owner thereof other than the Lessee; provided, however, that if at any time a Lease Event of Default shall have occurred and be continuing, at the Lessor's option and upon written notice to the Lessee, such power of attorney shall terminate, and the Lessor may assert and enforce, at the Lessee's sole cost and expense, such claims and rights. The Lessor shall have no responsibility or liability to the Lessee or any other Person with respect to any of the following: (w) any liability, loss or damage caused or alleged to be caused directly or indirectly by any Unit or by any inadequacy thereof or deficiency or defect therein or by any other circumstances in connection therewith; (x) the use, operation or performance of any Unit or any risks relating thereto; (y) any interruption of service, loss of business or anticipated profits or consequential damages; or (z) the delivery, operation, servicing, maintenance, repair, improvement or replacement of any Unit. The Lessee's delivery of a Lease Supplement shall be conclusive evidence as between the Lessee and the Lessor that all Units described therein are in good order and condition, conform to specifications and all governmental standards and requirements applicable thereto, and are in all respects satisfactory to the Lessee. The Lessee will not assert any claim of any nature whatsoever against the Lessor based on any of the matters set forth in this Section 5.

SECTION 6. RETURN OF EQUIPMENT; CONDITION; STORAGE.

6.1 Return; Holdover Rent.

(a) Upon the expiration or termination of the Lease Term with respect to any Unit which has not been purchased by the Lessee, the Lessee will, at its own cost and expense and subject to this Section 6, deliver possession of such Unit to the Lessor at any storage track location ("Return Location") as the Lessee may select with the Lessor's reasonable approval, and any Unit so delivered in accordance with this Section 6.1(a) shall be deemed a "Redelivered Unit" for purposes of this Section 6; provided that the number of Return Locations designated by the Lessee (each of which shall be located in the continental United States, exclusive of Alaska) shall not exceed the Maximum Number of Return Locations for each Equipment Group and shall in no event exceed seven (7) in the aggregate, and there shall be no fewer than 25 Units returned to each Return Location; provided further that (i) all Redelivered Units constituting a particular Equipment Group shall be delivered to the same Return Location unless such Equipment Group consists of more than 50 Units, in which case the Redelivered Units of such Equipment Group may be returned to more than one Return Location in groups of no fewer than 25 Units to each Return Location, and (ii) all Redelivered Units stored at a particular Return Location shall be placed in reasonably close proximity at such location. The Lessee shall give the Lessor (i) prompt written notice of its direction to any user or operator of any Unit leased hereunder to forward such Unit to a Return Location in accordance with this Section 6.1(a) and (ii) prompt written notice of the arrival of such Unit at such location (including in such notice a description of the commodity last carried in such Unit), and (iii) prompt written notice of the arrival of at least 25 Units from one Equipment Group (or, in the case of Equipment Groups of fewer than 25, the arrival of the entire Equipment Group) at a Return Location designated hereunder (collectively and together with any other Redelivered Units located at such Return Location on the date of the Lessor's inspection, an "Inspectable Group"). Upon the request of the Lessor, maintenance logs with respect to any Unit shall be made available to the Lessor or its designee upon the return of such Unit as and to the extent provided in Section 6.2.

(b) (1) Provided no Lease Event of Default shall have occurred and be continuing, all amounts earned in respect of a Unit subsequent to the expiration of the Lease Term with respect to such Unit and prior to the return of the Unit hereunder shall belong to the Lessee and, if received by the Lessor, shall be promptly turned over to the Lessee.

(2) Subject to the provisions of Section 6.2 with respect to additional Holdover Rent, the Lessee shall pay Holdover Rent (hereinafter defined) for each Unit for each day from the date of expiration or termination of this Lease with respect to such Unit

to the first date on which all of the following are true: (A) such Unit shall have become a Redelivered Unit, (B) an Inspectable Group that includes such Unit shall have arrived at a Return Location, and the Lessee shall have given the Lessor notice thereof pursuant to Section 6.1(a), and (C) a number of Units at least equal to the applicable Initial Return Percentage of the Units constituting the Equipment Group that includes such Unit shall have become Redelivered Units.

(3) "Holdover Rent" for any Unit shall be equal to 100% of the Basic Holdover Rent (hereinafter defined) for such Unit, provided that if, prior to the end of the 60-day period immediately following the expiration or termination of this Lease with respect to such Unit (the "Initial Return Period"), a number of Units at least equal to the applicable Initial Return Percentage of the Units constituting the Equipment Group that includes such Unit shall not have become Redelivered Units, then the Holdover Rent for such Unit shall be equal to 150% of the Basic Holdover Rent for such Unit for the period from the end of the Initial Return Period to the date on which such Initial Return Percentage requirement is met, and thereafter, Holdover Rent for such Unit shall be equal to 100% of the Basic Holdover Rent for such Unit.

(4) "Basic Holdover Rent" for any Unit shall be equal to the daily equivalent of the average Basic Rent for such Unit during the Basic Term (or, if applicable, the immediately preceding Fair Market Renewal Term), provided that, if (i) the Lessee shall have exercised its option for a Fixed Rate Renewal Term with respect to such Unit in accordance with Section 22.3(a) or (ii) such rent is payable with respect to any period after the 180th day following the expiration or termination of this Lease, Basic Holdover Rent for such Unit shall be equal to (on a daily basis) the Fair Market Rental Value for such Unit.

(5) Holdover Rent shall be paid monthly in arrears, by payment from the Lessee to the Lessor, in immediately available funds, on or before the fifth day following the end of each calendar month, such payment to be accompanied by a statement setting forth in reasonable detail the calculation of such payment on a per Unit basis.

(6) In the event that despite the Lessee's reasonable best efforts any Unit shall not have been returned to the Lessor in accordance with this Section 6.1 and Section 6.2 by the 181st day following the expiration or termination of the Lease Term with respect to such Unit, the Lessee, within five Business Days after demand therefor by the Lessor, shall pay to the Lessor (A) the greater of the applicable Stipulated Loss Value for such Unit determined as of the last Rent Payment Date for such Unit or the Fair Market Sales Value thereof (assuming such Unit was maintained in accordance with Section 8) as of such last Rent Payment Date, plus (B) the amount of Holdover Rent payable in accordance with

this Section 6.1(b) up to and including the date of payment of such Stipulated Loss Value or Fair Market Sales Value, as applicable, and the Lessor shall thereupon transfer to the Lessee all of the Lessor's right, title and interest in any such Unit on an "as-is", "where-is" basis without representation or warranty, express or implied, except as to the absence of Lessor's Liens, and upon such payment Holdover Rent with respect to such Unit shall cease to accrue.

(7) The provision for payment pursuant to this Section 6.1(b) shall not be in abrogation of the Lessor's right under Section 6.1(a) to have such Unit returned to it hereunder.

6.2 Condition of Equipment. Each Unit when returned to the Lessor pursuant to Section 6.1(a) shall be (i) empty, clean and free from residue, including without limitation, all Hazardous Substances and any accumulations or deposits from the commodities transported in or on the Unit during the Lease Term, and the Lessee shall provide appropriate certificates or other evidence with respect to such compliance, and (ii) in the same good operating order, condition and repair as when originally delivered under this Lease, ordinary wear and tear excepted, and in compliance with the other standards set forth in Section 8.1, (iii) free and clear of all Liens other than Lessor's Liens, (iv) free of all customer or Lessee advertisements or similar corporate markings other than reporting marks, and (v) eligible for unrestricted interchange (whether operated by the Lessee, the Lessor or the Owner Participant, but subject to applicable requirements with respect to reporting marks and similar requirements) under the Interchange Rules. If any Unit redelivered hereunder is required to be coated in order to satisfy the requirements of a lessee or purchaser of such Unit from the Lessor (or the Owner Participant), the Lessee shall, at the request of the Lessor, arrange for such coating, one-third of the cost of which shall be paid by the Lessee and two-thirds of the cost of which shall be paid by the Lessor, provided, however, that the foregoing shall apply only to that number of Units equal to the excess, if any, of (i) the number of Units originally leased under this Lease which were coated at the Closing Date over (ii) the number of such Units redelivered with coatings. In addition, the Lessee shall redeliver Units with rubber linings in an aggregate number equal to the number of Units, if any, originally leased under this Lease which had rubber linings at the Closing Date. Upon reasonable notice to the Lessee, the Lessor or its designee shall have the right to inspect and, at its own expense, make copies of all logs, records, books and other materials relating to the maintenance of such Unit as are reasonably available upon the return of such Unit. The Lessor or its representatives shall have the right to inspect any Unit that is returned pursuant to Section 6.1(a) to ensure that such Unit is in compliance with the conditions set forth in this Section 6.2 and Section 8.1, at the Lessor's sole cost, expense and risk (including, without limitation, the risk of personal injury or

death), by its authorized representatives, during the Lessee's and the applicable Return Location's normal business hours, subject to the Lessee's and the Return Location's standard security and safety rules and procedures, and upon reasonable prior notice to the Lessee; provided, however, that the Lessee shall, during the Initial Storage Period, be liable for any injury to, or the death of, any Person exercising, on behalf of the Lessor, the rights of inspection granted under this Section 6.2 if caused by the Lessee's negligence or wilful misconduct. No inspection pursuant to this Section 6.2 shall unreasonably interfere with the normal conduct of the Lessee's or related designated location's business, and the Lessee shall not be required to undertake or incur any additional liabilities in connection therewith. Notwithstanding any return of a Unit to the Lessor, the Lessee's obligations to comply with the conditions set forth in this Section 6.2 with respect to each such Unit shall continue until discharged. In the event that following an inspection of the Redelivered Units by the Lessor or its representative, the Lessor deems any Redelivered Unit to be not in the condition required by this Section 6.2, the Lessee shall, subject to the last sentence of this Section 6.2, (i) cause such Redelivered Units to be put in the condition required by this Section 6.2 and (ii) pay to the Lessor additional Holdover Rent, determined in accordance with Section 6.1(b), for such Redelivered Unit from the date on which Holdover Rent shall otherwise have ceased to accrue pursuant to the provisions of Section 6.1(a)(2) to the date on which such Unit is put in the condition required by this Section 6.2. In the event that the Lessor notifies the Lessee, in writing, within thirty (30) days of the arrival of an Inspectable Group at a Return Location and the Lessor's receipt of the Lessee's notice thereof, of any dispute with respect to the compliance of any Redelivered Unit with the requirements of this Section 6.2, such dispute shall be resolved, at the election of the Lessee or the Lessor, in accordance with the applicable Dispute Resolution Procedure. In the event that the Lessor fails to so notify the Lessee, the Lessee's obligations to comply with the conditions set forth in clauses (i), (ii) and (iv) and, to the extent dependent thereon, clause (v) of the first sentence of this Section 6.2 with respect to each such Unit shall terminate (except with respect to damage or defects which are not reasonably discoverable by a qualified inspection of such Unit, provided that any rights of the Lessor under this parenthetical clause shall not be assignable to any Person other than the Owner Participant) and such Unit shall be deemed to be a Redelivered Unit which has been returned in accordance with the Lessee's obligations under this Section 6.

6.3 Storage. During the 180 days following the expiration or termination of this Lease (but in no event less than 60 days for each Redelivered Unit) (the "Initial Storage Period"), the Lessee shall provide storage for Redelivered Units at one or more of the Return Locations described in Section 6.1(a), in all cases, at the sole risk and expense of the Lessee, and the Lessee shall maintain

the insurance required by Section 12.1 with respect to all Redelivered Units. The Lessee will, at its own risk and expense on or prior to the end of the Initial Storage Period for each Redelivered Unit and upon twenty (20) days' written notice from the Lessor, transport each Redelivered Unit one time from such Return Location to the nearest interchange point where a Class I railroad will accept delivery of a Redelivered Unit. Following the expiration of the Initial Storage Period for each Redelivered Unit, the Lessee shall permit the Lessor, at the sole risk and expense of the Lessor (which expenses, including the cost of insurance, shall be paid by the Lessee and reimbursed by the Lessor (provided that the per Unit expense on a daily basis to the Lessor of such storage shall not exceed 100% of the storage expense on a daily basis to the Lessee during the Initial Storage Period)), to store such Redelivered Unit for an additional period of up to 180 days (the "Additional Storage Period"; collectively with the Initial Storage Period, the "Storage Period") at such Return Location. During the Storage Period, all Redelivered Units stored at each Return Location shall be placed and maintained in reasonably close proximity. During the Storage Period, the Lessee will permit the Lessor or any Person designated by it, including the authorized representative or representatives of any prospective purchaser or user of such Redelivered Unit, to inspect the same during the applicable Return Location's normal business hours, subject to the Lessee's and the Return Location's standard security and safety rules and regulations, and upon reasonable prior notice to the Lessee; provided that such inspection shall not unreasonably interfere with the normal conduct of the applicable Return Location's business and such Person shall be insured to the reasonable satisfaction of the Lessee with respect to any risks incurred in connection with any such inspections; and the Lessee (except in the case of the Lessee's negligence or wilful misconduct) shall not be liable for any injury to, or the death of, any Person exercising, either on behalf of the Lessor or any prospective purchaser or user, the rights of inspection granted pursuant hereto. The Lessee shall cooperate in all reasonable respects with any efforts by the Lessor or the Owner Participant to obtain a purchaser or user of any of the Redelivered Units; provided that (i) the Lessee shall not be obligated in any way to secure such a purchaser or user, (ii) the Lessee shall not be required to store the Equipment after the Storage Period and (iii) all reasonable expenses incurred by the Lessee in complying with such undertaking (other than those expenses required to be paid by the Lessee pursuant to this Lease) shall be reimbursed promptly by the Lessor. If the Lessee stores any Redelivered Unit after the Storage Period, such storage shall be at the sole expense and risk of the Lessor.

SECTION 7. LIENS.

The Lessee will not directly or indirectly create, incur, assume, permit or suffer to exist any Lien on or with respect to any Units or the Lessee's leasehold interest therein under this Lease, except Permitted Liens, Lessor's Liens and Liens described in Section 6.4(a) and 6.4(b) of the Participation Agreement, and the Lessee shall promptly, at its own expense, take such action or cause such action to be taken as may be necessary to duly discharge (by bonding or otherwise) any such Lien not excepted above, and shall give the Lessor prompt written notice thereof, if the same shall arise at any time.

SECTION 8. MAINTENANCE; OPERATION; POSSESSION; SUBLEASE.

8.1 Maintenance and Operation. The Lessee, at its own cost and expense, shall maintain, repair and keep each Unit, and shall operate each Unit, (i) in the same good operating order, condition and repair as when delivered, ordinary wear and tear excepted; (ii) at a level of maintenance which is, at a minimum, comparable to maintenance practices used by the Lessee in respect of equipment owned or leased by the Lessee similar in type to such Unit and (iii) in accordance with prudent industry practice, manufacturer's warranties and recommended maintenance procedures, and insurance policies required to be maintained pursuant to Section 12 hereof, and (iv) in compliance in all material respects with all Applicable Laws, rules and regulations (for equipment being utilized "in service"), including the rules and regulations of the DOT, the ICC and the Federal Railroad Administration and the Interchange Rules; provided, however, that the Lessee may, in good faith and by appropriate proceedings diligently conducted, contest the validity or application of any such law, rule or regulation in any reasonable manner which does not create any risk or danger of (A) the sale, forfeiture or loss of any Unit of Equipment, or the subjection thereof to any Lien (other than Permitted Liens), or interference with the payment of Rent or with the operation, use or disposition of any Unit or title thereto or any interest therein, or (B) the imposition of any liability (including any criminal liability) on the part of, or any adverse effect on (including, without limitation, the creation of any additional future obligation on), the Lessor, the Owner Participant, the Indenture Trustee or the Pass Through Trustee, or any adverse effect on any Unit of Equipment, or (C) any other adverse effect on the rights or interests of the Lessor, any Participant or the Indenture Trustee in the Equipment or hereunder, or (D) extending the ultimate imposition of such law, rule or regulation beyond the expiration or termination of this Lease solely with respect to Equipment leased hereunder, or (E) the release of the Lessee from the obligation to return the Equipment in compliance with the provisions of Section 6.2. The Lessee shall provide the Lessor with notice of any contest of the type described in the preceding sentence in detail sufficient to enable the Lessor to ascertain whether such

contest may have an effect of the type described in the proviso to the preceding sentence. In no event shall the Lessee treat the Equipment in a manner less favorable, as to the use or maintenance of any Unit (including the periodicity of maintenance or record keeping in respect of such Unit), than equipment of a similar nature which the Lessee owns or leases. The Lessee will maintain all records, logs and other materials required by relevant industry standards and by any Governmental Authority having jurisdiction over the Units, all as if the Lessee were the owner of such Units, regardless of whether any such requirements, by their terms, are nominally imposed on the Lessee, the Lessor or the Owner Participant.

8.2 Possession. The Lessee shall be entitled to the possession of the Equipment and to the use of the Equipment by it or any sublessee under a Permitted Sublease, in the United States, Canada and Mexico, only in the manner for which it was designed and intended and so as to subject it only to ordinary wear and tear. In no event shall the Lessee make use of any Equipment in any jurisdiction not included in the insurance coverage required by Section 12. From the Closing Date and until the 7th anniversary of the Basic Term Commencement Date (or, if later, until the end of the Tax Attribute Period), in no event shall more than 10% of the Units be used or located outside the continental United States at the same time. At no time during the Lease Term shall (i) more than 7% of the Units be used or located in Mexico at the same time, (ii) more than 50% of the Units be used or located outside of the United States at the same time, or (iii) Units the aggregate Stipulated Loss Value of which exceeds 10% of the aggregate Stipulated Loss Value of the Equipment be used or located at the same time in places or locations with respect to which the Lessee has not made the filings and recordations and taken any other actions required by Section 16.1. Nothing in this Section 8.2 shall be deemed to constitute permission by the Lessor to any Person that acquires possession of any Unit to take any action inconsistent with the terms and provisions of this Lease and any of the other Operative Agreements. The rights of any Person that acquires possession of any Unit pursuant to this Section 8.2 or Section 8.3 shall be subject and subordinate to this Lease and the rights of the Lessor hereunder.

8.3 Sublease. So long as no Lease Event of Default has occurred and is continuing, the Lessee, without the consent of the Lessor, shall be entitled to enter into subleases complying with the requirements of this Section 8.3 (each a "Permitted Sublease") of the Equipment (pursuant to a car service contract or otherwise) pursuant to which it subleases the Equipment to responsible companies for use in their business; provided that, except with the Lessor's prior written consent, on the effective date of any such sublease, such sublessee is not subject to any bankruptcy, insolvency or similar proceedings; provided further, that from the Closing Date and until the 7th anniversary of the Basic Term

Commencement Date (or, if later, until the end of the Tax Attribute Period), no more than 10% of the Units shall be used or located outside the continental United States at the same time. At no time during the Lease Term shall (i) more than 7% of the Units be used or located in Mexico at the same time, (ii) more than 50% of the Units be used or located outside of the United States at the same time or (iii) Units the aggregate Stipulated Loss Value of which exceeds 10% of the aggregate Stipulated Loss Value of the Equipment be used or located at the same time in places or locations with respect to which the Lessee has not made the filings and recordations and taken any other actions required by Section 16.1. All subleases, including, without limitation, any entered into on or prior to the commencement of the Lease Term, and the rights and interests of any sublessee thereunder, shall in all events be subject and subordinate to this Lease and the rights and interests of the Lessor and its respective successors and assigns hereunder and shall confirm such subordination by a provision therein satisfactory to the Lessor and the Indenture Trustee, and shall not result, and shall not include, any term or provision which could reasonably be expected to result, in any unindemnified adverse consequences to the Lessor or the Owner Participant. In addition, (i) each such sublease shall by its terms prohibit, without the prior written consent of the Lessor, further subleasing to Persons other than to (A) the sublessee's Affiliates or (B) the sublessee's consignees or suppliers in connection with the handling of commodities sold, bought or supplied for the account of the sublessee and transported therein, (ii) each such sublease shall extend for a period which does not exceed the remainder of the Basic Term unless the Lessee shall have given notice pursuant to Section 22.1 of its election to renew this Lease with respect to any Units, in which event no such sublease entered into after the delivery of such notice shall extend for a period which exceeds the elected Fixed Rate Renewal Term or Fair Market Renewal Term, as applicable, (iii) any sublease for which the Lessee is not required to provide car maintenance services shall impose upon the sublessee thereof obligations in respect of possession, maintenance, repair, use, operation, insurance, removal of liens, redelivery and remedies which are substantially similar to the corresponding obligations of the Lessee hereunder and (iv) no such sublease shall contain provisions that would conflict with the terms of this Lease. If, despite the Lessee's reasonable best efforts, the Lessee has not received possession of (a) any Unit subleased to a sublessee other than a Mexican corporation within 90 days of the expiration or earlier termination of such sublease (unless such sublease has expired in accordance with its terms, the sublessee is continuing to make payments for the use of the subleased Units and Lessee has not demanded the return thereof) or (b) any Unit then subleased to a Mexican corporation within 90 days of the expiration or earlier termination of such sublease, the Lessor shall have the right to deem such failure to return to be an Event of Loss with respect to the Units not returned and the provisions of Sections 11.2, 11.3 and 11.4 shall apply to such Units. No

sublease entered into by the Lessee shall relieve the Lessee of any liability or obligation hereunder which shall be and remain those of a principal and not a surety, nor shall any sublease constitute a discharge of any of the Lessee's obligations hereunder or a waiver of any of the Lessor's rights or remedies hereunder. In the event the Lessee proposes to enter into a sublease of any Unit of Equipment with a sublessee subject to bankruptcy, insolvency or similar proceedings, other than any sublessees approved by the Lessor pursuant to this Section 8.3, the Lessee shall replace any such Units contemplated to be subject to such sublease with other Units of Equipment in accordance with and subject to each and all of the conditions of Sections 11.2(i), 11.3 and 11.4; provided that the Lessee may, during the Lease Term, replace no more than 5% of the Units pursuant to this sentence. Nothing in this Section 8.3 shall be deemed to constitute permission to any Person in possession of any Unit pursuant to any such sublease to take any action inconsistent with the terms and provisions of this Lease or any of the other Operative Agreements.

SECTION 9. MODIFICATIONS.

9.1 Required Modifications. In the event the Association of American Railroads, the DOT, or any other United States, state or local governmental agency requires that any Unit be altered, replaced or modified (a "Required Modification") prior to the expiration or termination of this Lease or within one year thereafter (provided that the announcement of such Required Modification is made prior to the expiration or termination of this Lease), the Lessee agrees, subject to the provisions of Section 10 or, in the case of any such Required Modification which is required to be effected during the first year following the expiration or termination of this Lease, subject to the provisions of this Section 9, to make such Required Modification at its own expense; provided, however, that the Lessee may, in good faith and by appropriate proceedings diligently conducted, contest the validity or application of any such law, regulation, requirement or rule in any reasonable manner which complies with requirements set forth in the proviso to the first sentence of Section 8.1. Title to any Required Modification shall immediately vest in the Lessor. The Lessee will (i) give the Lessor prompt written notice, no later than 180 days prior to the last day of the Lease Term (unless the announcement of such Required Modification is made subsequent to such date, in which case the Lessee shall give notice thereof promptly after such announcement is made, provided such announcement is made prior to the expiration or termination of this Lease), of any Required Modification which is required to be completed within one year after the expiration or termination of this Lease (collectively, the "Extended Required Modifications") but which the Lessee does not intend to make at its expense and (ii) in such notice, offer to purchase from the Lessor all of the Units which are the subject of such Extended Required Modifications at a purchase price equal to the greater of Fair Market Sales Value

(determined without giving effect to the completion of the Extended Required Modifications) or Stipulated Loss Value, in each case, determined as of the last day of the Lease Term (the "Extended Required Modifications Purchase Price"). In the event the Lessor accepts such offer by written notice no later than 90 days prior to the end of the Lease Term (or, in the case of subsequent announcements referred to in clause (i) of the preceding sentence, no later than the end of the Lease Term), the Lessee shall, on the Lease Termination Date, pay in immediately available funds, (x) to the Lessor the Extended Required Modifications Purchase Price and (y) to the Lessor, or to the Person entitled thereto, all Basic Rent and Supplemental Rent due and payable on such date and, upon receipt thereof, the Lessor shall transfer to the Lessee all of its right, title and interest in and to such Units without recourse or warranty except as to the absence of Lessor's Liens. In the event the Lessor rejects, or does not accept, the Lessee's offer as aforesaid, the Lessee shall return such Units to the Lessor in accordance with Section 6 and shall have no obligation to make any such Extended Required Modification.

9.2 Optional Modifications. The Lessee at any time may modify, alter or improve any Unit (an "Optional Modification"); provided that no Optional Modification shall (i) diminish the fair market value, residual value, utility, or remaining economic useful life of such Unit below the fair market value, residual value, utility, or remaining economic useful life thereof immediately prior to such Optional Modification, assuming such Unit was then in at least the condition required to be maintained by the terms of this Lease, (ii) cause such Unit to become Limited Use Property, or (iii) permit or be intended to permit, without the consent of the Lessor, any Unit to have a DOT classification (as provided for in 49 C.F.R. Part 179 or any successor thereto) different from that classification in effect for such Unit on the Closing Date, except for any change in tank test pressure rating provided such change does not increase the pressure rating of the Unit above the tank test pressure to which the Unit was manufactured and is otherwise in accordance with the conditions set forth in this proviso. Title to any Non-Severable Modification shall be immediately vested in the Lessor. Title to any Severable Modification which is not a Required Modification shall remain with the Lessee. During the Lease Term, the Lessee may remove and may replace any Severable Modification which is not a Required Modification, provided the Lessee is otherwise in compliance with this Lease; provided further, that at the end of the Lease Term with respect to any Unit (other than Units with Severable Optional Modifications consisting of proprietary or communications equipment), (i) the Lessee shall not remove any Severable Optional Modification prior to the return of such Unit hereunder unless and until (A) not less than 180 days prior to the expiration or termination of the Lease Term with respect to such Unit, the Lessee shall give written notice to the Lessor pursuant to which the Lessee shall offer to sell to the Lessor such Severable Optional Modification at the end of the Lease

Term for its then Fair Market Sales Value (which offer shall include a reasonably detailed description of such Severable Optional Modification) and (B) the Lessor shall have rejected the Lessee's offer (provided that the Lessee's offer to sell any such Severable Optional Modification shall be deemed rejected in the event that the Lessor fails to respond to any such offer within ninety (90) days of any written notice thereof). If the Lessor does not elect to purchase such Severable Optional Modifications in accordance with the terms of this Section 9.2, the Lessee may remove, and shall remove if requested by the Lessor, such Severable Optional Modifications at the Lessee's cost and expense. Any Severable Optional Modification not so removed shall become the property of the Lessor.

SECTION 10. VOLUNTARY TERMINATION.

10.1 Right of Termination. For so long as no Lease Default or Lease Event of Default shall have occurred and be continuing, the Lessee shall have the right, at its option at any time or from time to time on or after the 7th anniversary of the Basic Term Commencement Date (provided that the Tax Attribute Period shall have expired) to terminate this Lease with respect to (i) all of the Units in any or all of the Equipment Groups if the Lessee determines in good faith (as evidenced by a certificate executed by the chief financial officer of the Lessee) that such Units have become obsolete or surplus to the Lessee's requirements or (ii) all of the Units subject to any Required Modification if the Lessee determines in good faith (as evidenced by a certificate executed by the chief financial officer of the Lessee) that the cost of compliance with such Required Modification would render the continued operation of such Units materially uneconomic to the Lessee (provided that in the event the Lessee makes such Required Modification with respect to any item of equipment owned or leased by the Lessee which is similar in age to or older than such Units and which is subject to such Required Modification, the Lessee shall make such Required Modification to such Units (or, in the case of Extended Required Modifications, offer to purchase such Units pursuant to the provisions of Section 9.1) and such Units shall not be eligible to be terminated pursuant to this Section 10 by reason of the cost of compliance with such Required Modification) (collectively in the case of clause (i) or (ii), the "Terminated Units"). Such termination may be effected by delivering at least 180 days' prior notice to the Lessor and the Indenture Trustee specifying a date of termination for such Units (the "Termination Date"), which date shall be a Rent Payment Date, any such termination to be effective on the Termination Date. Except as expressly provided herein, there will be no conditions to the Lessee's right to terminate this Lease with respect to the Terminated Units pursuant to this Section 10.1. Unless the Lessor shall have given the Lessee a notice of election to retain the Terminated Units in accordance with Section 10.3, the Lessee may withdraw the termination notice referred to above prior to the

Termination Date, whereupon this Lease shall continue in full force and effect; provided that the Lessee may not withdraw any termination notice with respect to any Terminated Units (i) after receipt of a bid equal to or greater than Termination Value with respect to such Terminated Units or (ii) later than ten (10) days prior to the applicable Termination Date; provided further that the Lessee may not withdraw notices hereunder more than two times and after a withdrawal may not give a new notice (other than by reason of newly-mandated Required Modifications) for one year. The Lessee agrees that, without limiting Section 2.5(b) of the Participation Agreement, it will reimburse the Lessor, the Owner Participant, the Indenture Trustee and the Pass Through Trustee for all reasonable out-of-pocket costs and expenses incurred by each such party in connection with the proposed termination or the termination of this Lease with respect to any Units.

10.2 Sale of Equipment. During the period from the date of any notice given pursuant to Section 10.1 to the Termination Date, the Lessee, as agent for the Lessor and at the Lessee's sole cost and expense, shall use its reasonable best efforts to obtain bids from Persons ("Eligible Bidders") other than the Lessee or Affiliates thereof or any Person with whom the Lessee or any Affiliate thereof has an understanding with respect to the continued lease, use or operation of the Units by the Lessee or any Affiliate thereof for the cash purchase of the Terminated Units on the Termination Date, and it shall promptly, and in any event at least 10 Business Days prior to the proposed date of sale, certify to the Lessor in writing the amount and terms of each such bid and the name and address of the party submitting such bid. The Lessee's sole duty in acting as agent pursuant to the first sentence of this Section 10.2 shall be to use its reasonable best efforts to sell the Units at the highest price then obtainable. The Lessor shall have the right to obtain bids for the purchase of the Terminated Units, either directly or through agents other than the Lessee, but shall be under no duty to solicit bids, inquire into the efforts of the Lessee to obtain bids or otherwise take any action in connection with arranging such sale. Unless the Lessor shall have elected to retain the Terminated Units in accordance with Section 10.3, on the Termination Date: (i) the Lessee shall, subject to receipt (x) by the Lessor of all amounts owing to the Lessor pursuant to the next sentence, and (y) by the Persons entitled thereto of all unpaid Supplemental Rent due on or before the Termination Date, deliver the Terminated Units, together with all Severable Optional Modifications made with respect to such Terminated Units during the Lease Term and not theretofore removed by the Lessee, to the Eligible Bidder, if any, which shall have submitted the highest cash bid prior to such date (or to such other Eligible Bidder as the Lessee and the Lessor shall agree) in the same manner and condition (except, if the termination is with respect to a Required Modification, for the performance of such Required Modification) as if such Units were being delivered to the Lessor pursuant to Section 6, (ii) the Lessor shall, without

recourse or warranty (except as to the absence of any Lessor's Lien) simultaneously therewith sell the Terminated Units to such Eligible Bidder, and (iii) the Lessee shall simultaneously therewith convey all Severable Optional Modifications (not theretofore removed by the Lessee) to such Eligible Bidder. The total sales price realized at such sale with respect to the Terminated Units shall be paid to and retained by the Lessor. On the Termination Date, the Lessee shall pay to the Lessor (A) all unpaid Basic Rent with respect to such Terminated Units due and payable on or prior to the Termination Date, (B) the excess, if any, of (1) the Termination Value for the Terminated Units computed as of the Termination Date, over (2) the net cash sales proceeds (after the deduction of all reasonable costs and expenses of the Lessor, the Owner Participant, the Indenture Trustee and the Pass Through Trustee in connection with such sale) of the Terminated Units, (C) an amount equal to the Make-Whole Amount in respect of the principal amount of the Equipment Notes to be prepaid in accordance with Section 6.1(b) of the Indenture, and (D) any other Rent required to be paid as of such Termination Date. If no such sale of the Terminated Units shall have occurred (and the applicable termination notice shall not have been withdrawn in accordance with the provisions of Section 10.1), the Lessee shall, nevertheless, on the Termination Date (A) pay to the Lessor all amounts specified in the immediately preceding sentence (it being understood that in such circumstances the amount referred to in clause (B)(2) of such sentence will be zero) and (B) deliver such Terminated Units to the Lessor in accordance with Section 6. If the immediately preceding sentence shall be applicable and the Lessee shall have performed its obligations thereunder, the Lessor shall thereafter sell, without recourse or warranty (except as to the absence of any Lessor's Lien), such Terminated Units, on any date occurring not more than 90 days after such Termination Date, upon not less than 15 days prior written notice from the Lessee, to any Eligible Bidder and for a cash purchase price in each case specified in such notice. The net cash proceeds of such sale (after the deduction of all reasonable costs and expenses of the Lessor and the Owner Participant in connection therewith), to the extent (and only to the extent) of the Termination Value for the applicable Terminated Units theretofore paid by the Lessee, shall be paid by the Lessor to the Lessee, and any balance shall be retained by the Lessor.

10.3 Retention of Equipment by the Lessor. Notwithstanding the provisions of Sections 10.1 and 10.2, the Lessor may irrevocably elect by written notice to the Lessee, no later than sixty (60) days after receipt of the Lessee's notice of termination, not to sell the Terminated Units on the Termination Date, in which case the Lessee shall (i) deliver the Terminated Units to the Lessor in the same manner and condition (except, if the termination is with respect to a Required Modification, for the performance of such Required Modification) as if such Units were being delivered to the Lessor pursuant to Section 6, treating the

Termination Date as the Termination Date of the Lease Term with respect to the Terminated Units, (ii) convey the Severable Optional Modifications (not theretofore removed by the Lessee) to such Terminated Units and (iii) pay to the Lessor, or to the Persons entitled thereto, all Basic Rent and all Supplemental Rent due and owing on the Termination Date and unpaid, excluding any Termination Value but including an amount equal to the Make-Whole Amount, if any, in respect of the principal amount of the Equipment Notes to be prepaid in accordance with Section 6.1(b)(2) of the Indenture. If the Lessor elects not to sell the Terminated Units as provided in this Section 10.3 and the Lessee shall have performed its obligations under this Section 10.3, then the Lessor shall, on such Termination Date, pay or cause to be paid to the Indenture Trustee, in funds of the type specified in Section 3.6, an amount equal to the principal amount of the Equipment Notes to be prepaid in accordance with Section 6.1(b)(2) of the Indenture and all accrued interest to the date of prepayment of such Equipment Notes and an amount equal to the Make-Whole Amount, if any, in respect of the principal amount of the Equipment Notes to be so prepaid. If the Lessor shall fail to perform any of its obligations pursuant to this Section 10.3, this Lease shall not be terminated with respect to the Terminated Units on a proposed Termination Date; however, the Lessor shall thereafter no longer be entitled to exercise its election to retain such Terminated Units and the Lessee may at its option at any time thereafter submit a new termination notice pursuant to Section 10.1 with respect to such Terminated Units specifying a proposed Termination Date occurring not earlier than 60 days from the date of such notice.

10.4 Termination of Lease. In the event of either (x) receipt by the Lessor and the Indenture Trustee of all of the amounts provided in Section 10.2 or (y) retention of the Equipment by the Lessor in compliance with Section 10.3, and upon compliance by the Lessee with the other provisions of this Section 10, the Lease Term with respect to such Unit or Units and the obligation to pay Basic Rent for such Unit or Units accruing subsequent thereto shall terminate on the Termination Date.

SECTION 11. LOSS, DESTRUCTION, REQUISITION, ETC.

11.1 Event of Loss. In the event that any Unit leased hereunder shall, on or before the Closing Date or at any time during the Lease Term, (i) suffer damage or destruction resulting in an insurance settlement on the basis of an actual, constructive or compromised total loss; (ii) suffer loss of use for 60 days (or, if shorter, the end of the Basic Term or any Renewal Term then in effect) due to destruction or damage beyond repair; (iii) suffer damage or contamination which, in the Lessee's reasonable judgment (as evidenced by an Officer's Certificate to such effect), makes repair uneconomic or renders such Unit unfit for commercial use; (iv) suffer theft or disappearance for a period in excess of 180 days (or, if shorter, the end of the Basic Term or any Renewal Term

then in effect); (v) be permanently returned to the manufacturer (if other than the Lessee) pursuant to any patent indemnity provisions; (vi) have title thereto taken or appropriated by any Governmental Authority under the power of eminent domain or otherwise or (vii) be taken or requisitioned for use by any Governmental Authority or any agency or instrumentality thereof under the power of eminent domain or otherwise, and such taking or requisition is for a period that exceeds (x) 180 days (or, if shorter, the end of the Basic Term or any Renewal Term then in effect) in the case such taking or requisition is by a Governmental Authority other than the government of the United States or (y) the remaining Basic Term or any Renewal Term then in effect in the case such taking or requisition is by the government of the United States (any such occurrence being hereinafter called an "Event of Loss"), unless, in each case, the Lessor elects to waive such Event of Loss, the Lessee, in accordance with the terms of Section 11.2, shall inform the Lessor and the Indenture Trustee of such Event of Loss.

11.2 Replacement or Payment upon Event of Loss. On the date which is 60 days prior to each Rent Payment Date or promptly, but in no event later than thirty (30) days, after the date on which a Responsible Officer of the Lessee shall have obtained actual knowledge, since the end of the last period for which a report was delivered to the Lessor under this Section 11.2, that three or more Units have suffered an Event of Loss (a "Multiple Loss"), the Lessee shall, by written notice to the Lessor, report any and all occurrences of an Event of Loss and any and all occurrences which may be deemed an Event of Loss of which the Lessee has actual knowledge pursuant to Section 8.3 with respect to any Unit and shall notify the Lessor of its election to perform one of the following options with respect to each such Unit (it being agreed that if the Lessee shall not have given notice of such election with respect to any Unit within the applicable time period referred to above, the Lessee shall be deemed to have elected to perform the option set forth in paragraph (ii) below with respect to such Unit); provided, however, that with respect to any deemed occurrence of an Event of Loss pursuant to Section 8.3 with respect to any Unit, the Lessee shall not be required to perform either of the following options if within 15 days after the receipt of the notice referred to herein the Lessor shall have delivered written notice to the Lessee of its intention not to treat such deemed occurrence of an Event of Loss as an Event of Loss:

(i) on the Rent Payment Date immediately following delivery of any such notice (or, in the case of a Multiple Loss, within sixty (60) days of the notice required under this Section), the Lessee shall comply with Section 11.4(b) and shall convey or cause to be conveyed to the Lessor a Replacement Unit to be leased to the Lessee hereunder, such Replacement Unit (A) to be free and clear of all Liens (other than Permitted Liens of the type described in clauses (ii),

(iii) (with respect to taxes, assessments or other charges not yet due and payable) and (iv) of the definition thereof), (B) to be of the same car manufacture (or of another reputable manufacturer from which the Lessee then regularly acquires cars for its own use), the same Equipment Group as any Unit leased hereunder, and the same or newer age, (C) to have the same DOT classification as the Unit which it replaces, except that up to five Replacement Units per calendar year may be of a different DOT classification, provided that each such Replacement Unit has the same DOT classification as one or more Units leased pursuant hereto, (D) to have a fair market sales value, utility, remaining economic useful life, residual value and condition at least equal to the Unit so replaced (assuming such Unit was in at least the condition required to be maintained by the terms of this Lease) (as certified in reasonable detail by a Responsible Officer of the Lessee or an independent engineer as and to the extent provided in Section 11.7), and (E) to be free of any past or present Environmental Law violation, citation or investigation; provided that the Lessee may substitute fewer or more Replacement Units than the number of Units which have suffered an Event of Loss so long as (A) such Replacement Unit(s) have in the aggregate a fair market sales value, utility, remaining economic useful life, residual value and condition at least equal to the aggregate fair market sales value, utility, remaining economic useful life, residual value and condition of the Unit(s) so replaced (assuming such Unit(s) were in at least the condition required to be maintained by the terms of this Lease), (B) each such Replacement Unit has a utility and condition not materially worse than that of each of the Units so replaced, (C) each such Replacement Unit has an estimated residual value as of the end of the Basic Term (determined at the date of such replacement) of at least 20% (without giving effect to inflation or deflation) of the fair market sales value of such Replacement Unit as of the date of such replacement, and (D) such Replacement Unit(s) otherwise meet the requirements of this paragraph (i); or

(ii) on the Rent Payment Date immediately following the delivery of the notice referred to above (the "Settlement Date"), the Lessee shall pay or cause to be paid to the Lessor (or in the case of Supplemental Rent, to the Persons entitled thereto) in funds of the type specified in Section 3.6, (a) an amount equal to the Stipulated Loss Value of each such Unit suffering an Event of Loss or deemed Event of Loss determined as of the Determination Date next following the occurrence of the Event of Loss or deemed Event of Loss (or, if the Event of Loss or deemed Event of Loss occurred on a Determination Date, such Determination Date), (b) an amount of Basic Rent equal to the product of (i) the daily equivalent of the amount of Basic Rent scheduled to be paid with respect to such Unit on such Settlement Date and (ii) the number of days from and including

such Determination Date to but excluding such Settlement Date, and (c) to the extent not therefore paid, all other Supplemental Rent due on or prior to the Settlement Date; provided, however, that in the event of a Multiple Loss, the amounts specified in the foregoing clause (a) of this Section 11.2(ii) shall be paid by the Lessee on the first Business Day next succeeding the 60th day following the date on which the Lessee is required to report such Multiple Loss pursuant to Section 11.2, together with (1) an amount of Basic Rent equal to the product of (x) the daily equivalent of the amount of Basic Rent scheduled to be paid with respect to such Unit on the Rent Payment Date next succeeding such Business Day and (y) the number of days from and including such Determination Date to but excluding such Business Day and (2) to the extent not theretofore paid, all other Supplemental Rent due on or prior to such Business Day.

11.3 Rent Termination. Upon the replacement of any Unit or Units in compliance with Section 11.2(i), or upon the payment of all sums required to be paid pursuant to Section 11.2(ii) hereof in respect of any Unit or Units for which the Lessee has elected to pay, or has been deemed to have elected to pay pursuant to Section 11.2(i) the amounts specified in Section 11.2(ii), the Lease Term with respect to such Unit or Units and the obligation to pay Basic Rent for such Unit or Units accruing subsequent to the date of payment of Stipulated Loss Value or date of conveyance of such Replacement Unit or Units pursuant to Section 11.2 shall terminate.

11.4 Disposition of Equipment; Replacement of Unit.

(a) Upon the replacement of any Unit and compliance with Sections 11.2 and 11.4(b) or payment of all sums required to be paid pursuant to Section 11.2 in respect of any Unit or Units, the Lessor will transfer to the Lessee all right, title and interest of the Lessor in and to such Unit or Units, "as-is, where-is," without recourse or warranty, except for the absence of Lessor's Liens. Subject to Section 11.6, and subject to the Lessee's compliance with the provisions of Section 11.2 as to each separate Unit so disposed of, the Lessee shall be entitled to any amounts arising from such disposition, plus any awards, insurance or other proceeds and damages received by the Lessee, the Lessor or the Indenture Trustee by reason of such Event of Loss other than (i) any insurance proceeds with respect to insurance obtained by the Lessor or the Owner Participant pursuant to the fourth sentence of Section 12.3 and (ii) any condemnation awards in respect of such Unit.

(b) At the time of or prior to any replacement of any Unit, the Lessee, at its own expense, will (A) furnish the Lessor with a duly executed Bill of Sale with respect to the Replacement Unit, (B) cause a Lease Supplement substantially in the form of Exhibit A hereto subjecting such Replacement Unit to this Lease, and duly

executed by the Lessee, to be delivered to the Lessor for execution and, upon such execution, subject to the provisions of Section 16.2, to be filed for recordation in the same manner as provided for the original Lease Supplement in Section 16.1, (C) for so long as the Indenture shall not have been satisfied and discharged, cause an Indenture Supplement substantially in the form of Exhibit A to the Indenture for such Replacement Unit, to be delivered to the Lessor and to the Indenture Trustee for execution and, upon such execution, subject to the provisions of Section 16.2, to be filed for recordation in the same manner as provided for the original Indenture Supplement in Section 16.1, (D) furnish the Lessor with an opinion of the Lessee's counsel (which may be the Lessee's General Counsel or Assistant General Counsel), to the effect that (x) the Bill of Sale referred to in clause (A) above constitutes an effective instrument for the conveyance of title to the Replacement Unit to the Lessor, and (y) good and marketable legal and beneficial title to the Replacement Unit has been delivered to the Lessor, free and clear of all Liens (other than Permitted Liens) and (z) all filings, recordings and other action necessary or appropriate to perfect and protect the Lessor's and the Indenture Trustee's respective interests in the Replacement Unit (to the extent required by the provisions of this Lease, including without limitation, Section 16.2) have been accomplished, (E) furnish to the Owner Participant an indemnity by the Lessee, in form and substance satisfactory to the Owner Participant, for any adverse tax consequences resulting from such replacement, (F) furnish the Lessor with an Officer's Certificate certifying that as of said date, and upon consummation of the replacement, no Lease Default or Lease Event of Default exists or will exist, (G) so long as the Indenture shall not have been satisfied and discharged, cause a Uniform Commercial Code financing statement or statements with respect to the Replacement Unit to be filed in such place or places as necessary in order to perfect the security interest therein created by or pursuant to the Indenture and precautionary Uniform Commercial Code financing statements naming the Lessee as debtor, the Lessor as secured party and the Indenture Trustee as assignee of the secured party to be filed in such public offices as are deemed necessary or appropriate by the Indenture Trustee, the Lessor and the Owner Participant to perfect the right, title and interest of the Owner Trustee in the Replacement Units and of the Indenture Trustee as assignee of the Lessor in the Replacement Units, and (H) furnish such other documents and evidence as the Owner Participant, the Lessor or Indenture Trustee, or their respective counsel, may reasonably request in order to establish the consummation of the transactions contemplated by this Section 11.4, including, without limitation, evidence of compliance with Section 12 with respect to the Replacement Unit. For all purposes hereof, upon passage of title thereto to the Lessor, the Replacement Unit shall be deemed part of the property leased hereunder and the Replacement Unit shall be deemed a "Unit" of Equipment as defined herein. Upon such passage of title, the Lessor will transfer to the Lessee all the Lessor's right, title

and interest in and to the replaced Unit, without recourse or warranty (except as to the absence of Lessor's Liens), and upon such transfer, the Lessor will request in writing that the Indenture Trustee execute and deliver to the Lessee an appropriate instrument releasing such replaced Unit from the Lien of the Indenture.

11.5 Eminent Domain. In the event that during the Lease Term the use of any Unit is requisitioned or taken by any Governmental Authority under the power of eminent domain or otherwise for a period which does not constitute an Event of Loss, the Lessee's obligation to pay all installments of Basic Rent shall continue for the duration of such requisitioning or taking. Subject to Section 11.6, the Lessee shall be entitled to receive and retain for its own account all sums payable for any such period by such Governmental Authority as compensation for requisition or taking of possession. The Lessor and/or the Indenture Trustee immediately will pay to the Lessee any amounts received by them in respect of any such acquisition or taking of possession.

11.6 Lease Event of Default. Any amount referred to in Section 11.4(a) or 11.5 which is payable to the Lessee shall not be paid to the Lessee, or if it has been previously paid directly to the Lessee, shall not be retained by the Lessee, if at the time of such payment a Lease Event of Default shall have occurred and be continuing, but shall be paid to and held by the Lessor (or, so long as the Lien of the Indenture has not been discharged, the Indenture Trustee) as security for the obligations of the Lessee under this Lease, and at such time as there shall not be continuing any such Lease Event of Default, such amount (unless theretofore otherwise applied to the obligations of the Lessee hereunder) shall be paid over to the Lessee.

11.7 Replacement Unit Certificates. Any certificate to be provided by the Lessee under Section 11.2(i) above may be provided by a Responsible Officer of the Lessee; provided that in such event, the Lessor may elect to have an independent engineer selected by the Owner Participant (and who shall be reasonably acceptable to the Lessee) confirm (i) the fair market sales value, residual value and remaining useful life of the Units in respect of which the Event of Loss occurred and of the Replacement Units, as theretofore determined by a Responsible Officer of the Lessee or (ii) any other determination set forth in the certificate of such Responsible Officer. The Lessor shall pay the fees and expenses of such independent engineer, unless such independent engineer determines that the fair market sales value, residual value or remaining useful life of the Replacement Units is less than the fair market sales value, residual value or remaining useful life of the Units which they replace, in each case, by 10% or more, or unless such independent engineer determines that the utility or condition of the Replacement Units is materially worse than the utility or condition of the Units which they replace, in which case

the Lessee shall (x) pay the fees and expenses of such independent engineer and (y) either convey or cause to be conveyed to the Lessor one or more different Replacement Units meeting the requirements of Sections 11.2 and 11.4 (concurrently with the reconveyance to the Lessee, in accordance with Section 11.4(a), of the prior Replacement Unit or Units), the fair market sales value, residual value, remaining useful life, utility and condition of which Replacement Units shall have been certified to by such independent engineer, or pay the Stipulated Loss Value for such Unit or Units which suffered an Event of Loss as provided in Section 11.2 (concurrently with the reconveyance to the Lessee, in accordance with Section 11.4(a), of the prior Replacement Unit or Units); provided that any confirmation performed by any independent engineer under this Section 11.7 may be disputed by the Lessee in accordance with the Dispute Resolution Procedure and shall be resolved in accordance therewith.

SECTION 12. INSURANCE.

12.1 Property Damage and Public Liability Insurance.

(a) The Lessee will, at all times prior to the return of the Units to the Lessor and during the Initial Storage Period, at its own expense, cause to be carried and maintained with reputable insurance companies (i) general liability insurance covering third party bodily injury and property damage in connection with the Equipment and (ii), in the event of the circumstance set forth in the next sentence, property damage insurance in respect of the Equipment, in each case, in amounts and for such risks and with such reputable insurance companies and subject to such self-insurance not less comprehensive in amounts and against risks customarily insured against by companies similar to the Lessee, but in any event at least comparable in amounts, risks and deductibles in respect of equipment owned or leased by the Lessee similar in type to the Equipment and in any event at least in accordance with the provisions of the remaining paragraphs of this Section 12.1. For so long as an Event of Default exists hereunder, the Lessee will be required to maintain property damage insurance on the Equipment.

Notwithstanding the provisions of the previous paragraph, the Lessee shall at all times maintain general liability insurance in respect of the Equipment with a minimum coverage level of $200,000,000 per occurrence and an annual aggregate of $200,000,000. Such minimum coverage level of general liability insurance shall be increased as of each anniversary date of this Lease by the "CPI Increase". ("CPI Increase" shall mean the percentage increase, if any, in the national Consumer Price Index-All Urban Consumers as published by the Bureau of Labor Statistics of the United States Department of Labor from that number for such index which was most recently published as of the prior anniversary date of this Lease to that number for such index which was most

recently published as of the current anniversary date of this Lease.) Further, notwithstanding the provisions of the previous paragraph, the Lessee shall at no time, subject to the next sentence, have a level of risk retention and/or self-insurance in connection with the Equipment as part of its general liability insurance program that exceeds $25,000,000 per occurrence. Such maximum allowable level of risk retention and/or self-insurance shall be increased as of each anniversary date of this Lease by the CPI Increase. In no event shall either the minimum required level of general liability insurance or the maximum allowable level of risk retention and/or self-insurance, in each case as set forth in this paragraph, be decreased because of any decline in the Consumer Price Index referred to above or otherwise. The Lessee shall give written notice to the Owner Participant each year, promptly after the anniversary date of this Lease, of the amount of CPI Increase for the year ending on such anniversary date.

If at any time the publication of the Consumer Price Index-All Urban Consumers is discontinued or such index is materially changed, the Lessee and the Owner Participant shall agree on a substitute index published by the Bureau of Labor Statistics to use in lieu thereof. If no mutually acceptable substitute index is published by the Bureau of Labor Statistics, the Lessee and the Owner Participant shall agree on a substitute index published by another national organization publishing economic statistics.

With respect to general liability insurance coverage (and, if applicable, property damage insurance coverage) required by this Section 12.1, (i) at least 90% of such coverage provided by insurance companies which are rated by Best's Insurance Guide and Key Ratings ("Best's") shall be provided by companies which are rated "A-" or better, without regard to size, by Best's and (ii) at least 85% of such coverage provided by insurance companies which are rated by Best's shall be provided by companies which are rated "A-,X" or better by Best's.

The Lessee also shall cause to be carried and maintained that insurance required to be carried and maintained by the Letter Agreement in the circumstances required thereby.

In the event any public liability insurance policy or coverage thereunder which is required to be maintained under this Section 12.1(a) shall not be available to the Lessee in the commercial insurance market on commercially reasonable terms, the Lessor shall not unreasonably withhold its agreement to waive such requirement to the extent the maintenance thereof is not so available upon application therefor as set forth herein. The Lessee shall make a written request for any such waiver, accompanied by written reports prepared by an independent insurance advisor chosen by the Lessee and the Lessor. Such independent insurance advisor shall be of recognized national standing. The fees and expenses of such advisor shall be paid by the Lessee. The written reports required

hereunder shall (x) state that such insurance (or the required coverage thereunder) is not reasonably available to the Lessee at commercially reasonable premiums in the commercial insurance market from insurers, acceptable to the Lessee and the Lessor, with a Best's rating of A-,X or better in respect of rail cars of similar type and capacity, (y) explain in detail the basis for such conclusions and (z) be in form acceptable to the Owner Participant and the Indenture Trustee. Upon the granting of any such waiver, the Lessee shall promptly but in no event more than 15 days thereafter certify to the Lessor in writing the cost (on a fleet-wide basis) of liability insurance premiums for the coverage required by this Section 12.1(a) for the immediately preceding fiscal year; and in the event that any such certificate is not received by the Lessor within such 15 day period, any such waiver shall be deemed revoked. At any time after the granting of such waiver, but not more often than twice a year, the Lessor may make a written request for a supplemental report on a fleet-wide basis (in form reasonably acceptable to the Lessor) from such insurance advisor updating the prior report and reaffirming the conclusions set forth therein. The Lessee shall provide, at its expense, any such required supplemental report within 30 days after receipt of the written request therefor. Any such waiver shall be effective for only as long as such insurance is not reasonably available to the Lessee in the commercial market at commercially reasonable rates, it being understood that the failure of the Lessee to furnish timely any such supplemental report shall be conclusive evidence that such condition no longer exists. If at any time such coverage becomes available, as indicated by any such supplemental insurance report or otherwise, the Lessee shall promptly obtain such insurance coverage. Notwithstanding the foregoing, during any period with respect to which such waiver has been granted and remains in effect under this Section 12.1, the Lessee shall in any event obtain public liability insurance as set forth in Section 12.1(a) from such carriers, in such amounts and with coverage limits and deductibles as is prudent under the circumstances, but in any event in an amount that may be purchased for an amount equal to 110% of the Lessee's cost (on a fleet-wide basis) of liability insurance premiums for the coverage required by Section 12.1(a) for the immediately preceding fiscal year.

(b) Certificate of Insurance. The Lessee shall, prior to the Closing Date and when the renewal certificate referred to below is sent (but in any event not less than annually), furnish the Lessor, the Owner Participant and the Indenture Trustee with one or more certificates signed by the insurer or an independent insurance broker (i) showing in reasonable detail the insurance then maintained by the Lessee pursuant to this Section 12.1 and (ii) stating that all premiums then due thereon have been paid, that such insurance is in full force and effect and that such insurance complies with the requirements of the second, fourth and fifth paragraphs of Section 12.1(a) and the requirements of Section 12.1(d) or with other evidence of maintenance of the insurance

required hereunder satisfactory to the Lessor, the Owner Participant and the Indenture Trustee, and, with respect to any renewal policy or policies, shall furnish certificates or binders evidencing such renewal as soon as practicable, but in no event later than 30 days after the earlier of the date such renewal is effected or the expiration date of the original policy or policies; provided that if the Lessee has not provided any such certificate at least ten days prior to the expiration of the relevant insurance policy, the Lessee will provide, at least ten days prior to the expiration date of such then current policy, a copy of the Lessee's letter to its broker(s) ordering the coverage required by this Section 12 for which a certificate has not yet been provided for the upcoming period.

(c) It is understood and agreed that the insurance required hereunder may, subject to Section 12.1(a), be part of a company-wide insurance program, including risk retention and self-insurance.

(d) All insurance policies in respect of the insurance required hereunder shall either (x) insure the interests of the Lessor, the Bank, the Owner Participant, the Indenture Trustee and the Pass Through Trustee as additional named insureds (and the Lessee shall use its reasonable best efforts to secure endorsements in respect thereof) or (y) provide equivalent coverage with respect to each such Person through appropriate contract liability coverage (each, if so insured as described in clause (x), an "Additional Insured" and each, if so equivalently covered as described in clause (y), a "Covered Person"). Each policy shall provide:

(i) if the policy is to be cancelled before the expiration date thereof or will lapse upon the expiration thereof or the amount of coverage thereunder is to be reduced or the coverage thereunder is to be materially changed, no such cancellation, lapse, reduction, or change shall be effective until at least 30 days (or 10 days in the case of cancellation for non-payment of premiums) after receipt by each Additional Insured of written notice thereof; provided, that with respect to the Covered Persons, the issuing insurance company will provide such 30 days' prior written notice thereof either to each Covered Person or to an independent insurance broker (which broker shall have agreed with the Covered Persons that it will notify each Covered Person of such notice from such issuing insurance company promptly upon receipt thereof); provided, that it shall not be a Lease Default hereunder if the Lessee has exercised its reasonable best efforts to secure such a provision in a policy and the insurer has refused, as long as the Lessee uses its reasonable best efforts to secure one or more policy provisions providing as much of what is required above with respect to the immediately preceding proviso as is possible; and provided further that the Lessee agrees that it will

promptly provide the notices referred to above to all Additional Insureds and/or Covered Persons to the extent the Lessee is unable to cause the insurance company to provide such notices either to the Additional Insureds or Covered Persons or to an independent insurance broker and each such policy shall in any event provide that the Lessee shall receive the notice described in the first clause of this clause (i) in the circumstances and with the effect therein stated;

(ii) that the interests of each Additional Insured or Covered Person, as the case may be, will be insured regardless of any action or inaction of the Lessee or another insured under such policy or any breach by the Lessee or any other Person of any warranties, declarations or conditions contained therein, provided, that it shall not be a Lease Default hereunder if the Lessee has exercised its reasonable best efforts to secure such a provision in a policy and the insurer has refused;

(iii) that no Additional Insured or Covered Person shall have any obligation or liability for premiums, commissions, assessments or calls in connection with such insurance;

(iv) that the insurer thereunder waives all rights of subrogation against the Lessee and the Additional Insureds and Covered Persons and any right of set-off or counterclaim and any other right to deduction whether by attachment or otherwise;

(v) that such insurance shall be primary without right of contribution from any other insurance carried by or on behalf of any Additional Insured or any Covered Person;

(vi) with respect to liability insurance only that, insofar as the policy is written to cover more than one insured, all terms, conditions, insuring agreements and endorsements, with the exception of limits of liability, shall operate in the same manner as if there were a separate policy covering each insured; and

(vii) with respect to property damage insurance, so long as the Lien of the Indenture shall not have been discharged, the proceeds thereof up to the amount of Stipulated Loss Value for any loss or damage to any Unit shall be payable to the Indenture Trustee under a standard mortgage loss payable clause and, thereafter, to the Lessor;

<u>provided</u>, that it shall not be a Lease Default hereunder if the Lessee has exercised its reasonable best efforts to secure those provisions referred to in subparagraphs (iii), (iv) and (v) above with respect to Covered Persons and the insurer has refused.

The Lessee shall, at its own expense, be entitled, so long as no Lease Event of Default shall have occurred and be continuing, to make all proofs of loss and take all such other steps necessary to collect the proceeds of such insurance.

12.2 Proceeds of Insurance. The entire proceeds of any property insurance or third-party payments for damages or for an Event of Loss to any Unit received by the Lessor (or for so long as the Lien of the Indenture has not been discharged, the Indenture Trustee) in respect of the insurance required by this Section 12 shall be held by such party until, with respect to such Unit, the repairs referred to in clause (a) below are made as specified therein, or, as appropriate, payment of the full amount described in Section 11.2, or the replacement of the Unit pursuant to Section 11.2, Section 11.4(b) or Section 11.7, as the case may be, is made, and, thereupon, such entire proceeds will be paid, so long as no Lease Event of Default shall have occurred and be continuing, either: (a) to the Lessee promptly following receipt by the Lessor and the Indenture Trustee of a written application signed by the Lessee for payment to the Lessee for repairing or restoring the Units which have been damaged so long as (i) the Lessee shall have complied with the applicable provisions of this Lease, and (ii) the Lessee shall have furnished proof satisfactory to the Lessor and the Indenture Trustee that any damage to such Units shall have been fully repaired or restored; or (b) if this Lease is terminated with respect to such Unit because of an Event of Loss and the Lessee has paid the full amount described in Section 11.2 due as a result thereof or a Replacement Unit has become subject to this Lease pursuant to Section 11.2, Section 11.4(b) or Section 11.7, as the case may be, such proceeds shall be promptly paid over to, or retained by, the Lessee and/or the Lessor in accordance with their respective interests. Any such amount which is not payable to the Lessee because a Lease Event of Default shall have occurred and be continuing shall be held by the Lessor (or, if appropriate, the Indenture Trustee) as security for the obligations of the Lessee under this Lease, and at such time as there shall not be continuing any such Lease Event of Default, such amount (unless theretofore otherwise applied to the obligations of the Lessee hereunder) shall be paid over to the Lessee.

12.3 Additional Insurance. In the event that the Lessee shall fail to maintain insurance as herein provided, the Lessor may at its option, upon written notice to the Lessee, provide such insurance and, in such event, the Lessee shall, upon demand from time to time, reimburse the Lessor for the cost thereof together with interest from the date of payment thereof at the Late Rate, on the amount of the cost to the Lessor of such insurance which the Lessee shall have failed to maintain. If after the Lessor has provided such insurance, the Lessee then obtains the coverage provided for in Section 12.1(a) which was replaced by the insurance provided by the Lessor and the Lessee provides the Lessor with evidence of such coverage satisfactory to the Lessor, upon the

Lessee's written request to the Lessor, the Lessor shall cancel the insurance it has provided pursuant to the first sentence of this Section 12.3 and forward to the Lessee any amounts rebated thereby. In such event, the Lessee shall reimburse the Lessor for all costs to the Lessor of cancellation, including, without limitation, any short rate penalty, together with interest from the date of the Lessor's payment thereof at the Late Rate. In addition, at any time the Lessor (either directly or in the name of the Owner Participant) or the Owner Participant may at its own expense carry insurance with respect to its interest in the Units; provided that such insurance does not interfere with the Lessee's ability to insure the Equipment as required by this Section 12 or adversely affect such required insurance or the cost thereof, it being understood that all salvage rights to each Unit shall remain with the Lessee's insurers at all times. Any insurance payments received from policies maintained by the Lessor or the Owner Participant pursuant to the immediately preceding sentence shall be retained by the Lessor or the Owner Participant, as the case may be, without reducing or otherwise affecting the Lessee's obligations hereunder.

SECTION 13. REPORTS; INSPECTION.

13.1 Duty of the Lessee to Furnish. On or before May 31, 1993, and on or before each May 31 thereafter, the Lessee will furnish to the Lessor, the Owner Participant, the Pass Through Trustee and the Indenture Trustee an accurate statement, as of the preceding December 31, (a) showing the number, description and reporting marks of the Units then leased hereunder, the number, description and reporting marks of all Units that have suffered an Event of Loss during the 12 months ending on such December 31 (or since the Closing Date, in the case of the first such statement), and such other information regarding the condition or repair of the Equipment as the Lessor may reasonably request, (b) stating that, in the case of all Equipment repainted during the period covered by such statement, the markings required by Section 4.2 hereof shall have been preserved or replaced, (c) showing the percentage of use in the United States, Canada and Mexico, respectively, of the total mileage travelled by the Equipment, on an aggregate basis, for the prior calendar year as reported to the Lessee by railroads, (d) showing the percentage of use in the United States on a state-by-state basis of the total mileage traveled by the rail cars in the Lessee's fleet in as much detail as is reasonably available to the Lessee, and (e) identifying, for the prior calendar year, the Units that, to the Lessee's knowledge, were (A) subject to (i) any investigation for a major defect, (ii) any embargo as a result of a major defect, (iii) a recall order or (iv) any other extraordinary occurrence or (B) the subject of an R-1 filing (or any successor filing with respect to modifications) with the American Association of Railroads (including, in such report, copies of such filings). The Lessee will provide Owner Participant and the Indenture Trustee with prompt notice, but in any event

within 30 days of (i) any threatened or pending legal proceeding of which the Lessee has actual knowledge relating to any Unit, alleging that the Lessee is liable for an amount in excess of $5,000,000 or that the Lessor, the Owner Participant or the Indenture Trustee is liable for any amount, (ii) actual knowledge of or receipt of written notice alleging that any Unit violates any Environmental Law where the cost of placing such Unit into compliance is likely to exceed $50,000 per Unit or (iii) actual knowledge of or receipt of written notice of any incident involving any Unit alleging personal injury or property damage (including damage to the environment) including costs of remediation, in excess of $1,000,000.

13.2 Inspection Rights. The Lessor, the Owner Participant, the Pass Through Trustee and the Indenture Trustee each shall have the right, but not the obligation, at their respective sole cost, expense and risk, including, without limitation, the risk of personal injury or death (except that if a Lease Event of Default shall have occurred and be continuing, such inspection shall be at the cost, expense and risk of the Lessee (excluding any costs, expenses or risks attributable to the gross negligence or willful misconduct of the Lessor, the Owner Participant, the Pass Through Trustee or the Indenture Trustee, as the case may be)), by their respective authorized representatives to inspect the Equipment and the Lessee's records with respect thereto, and if a Lease Event of Default shall have occurred and be continuing, or if the Lessee has provided a notice pursuant to Section 10 or Section 22 that it will be returning any Unit to the Lessor, the sublease of the Equipment and the Lessee's records with respect thereto, in any case during the Lessee's or the applicable sublessee's normal business hours, subject to the Lessee's or the applicable sublessee's standard security and safety rules and procedures and, unless a Lease Event of Default shall have occurred and be continuing, upon reasonable prior notice to the Lessee. No inspection pursuant to this Section 13.2 shall interfere in any material respect with the use, operation or maintenance of the Equipment or the normal conduct of the Lessee's business or that of the applicable sublessee of such Units.

SECTION 14. EVENTS OF DEFAULT.

The following events shall constitute Lease Events of Default hereunder (whether any such event shall be voluntary or involuntary or come about or be effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body) and each such Lease Event of Default shall be deemed to exist and continue for so long as, but only as long as, it shall not have been remedied:

(a) the Lessee shall fail to make any payment of Basic Rent, Stipulated Loss Value or Termination Value within 10 Business Days after the same shall have become due; or

(b) the Lessee shall fail to make any other payment under the Operative Agreements, including without limitation, any payment of Supplemental Rent (other than Stipulated Loss Value or Termination Value), after the same shall have become due and such failure shall continue unremedied for a period of 30 days after receipt by the Lessee of written notice of such failure from the Lessor or the Indenture Trustee; or

(c) the Lessee shall fail to procure and maintain the insurance required by Section 12.1 or shall permit the lapse or cancellation of such insurance; provided that no such lapse or cancellation shall constitute a Lease Event of Default until the earlier of (x) 30 days after receipt by the Lessor of written notice of such lapse or cancellation and (y) the date such lapse or cancellation is effective as to the Lessor, the Owner Participant, the Pass Through Trustee or the Indenture Trustee; provided further, no such lapse or cancellation of such insurance shall constitute a Lease Event of Default in the event that the Lessor waives such insurance requirements in accordance with Section 12.1; or

(d) any representation or warranty made by the Lessee in this Lease, in the Participation Agreement or in any other Operative Agreement (other than representations relating to tax matters contained in the Tax Indemnity Agreement) is untrue or incorrect in any material respect as of the date made and such untruth or incorrectness shall continue to be material and unremedied for a period of 60 days after the earlier of (i) receipt by the Lessee of written notice thereof from the Lessor or the Indenture Trustee and (ii) the Lessee having obtained actual knowledge thereof; or

(e) the Lessee shall (i) commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect, or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or (ii) consent to any such relief or to the appointment of or taking possession by any such official in any voluntary case or other proceeding commenced against it, or (iii) generally fail to pay, or admit in writing its inability to pay, its debts as they come due, or (iv) make a general assignment for the benefit of creditors, or (v) take any corporate action to authorize, or in furtherance of, any of the foregoing; or

(f) an involuntary case or other proceeding shall be commenced against the Lessee seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect, or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of 60 days; or

(g) the Lessee shall fail to observe or perform in any material respect any of its covenants or agreements (other than those described in the foregoing clauses of this Section 14) to be observed or performed by the Lessee hereunder or under the Participation Agreement or any other Operative Agreement and such failure shall continue unremedied for 30 days after the earlier of (i) written notice from the Lessor or the Indenture Trustee to the Lessee, specifying the failure and demanding the same to be remedied and (ii) the Lessee having obtained actual knowledge thereof; provided that, if such failure is capable of being remedied, no such failure shall constitute a Lease Event of Default hereunder for a period of 180 days after receipt of such notice or obtaining actual knowledge for so long as the Lessee is diligently proceeding to remedy such failure; provided further that during such period there shall be no risk or danger of (A) the sale, forfeiture or loss of any Unit of Equipment, or the subjection thereof to any Lien (other than Permitted Liens), or interference with the payment of Basic Rent or with the operation, use or disposition of any Unit or with title thereto or any interest therein, or (B) the imposition of any liability (including any criminal liability) on the part of, or any adverse effect on, the Lessor, the Owner Participant, the Indenture Trustee or the Pass Through Trustee, or any adverse effect on any Unit of Equipment;

provided, further that, notwithstanding anything to the contrary contained in this Lease, any failure of the Lessee to perform or observe any covenant or agreement herein shall not constitute a Lease Event of Default if such failure is caused solely by reason of an event referred to in the definition of "Event of Loss" set forth in Section 11.1 above, for so long as the Lessee is continuing to comply with the applicable terms of Section 11.

SECTION 15. REMEDIES.

15.1 Remedies. Upon the occurrence of a Lease Event of Default pursuant to Section 14(e) or (f), this Lease shall automatically be in default, and the Lessor may exercise one or more remedies specified below as the Lessor may in its sole discretion elect, to the extent permitted by, and subject to compliance with any mandatory requirements of, Applicable Law.

Upon the occurrence of any other Lease Event of Default and at any time thereafter for so long as the same shall be continuing, the Lessor may, at its option, declare this Lease to be in default by a written notice to the Lessee; and at any time thereafter, for so long as the Lessee shall not have remedied all outstanding Lease Events of Default, the Lessor may do one or more of the following as the Lessor in its sole discretion shall elect, to the extent permitted by, and subject to compliance with any mandatory requirements of, Applicable Law then in effect:

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

(b) by notice in writing to the Lessee, the Lessor may demand that the Lessee, and the Lessee shall, upon written demand of the Lessor and at the Lessee's expense, forthwith return all of the Equipment to the Lessor or its order in the manner and condition required by, and otherwise in accordance with all of the provisions of Section 15.6; or the Lessor with or without notice or judicial process may by its agents enter upon the premises of the Lessee or other premises where any of the Equipment may be located and take possession of and remove all or any of the Units and thenceforth hold, possess and enjoy the same free from any right of the Lessee, or its successor or assigns, to use such Units for any purpose whatever;

(c) sell any Unit at public or private sale, as the Lessor may determine, free and clear of any rights of the Lessee and without any duty to account to the Lessee with respect to such sale or for the proceeds thereof (except to the extent required by paragraph (d) or (e) below if the Lessor elects to exercise its rights under either of said paragraphs), in which event the Lessee's obligation to pay Basic Rent with respect to such Unit hereunder due for any periods subsequent to the date of such sale shall terminate (except to the extent that Basic Rent is to be included in computations under paragraph (d) or (e) below if the Lessor elects to exercise its rights under either of said paragraphs);

(d) hold, keep idle or lease to others any Unit as the Lessor in its sole discretion may determine, free and clear of any rights of the Lessee and without any duty to account to the Lessee with respect to such action or inaction or for any proceeds with respect thereto, except that the Lessee's obligation to pay Basic Rent with respect to such Unit due for any periods subsequent to the date upon which the Lessee shall have been deprived of possession and use of such Unit pursuant

to this Section 15 shall be reduced by the net proceeds, if any, received by the Lessor from leasing such Unit to any Person other than the Lessee;

(e) whether or not the Lessor shall have exercised, or shall thereafter at any time exercise, any of its rights under paragraph (a), (b) or (c) above with respect to any Unit, the Lessor, by written notice to the Lessee specifying a payment date (which date shall be a Determination Date for the purposes of computing Stipulated Loss Value) which shall be not earlier than thirty (30) days after the date of such notice, may demand that the Lessee pay to the Lessor, and the Lessee shall pay to the Lessor, on the payment date specified in such notice, as liquidated damages for loss of a bargain and not as a penalty (and except as provided in clause (2) below, in lieu of the scheduled Basic Rent for such Unit due after the payment date specified in such notice), the sum of: (x) (1) any unpaid Rent due on or prior to the Determination Date specified in such notice (but excluding (or, if theretofore paid, giving credit against the amount due under this Section 15.1(e) for) any portion of an installment of Basic Rent due on or before such Determination Date which is denominated as Basic Rent payable in advance and which is allocable to the time after such Determination Date) plus (2) any unpaid Basic Rent due on the Rent Payment Date immediately following such Determination Date to the extent such Basic Rent is (q) payable in arrears and (r) allocable to the period prior to and including such Determination Date; plus (y) whichever of the following amounts the Lessor, in its sole discretion, shall specify in such notice: (i) an amount equal to the excess, if any, of (A) Stipulated Loss Value determined as of the Determination Date specified in such notice over (B) Fair Market Sales Value of the Equipment as of such Determination Date (and if the Equipment has been sold, the net sales proceeds shall be deemed to be Fair Market Sales Value); (ii) an amount equal to the excess, if any, of (A) the Stipulated Loss Value determined as of the Determination Date specified in such notice over (B) the Fair Market Rental Value of the Equipment during the remaining Basic Term or Renewal Term then in effect, as the case may be, discounted at the Late Rate; or (iii) an amount equal to the excess, if any, of (A) the present value as of the Determination Date specified in such notice of all installments of Basic Rent (other than Basic Rent which has been included in the payment required by the foregoing clause (x)) until the end of the Basic Term or the Renewal Term then in effect, as the case may be, discounted at the Late Rate over (B) the present value as of such Determination Date of the Fair Market Rental Value of the Equipment until the end of the Basic Term or the Renewal Term then in effect, as the case may be, discounted at the Late Rate, and upon any such payment (and payment of interest on the amount calculated pursuant to this Section 15.1(e) at the

Late Rate from the date specified for payment until actually paid if not paid on the date so specified) the Lease Term, if not theretofore ended, shall end;

(f) unless the Lessor shall have exercised, or shall thereafter at any time exercise, any of its rights under Section 15.1(e), the Lessor, by written notice to the Lessee specifying a payment date which shall be a Determination Date not earlier than the 10th day after the date of such notice may require that the Lessee pay to the Lessor, and the Lessee shall pay to the Lessor on the date specified in such notice as liquidated damages for loss of a bargain and not as a penalty (and except as provided in clause (2) below, in lieu of scheduled Basic Rent due after the date specified in such notice), the sum of: (x) (1) any unpaid Rent due on or prior to the Determination Date specified in such notice (but excluding (or, if theretofore paid, giving credit against the amount due under this Section 15.1(f) for) any portion of an installment of Basic Rent due on or before such Determination Date which is denominated as Basic Rent payable in advance and which is allocable to the time after such Determination Date) plus (2) any unpaid Basic Rent due on the Rent Payment Date immediately following such Determination Date to the extent such Basic Rent is (q) payable in arrears and (r) allocable to the time prior to and including such Determination Date; plus (y) the greater of the Stipulated Loss Value, computed as of the Determination Date specified in such notice, and the Fair Market Sales Value of the Equipment and upon such payment (and payment of interest on the amount calculated pursuant to this Section 15.1(f) at the Late Rate from the date specified for payment until actually paid if not paid on the date so specified), the Lessor shall transfer "as is", "where is", without recourse or warranty (except as to the absence of Lessor's Liens) all right, title, and interest of the Lessor to the Equipment to the Lessee or as it may direct, and the Lease Term, if not theretofore ended, shall end; or

(g) the Lessor may rescind or terminate this Lease or may exercise any other right or remedy that may be available to it at law, in equity or by statute (including under Article 2A of the Illinois Uniform Commercial Code).

In addition, the Lessee shall be liable, except as otherwise provided above, for any and all unpaid Rent 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 Lease Event of Default or the exercise of the Lessor's remedies with respect thereto, including, without limitation, the repayment in full of any costs and expenses necessary to be expended in repairing any Unit in order to cause it to be in compliance with all maintenance and regulatory standards imposed by this Lease or by law.

15.2 Cumulative Remedies. Except as may be specifically provided herein, each right, power and remedy in this Lease provided in favor of the Lessor shall not be deemed exclusive, but shall be cumulative and shall be in addition to all other rights, powers and remedies in its favor existing at law, in equity or by statute. The Lessee hereby waives any mandatory requirements of law, now or hereafter in effect, which might limit or modify any of the remedies herein provided to the maximum extent that such waiver is permitted by law. The Lessee hereby waives any and all existing or future claims of any right to assert any offset or counterclaim against the Rent payments due hereunder, and agrees to make the Rent payments regardless of any offset or counterclaim or claim which may be asserted by the Lessee on its behalf in connection with the lease of the Equipment. To the maximum extent permitted by Applicable Law, the Lessee hereby waives any rights now or hereafter conferred by statute or otherwise that may require the Lessor to sell, lease or otherwise use the Equipment in mitigation of the Lessor's damages as set forth in Section 15.1 or that may otherwise limit or modify any of the Lessor's rights and remedies provided in this Section 15.2.

15.3 No Waiver. No delay or omission to exercise any right, power or remedy accruing to the Lessor upon any breach or default by the Lessee under this Lease shall impair any such right, power or remedy of the Lessor, nor shall any such delay or omission be construed as a waiver of any breach or default, or of any similar breach or default, thereafter occurring; nor shall any waiver of a single breach or default be deemed a waiver of any subsequent breach or default.

15.4 Notice of Lease Default. The Lessee agrees to furnish to the Lessor, the Owner Participant, the Pass Through Trustee and the Indenture Trustee, promptly upon any Responsible Officer becoming aware of any condition which constituted or constitutes a Lease Default, written notice specifying such condition and the nature and status thereof.

15.5 The Lessee's Duty to Furnish Information with Respect to Subleases. Upon the occurrence of a Lease Event of Default, the Lessor may request that the Lessee deliver to the Lessor, and upon such request the Lessee agrees that it will promptly deliver to the Lessor, a detailed list of all Units that are then being subleased by the Lessee, the identity of the sublessees with respect to such Units, the identity of an employee or other agent of each such sublessee with whom the Lessee regularly communicates with in respect of such Units and the most recent known location of such Units.

15.6 The Lessee's Duty to Return Equipment Upon Default. If the Lessor or any assignee of the Lessor shall terminate this Lease pursuant to Section 15 hereof, the Lessee shall forthwith deliver possession of the Equipment to the Lessor. For the purpose of

delivering possession of any Unit to the Lessor as above required, the Lessee shall at its own cost, expense and risk:

(a) forthwith place such Equipment upon such storage tracks of the Lessee or any of its Affiliates or, at the expense of the Lessee, on any other storage tracks, as the Lessor reasonably may designate or, in the absence of such designation, as the Lessee may select;

(b) permit the Lessor to store such Equipment on such tracks without charge for insurance, rent or storage until the earlier of (i) the date on which such Equipment has been sold, leased or otherwise disposed of by the Lessor and (ii) the third anniversary of the termination of the Lease Term pursuant to Section 15 hereof, and during such period of storage the Lessee shall continue to maintain all insurance required by Section 12.1 hereof; and

(c) transport the Equipment to any reasonable number of locations on any lines of railroad or to any connection carrier for shipment, all as the Lessor reasonably may direct in writing.

All Equipment returned shall be in the condition required by Section 6.2 hereof.

All amounts earned in respect of the Equipment after the date of termination of this Lease pursuant to Section 15 hereof, until the complete exercise of remedies under Section 15 has occurred, shall be paid to the Lessor, and, if received by the Lessee, shall be promptly turned over to the Lessor. In the event any Unit is not assembled, delivered and stored as hereinabove provided upon the termination of this Lease, the Lessee shall, in addition, pay to the Lessor, for each day thereafter an amount equal to the amount, if any, by which the higher of (i) an amount equal to the daily equivalent of the Basic Rent in effect immediately prior to the expiration of the Lease for such Unit and (ii) 125% of the Fair Market Rental Value for such Unit for each such day exceeds the amount, if any, received by the Lessor (either directly or from the Lessee) for such day for such Unit pursuant to the preceding sentence.

15.7 Specific Performance; the Lessor Appointed the Lessee's Agent. The assembling, delivery, storage and transporting of the Equipment as provided in Section 15.6 are of the essence of this Lease, and upon application to any court of competent jurisdiction, the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to assemble, deliver, store and transport the Equipment. Without in any way limiting the obligation of the Lessee under the provisions of Section 15.6, the Lessee hereby irrevocably appoints the Lessor as the agent and attorney of the Lessee, with full power and

authority, at any time while the Lessee is obligated to deliver possession of any Units to the Lessor pursuant to this Section 15.7, to demand and take possession of such Unit in the name and on behalf of the Lessee from whosoever shall be at the time in possession of such Unit.

SECTION 16. FILINGS; FURTHER ASSURANCES.

16.1 Filings. On or prior to the Closing Date or as soon thereafter as is reasonably practicable (but in no event later than 30 days after the Closing Date), with respect to those filings referred to in clause (iii) below, the Lessee will (i) cause this Lease, the Lease Supplement dated the Closing Date, the Indenture and the Indenture Supplement dated the Closing Date to be duly filed and recorded with the ICC in accordance with 49 U.S.C. § 11303, (ii) cause this Lease, the Lease Supplement dated the Closing Date, the Indenture and the Indenture Supplement dated the Closing Date to be deposited with the Registrar General of Canada pursuant to Section 90 of the Railway Act, R.S.C. 1985, c. R-3 and cause notice of such deposit to be forthwith given in The Canada Gazette in accordance with said Section 90, (iii) cause notice of the security interests created in this Lease, the Lease Supplement dated the Closing Date, the Indenture and the Indenture Supplement to be filed in the appropriate offices in the Canadian provinces of Ontario, Manitoba, Saskatchewan, Alberta and British Columbia, (iv) subject to the provisions of Section 16.1, cause such filings and notices to be filed or made as necessary or appropriate to perfect and protect the right, title and interests of the Owner Trustee and the Owner Participant in the Trust Estate and of the Indenture Trustee in the Indenture Estate, (v) cause Uniform Commercial Code financing statements naming the Owner Trustee as debtor and the Indenture Trustee as secured party to be filed in such public offices as are deemed reasonably necessary or appropriate by the Lessor, the Indenture Trustee and the Owner Participant to perfect the right, title and interest of the Indenture Trustee in the Indenture Estate and precautionary Uniform Commercial Code financing statements naming the Lessee as debtor, the Owner Trustee as secured party and the Indenture Trustee as assignee of the secured party to be filed in such public offices as are deemed reasonably necessary or appropriate by the Indenture Trustee, the Owner Trustee and the Owner Participant to perfect the right, title and interest of the Owner Trustee in the Equipment and of the Indenture Trustee as assignee of the Owner Trustee in the Equipment, (vi) file, register or record this Lease, the Lease Supplement, the Indenture and the Indenture Supplement and all financing and continuation statements and similar instruments, in such other places within the United States, Canada and Mexico as the Lessor, the Indenture Trustee and the Owner Participant may reasonably request, and (vii) furnish the Lessor and the Owner Participant proof thereof.

16.2 Further Assurances. Each party will duly execute and deliver to the other party such further documents and assurances and take such further action as the other party may from time to time reasonably request or as may be required by Applicable Law in order to effectively carry out the intent and purpose of this Lease and to establish and protect the rights and remedies created in favor of the Lessee, the Lessor, the Owner Participant, the Pass Through Trustee and the Indenture Trustee hereunder, including, without limitation, the execution and delivery of supplements or amendments hereto, in recordable form, subjecting to this Lease any Replacement Unit and releasing from this Lease any replaced Unit and the recording or filing of counterparts hereof or thereof and the filing of financing statements with respect thereto in accordance with the laws of each such jurisdiction as the other party may from time to time deem reasonably advisable; provided, however, the Lessee shall not be required to make any recording or filing in any province in Canada (or any political subdivision thereof) or in Mexico (or any political subdivision thereof) in respect of a Replacement Unit if (i) the Lessee in good faith deems such action unduly burdensome and (ii) after giving effect to the failure to take such action, the Lessee has taken all action required by law so as to perfect and protect the right, title and interests of the Owner Trustee and the Owner Participant in the Trust Estate and of the Indenture Trustee in the Indenture Estate in respect of Units having a Stipulated Loss Value of not less than 90% of the aggregate Stipulated Loss Value of the Equipment.

16.3 Other Filings. If, at any time during the Lease Term, Mexico establishes an effective national system, or one or more states in Mexico or any of the Canadian provinces of Quebec, Nova Scotia or New Brunswick or the Canadian Territory of the Northwest Territories establishes an effective state or provincial system, for filing and perfecting the security and/or ownership interests of entities such as the Lessor and/or the Indenture Trustee, the Lessee shall cause any and all of the Operative Agreements to be recorded with or under such system and shall cause all other filings and recordings and take such other action required under such system to be effected in order to perfect and protect the respective right, title and interests of the Lessor, the Owner Trustee, the Owner Participant and the Indenture Trustee. Notwithstanding anything herein to the contrary, the Lessee's obligations in this Section 16.3 shall be subject in all respects to the provisions of Section 16.2.

16.4 Expenses. Except as provided in Section 2.5(a) of the Participation Agreement, the Lessee will pay all costs, charges and expenses (including reasonable attorneys' fees) incident to any such filing, refiling, recording and rerecording or depositing and re-depositing of any such instruments or incident to the taking of such action pursuant to this Section 16.

SECTION 17. THE LESSOR'S RIGHT TO PERFORM.

If the 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, the Lessor may itself make such payment or perform or comply with such agreement, after giving not less than five Business Days' prior written notice thereof to the Lessee (except in the event that an Indenture Default resulting solely from a Lease Event of Default shall have occurred and be continuing, in which event the Lessor may effect such payment, performance or compliance to the extent necessary to cure such Indenture Default with written notice given concurrently with or promptly after such payment, performance or compliance and except that in the event of a cure in accordance with Section 12.3, Lessor may effect such cure with written notice given concurrently or promptly after such cure), but shall not be obligated hereunder to do so, and the amount of such payment and of the expenses of the 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 Rate, to the extent permitted by Applicable Law, shall be deemed to be Supplemental Rent, payable by the Lessee to the Lessor on written demand.

SECTION 18. ASSIGNMENT BY THE LESSOR.

The Lessee and the Lessor hereby confirm that, concurrently with the execution and delivery of this Lease, the Lessor has executed and delivered to the Indenture Trustee the Indenture, which assigns as collateral security and grants a security interest in favor of the Indenture Trustee in, to and under this Lease and certain of the Rent payable hereunder (excluding Excepted Property), all as more explicitly set forth in the Indenture. The Lessor agrees that it shall not otherwise assign or convey its right, title and interest in and to this Lease, the Equipment or any Unit, except as expressly permitted by and subject to the provisions of the Participation Agreement, the Trust Agreement and the Indenture.

SECTION 19. ASSIGNMENT BY THE LESSEE.

19.1 Assignment. Except as otherwise provided in Sections 8.2 and 8.3 or in the case of any requisition for use by an agency or instrumentality of the United States or other government referred to in Section 11.1, the Lessee will not, without the prior written consent of the Lessor, assign or otherwise transfer any of its rights hereunder, except as provided in the Participation Agreement.

19.2 Sublessee's Performance and Rights. The Lessee may cause any obligation imposed on the Lessee in this Lease to be performed by a permitted assignee, sublessee or transferee, even if stated herein as a direct obligation, and the performance of any such

obligation by any permitted assignee, sublessee or transferee under an assignment, sublease or transfer agreement then in effect and permitted by the terms of this Lease shall constitute performance by the Lessee and discharge such obligation by the Lessee. Except as otherwise expressly provided herein, any right granted to the Lessee in this Lease shall grant the Lessee the right to exercise such right or permit such right to be exercised by any such permitted assignee, sublessee or transferee; provided that the Lessee's right to sublease pursuant to Section 8.3 (except to the extent set forth therein), the Lessee's right to terminate this Lease in respect of any Equipment Group pursuant to Section 10, and the Lessee's purchase and renewal options set forth in Section 22 may be exercised only by the Lessee itself or by any assignee or transferee of, or successor to, the Lessee in a transaction permitted by Section 6.11 of the Participation Agreement. The inclusion of specific references to obligations or rights of any such assignee, sublessee or transferee in certain provisions of this Lease shall not in any way prevent or diminish the application of the provisions of the two sentences immediately preceding with respect to obligations or rights in respect of which specific reference to any such assignee, sublessee or transferee has not been made in this Lease.

SECTION 20. NOTICES.

Unless otherwise expressly specified or permitted by the terms hereof, all communications and notices provided for herein shall be in writing, and any such notice shall become effective (a) upon personal delivery thereof, including, without limitation, by overnight mail and courier service, (b) in the case of notice by United States mail, certified or registered, postage prepaid, return receipt requested, three days after being so deposited in the United States mail, or (c) in the case of notice by facsimile transmission, upon transmission thereof, provided such transmission is promptly confirmed (which confirmation may be mechanical), in each case addressed to the following Person at its respective address set forth below or at such other address as such Person may from time to time designate by written notice to the other persons listed below:

If to the Lessor:

The Connecticut National Bank
777 Main Street
Hartford, Connecticut 06115
Attention: Corporate Trust Administration

Telecopy Number: (203) 240-7920
Confirmation No.: (203) 728-4545

With copies to the Owner Participant
(receipt of such copy, however, is
not notice to the Owner Participant
in such capacity)

If to the Owner Participant:
KeyCorp Leasing Ltd.
54 State Street
Albany, New York 12201-0655
Attention: Frederick E. Wolfert
Telecopy Number: (518) 487-4683
Confirmation No.: (518) 486-8986

If to the Indenture Trustee:

NationsBank of South Carolina, National Association
c/o NationsBank of Georgia, N.A.
Suite 900, NationsBank Plaza
600 Peachtree Street NE
Atlanta, Georgia 30308
Attention: Corporate Trust Department
Telecopy Number: (404) 607-6534
Confirmation No.: (404) 607-4880

If to the Lessee:

Union Tank Car Company
225 West Washington Street
Chicago, Illinois 60606
Attention: Secretary
Telecopy Number: (312) 845-5305
Confirmation No.: (312) 372-9500

SECTION 21. CONCERNING THE INDENTURE TRUSTEE.

21.1 Limitation of Indenture Trustee's Liabilities. Notwithstanding any provision herein or in any of the Operative Agreements to the contrary, the Indenture Trustee's obligation to take or refrain from taking any actions, or to use its discretion (including, but not limited to, the giving or withholding of consent or approval and the exercise of any rights or remedies under such Operative Agreements), and any liability therefor, shall, in addition to any other limitations provided herein or in the other Operative Agreements, be limited by the provisions of the Indenture, including, but not limited to, Article IX thereof.

21.2 Right, Title and Interest of Indenture Trustee Under Lease. It is understood and agreed that the right, title and interest of the Indenture Trustee in, to and under this Lease and the Rent due and to become due hereunder shall by the express terms

granting and conveying the same be subject to the interest of the Lessee in and to the Equipment.

SECTION 22. PURCHASE OPTIONS; RENEWAL OPTIONS.

22.1 Election to Retain or Return Equipment. Not more than 360 days nor less than 180 days prior to the end of the Basic Term, the Lessee shall give the Lessor irrevocable notice of its decision to return or retain pursuant to Section 22.3 all of the Equipment at the end of the Basic Term. Not more than 360 days nor less than 180 days prior to the end of the Fixed Rate Renewal Term and any Fair Market Renewal Term, the Lessee shall give the Lessor irrevocable notice of its decision to return, purchase or retain pursuant to Section 22.2 or 22.3, as the case may be, all of the Equipment then leased at the end of such Renewal Term. If the Lessee elects to retain the Equipment, the Lessee shall comply with Section 22.2 and/or Section 22.3 hereof, as it may elect in accordance with the provisions thereof including the notice requirements stated therein. If the Lessee fails to give the 180 days' notice required by this Section 22.1, the Lessee shall be deemed to have irrevocably elected to return all of the Equipment at the end of the Basic Term or the applicable Renewal Term, as the case may be, in accordance with Section 6.

22.2 Purchase Option. Provided that no Lease Default or Lease Event of Default shall have occurred and be continuing at the time of notice delivered pursuant to Section 22.1 or exercise of the purchase option under this Section 22.2 (unless the Lessor shall have waived such Lease Default or Lease Event of Default solely for the purpose of this Section 22.2) and the Lessee shall have duly given the notice required by Section 22.1, the Lessee shall have the right and obligation to purchase all of the Equipment then leased hereunder at the expiration of a Fair Market Renewal Term (as provided in Section 22.3 hereof), provided that such date is the second anniversary of the Basic Term Expiration Date, at a price equal to the then current Fair Market Sales Value of such Units. Payment of the purchase price, together with all other amounts due and owing by the Lessee under the Operative Agreements, shall be made at the place of payment specified in Section 3.6 hereof in immediately available funds, and the Lessor shall transfer to the Lessee all of its right, title and interest of, in and to the Units on an "as-is" "where-is" basis. The Lessor shall not be required to make any representation or warranty as to the condition of the Units or as to any other matters except for the absence of Lessor's Liens, and may specifically disclaim any such representations or warranties.

22.3 Renewal Options. (a) Provided no Lease Default or Lease Event of Default shall have occurred and be continuing at the time of notice delivered pursuant to Section 22.1 or exercise of the renewal option under this Section 22.3(a) (unless the Lessor shall have waived such Lease Default or Lease Event of Default solely for

the purpose of this Section 22.3(a)) and the Lessee shall have duly given the notice required by Section 22.1, the lease pursuant to this Lease of all of the Equipment leased hereunder at the expiration of the Basic Term shall be renewed for a period of one year (the "Fixed Rate Renewal Term"). Each installment of the Basic Rent for each Unit leased during the Fixed Rate Renewal Term shall be equal to 50% of the average of the semi-annual Basic Rent installments payable hereunder for such Unit during the Basic Term and shall be payable in advance. The Fixed Rate Renewal Term shall commence immediately upon the expiration of the Basic Term.

(b) Provided no Lease Default or Lease Event of Default shall have occurred and be continuing at the time of notice delivered pursuant to Section 22.1 or exercise of the renewal option under this Section 22.3(b) (unless the Lessor shall have waived such Lease Default or Lease Event of Default solely for the purpose of this Section 22.3(b)) and the Lessee shall have duly given the notice required by Section 22.1, the lease pursuant to this Lease of all of the Equipment leased hereunder at the expiration of the Fixed Rate Renewal Term or any previous Fair Market Renewal Term shall be renewed for a one- or two-year period specified in the notice from the Lessee to the Lessor referred to in the next succeeding sentence or, if such notice is not given within the required 120-day period, for a period of one year (each a "Fair Market Renewal Term"). The Lessee shall give the Lessor written notice not less than 120 days prior to the end of the Fixed Rate Renewal Term or the Fair Market Renewal Term then in effect of the period of the Fair Market Renewal Term (which period shall be either one or two years), provided that the aggregate duration of all Renewal Terms elected shall not exceed three years. The Basic Rent for the Units leased during each Fair Market Renewal Term shall be the Fair Market Rental Value thereof, payable semi-annually in arrears. The Fair Market Renewal Term shall commence immediately upon the expiration of the Fixed Rate Renewal Term or the then expiring Fair Market Renewal Term, as appropriate.

22.4 Appraisal. Promptly following the Lessee's written notice pursuant to Section 22.1 of its election to purchase any Units at the end of a Fair Market Renewal Term, the Lessor and the Lessee shall proceed to determine the then current Fair Market Sales Value of such Units. Promptly following the Lessee's written notice of its election to renew the lease of any Units for a Fair Market Renewal Term, the Lessor and the Lessee shall proceed to determine (x) the Fair Market Rental Value of the Units to be renewed and (y) the Fair Market Sales Value of such Units as of the first day of the proposed Renewal Term and as of the last day of the proposed Renewal Term. The Fair Market Rental Value and the Fair Market Sales Value shall, in each case under this Section 22.4, be determined by an appraisal in form and substance reasonably satisfactory to the Owner Participant obtained by the Lessee at the Lessee's expense from an appraiser reasonably satisfactory to the Owner Participant, which appraisal shall be

delivered to the Owner Participant no earlier than sixty (60) days prior to the purchase date or the first day of the Renewal Term, as the case may be. All determinations are to be made in accordance with the definition of said terms in Appendix A to this Lease. In the event of a dispute in the calculation of the Fair Market Rental Value or Fair Market Sales Value under this Section 22.4, the Dispute Resolution Procedure shall apply.

22.5 Stipulated Loss Value During Renewal Term. All of the provisions of this Lease, other than Section 10, shall be applicable during any Renewal Term for such Units, except as specified in the next sentence. During (i) the Fixed Rate Renewal Term, the Stipulated Loss Value of any Unit shall be equal to the Stipulated Loss Value for such Unit at the Basic Term Expiration Date, and (ii) any Fair Market Renewal Term, the Stipulated Loss Value of any Unit shall be determined on the basis of the Fair Market Sales Value of such Unit as of the first day of such Renewal Term; provided that such Stipulated Loss Value as of the first day of such Renewal Term shall not be less than the Stipulated Loss Value in effect on the last day of the Basic Term or the preceding Renewal Term, as the case may be; provided further that such Stipulated Loss Value shall be reduced on a straight-line basis to the Fair Market Sales Value of such Unit as of the last day of such Renewal Term; provided finally that such Stipulated Loss Value shall in no event be less than 20% of the Equipment Cost of such Unit.

SECTION 23. LIMITATION OF THE LESSOR'S LIABILITY.

It is expressly agreed and understood that all representations, warranties and undertakings of the Lessor hereunder shall be binding upon the Lessor only in its capacity as Owner Trustee under the Trust Agreement and in no case shall The Connecticut National Bank be personally liable for or on account of, any statements, representations, warranties, covenants or obligations stated to be those of the Lessor hereunder, except that the Lessor (or any successor Owner Trustee) shall be personally liable for its gross negligence or wilful misconduct and for its breach of its covenants, representations and warranties contained herein to the extent covenanted or made in its individual capacity.

SECTION 24. INVESTMENT OF SECURITY FUNDS.

Any moneys received by the Lessor or the Indenture Trustee which are required to be paid to the Lessee pursuant to Section 11.4(a), 11.5 or 12.2, as the case may be, until paid to the Lessee as provided in Section 11.4(a), 11.5 or 12.2 or as otherwise applied as provided herein or in the Trust Agreement and Indenture, shall be invested in Permitted Investments by the Lessor (unless the Lien of the Indenture shall not have been discharged, in which case, by the Indenture Trustee as provided in Section 9.3 of the Indenture) from time to time as directed in writing by the Lessee

if such investments are reasonably available for purchase. There shall be promptly remitted to the Lessee, so long as no Lease Event of Default shall have occurred and be continuing, any gain (including interest received) realized as the result of any such investment (net of any taxes, fees, commissions and other expenses, if any, incurred in connection with such investment). The Lessee will promptly pay to the Lessor or the Indenture Trustee, as the case may be, on demand, the amount of any net loss realized as the result of any such investment (together with any taxes, fees, commissions and other expenses, if any, incurred in connection with such investment), such amount to be held and disposed of in accordance with the terms hereof and of the Trust Agreement and the Indenture.

SECTION 25. MISCELLANEOUS.

25.1 Governing Law; Severability. This Lease, and any extensions, amendments, modifications, renewals or supplements hereto shall be governed by and construed in accordance with the laws and decisions of the State of Illinois without regard to principles of conflicts of law; provided, however, that the parties shall be entitled to all rights conferred by any applicable Federal statute, rule or regulation. Whenever possible, each provision of this Lease shall be interpreted in such manner as to be effective and valid under Applicable Law, but if any provision of this Lease shall be prohibited by or invalid under the laws of any jurisdiction, such provision, as to such jurisdiction, shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Lease in any other jurisdiction.

25.2 Execution in Counterparts. This Lease may be executed in any number of counterparts, each executed counterpart constituting an original and in each case such counterparts shall constitute but one and the same instrument; provided, however, that to the extent that this Lease constitutes chattel paper (as such term is defined in the Uniform Commercial Code) no security interest in this Lease may be created through the transfer or possession of any counterpart hereof other than the counterpart bearing the receipt therefor executed by the Indenture Trustee on the signature page hereof, which counterpart shall constitute the only "original" hereof for purposes of the Uniform Commercial Code.

25.3 Headings and Table of Contents; Section References. The headings of the sections of this Lease and the Table of Contents are inserted for purposes of convenience only and shall not be construed to affect the meaning or construction of any of the provisions hereof. All references herein to numbered sections, unless otherwise indicated, are to sections of this Lease.

25.4 Successors and Assigns. This Lease shall be binding upon the parties hereto and their respective successors and

permitted assigns and shall inure to the benefit of, and shall be enforceable by, the parties hereto and their respective successors and permitted assigns. Except as expressly provided herein, no party hereto may assign its interests herein without the written consent of the other parties hereto.

25.5 True Lease. It is the intent of the parties to this Lease that it will be a true lease and not a "conditional sale", and that the Lessor shall at all times be considered to be the owner of each Unit which is the subject of this Lease for the purposes of all Federal, state, city and local income taxes or for franchise taxes measured by income, and that this Lease conveys to the Lessee no right, title or interest in any Unit except as lessee. Nothing contained in this Section 25.5 shall be construed to limit the Lessee's use or operation of any Unit in accordance with the terms hereof or to constitute a representation, warranty or covenant by the Lessee as to tax consequences.

25.6 Amendments and Waivers. No term, covenant, agreement or condition of this Lease may be terminated, amended or compliance therewith waived (either generally or in a particular instance, retroactively or prospectively) except by an instrument or instruments in writing executed by each party hereto and, so long as the Lien of the Indenture has not been discharged, except as may be permitted by the terms of the Indenture.

25.7 Survival. All warranties, representations, indemnities and covenants made by either party hereto, herein or in any certificate or other instrument delivered by such party or on the behalf of either party under this Lease, shall be considered to have been relied upon by the other party hereto and shall survive the consummation of the transactions contemplated hereby on the Closing Date regardless of any investigation made by or on behalf of such other party.

25.8 Business Days. Notwithstanding anything herein to the contrary, if the date on which any payment is to be made pursuant to this Agreement is not a Business Day, the payment otherwise payable on such date shall be payable on the next succeeding Business Day, without interest thereon, with the same force and effect as if made on the date when such payment is due.

25.9 Incorporation by Reference. The obligations set forth in Sections 7.1 and 7.2 of the Participation Agreement and the payment obligations of the Lessee set forth in the Tax Indemnity Agreement are hereby incorporated by reference.

25.10 Lessee's Right of Quiet Enjoyment. For so long as no Lease Event of Default has occurred and is continuing, the Lessor shall not take, or cause to be taken, any action contrary to the Lessee's rights under this Lease, including, without limitation,

the right to possession and use by the Lessee or any permitted sublessee of the Equipment.

IN WITNESS WHEREOF, the Lessor and the Lessee have caused this Lease to be duly executed and delivered in the City of Evanston, State of Illinois, on the day and year first above written.

LESSOR:

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

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

LESSEE:

UNION TANK CAR COMPANY

By: _____
Name: SG DINSMORE
Title: VICE PRESIDENT

[Lease: L-8K]

Receipt of the original counterpart of the foregoing Lease is hereby acknowledged this ____ day of _____, 1992.1/

NATIONSBANK OF SOUTH CAROLINA, NATIONAL ASSOCIATION, as Indenture Trustee

By: _____
Name: _____
Title: _____

1/ On chattel paper original only

[Lease: L-8K]

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this 29th of June, 1992, before me personally appeared in the City of Evanston, State of Illinois, _____ P. G. KANE, Jr, to me personally known, who being by me duly sworn, says that he is the VICE PRESIDENT of THE CONNECTICUT NATIONAL BANK, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

" OFFICIAL SEAL "
GUADALUPE CRUZ
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 3/6/94

Guadalupe Cruz
Notary Public

[NOTARIAL SEAL]

My commission expires: _____

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this 29th day of June, 1992, before me personally appeared in the City of Evanston, State of Illinois, _____ SG Diasmore, to me personally known, who being by me duly sworn, says that he is the VICE PRESIDENT of UNION TANK CAR COMPANY, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

" OFFICIAL SEAL "
GUADALUPE CRUZ
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 3/6/94

Guadalupe Cruz
Notary Public

[NOTARIAL SEAL]

My commission expires: _____

[Lease: L-8K]

EXHIBIT A
Equipment Lease Agreement

FORM OF

LEASE SUPPLEMENT NO. ____ (L-8K)
(UTC Trust No. 1992-A)

Dated as of _____, 19__

between

THE CONNECTICUT NATIONAL BANK,
Lessor

and

UNION TANK CAR COMPANY,
Lessee

CERTAIN OF THE RIGHT, TITLE AND INTEREST OF THE LESSOR IN AND TO THIS LEASE SUPPLEMENT, THE EQUIPMENT COVERED HEREBY AND THE RENT DUE AND TO BECOME DUE UNDER THE LEASE HAVE BEEN ASSIGNED AS COLLATERAL SECURITY TO, AND ARE SUBJECT TO A SECURITY INTEREST IN FAVOR OF, NATIONSBANK OF SOUTH CAROLINA, NATIONAL ASSOCIATION, NOT IN ITS INDIVIDUAL CAPACITY BUT SOLELY AS INDENTURE TRUSTEE UNDER A TRUST INDENTURE AND SECURITY AGREEMENT (UTC Trust No. 1992-A), DATED AS OF JUNE 30, 1992, BETWEEN SAID INDENTURE TRUSTEE, AS SECURED PARTY, AND THE LESSOR, AS DEBTOR. INFORMATION CONCERNING SUCH SECURITY INTEREST MAY BE OBTAINED FROM THE INDENTURE TRUSTEE AT ITS ADDRESS SET FORTH IN SECTION 20 OF THE LEASE. SEE SECTION 25.2 OF THE LEASE FOR INFORMATION CONCERNING THE RIGHTS OF THE ORIGINAL HOLDER AND THE HOLDERS OF THE VARIOUS COUNTERPARTS HEREOF.

[Filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303 on _____, 1992, at __:__ [A.M.][P.M.], Recordation Number ___, and deposited in the office of the Registrar General of Canada pursuant to Section 90 of the Railway Act of Canada on _____, 1992, at __:__ [A.M.][P.M.]3/

3/ For conformed copy

LEASE SUPPLEMENT NO. ____ (L-8K)
(UTC Trust No. 1992-A)

LEASE SUPPLEMENT NO. ____ (L-8K) (UTC Trust No. 1992-A) dated _____, 19__ (this "Lease Supplement") between The Connecticut National Bank, not in its individual capacity but solely as Owner Trustee (the "Lessor") under the Trust Agreement, and UNION TANK CAR COMPANY, a Delaware corporation (the "Lessee");

W I T N E S S E T H :

WHEREAS, the Lessor and the Lessee have heretofore entered into that certain Equipment Lease Agreement (L-8K) (UTC Trust No. 1992-A) dated as of June 30, 1992 (the "Lease"). Unless otherwise defined herein, capitalized terms used herein shall have the meanings specified in Appendix A to the Lease; and

WHEREAS, the Participation Agreement and the Lease provide that on the Closing Date, the Lessee shall deliver to the Owner Trustee a Bill of Sale dated such date by which the Lessee bargains, conveys, assigns, sets over, sells and delivers to Owner Trustee, and the Owner Trustee purchases and accepts from the Lessee, the Units to be conveyed on the Closing Date, and said Bill of Sale has been delivered by the Lessee and accepted by the Owner Trustee on the Closing Date; and

WHEREAS, the Lease provides for the execution and delivery of a Lease Supplement substantially in the form hereof for the purpose of confirming the acceptance and lease of the Units under the Lease as and when delivered by the Lessor to the Lessee in accordance with the terms thereof;

NOW, THEREFORE, in consideration of the premises and other good and sufficient consideration, the Lessor and the Lessee hereby agree as follows:

1. Inspection and Approval. The Lessee hereby acknowledges and confirms that it has inspected and approved the Units set forth on Schedule 1 hereto and, as between the Lessor and the Lessee, such Units comply in all material respects with the specifications for such Units and are in good working order.

2. Delivery and Acceptance. The Lessor hereby confirms delivery and lease to the Lessee, and the Lessee hereby confirms acceptance and lease from the Lessor, under the Lease as hereby supplemented, of the Units listed on Schedule 1 hereto.

3. Warranty. The Lessee hereby represents and warrants that no Event of Loss has occurred with respect to the Units set forth on Schedule 1 hereto as of the date hereof.

4. Equipment Cost, etc. The Equipment Cost of each of the Units leased hereunder is as set forth on Schedule 1 to the Participation Agreement. The Basic Rent, Stipulated Loss Values, Termination Values and EBO Price applicable in respect of the Units are set forth, respectively, on Schedules 3, 4, 5 and 8 to the Participation Agreement.

5. Confirmation. The Lessee hereby confirms its agreement, in accordance with the Lease as supplemented by this Lease Supplement, to pay Rent to the Lessor for each Unit leased hereunder as provided for in the Lease.

6. Incorporation into Lease. This Lease Supplement shall be construed in connection with and as part of the Lease, and all terms, conditions and covenants contained in the Lease, as supplemented by this Lease Supplement, shall be and remain in full force and effect.

7. References. Any and all notices, requests, certificates and other instruments executed and delivered concurrently with or after the execution and delivery of this Lease Supplement may refer to the "Equipment Lease Agreement, dated as of June 30, 1992", the "Lease Agreement, dated as of June 30, 1992", or the "Lease, dated as of June 30, 1992", or may identify the Lease in any other respect without making specific reference to this Lease Supplement, but nevertheless all such references shall be deemed to include this Lease Supplement, unless the context shall otherwise require.

8. Counterparts. This Lease Supplement may be executed in any number of counterparts, each executed counterpart constituting an original but all together one and the same instrument.

IN WITNESS WHEREOF, the Lessor and the Lessee have caused this Lease Supplement to be duly executed and delivered in the City of Evanston, State of Illinois, on the day and year first above written.

LESSOR:

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

By: _____
Name: _____
Title: _____

LESSEE:

UNION TANK CAR COMPANY

By: _____
Name: _____
Title: _____

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this _____ of June, 1992, before me personally appeared in the City of Evanston, State of Illinois, _____ _____, to me personally known, who being by me duly sworn, says that he is the _____ of THE CONNECTICUT NATIONAL BANK, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

_____
Notary Public

[NOTARIAL SEAL]

My commission expires: _____

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this _____ day of June, 1992, before me personally appeared in the City of Evanston, State of Illinois, _____ _____, to me personally known, who being by me duly sworn, says that he is the _____ of UNION TANK CAR COMPANY, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

_____
Notary Public

[NOTARIAL SEAL]

My commission expires: _____

SCHEDULE 1

Units

[Lease Supp: L-__]

APPENDIX A
Participation Agreement
Equipment Lease Agreement
Trust Indenture and Security Agreement
Trust Agreement
Tax Indemnity Agreement

DEFINITIONS

General Provisions

The following terms shall have the following meanings for all purposes of the Operative Agreements referred to below, unless otherwise defined in an Operative Agreement or the context thereof shall otherwise require and such meanings shall be equally applicable to both the singular and the plural forms of the terms herein defined. In the case of any conflict between the provisions of this Appendix A and the provisions of the main body of any Operative Agreement, the provisions of the main body of such Operative Agreement shall control the construction of such Operative Agreement.

Unless the context otherwise requires, references (i) to agreements shall be deemed to mean and include such agreements as the same may be amended, supplemented and otherwise modified from time to time, in accordance with the terms thereof, and (ii) to parties to agreements shall be deemed to include the successors and permitted assigns of such parties.

Defined Terms

"Additional Insured" shall have the meaning specified in Section 12.1(d) of the Lease.

"Additional Storage Period" shall have the meaning specified in Section 6.3 of the Lease.

"Advance" shall have the meaning specified in Section 3.5 of the Lease.

"Affiliate" of any Person shall mean any other Person which directly or indirectly controls, or is controlled by, or is under a common control with, such Person. The term "control" means 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, and the term "controlled" shall have a meaning correlative to the foregoing.

"After-Tax Basis" shall mean, with respect to any payment received or deemed for income tax purposes to have been received by any Person, the amount of such payment supplemented by a further payment to that Person so that the sum of the two payments, after deduction of all taxes (calculated based on the assumption that such taxes are payable at the highest marginal statutory rates applicable for the relevant period and taking into account at such rates any current credits or deductions arising therefrom or from the expense or liability for which the underlying payment is made) resulting from the receipt or accrual (actual or constructive) of such two payments imposed under any Applicable Law or by a Governmental Authority, shall be equal to the payment received or deemed to have been received.

"Agent" shall mean any Paying Agent or Registrar.

"Applicable Law" shall mean all applicable laws, Environmental Laws, statutes, treaties, rules, codes, ordinances, regulations, certificates, orders, interpretations, licenses and permits of any Governmental Authority and judgments, decrees, injunctions, writs, orders or like action of any court, arbitrator or other administrative, judicial or quasi-judicial tribunal or agency of competent jurisdiction (including, without limitation, those pertaining to health, safety or the environment).

"Appraisal" shall have the meaning specified in Section 4.3(a) of the Participation Agreement.

"Average Certificate Rate" shall mean the weighted average interest rate (ratably adjusted for any original issue discount or premium) of the Pass Through Certificates issued pursuant to the Pass Through Trust Agreement.

"Average Life Date" shall mean, with respect to the prepayment of an Equipment Note, the date which follows the Prepayment Date by a period equal to the Remaining Weighted Average Life at the Prepayment Date of such Equipment Note.

"Bank" shall mean The Connecticut National Bank, a national banking association, in its individual capacity, and its successors and permitted assigns.

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

"Basic Holdover Rent" shall have the meaning specified in Section 6.1(b)(4) of the Lease.

"Basic Rent" shall mean, with respect to any Unit of Equipment, all scheduled rent payable by Lessee to the Lessor pursuant to Sections 3.2 and 3.5 of the Lease for the Interim Term and the

Basic Term for such Unit, and all scheduled rent payable pursuant to Section 22.3 of the Lease for any Renewal Term for such Unit.

"Basic Term" shall have the meaning specified in Section 3.1 of the Lease.

"Basic Term Commencement Date" shall mean January 2, 1993.

"Basic Term Expiration Date" shall mean January 1, 2014.

"Beneficial Interest" shall mean the right, title and interest of the Owner Participant in and to the Trust Estate and in, to and under the Participation Agreement, the Tax Indemnity Agreement, the Trust Agreement, and the other Operative Agreements.

"Bill of Sale" shall mean the bill of sale, dated the Closing Date, or the date that any Replacement Unit is subjected to the Lease, from the Lessee to the Owner Trustee covering the Units delivered on the Closing Date or such Replacement Unit, as the case may be, substantially in the form of Exhibit B to the Participation Agreement.

"Blended Weighted Average Debt Rate" shall mean 8.244% per annum.

"Business Day" shall mean any day other than a Saturday, Sunday or a day on which commercial banking institutions are authorized or required by law, regulation or executive order to be closed in (i) New York, New York, (ii) Chicago, Illinois, (iii) the city and state (if different from the foregoing) in which the principal corporate trust office of the Owner Trustee is located, or, until the Lien of the Indenture has been discharged, the city and state (if different from the foregoing) in which the principal corporate trust office of the Indenture Trustee is located or (iv) with respect to payments to be made by the Owner Participant, the city and state in which the principal executive office of the Owner Participant is located.

"CBO Event" shall have the meaning specified in the Letter Agreement.

"CBO Event Date" shall have the meaning specified in the Letter Agreement.

"CPI Increase" shall have the meaning specified in Section 12.1(a) of the Lease.

"Change in Tax Law" shall mean an amendment, modification, addition or change in or to any provision of the Code, any regulation thereunder (whether proposed, temporary or final), or any Revenue Ruling, Revenue Procedure or other published

administrative determination, in each case, enacted, issued or promulgated from May 14, 1992 to and including the Closing Date.

"Claims" shall have the meaning specified in Section 7.2(a) of the Participation Agreement.

"Closing" shall have the meaning specified in Section 2.3(b) of the Participation Agreement.

"Closing Date" shall have the meaning specified in Section 2.1 of the Participation Agreement.

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

"Commitment", with respect to the Owner Participant, shall have the meaning specified in Section 2.2(a) to the Participation Agreement, and, with respect to the Loan Participant, shall have the meaning specified in Section 2.2(b) to the Participation Agreement.

"Competitor" shall have the meaning specified in the Letter Agreement.

"Co-Registrar" shall have the meaning specified in Section 2.3 of the Indenture.

"Covered Hopper Cars" shall mean collectively those items of railroad rolling stock described in Schedule 1 to each of the Bill of Sale and the Lease Supplement delivered on the Closing Date as covered hopper cars, together with any and all accessions, additions, improvements, substitutions and replacements from time to time incorporated or installed in any item thereof which are the property of the Lessor pursuant to the terms of a Bill of Sale or the Lease, and "Covered Hopper Car" shall mean individually the various items thereof.

"Covered Person" shall have the meaning specified in Section 12.1(d) of the Lease.

"Cure Date" shall have the meaning ascribed thereto in the Letter Agreement.

"Current Principal Amount" shall mean, with respect to an Equipment Note as of any relevant date, the original principal amount of such Equipment Note reduced by the amount of principal paid with respect to such Equipment Note prior to such date.

"Daily Interim Rent Percentage" shall mean the percentage set forth on Schedule 3 to the Participation Agreement.

"Debt Amortization", with respect to any Equipment Note shall mean the amortization schedule of principal payments applicable thereto.

"Determination Date" shall mean the second day of any calendar month.

"Dispute Resolution Procedure" shall mean the following:

(i) with respect to any dispute between the Lessor and the Lessee concerning the determination of Fair Market Rental Value and/or Fair Market Sales Value, if within 30 days after delivery of notice by the Lessor or the Lessee requesting such a determination, the Lessor and the Lessee have been unable to agree upon any such determination, the Lessor and the Lessee will consult with the intent of selecting a mutually acceptable appraiser. If a mutually acceptable appraiser is selected, the Fair Market Rental Value or the Fair Market Sales Value, as the case may be, shall be determined by such appraiser and the Lessor and the Lessee shall each bear one half of the cost thereof. If the Lessee and the Lessor are unable to agree upon a single appraiser within such fifteen (15) day period, two independent qualified appraisers, one chosen by the Lessee and one chosen by the Lessor, in each case, no more than 15 days thereafter, shall jointly determine such value and the Lessor shall bear the cost of the appraiser selected by the Lessor and the Lessee shall bear the cost of the appraiser selected by the Lessee. If the Lessor or the Lessee shall fail to appoint an appraiser within such 15 day period, then the appraiser designated by the other Person shall make such determination. If such appraisers cannot agree on the amount of such value within 15 days of the later such appointment, one independent qualified appraiser shall be chosen by the American Arbitration Association no later than 15 days thereafter. All three appraisers shall make a determination within a period of fifteen (15) days following appointment of such third appraiser, and shall promptly communicate such determination in writing to the Lessor and the Lessee. If there shall be a panel of three appraisers, the three appraisals shall be averaged and such average shall be the Fair Market Rental Value or Fair Market Sales Value, as the case may be. The determination made shall be conclusively binding on both the Lessor and the Lessee. If there shall be a panel of three appraisers, the Lessee shall bear the cost of the appraiser appointed by the Lessee, the Lessor shall bear the cost of the appraiser appointed by the Lessor, and the Lessee and the Lessor shall equally share the cost of the third appraiser. Notwithstanding the foregoing, if any such appraisal is in connection with the exercise of remedies set forth in Section 15 of the Lease or in connection with a transfer of the Beneficial Interest contemplated by Section 6.7(b) of the Participation Agreement, the Lessee shall pay the costs of such appraisal or appraisals, as the case may be.

(ii) with respect to (A) any dispute between the Lessor and the Lessee concerning the condition of any Redelivered Unit as set forth in Section 6.2 of the Lease, or (B) any dispute by the Lessee of the independent engineer's confirmation in accordance with Section 11.7 of the Lease, either the Lessee or the Owner Participant may give written notice to the other, setting forth the name and address of an appraiser designated by the party giving such notice. The other party may then, within 15 days thereafter, give written notice either consenting to the selection or designating a second appraiser. If the second party shall fail to give notice of such designation within twenty (20) days of receipt of the first party's notice, then the appraiser designated by the first party shall make such determination. If two appraisers are so designated, such two appraisers shall have thirty (30) days after the latest receipt of notice of such designation to confer with each other in an attempt to reach an agreement. If the two appraisers fail to agree, then the appraisers shall designate a third appraiser within 15 days thereafter. The decision of the third appraiser, which shall be given no more than 15 days after the appointment of such appraiser, shall be binding and conclusive upon the Lessee and the Lessor or the Owner Participant, as the case may be. Each party shall pay the cost of the appraiser appointed by such party, and the cost of the third appraiser, if any, shall be shared equally by the parties.

"DOT" shall mean the United States Department of Transportation, or any successor thereto.

"EBO Date" shall mean the date set forth on Schedule 8 to the Participation Agreement (as said Schedule is from time to time in effect).

"EBO Price" shall mean, with respect to any Unit, the amount set forth on Schedule 8 to the Participation Agreement (as said Schedule is from time to time in effect).

"Environmental Laws" shall mean all permits, laws, statutes, rules, regulations, ordinances, and judicial and administrative decrees, decisions, rulings, judgments and orders of federal, state and local governmental bodies having jurisdiction thereof, guidelines and rules of common law now or hereafter in effect, and in each case as amended, and any judicial or administrative interpretation thereof, which relate to the regulation and protection of human health, safety, the environment and natural resources (including ambient air, surface water, groundwater, wetlands, land, surface or subsurface strata, wildlife, aquatic species and vegetation), including, without limitation, all such laws and regulations relating to emissions, discharges, releases or threatened releases of Hazardous Substances into the workplace, the community or the environment, or otherwise relating to the generation, manufacture, processing, distribution, use, treatment, storage, disposal, discharge, release, transport or handling of

Hazardous Substances. "Environmental Laws" includes, but is not limited to, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), 42 U.S.C. § 9601 et seq., Resource Conservation and Recovery Act (RCRA), 42 U.S.C. § 6901 et seq., Toxic Substances Control Act (TSCA), 15 U.S.C. § 2601 et seq., Emergency Planning and Community Right-to-Know Act (EPCRA), 42 U.S.C. § 11001 et seq., Clean Air Act, 42 U.S.C. § 7401 et seq., Clean Water Act, 33 U.S.C. § 1251, et seq. Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA), 7 U.S.C. § 136 et seq., Oil Pollution Act of 1990 (OPA), 33 U.S.C. § 2701 et seq., Occupational Safety and Health Act (OSHA), 29 U.S.C. § 651 et seq., and Safe Drinking Water Act (SDWA), 42 U.S.C. § 300f et seq., as each of the same may be amended, modified or supplemented, and the regulations promulgated pursuant thereto and any state or local laws and regulations concerning the regulation and protection of the environment, human health, safety and natural resources.

"Equipment" shall mean collectively those items of railroad rolling stock described in the Lease Supplements and the Indenture Supplements, together with any and all accessions, additions, improvements, substitutions and replacements from time to time incorporated or installed in any item thereof which are the property of the Owner Trustee pursuant to the terms of a Bill of Sale or the Lease.

"Equipment Cost" shall mean, for each Unit, the purchase price therefor paid by the Owner Trustee to the Lessee pursuant to Section 2 of the Participation Agreement and as set forth in Schedule 1 to the Participation Agreement with respect to such Unit.

"Equipment Group" shall mean all Units which are included within each of the categories of Equipment (designated as Equipment Group Numbers) set forth on Schedule 1 attached to any Lease Supplement, as may be amended from time to time.

"Equipment Notes" shall mean the Equipment Notes, each to be substantially in the form therefor set forth in Exhibit A to the Indenture, issued by the Owner Trustee pursuant to Section 2.1 of the Indenture, and authenticated by the Indenture Trustee, in principal amounts and bearing interest at the rates and payable as provided in Section 2.1 of the Indenture and secured as provided in the Granting Clause of the Indenture, and shall include any Equipment Notes issued in exchange therefor or replacement thereof pursuant to Section 2.4 or 2.11 of the Indenture.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, or any successor law.

"Event of Loss" shall have the meaning specified in Section 11.1 of the Lease.

"Excepted Property" shall mean (i) all indemnity and reimbursement payments (including, without limitation, payments pursuant to Section 7 of the Participation Agreement and payments under the Tax Indemnity Agreement whether made by adjustment to Basic Rent or otherwise) to which the Owner Participant, the Owner Trustee in its individual capacity or as Owner Trustee or any of their respective successors, permitted assigns, Affiliates, shareholders, directors, officers, employees, servants and agents is entitled pursuant to any of the Operative Agreements, (ii) any insurance proceeds payable under insurance maintained by the Owner Trustee in its individual capacity or as Owner Trustee or the Owner Participant pursuant to Section 12.3 of the Lease, (iii) any insurance proceeds payable to the Owner Trustee in its individual capacity or as Owner Trustee or to the Owner Participant, under any public liability insurance maintained by the Lessee pursuant to Section 12 of the Lease or by any other Person, (iv) any rights of the Owner Participant or the Owner Trustee in its individual capacity or as Owner Trustee to exercise any election or option or make any decision or determination or give or receive any notice, consent, waiver or approval in respect of, or to demand, collect, sue for, or otherwise receive and enforce payment of the amounts described in the foregoing clauses (i) through (iii), (v) any amount payable to the Owner Participant by any Transferee or by the Lessee as the purchase price of the Beneficial Interest in compliance with the terms of the Participation Agreement (including, without limitation, Sections 6.1, 6.7(b) and 10.3 thereof) and the Trust Agreement, and (vi) the respective rights of the Owner Trustee in its individual capacity or as Owner Trustee or the Owner Participant to the proceeds of the foregoing and to all amounts of interest or late charges thereon.

"Extended Required Modifications" shall have the meaning set forth in Section 9.1 of the Lease.

"Extended Required Modifications Purchase Price" shall have the meaning set forth in Section 9.1 of the Lease.

"Fair Market Renewal Term" shall have the meaning specified in Section 22.3(b) of the Lease.

"Fair Market Rental Value" or "Fair Market Sales Value", with respect to any Unit of Equipment, shall mean the cash rent or cash price obtainable for such Unit in an arm's length lease or sale between an informed and willing lessee or purchaser (other than a lessee or purchaser currently in possession) under no compulsion to lease or purchase, as the case may be, and an informed and willing lessor or seller, under no compulsion to lease or sell, as the case may be, such determination to be made (i) on the assumption that such Unit of Equipment is in at least the condition and state of repair required by the Lease (other than in respect of any determination made in connection with Section 15 of the Lease), (ii) with respect to Fair Market Rental Value, on the basis of a

lease having terms and conditions (other than Rent and renewal and purchase options) similar to the terms and conditions of the Lease, and (iii) on the assumption that such Unit of Equipment is not subject to the Lease or any other lease or sublease, as the same shall be specified by agreement between the Lessor and the Lessee, or, if the Lessor and the Lessee shall be unable to agree upon such a determination within 30 days following a request by either such party therefor, "Fair Market Rental Value" and "Fair Market Sales Value" shall be determined pursuant to the Dispute Resolution Procedure. Notwithstanding any of the foregoing, for the purposes of Section 15 of the Lease, the Fair Market Rental Value or the Fair Market Sales Value, as the case may be, shall be zero with respect to any Unit if the Lessor is unable to recover possession of such Unit in accordance with the terms of paragraph (b) of Section 15.1 of the Lease.

"Fixed Rate Renewal Term" shall have the meaning specified in Section 22.3(a) of the Lease.

"Governmental Authority" shall mean any federal, state, county, municipal or other local or foreign governmental authority or judicial or regulatory agency, board, body, commission, instrumentality, court or quasi-governmental authority from time to time having jurisdiction over any Unit or any Person that is a party to any Operative Agreement, any property of any of them or any of the transactions contemplated by any Operative Agreement.

"Hazardous Substances" shall mean (i) petroleum and petroleum wastes; (ii) asbestos; (iii) polychlorinated biphenyls; (iv) any hazardous or toxic substances, chemicals, pollutants, contaminants, materials or wastes, including, without limitation, those substances, chemicals, pollutants, contaminants, materials, and wastes listed in the United States Department of Transportation Hazardous Materials Table (49 CFR 172.101) or by the Environmental Protection Agency as hazardous substances (40 CFR part 302), as each hereafter is amended; and (v) without limiting the foregoing clause (iv), such substances, chemicals, pollutants, contaminants, materials and wastes which are or become regulated under any applicable local, state or federal law, including, without limitation, any materials, chemicals, pollutants, contaminants, waste or substance which is (a) defined as a "hazardous material", "hazardous substance" or "hazardous waste" under applicable state laws, (b) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, (c) defined as "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, or (d) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act.

"Holdover Rent" shall have the meaning specified in Section 6.1(b)(3) of the Lease.

"ICC" shall mean the Interstate Commerce Commission of the United States, or any successor agency.

"Impositions" shall have the meaning specified in Section 7.1(a) of the Participation Agreement.

"Indemnified Person" shall have the meaning specified in Section 7 of the Participation Agreement.

"Indenture" or "Trust Indenture" shall mean the Trust Indenture and Security Agreement (L-8K) (UTC Trust No. 1992-A), dated as of the Closing Date, between the Owner Trustee, and the Indenture Trustee. Such terms shall include each Indenture Supplement entered into pursuant to the terms of the Indenture.

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

"Indenture Estate" shall have the meaning specified in the Granting Clause of the Indenture.

"Indenture Event of Default" shall have the meaning specified in Section 8.1 of the Indenture.

"Indenture Investment" shall mean any obligation issued or guaranteed by the United States of America or any of its agencies for the payment of which the full faith and credit of the United States of America is pledged.

"Indenture Supplement" shall mean an Indenture Supplement dated the Closing Date or the date that any Replacement Unit is subjected to the Lien and security interest of the Indenture, substantially in the form of Exhibit B to the Indenture, between the Owner Trustee and the Indenture Trustee, covering the Units delivered on the Closing Date or such Replacement Unit, as the case may be.

"Indenture Trustee" shall mean NationsBank of South Carolina, National Association, a national banking association, as trustee under the Indenture and its successors thereunder.

"Indenture Trustee Agreements" shall mean the Operative Agreements to which the Indenture Trustee is or will be a party.

"Initial Return Percentage" shall mean (i) for Equipment Groups of more than 200 Units, 33 1/3%; (ii) for Equipment Groups of between 100-200 (inclusive) Units, 50%; (iii) for Equipment Groups of between 50-99 (inclusive) Units, 75%; (iv) for Equipment Groups of fewer than 50 Units, 90%.

"Initial Return Period" shall have the meaning specified in Section 6.1(b)(3) of the Lease.

"Initial Storage Period" shall have the meaning specified in Section 6.3 of the Lease.

"Inspectable Group" shall have the meaning specified in Section 6.1(a) of the Lease.

"Installment Payment Amount" shall mean, with respect to each Equipment Note, the amount of the installment payment of principal due and payable on each Installment Payment Date, which amount shall be equal to the product of the Current Principal Amount of such Equipment Note and the Installment Payment Percentage for such Installment Payment Date.

"Installment Payment Date" shall mean each date on which an installment payment of principal is due and payable on each Equipment Note, as set forth in Exhibit B-1 to the Indenture Supplement.

"Installment Payment Percentage" shall mean, with respect to each Installment Payment Date, the percentage set forth opposite such Installment Payment Date in Exhibit B-1 to the Indenture Supplement.

"Interest Payment Date" shall mean each January 2 and July 2, commencing January 2, 1993.

"Interest Rate" shall mean the interest rates set forth on Schedule 6 to the Participation Agreement.

"Interchange Rules" shall mean the interchange rules or supplements thereto of the Mechanical Division of the Association of American Railroads (or any successor organization), as the same may be in effect from time to time.

"Interim Interest" shall have the meaning specified in Section 2.2(c) of the Participation Agreement.

"Interim Term" shall have the meaning specified in Section 3.1 of the Lease.

"Investment Banker" shall mean an independent investment banking institution of national or international standing appointed by the Lessee or, if the Indenture Trustee does not receive notice of such appointment at least ten days prior to a scheduled Prepayment Date or if a Lease Event of Default under the applicable Lease shall have occurred and be continuing, appointed by the Indenture Trustee.

"Late Rate" shall mean (i) with respect to amounts payable to or by the Lessee or with respect to the portion of any payment of Rent that would be required to be distributed to the holders of the Equipment Notes pursuant to the terms of the Indenture, the rate per annum (calculated on the basis of a 360-day year consisting of twelve 30-day months) equal to the lesser of (a) 1% over the Blended Weighted Average Debt Rate and (b) the maximum interest rate from time to time permitted by law; and (ii) with respect to the portion of any payment of Rent that would be required to be distributed to the Lessor pursuant to the terms of the Indenture or would be payable directly to the Lessor, the Owner Participant or the Owner Trustee in its individual capacity, the rate per annum (calculated on the basis of a 360-day year consisting of twelve 30-day months) equal to the lesser of (a) the greater of (1) 1.5% plus the Reference Rate and (2) the rate described in the foregoing clause (i)(a) and (b) the maximum interest rate from time to time permitted by law.

"Lease" or "Lease Agreement" or "Equipment Lease" shall mean the Equipment Lease Agreement (L-8K) (UTC Trust No. 1992-A), relating to the Equipment, dated as of the Closing Date, between the Owner Trustee, as the Lessor, and the Lessee. Such terms shall include each Lease Supplement entered into pursuant to the terms of the Lease.

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

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

"Lease Supplement" shall mean a Lease Supplement (L-8K) (UTC Trust No. 1992-A), dated the Closing Date or the date that any Replacement Unit is subjected to the Lease, substantially in the form of Exhibit A to the Lease, between the Lessor and the Lessee, covering the Units delivered on the Closing Date or such Replacement Unit, as the case may be.

"Lease Term" shall mean, with respect to any Unit, collectively, the Interim Term applicable to such Unit, the Basic Term applicable to such Unit and any Renewal Term applicable to such Unit then in effect.

"Lease Termination Date" shall mean the last day of the Lease Term, whether occurring by reason of expiration of the Lease Term or earlier termination of the Lease in accordance with the terms thereof, after which day no Units are subject to the Lease.

"Lessee" shall mean Union Tank Car Company, a Delaware corporation, and any corporation which succeeds thereto by merger

or consolidation or which acquires all or substantially all of the assets thereof.

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

"Lessee Request" shall mean a written request of the Lessee executed on its behalf by a Responsible Officer.

"Lessor" shall mean the Owner Trustee.

"Lessor's Liens" means any Lien affecting, on or in respect of the Equipment, the Lease or other portions of the Trust Estate arising directly as a result of (i) claims against the Lessor (in its individual capacity or as Owner Trustee) or the Owner Participant, not related to the transactions contemplated by the Operative Agreements, or (ii) acts or omissions of the Lessor (in its individual capacity or as Owner Trustee) or the Owner Participant, not related to the transactions contemplated by the Operative Agreements or in breach of any covenant or agreement of such Person set forth in any of the Operative Agreements, or (iii) taxes imposed against the Lessor (in its individual capacity or as Owner Trustee) or the Owner Participant or the Trust Estate which (x) are not required to be indemnified against by the Lessee pursuant to the Participation Agreement or under the Tax Indemnity Agreement or (y) are required to be indemnified against by the Lessee pursuant to the Participation Agreement or the Tax Indemnity Agreement and the Lessee has fully discharged its obligation to pay to, or on behalf of, the Bank, the Owner Trustee or the Owner Participant, as the case may be, such taxes or an indemnity with respect thereto, or (iv) claims against the Lessor or the Owner Participant arising out of the transfer (whether voluntary or involuntary) by the Lessor or the Owner Participant (without the consent of the Lessee and the Indenture Trustee) of all or any portion of their respective interests in the Equipment, the Trust Estate or the Operative Agreements, other than a transfer pursuant to Section 6, 8, 9, 10, 11, 15 or 22 of the Lease or pursuant to 6.7(b) or 10.3 of the Participation Agreement or pursuant to Section 11 of the Trust Agreement, provided that, in each case, Lessor's Liens shall not include any such claim, tax, act or omission in respect of the Beneficial Interest.

"Letter Agreement" shall mean that certain letter agreement, dated the Closing Date, between the Lessee and the Owner Participant.

"Lien" shall mean any mortgage, pledge, security interest, lease, disposition of title or other material lien, encumbrance or charge of any kind on property.

"Limited Use Property" shall have the meaning ascribed thereto in Rev. Proc. 76-30, 1976-2 C.B. 847.

"Loan Participant" shall mean and include each registered holder from time to time of an Equipment Note issued under the Indenture, including, so long as it holds any Equipment Notes issued thereunder, the Pass Through Trustee under the Pass Through Trust Agreement.

"Majority In Interest", as of a particular date of determination shall mean with respect to any action or decision of the holders of the Equipment Notes, the holders of more than 50% in aggregate principal unpaid amount of the Equipment Notes, if any, then outstanding which are affected by such decision or action, excluding any Equipment Notes held by the Owner Participant, the Owner Trustee or the Lessee or any Affiliate thereof unless all Equipment Notes are so held.

"Make-Whole Amount" shall mean, with respect to the principal amount of Equipment Notes to be prepaid on any prepayment date, the amount which the Investment Banker determines as of the fifth Business Day prior to such prepayment date to equal the excess, if any, of (i) the present value (computed on a semi-annual basis at a discount rate equal to the Treasury Rate as of the Prepayment Date of the payments of principal of and interest on each such Equipment Note as required by the terms thereof and of the applicable Indenture which have not been paid (whether or not then due) over (ii) the unpaid principal amount of each such Equipment Note to be prepaid (but excluding any such payment originally scheduled to be paid on the Prepayment Date), together with interest accrued and unpaid to (but excluding) the Prepayment Date and all other amounts due to the holders under such Equipment Notes and the other Operative Agreements.

"Manager" shall mean Salomon Brothers Inc.

"Maximum Number of Return Locations" shall mean (i) for Equipment Groups of more than 200 Units, 5 locations; (ii) for Equipment Groups of between 100-200 (inclusive) Units, 4 locations; (iii) for Equipment Groups of between 50-99 (inclusive) Units, 3 locations; and for Equipment Groups of between 0-49 (inclusive) Units, 1 location.

"Modification" shall mean, when used with respect to any property, any alteration, modification, addition or improvement of or to such property, but shall not include any part or component of such property as originally constituted on the Closing Date or any replacement part or component therefor.

"Multiemployer Plan" shall mean a plan which is a "multiemployer plan" as defined in Section 4001(a)(3) of ERISA.

"Multiple Loss" shall have the meaning specified in Section 11.2 of the Lease.

"Net Economic Return" shall mean the net after-tax book yield, periodic FASB 13 earnings (plus or minus 5% for any annual period) and aggregate after-tax cash flow expected by the original Owner Participant with respect to the Equipment, utilizing the multiple investment sinking fund method of analysis and the same assumptions as used by such Owner Participant in making the computations of Basic Rent, Stipulated Loss Value, Termination Value and the EBO Price initially set forth in Schedules 3, 4, 5 and 8 to the Participation Agreement, as such assumptions have been modified pursuant to Section 2.6 of the Participation Agreement.

"Non-Severable Modification" shall mean any Modification that is not readily removable without causing material damage to the Equipment or any Unit.

"Notice of Delivery" shall have the meaning specified in Section 2.3(a) of the Participation Agreement.

"Officer's Certificate" shall mean a certificate signed (i) in the case of a corporation, by the President, any Vice President, the Treasurer or an Assistant Treasurer, (ii) in the case of a partnership by the President, any Vice President, the Treasurer or an Assistant Treasurer of a corporate general partner, and (iii) in the case of a commercial bank or trust company, the President, any Vice President, any Trust Officer or any other officer customarily performing the functions similar to those performed by the persons who at the time shall be such officers, or to whom any corporate trust matter is referred because of his knowledge of and familiarity with the particular subject.

"Operative Agreements" shall mean the Participation Agreement, the Bill of Sale, the Trust Agreement, the Pass Through Trust Agreement, the Equipment Notes, the Lease (including each Lease Supplement), the Indenture (including each Indenture Supplement), and the Tax Indemnity Agreement.

"Opinion of Counsel" shall mean a written opinion of legal counsel, who, (a) in the case of counsel for the Lessee may be (i) a lawyer employed by the Lessee or The Marmon Group, Inc., (ii) Neal Gerber & Eisenberg or (iii) other counsel designated by the Lessee and who shall be reasonably satisfactory to the Indenture Trustee, and (b) in the case of legal counsel for the Owner Trustee, may be (i) Shipman & Goodwin or (ii) other counsel designated by the Owner Trustee and who shall be reasonably satisfactory to the Indenture Trustee.

"Option Price" shall have the meaning set forth in Section 3.5(b) of the Lease.

"Optional Modification" shall have the meaning specified in Section 9.2 of the Lease.

"Outstanding", when used with respect to the Equipment Notes, shall mean, as of any date of determination, all Equipment Notes theretofore executed and delivered and authenticated under the Indenture other than:

(a) Equipment Notes theretofore canceled by the Indenture Trustee or delivered to the Indenture Trustee for cancellation pursuant to Section 2.7 of the Indenture or otherwise;

(b) Equipment Notes for whose payment (but only to the extent of such payment) or prepayment money in the necessary amount has been theretofore deposited with the Indenture Trustee in trust for the Loan Participants with respect to such Equipment Notes; provided that if such Equipment Notes are to be prepaid, notice of such prepayment has been duly given pursuant to the Indenture or provision therefor satisfactory to the Indenture Trustee has been made; and

(c) Equipment Notes in exchange for or in lieu of which other Equipment Notes have been executed and delivered pursuant to the Indenture;

provided, however, that in determining whether the Loan Participants holding the requisite aggregate principal amount of Equipment Notes Outstanding have given any request, demand, authorization, declaration, direction, notice, consent or waiver under the Indenture, Equipment Notes owned by or pledged to the Lessee, the Owner Trustee or the Owner Participant or any Affiliate of any thereof shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Indenture Trustee shall be protected in relying upon any such request, demand, authorization, declaration, direction, notice, consent or waiver, only Equipment Notes which the Indenture Trustee knows to be so owned or so pledged shall be disregarded, and except if all Equipment Notes are so owned or pledged. Equipment Notes owned by the Lessee, the Owner Trustee or the Owner Participant or any Affiliate of any thereof which have been pledged in good faith may be regarded as Outstanding if the Lessee, or the Owner Trustee or the Owner Participant, as the case may be, establishes to the satisfaction of the Indenture Trustee the pledgee's right to act with respect to such Equipment Notes and that the pledgee is not the Lessee, the Owner Trustee or the Owner Participant or any Affiliate of any thereof. The foregoing proviso shall not negate the prohibition set forth in Section 6.7(a) of the Participation Agreement.

"Owner Participant" shall mean KeyCorp Leasing Ltd., a Delaware corporation, and any corporation which succeeds thereto by merger or consolidation or which acquires all or substantially all the assets thereof, and any permitted assign thereof.

"Owner Participant Agreements" shall mean the Operative Agreements to which the Owner Participant is or will be a party.

"Owner Trustee" shall mean The Connecticut National Bank, a national banking association, not in its individual capacity but solely as Owner Trustee under the Trust Agreement and its successors thereunder.

"Owner Trustee Agreements" shall mean the Operative Agreements to which the Owner Trustee, either in its individual capacity or as Owner Trustee, is or will be a party.

"Participant" shall mean, individually, the Loan Participant or the Owner Participant and "Participants" shall mean, collectively, the Loan Participant and the Owner Participant.

"Participation Agreement" shall mean the Participation Agreement (L-8K) (UTC Trust No. 1992-A), dated as of June 24, 1992, among the Lessee, the Owner Trustee, in the capacities described therein, the Owner Participant, the Indenture Trustee and the Pass Through Trustee.

"Pass Through Certificates" shall mean the Pass Through Certificates issued pursuant to the Pass Through Trust Agreement.

"Pass Through Trust Agreement" shall mean either or both, as the context may require, of the Pass Through Trust Agreements, dated as of June 24, 1992, between the Lessee and the Pass Through Trustee.

"Pass Through Trustee" shall mean NationsBank of South Carolina, National Association, a national banking association, as trustee under the Pass Through Trust Agreement, and its successors thereunder.

"Paying Agent" shall mean any Person acting as Paying Agent under the Indenture pursuant to Section 2.3 of the Indenture.

"Pension Plan" shall mean a single employer plan as defined in Section 4001(a)(15) of ERISA or an individual account plan which is subject to the funding standards of Section 302 of ERISA with respect to which the Lessee or any entity required to be aggregated with the Lessee under Section 414(b), (c), (m) or (o) of the Code at any relevant time maintains, has an obligation to contribute or has liability.

"Permitted Investments" shall mean (i) direct obligations of the United States of America and agencies thereof for which the full faith and credit of the United States is pledged, (ii) obligations fully guaranteed by the United States of America, (iii) certificates of deposit issued by, or bankers' acceptances of, or time deposits with, any bank, trust company or national

banking association (in each case excluding the Lessee and its Affiliates) incorporated or doing business under the laws of the United States of America or one of the States thereof having combined capital and surplus and retained earnings of at least $1,000,000,000 (including the Indenture Trustee and the Owner Trustee if such conditions are met) and having a rating assigned to the long-term unsecured debt of such institutions by Standard & Poor's Corporation and Moody's Investors Service, Inc. at least equal to AA and Aa2, respectively, and (iv) commercial paper of companies, banks, trust companies or national banking associations (in each case excluding the Lessee and its Affiliates) incorporated or doing business under the laws of the United States of America or one of the States thereof and in each case having a rating assigned to such commercial paper by Standard & Poor's Corporation or Moody's Investors Service, Inc. (or, if neither such organization shall rate such commercial paper at any time, by any nationally recognized rating organization in the United States of America) equal to the highest rating assigned by such organization; provided that if all of the above investments are unavailable, the entire amount to be invested may be used to purchase Federal Funds from an entity described in clause (iii) above; and provided, further, that no investment shall be eligible as a "Permitted Investment" unless the final maturity or date of return of such investment is 90 days or less from the date of purchase thereof.

"Permitted Liens" shall mean, with respect to the Equipment and each Unit thereof, (i) the interests of the Lessee and the Owner Trustee under the Lease; (ii) the interest of the Lessee and any sublessee as provided in any sublease permitted pursuant to Section 8.3 of the Lease; (iii) any Liens thereon for taxes, assessments, levies, fees and other governmental and similar charges not due and payable or the amount or validity of which is being contested in good faith by appropriate proceedings so long as (a) there exists no material risk of sale, forfeiture or loss of, or loss or interference with use or possession or disposition of, or diminution of value, utility or useful life of, any Unit or any interest therein, or of any interference with the payment of Rent, (b) such contest would not result in, or create or increase any risk of, the imposition of any criminal or other liability on any Indemnified Person, (c) such contest would not materially and adversely affect the rights, titles and interests of the Owner Trustee, the Owner Participant or the Indenture Trustee in or to any Unit or any interest therein, and (d) appropriate reserves with respect thereto are maintained in accordance with generally accepted accounting principles; (iv) any Liens of mechanics, suppliers, materialmen, laborers, employees, repairmen and other like Liens (other than Liens in favor of any vendor or manufacturer of the Equipment) arising in the ordinary course of the Lessee's (or if a sublease permitted pursuant to Section 8.3 of the Lease is then in effect, any sublessee's) business securing obligations which are not due and payable or the amount or validity of which is being contested in good faith by appropriate proceedings so long as

(a) there exists no material risk of sale, forfeiture or loss of, or loss or interference with use or possession or disposition of, or diminution of value, utility or useful life of, any Unit or any interest therein, or any interference with the payment of Rent, (b) such contest would not result in, or create or increase any risk of, the imposition of any criminal or other liability on any Indemnified Person, (c) such contest would not adversely affect the rights, titles and interests of the Owner Trustee, the Owner Participant or the Indenture Trustee in or to any Unit or any interest therein and (d) appropriate reserves with respect thereto are maintained in accordance with generally accepted accounting principles, provided that any such Lien in effect on the Closing Date shall have been removed no later than 180 days thereafter; (v) the Lien and security interest granted to the Indenture Trustee under and pursuant to the Indenture, and the respective rights of the Loan Participant, the Indenture Trustee, the Owner Participant and the Owner Trustee under the Operative Agreements; (vi) Liens arising out of any judgment or award against the Lessee (or any sublessee permitted pursuant to Section 8.3 of the Lease) with respect to which an appeal or proceeding for review is being taken in good faith and with respect to which there shall have been secured a stay of execution pending such appeal or proceeding for review so long as (a) there exists no material risk of sale, forfeiture or loss of, or loss or interference with the use or possession or disposition of, or diminution of value, utility or useful life of, any Unit or any interest therein, or of any interference with the payment of Rent, (b) such contest would not result in, or create or increase any risk of, the imposition of any criminal or other liability on any Indemnified Person, (c) such contest would not adversely affect the rights, titles and interests of the Owner Trustee, the Owner Participant or the Indenture Trustee in or to any Unit or any interest therein, and (d) appropriate reserves with respect thereto are maintained in accordance with generally accepted accounting principles; and (vii) salvage rights of insurers under insurance policies required to be maintained pursuant to Section 12 of the Lease.

"Permitted Sublease" shall have the meaning specified in Section 8.3 of the Lease.

"Person" shall mean an individual, partnership, corporation, trust, association or unincorporated organization, and a government or agency or political subdivision thereof.

"Prepayment Date" shall mean the date on which the Equipment Notes are to be prepaid (or purchased in lieu of prepayment, as applicable) pursuant to Section 6.1 or 8.3(e) of the Indenture, which date, unless otherwise stated in the Indenture, shall be an Interest Payment Date.

"Prepayment Price" shall mean the price at which the Equipment Notes are to be prepaid (or purchased in lieu of prepayment, where

applicable), determined as of the applicable Prepayment Date, pursuant to Section 6.1 or 8.3(e) of the Indenture, as the case may be.

"Record Date" for the interest or Installment Payment Amount payable on any Interest Payment Date or Installment Payment Date, as the case may be, shall mean the calendar day (whether or not a Business Day) which is 15 calendar days prior to the related Interest Payment Date or the related Installment Payment Date.

"Redelivered Unit" shall have the meaning in Section 6.1(a) of the Lease.

"Reference Rate" shall mean the rate per annum then most recently announced by Citibank N.A. as its reference rate, changing when and as such a change in such rate is announced by Citibank N.A., and calculated on the basis of a 360-day year consisting of twelve 30-day months.

"Refunding Date" shall have the meaning specified in Section 10.2(a)(i) of the Participation Agreement.

"Register" shall have the meaning specified in Section 2.3 of the Indenture.

"Registrar" shall have the meaning specified in Section 2.3 of the Indenture.

"Remaining Weighted Average Life" shall mean, with respect to any Equipment Note as of any Prepayment Date, the number of years obtained by rounding to the nearest one-twelfth the quotient obtained by dividing (a) the sum of the product obtained by multiplying (i) the amount of each then remaining principal payment on such Equipment Note, including the principal payment due at the final maturity of such Equipment Note (but excluding any such payment originally scheduled to be paid on the Prepayment Date) by (ii) the number of years (calculated to the nearest one-twelfth) which will elapse between such Prepayment Date and the date on which such principal payment is scheduled to be made by (b) the then outstanding principal amount of such Equipment Note.

"Renewal Term" shall mean, with respect to any Unit, any term in respect of which the Lessee shall have exercised its option to renew the Lease for such Unit pursuant to Section 22.3 thereof, including any Fixed Rate Renewal Term or Fair Market Renewal Term.

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

"Rent Payment Date" or "Payment Date" shall mean each January 2 and July 2 of each year occurring during the Lease Term, commencing January 2, 1993.

"Replacement Notes" shall have the meaning specified in Section 10.2(a)(i) of the Participation Agreement.

"Replacement Unit" shall mean a covered hopper car or a tank car, as appropriate, which shall meet the standards of Section 11.2(i) of the Lease and have been leased under the Lease pursuant to Section 11.4 of the Lease.

"Required Modification" shall have the meaning specified in Section 9.1 of the Lease.

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

"Return Location" shall have the meaning specified in Section 6.1 of the Lease.

"Scheduled Closing Date" shall have the meaning specified in Section 2.7(b) of the Participation Agreement.

"Second Triggering Event" shall have the meaning specified in the Letter Agreement.

"Settlement Date" shall have the meaning specified in Section 11.2 of the Lease.

"Severable Modification" shall mean any Modification other than a Non-Severable Modification.

"Severable Optional Modification" shall mean any Severable Modification which is made pursuant to Section 9.2 of the Lease.

"Stipulated Loss Value" shall mean, for any Unit as of any Determination Date, the amount determined by multiplying the Equipment Cost for such Unit by the percentage set forth in Schedule 4 to the Participation Agreement (as said Schedule is from time to time in effect) opposite the Determination Date on which such Stipulated Loss Value is being determined; provided that during any Renewal Term, "Stipulated Loss Value" shall be determined as provided in Section 22.5 of the Lease. To the extent that an event giving rise to an obligation to pay any Stipulated Loss Value occurs, and the actual date on which such event is deemed to occur for tax purposes shall be earlier or later than the date assumed in calculating the Federal income tax consequences reflected in the applicable Stipulated Loss Value, such Stipulated Loss Value shall be appropriately adjusted to reflect such actual date, but shall be otherwise based on the original assumptions used

in determining such Stipulated Loss Value. Anything contained in the Lease or in the Participation Agreement to the contrary notwithstanding, Stipulated Loss Value for such Unit (both before and after any adjustment pursuant to Section 2.6 of the Participation Agreement or any deduction pursuant to Section 3.5 of the Lease), under any circumstances and in any event, will be an amount which, together with any other amounts required to be paid by the Lessee under the Lease in connection with an Event of Loss or a deemed Event of Loss, will be at least sufficient to pay in full as of the date of payment thereof the portion of the aggregate unpaid principal of the Equipment Notes required to be prepaid in respect of such Unit, together with all unpaid interest thereon accrued to the date on which such amount is paid in accordance with the terms thereof.

"Storage Period" shall have the meaning specified in Section 6.3 of the Lease.

"Subsidiary" of any Person shall mean any corporation, association, or other business entity of which more than 50% (by number of votes) of the voting stock at the time outstanding shall at the time be owned, directly or indirectly, by such Person or by any other corporation, association or trust which is itself a Subsidiary within the meaning of this definition, or collectively by such Person and any one or more such Subsidiaries.

"Supplemental Rent" shall mean all amounts, liabilities and obligations (other than Basic Rent) which the Lessee is obligated to pay under the Operative Agreements to or on behalf of any of the other parties thereto, including, without limitation, Termination Value and Stipulated Loss Value payments and payments pursuant to Section 7 of the Participation Agreement and the Tax Indemnity Agreement (other than any payment which, pursuant to Section 2.6(a)(F) of the Participation Agreement, is made as an adjustment to Basic Rent).

"Tank Cars" shall mean collectively those items of railroad rolling stock described in Schedule 1 to each of the Bill of Sale and the Lease Supplement delivered on the Closing Date as tank cars together with any and all accessions, additions, improvements, substitutions and replacements from time to time incorporated or installed in any item thereof which are the property of the Lessor pursuant to the terms of a Bill of Sale or the Lease, and "Tank Car" shall mean individually the various items thereof.

"Tax Attribute Period" shall have the meaning set forth in Section 1(b) of the Tax Indemnity Agreement.

"Tax Indemnity Agreement" shall mean the Tax Indemnity Agreement (L-8K) (UTC Trust No. 1992-A), dated as of the Closing Date, between the Lessee and the Owner Participant.

"Terminated Units" shall have the meaning specified in Section 10.1 of the Lease.

"Termination Date" shall have the meaning specified in Section 10.1 of the Lease.

"Termination Value" shall mean, for any Unit as of any Termination Date during the Basic Term, the amount determined by multiplying the Equipment Cost for such Unit by the percentage set forth in Schedule 5 to the Participation Agreement (as said Schedule is from time to time in effect) opposite the Termination Date on which such Termination Value is being determined. To the extent that an event giving rise to an obligation to pay any Termination Value occurs, and the actual date on which such event is deemed to occur for tax purposes shall be earlier or later than the date assumed in calculating the Federal income tax consequences reflected in the applicable Termination Value, such Termination Value shall be appropriately adjusted to reflect such actual date, but shall be otherwise based on the original assumptions used in determining such Termination Value. Anything contained in the Lease or in the Participation Agreement to the contrary notwithstanding, Termination Value for such Unit (both before and after any adjustment pursuant to Section 2.6 of the Participation Agreement or any deduction pursuant to Section 3.5 of the Lease), under any circumstances and in any event, will be an amount which, together with any other amounts required to be paid by the Lessee under the Lease in connection with such termination, will be at least sufficient to pay in full as of the date of payment thereof the portion of the aggregate unpaid principal of the Equipment Notes required to be prepaid in respect of such Unit, together with all unpaid interest and Make-Whole Amount, if any, thereon accrued to the date on which such amount is paid in accordance with the terms thereof.

"Total Equipment Cost" shall mean the sum of the Equipment Cost for each Unit.

"Transaction Costs" shall have the meaning specified in Section 2.5(a) of the Participation Agreement.

"Transferee" shall have the meaning specified in Section 6.1(a) of the Participation Agreement.

"Treasury Rate" shall mean (x) if the final maturity of an Equipment Note is within one year after the Prepayment Date, the average yield to maturity on a government bond equivalent basis of the applicable United States Treasury Bill due the week of such final maturity (or if there is no United States Treasury Bill due during such week, the United States Treasury Bill with a maturity closest to such final maturity) and (y) if the final maturity of an Equipment Note is one year or more after the Prepayment Date, the average yield of the most actively traded United States Treasury

Note or Bond corresponding in maturity to the Remaining Average Weighted Life of such Equipment Note (or if there is no corresponding maturity to such Remaining Average Weighted Life, an interpolation of maturities determined by the Investment Banker), in each case based on the bid prices of 10 a.m., New York time, on the fifth Business Day preceding the applicable Prepayment Date.

"Triggering Event" shall have the meaning specified in the Letter Agreement.

"Trust" shall have the meaning specified in the Trust Agreement.

"Trust Agreement" shall mean that certain Trust Agreement (L-8K) (UTC Trust No. 1992-A), dated as of June 24, 1992, between the Owner Participant and the Bank.

"Trust Estate" shall have the meaning set forth in Section 2.2 of the Trust Agreement.

"Trustee" shall mean each of the Owner Trustee, the Indenture Trustee or the Pass Through Trustee and "Trustees" shall mean the Owner Trustee, Indenture Trustee and the Pass Through Trustee, collectively.

"Unit" shall mean each unit or item of Equipment.

"U.S. Government Obligations" shall mean securities that are direct obligations of the United States of America for the payment of which its full faith and credit is pledged and which are not callable or redeemable, and shall also include a depository receipt issued by a bank or trust company as custodian with respect to any such U.S. Government Obligation or a specific payment of interest on or principal of any such U.S. Government Obligation held by such custodian for the account of the holder of a depository receipt so long as such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Obligation or the specific payment of interest on or principal of the U.S. Government Obligation evidenced by such depository receipt.

LEASE SUPPLEMENT NO. 1 (L-8K)
(UTC Trust No. 1992-A)

Dated as of June 30, 1992

between

THE CONNECTICUT NATIONAL BANK,
Lessor

and

UNION TANK CAR COMPANY,
Lessee

CERTAIN OF THE RIGHT, TITLE AND INTEREST OF THE LESSOR IN AND TO THIS LEASE SUPPLEMENT, THE EQUIPMENT COVERED HEREBY AND THE RENT DUE AND TO BECOME DUE UNDER THE LEASE HAVE BEEN ASSIGNED AS COLLATERAL SECURITY TO, AND ARE SUBJECT TO A SECURITY INTEREST IN FAVOR OF, NATIONSBANK OF SOUTH CAROLINA, NATIONAL ASSOCIATION, NOT IN ITS INDIVIDUAL CAPACITY BUT SOLELY AS INDENTURE TRUSTEE UNDER A TRUST INDENTURE AND SECURITY AGREEMENT (UTC Trust No. 1992-A), DATED AS OF JUNE 30, 1992, BETWEEN SAID INDENTURE TRUSTEE, AS SECURED PARTY, AND THE LESSOR, AS DEBTOR. INFORMATION CONCERNING SUCH SECURITY INTEREST MAY BE OBTAINED FROM THE INDENTURE TRUSTEE AT ITS ADDRESS SET FORTH IN SECTION 20 OF THE LEASE. SEE SECTION 25.2 OF THE LEASE FOR INFORMATION CONCERNING THE RIGHTS OF THE ORIGINAL HOLDER AND THE HOLDERS OF THE VARIOUS COUNTERPARTS HEREOF.

[Filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303 on _____, 1992, at __:__ [A.M.][P.M.], Recordation Number ___, and deposited in the office of the Registrar General of Canada pursuant to Section 90 of the Railway Act of Canada on _____, 1992, at __:__ [A.M.][P.M.]4/

4/ For conformed copy

LEASE SUPPLEMENT NO. 1 (L-8K)
(UTC Trust No. 1992-A)

LEASE SUPPLEMENT NO. 1 (L-8K) (UTC Trust No. 1992-A) dated June 30, 1992 (this "Lease Supplement") between The Connecticut National Bank, not in its individual capacity but solely as Owner Trustee (the "Lessor") under the Trust Agreement, and UNION TANK CAR COMPANY, a Delaware corporation (the "Lessee");

W I T N E S S E T H :

WHEREAS, the Lessor and the Lessee have heretofore entered into that certain Equipment Lease Agreement (L-8K) (UTC Trust No. 1992-A) dated as of June 30, 1992 (the "Lease"). Unless otherwise defined herein, capitalized terms used herein shall have the meanings specified in Appendix A to the Lease; and

WHEREAS, the Participation Agreement and the Lease provide that on the Closing Date, the Lessee shall deliver to the Owner Trustee a Bill of Sale dated such date by which the Lessee bargains, conveys, assigns, sets over, sells and delivers to Owner Trustee, and the Owner Trustee purchases and accepts from the Lessee, the Units to be conveyed on the Closing Date, and said Bill of Sale has been delivered by the Lessee and accepted by the Owner Trustee on the Closing Date; and

WHEREAS, the Lease provides for the execution and delivery of a Lease Supplement substantially in the form hereof for the purpose of confirming the acceptance and lease of the Units under the Lease as and when delivered by the Lessor to the Lessee in accordance with the terms thereof;

NOW, THEREFORE, in consideration of the premises and other good and sufficient consideration, the Lessor and the Lessee hereby agree as follows:

1. Inspection and Approval. The Lessee hereby acknowledges and confirms that it has inspected and approved the Units set forth on Schedule 1 hereto and, as between the Lessor and the Lessee, such Units comply in all material respects with the specifications for such Units and are in good working order.

2. Delivery and Acceptance. The Lessor hereby confirms delivery and lease to the Lessee, and the Lessee hereby confirms acceptance and lease from the Lessor, under the Lease as hereby supplemented, of the Units listed on Schedule 1 hereto.

3. Warranty. The Lessee hereby represents and warrants that no Event of Loss has occurred with respect to the Units set forth on Schedule 1 hereto as of the date hereof.

4. Equipment Cost, etc. The Equipment Cost of each of the Units leased hereunder is as set forth on Schedule 1 to the Participation Agreement. The Basic Rent, Stipulated Loss Values, Termination Values and EBO Price applicable in respect of the Units are set forth, respectively, on Schedules 3, 4, 5 and 8 to the Participation Agreement.

5. Confirmation. The Lessee hereby confirms its agreement, in accordance with the Lease as supplemented by this Lease Supplement, to pay Rent to the Lessor for each Unit leased hereunder as provided for in the Lease.

6. Incorporation into Lease. This Lease Supplement shall be construed in connection with and as part of the Lease, and all terms, conditions and covenants contained in the Lease, as supplemented by this Lease Supplement, shall be and remain in full force and effect.

7. References. Any and all notices, requests, certificates and other instruments executed and delivered concurrently with or after the execution and delivery of this Lease Supplement may refer to the "Equipment Lease Agreement, dated as of June 30, 1992", the "Lease Agreement, dated as of June 30, 1992", or the "Lease, dated as of June 30, 1992", or may identify the Lease in any other respect without making specific reference to this Lease Supplement, but nevertheless all such references shall be deemed to include this Lease Supplement, unless the context shall otherwise require.

8. Counterparts. This Lease Supplement may be executed in any number of counterparts, each executed counterpart constituting an original but all together one and the same instrument.

IN WITNESS WHEREOF, the Lessor and the Lessee have caused this Lease Supplement to be duly executed and delivered in the City of Evanston, State of Illinois, on the day and year first above written.

LESSOR:

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

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

LESSEE:

UNION TANK CAR COMPANY

By: _____
Name: SG DINSMORE
Title: VICE PRESIDENT

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this 29th of June, 1992, before me personally appeared in the City of Evanston, State of Illinois, _____ P.G. KANE, Jr _____, to me personally known, who being by me duly sworn, says that he is the VICE PRESIDENT of THE CONNECTICUT NATIONAL BANK, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

" OFFICIAL SEAL "
GUADALUPE CRUZ
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 3/6/94

Guadalupe Cruz
Notary Public

[NOTARIAL SEAL]

My commission expires: _____

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this 29th day of June, 1992, before me personally appeared in the City of Evanston, State of Illinois, _____ SG DINSMORE _____, to me personally known, who being by me duly sworn, says that he is the VICE PRESIDENT of UNION TANK CAR COMPANY, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

" OFFICIAL SEAL "
GUADALUPE CRUZ
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 3/6/94

Guadalupe Cruz
Notary Public

[NOTARIAL SEAL]

My commission expires: _____

DESCRIPTION OF EQUIPMENT L-8K

BUILT MONTH	EQUIP. GROUP NUMBER	MARK	CAR NUMBER	AAR CODE	DOT CLASS	BCV SPECS
PRESSURE CARS 33,800 GAL.						
FEB 1992	22	UTLX	910508	T929	105J400W	4G
FEB 1992	22	UTLX	910509	T929	105J400W	4G
FEB 1992	22	UTLX	910510	T929	105J400W	4G
FEB 1992	22	UTLX	910511	T929	105J400W	4G
FEB 1992	22	UTLX	910512	T929	105J400W	4G
FEB 1992	22	UTLX	910513	T929	105J400W	4G
FEB 1992	22	UTLX	910514	T929	105J400W	4G
FEB 1992	22	UTLX	910515	T929	105J400W	4G
FEB 1992	22	UTLX	910516	T929	105J400W	4G
FEB 1992	22	UTLX	910517	T929	105J400W	4G
FEB 1992	22	UTLX	910518	T929	105J400W	4G
FEB 1992	22	UTLX	910519	T929	105J400W	4G
FEB 1992	22	UTLX	910520	T929	105J400W	4G
FEB 1992	22	UTLX	910521	T929	105J400W	4G
FEB 1992	22	UTLX	910522	T929	105J400W	4G
FEB 1992	22	UTLX	910523	T929	105J400W	4G
MAR 1992	22	UTLX	910524	T929	105J400W	4G
MAR 1992	22	UTLX	910525	T929	105J400W	4G
MAR 1992	22	UTLX	910526	T929	105J400W	4G
MAR 1992	22	UTLX	910527	T929	105J400W	4G
MAR 1992	22	UTLX	910528	T929	105J400W	4G
MAR 1992	22	UTLX	910529	T929	105J400W	4G
MAR 1992	22	UTLX	910530	T929	105J400W	4G
MAR 1992	22	UTLX	910531	T929	105J400W	4G
MAR 1992	22	UTLX	910532	T929	105J400W	4G
MAR 1992	22	UTLX	910533	T929	105J400W	4G
MAR 1992	22	UTLX	910534	T929	105J400W	4G
MAR 1992	22	UTLX	910535	T929	105J400W	4G
MAR 1992	22	UTLX	910536	T929	105J400W	4G
MAR 1992	22	UTLX	910537	T929	105J400W	4G
MAR 1992	22	UTLX	910538	T929	105J400W	4G
MAR 1992	22	UTLX	910539	T929	105J400W	4G
MAR 1992	22	UTLX	910540	T929	105J400W	4G
MAR 1992	22	UTLX	910541	T929	105J400W	4G
FEB 1992	22	UTLX	910542	T929	105J400W	4G
FEB 1992	22	UTLX	910543	T929	105J400W	4G
FEB 1992	22	UTLX	910544	T929	105J400W	4G
FEB 1992	22	UTLX	910545	T929	105J400W	4G
FEB 1992	22	UTLX	910546	T929	105J400W	4G
MAR 1992	22	UTLX	910547	T929	105J400W	4G
MAR 1992	22	UTLX	910548	T929	105J400W	4G
MAR 1992	22	UTLX	910549	T929	105J400W	4G
MAR 1992	22	UTLX	910550	T929	105J400W	4G
MAR 1992	22	UTLX	910551	T929	105J400W	4G
MAR 1992	22	UTLX	910552	T929	105J400W	4G
MAR 1992	22	UTLX	910553	T929	105J400W	4G
MAR 1992	22	UTLX	910554	T929	105J400W	4G
MAR 1992	22	UTLX	910555	T929	105J400W	4G
MAR 1992	22	UTLX	910556	T929	105J400W	4G
MAR 1992	22	UTLX	910557	T929	105J400W	4G
MAR 1992	22	UTLX	910558	T929	105J400W	4G
MAR 1992	22	UTLX	910559	T929	105J400W	4G
MAR 1992	22	UTLX	910560	T929	105J400W	4G
MAR 1992	22	UTLX	910561	T929	105J400W	4G
MAR 1992	22	UTLX	910562	T929	105J400W	4G
MAR 1992	22	UTLX	910563	T929	105J400W	4G
APR 1992	22	UTLX	910564	T929	105J400W	4G
APR 1992	22	UTLX	910565	T929	105J400W	4G
APR 1992	22	UTLX	910566	T929	105J400W	4G
APR 1992	22	UTLX	910568	T929	105J400W	4G
APR 1992	22	UTLX	910569	T929	105J400W	4G
APR 1992	22	UTLX	910570	T929	105J400W	4G
APR 1992	22	UTLX	910571	T929	105J400W	4G
APR 1992	22	UTLX	910572	T929	105J400W	4G

BUILT MONTH	EQUIP. GROUP NUMBER	MARK	CAR NUMBER	AAR CODE	DOT CLASS	BCV SPECS
APR 1992	22	UTLX	910574	T929	105J400W	4G
APR 1992	22	UTLX	910577	T929	105J400W	4G
APR 1992	22	UTLX	910578	T929	105J400W	4G

TOTAL PRESSURE CARS 33,800 GAL.: 67

48

HOGAN & HARTSON

RECORDATION NO. 17845 FILED 1425
JUN 30 1992 -12 30 PM
INTERSTATE COMMERCE COMMISSION

COLUMBIA SQUARE
555 THIRTEENTH STREET NW
WASHINGTON DC 20004-1109
(202) 637-5600

BRUSSELS
LONDON
PARIS
PRAGUE
WARSAW
BALTIMORE, MD
BETHESDA, MD
McLEAN, VA

PETER F. ROUSSELOT
PARTNER
DIRECT DIAL (202) 637-5720

2-182A036

June 30, 1992

The Honorable Sydney L. Strickland
Secretary
Interstate Commerce Commission
12th & Constitution Avenue, N.W.
Washington, D.C. 20423
ATTN: Mrs. Mildred Lee

RECORDATION NO. 17845 FILED 1425
JUN 30 1992 -12 30 PM
INTERSTATE COMMERCE COMMISSION

Dear Mr. Strickland:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are one original executed and one notarized photostatic copy of the following documents:

1. Equipment Lease Agreement (L-8K), dated as of June 30, 1992, between The Connecticut National Bank as Owner Trustee and Union Tank Car Company;

2. Trust Indenture And Security Agreement (L-8K), dated as of June 30, 1992, between The Connecticut National Bank as Owner Trustee and NationsBank of South Carolina, National Association as Indenture Trustee; and

3. Indenture Supplement (L-8K).

JUN 30 12 22 PM '92
MOTOR CARRIER BUREAU

Also enclosed is a check in the amount of $48.00 payable to the order of the Interstate Commerce Commission, covering the required recordation fee.

Kindly return one stamped photostatic copy of the enclosed documents, as well as a stamped photostatic copy of this letter to Sheila Glancy, Esq., Neal Gerber & Eisenberg, Two North LaSalle Street, Suite 2200, Chicago, IL 60602.

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

- Union Tank Car Company
  Attention: Stephen G. Dinsmore
  111 West Jackson Boulevard
  Chicago, IL 60604

Carolyn Dent M. Alm

- The Connecticut National Bank
  Attention: Corporate Trust Administration
  777 Main Street
  Hartford, CT 06115

- NationsBank of South Carolina, National Association
  Attention: Corporate Trust Administration
  1901 Main Street
  Columbia, SC 29222

A description of the railroad equipment covered by the enclosed documents is set forth in Indenture Supplement No. 1 (L-8K).

Please feel free to contact me with any questions which you may have concerning the above.

Sincerely,

Peter F. Rousselot

Peter F. Rousselot
Attorney for
Union Tank Car Company

Enclosures

cc: Patrick M. Raher
Sheila A. Glancy

5094S