

# CHAPMAN AND CUTLER

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**17121/A**  
REGISTRATION NO. \_\_\_\_\_ FILED 1483  
**DEC 14 1990 -12 15 PM**  
**INTERSTATE COMMERCE COMMISSION**  
**VIA FEDERAL EXPRESS**

**17121**  
REGISTRATION NO. \_\_\_\_\_ FILED 1483  
**DEC 14 1990 -12 15 PM** **# 30**

December 14, 1990 **INTERSTATE COMMERCE COMMISSION**

*New No.*  
" " - A

**0-348A030**

Interstate Commerce Commission  
Washington, D.C.

Re: General American Transportation Corporation  
GATC Trust No. 90-2

Gentlemen:

Enclosed for under the provisions of 49 USC 11303(a) are the original and three counterparts of an Equipment Lease dated as of December 14, 1990 (the "Lease") and a Security Agreement-Trust Deed dated as of December 14, 1990 (the "Security Agreement"). Said Equipment Lease and Security Agreement-Trust Deed are each primary documents.

A general description of the railroad equipment covered by each of the enclosed documents is set forth in Schedule attached to this letter and made a part hereof.

The names and addresses of the parties are:

Lessee under Lease: General American Transportation Corporation  
120 South Riverside Plaza  
Chicago, Illinois 60606  
Attention: Secretary

Lessor under Lease and Debtor under Security Agreement: Wilmington Trust Company, as Trustee under GATC Trust No. 90-2  
Rodney Square North  
Wilmington, Delaware 19890  
Attention: Corporate Trust Administration

Secured Party under Security Agreement: Harris Trust and Savings Bank  
111 West Monroe Street  
Chicago, Illinois 60603  
Attention: Indenture Trust Division

DEC 14 12 09 PM '90  
MOTOR OPERATING UNIT

*C. J. Kappler*

**CHAPMAN AND CUTLER**

The undersigned has acted as special counsel in connection with the preparation of the enclosed documents and has knowledge of the matters set forth therein.

Please return the original and two copies of each enclosed document to Larry Elkins, Esq., Chapman and Cutler, 111 West Monroe Street, Chicago, Illinois 60603.

Also enclosed is a check in the amount of \$20.00 covering the required recording fee.

A short summary of each of the enclosed primary documents to appear in the Index follows:

Equipment Lease between Wilmington Trust Company, as Trustee under GATC Trust No. 90-2, as Lessor, Rodney Square North, Wilmington, Delaware 19890, to Harris Trust and Savings Bank, as Security Trustee, 111 W. Monroe Street, Chicago, Illinois 60603, covering 507 covered hopper cars and 794 tank cars.

Very truly yours,

CHAPMAN AND CUTLER

By

  
Larry Elkins

GENERAL AMERICAN TRANSPORTATION CORPORATION  
1990 LEASE FINANCING  
EQUIPMENT LIST -- CAR NUMBERS  
NYNEX

BASIC GROUP	DOT CLASS	DESCRIPTION	QTY	CAR INITIALS	CAR NUMBERS
----- 1989 ACQUISITIONS -----					
A	L/O (1)	4900 CFC COVERED HOPPER--AIRSLIDE	110	GACX	56670-56685,56689-56713
				ATW	56618-56666
				SOO	109825-109844
A1	L/O (1)	5125 CFC COVERED HOPPER--POWER FLO	9	GACX	10030,10074-10075,10078-10083
B	L/O (1)	5850/5851 CFC COVERED HOPPER--PLASTIC PELLETS	283	GACX	73286-73288,73398-73418,73452,73454,73456,73468,73471-73488,73496-73615,73617, 73621-73625,73627-73628,73630-73631,73633-73634,73636,73638-73641, 73643,73645-73647,73650-73651,73653,73655-73656,73659,73714,73721-73728, 73730-73732,73735,73739-73740,73743,73746-73793,74005-74030
C	L/O (1)	5800 CFC COVERED HOPPER--CARBON BLACK	82	GACX	60151-60232
D	L/O (1)	2900 CFC COVERED HOPPER	23	GACX	29000-29022
E	111A100-W-1	14-29,000 GAL. TANK CAR	168	GATX	29651-29714,29765-29804,65355-65372,65374-65419
F	111A100-W-1	13,000 GAL. TANK CAR--CLAY SLURRY	112	GATX	65255-65294,65295-65325,65330-65354,65457-65472
G	111A100-W-1	20,000 GAL. EC/I TANK CAR	52	GATX	34441-34445,36541-36572,37002,37048-37061
H	111A100-W-1	23,000 GAL. EC/I TANK CAR	200	GATX	3741-3853,3893-3900,3901,19651-19675,35561-35610,56701-56703
I	111A100-W-1	26,000 IC TANK CAR--LUBE OIL	71	GATX	53929-53949,53953,53955,53960,53962-53982,53984-53992,53994-54002,54004-54011
J	111A100-W-1	29,000 GAL. TANK CAR--ALCOHOL	52	GATX	29715-29764,50615-50616
K	111A100-W-3	17,000 EC/I TANK CAR--CORN SYRUP	112	GATX	4056,4059,4073,4087,4090,4097-4098,4102,4106-4107,4114,4128-4129,4131,4133,4135, 4138,4140,4144,4146-4154,4156,4159-4161,4163-4167,4170,4172-4173,4175-4176, 4178-4181,4186,4189,4191,4193,4195,4197-4200,4202-4203,4206,4208,4210-4211, 4217-4218,4220-4221,4223,4225-4230,4232,4235-4270
L	111A100-W-1	MISCELLANEOUS TANK CAR	27	GATX	17951-17954,18639-18650 22961-22964,22966,22968-22970,22972,22974-22975
----- 1301 -----					

(1) AAR Mechanical Designation for Classification of Covered Hopper Cars.

Schedule A  
(to Equipment Lease)

Interstate Commerce Commission  
Washington, D.C. 20423

12/14/90

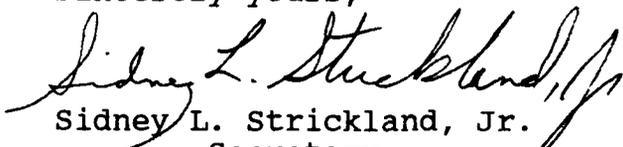
OFFICE OF THE SECRETARY

Larry Elkins Esq.  
Chapman & Cutler  
111 West Monroe Street  
Chicago, Illinois 60603

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 12/14/90 at 12:15pm, and assigned recordation number(s). 17121 & 17121-A

Sincerely yours,

  
Sidney L. Strickland, Jr.  
Secretary

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EQUIPMENT LEASE

Dated as of December 14, 1990

17121  
RECORDED NO. \_\_\_\_\_ FILED MS  
DEC 14 1990 - 12:52 PM

INTERSTATE COMMERCE COMMISSION

Between

WILMINGTON TRUST COMPANY,  
not in its individual capacity but solely as Owner Trustee  
under GATC Trust No. 90-2

LESSOR

And

GENERAL AMERICAN TRANSPORTATION CORPORATION

LESSEE

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(GATC Trust No. 90-2)

This Equipment Lease and certain of the sums due and to become due hereunder have been assigned to, and are subject to a security interest in favor of, Harris Trust and Savings Bank, as Security Trustee, pursuant to a Security Agreement-Trust Deed dated as of December 14, 1990, from Wilmington Trust Company, not individually but solely as Owner Trustee under GATC Trust No. 90-2, as debtor, to said Security Trustee.

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ATTACHMENTS TO EQUIPMENT LEASE:

Schedule A	--	Description of Items of Equipment
Schedule B	--	Certificate of Acceptance Under Equipment Lease
Schedule C	--	Lease Supplement No. 1
Schedule D	--	Schedule of Casualty Value
Schedule E	--	Schedule of Early Termination Value
Schedule F	--	Schedule of Fixed Rental Payments

## EQUIPMENT LEASE

THIS EQUIPMENT LEASE dated as of December 14, 1990 between WILMINGTON TRUST COMPANY, a Delaware banking corporation, not in its individual capacity but solely as Owner Trustee (the "Lessor") under the Trust Agreement dated as of December 14, 1990 (the "Trust Agreement") for the benefit of NYNEX CREDIT COMPANY, a Delaware corporation (the "Owner Participant"), and GENERAL AMERICAN TRANSPORTATION CORPORATION, a New York corporation (the "Lessee");

### R E C I T A L S:

A. The Lessee is the owner of the Items of Equipment hereinafter described. The Lessee desires to sell to and lease from the Lessor and the Lessor desires to purchase from and lease to the Lessee, the Equipment, and for such purpose to enter into this Equipment Lease with the Lessor and further to enter into various bills of sale providing for the transfer to the Lessor of ownership to the Items of Equipment. All such bills of sale are herein referred to as the "Bills of Sale".

B. The Lessee and the Lessor have entered into a Participation Agreement dated as of December 14, 1990, as from time to time supplemented or amended (the "Participation Agreement"), with the Owner Participant, Harris Trust and Savings Bank, as security trustee (the "Security Trustee"), and the institutional investors named in Schedule 2 thereto (the "Note Purchasers") providing for the commitment of the Note Purchasers to purchase the Notes of the Lessor which, together with funds provided by the Owner Participant, will permit the Lessor to obtain the funds necessary to purchase from the Lessee the equipment (collectively the "Equipment" or "Items of Equipment" and individually an "Item" or "Item of Equipment") described in Schedule A hereto and made a part hereof. The Owner Participant will commit to advance to the Lessor an amount equal to 21.74867071% of the Purchase Price of the Items of Equipment, and the Note Purchasers will commit to purchase (i) the 9.93% Secured Notes due June 12, 2005 (the "Series A Notes") of the Lessor in an aggregate principal amount equal to 33.33314024% of such Purchase Price, and (ii) the 10.24% Secured Notes due June 12, 2009 (the "Series B Notes") of the Lessor in an aggregate principal amount equal to 44.91818905% of such Purchase Price (the Series A Notes and the Series B Notes being herein together called the "Notes"). The Participation Agreement provides that the Notes will be secured by an assignment of the Lessor's right, title and interest in and to this Lease and in and to the Equipment pursuant to a Security Agreement-Trust Deed dated as of December 14, 1990 (the "Security Agreement") from the Lessor to the Security Trustee, excluding and reserving the Excepted Rights in the Collateral. Any capitalized term not defined herein shall have the meaning specified in the Participation Agreement.

SECTION 1. LEASE AND DELIVERY OF EQUIPMENT.

1.1. Intent to Lease. The Lessor shall lease to the Lessee and the Lessee shall lease from the Lessor all Items of Equipment, which are delivered and accepted pursuant to Section 1.3 hereof, for the rental and on and subject to the terms and conditions herein set forth.

1.2. Inspection and Acceptance. On the Closing Date, the Lessee shall accept each Item of Equipment hereunder by executing and delivering to the Lessor a Certificate of Acceptance (the "Certificate of Acceptance") in the form attached hereto as Schedule B with respect to such Item of Equipment; provided, however, that the Lessee shall not accept and the Lessor shall have no obligation to lease any Item of Equipment delivered after December 31, 1990.

1.3. Certificate of Acceptance. The Lessee's execution and delivery of a Certificate of Acceptance with respect to an Item of Equipment pursuant to Section 1.2 hereof shall conclusively establish that, as between the Lessor and the Lessee, but without limiting or otherwise affecting the Lessee's or the Lessor's rights, if any, against the manufacturer thereof, such Item of Equipment is acceptable to and accepted by the Lessee under this Lease, notwithstanding any defect with respect to design, manufacture, condition or in any other respect, and that such Item of Equipment is in good order and condition and conforms to the specifications applicable thereto and to all applicable United States Department of Transportation and Interstate Commerce Commission requirements and specifications, if any, and to all standards recommended by the Association of American Railroads applicable to railroad equipment of the character of the Equipment as of the date of this Lease. By execution and delivery of such Certificate of Acceptance, the Lessee represents that it has no knowledge of any such defect.

SECTION 2. RENTALS AND PAYMENT DATES.

2.1. Rent for Equipment. The Lessee agrees to pay the following rent for each Item of Equipment:

(a) Fixed Rental. For each Item of Equipment, the Lessee shall pay to the Lessor semiannual installments of fixed rental (the "Fixed Rental"), payable in advance or arrears, or both, as set forth in Schedule F hereto (it being understood that each installment of Fixed Rental or portion thereof designated as in advance shall be for the semiannual period commencing on the rent payment date on which such installment is due and each installment of Fixed Rental or portion thereof designated as in arrears shall be for the semiannual period ending on but not

including the rent payment date on which such installment is due); provided, however, that all such Fixed Rental installments for such rent payment date shall in any event be in an amount sufficient to meet scheduled payments of principal of and interest on the Notes after the Basic Lease Term Commencement Date; and

(b) Supplemental Rent. In addition to its obligation to pay Fixed Rental hereunder, Lessee also agrees to pay, on an after-tax basis (net of any actual permanent and contemporaneous tax benefit realized; provided however that this after-tax basis computation shall not be made with respect to amounts described in clauses (vi) or (vii) below, to the extent they provide for or are or have been determined based upon a calculation on an after-tax basis and take into account taxes of the Lessor (and not the Owner Participant) with respect to amounts described in clause (iv)) as supplemental rent hereunder (the "Supplemental Rent"), any and all amounts, liabilities and obligations (other than Fixed Rental) which Lessee assumes or agrees to pay to Lessor or to any other Person hereunder or under any other Operative Agreement, including without limitation, an amount or amounts equal to (i) all fees and expenses of the Security Trustee and its successors (other than the initial fees and expenses funded by the Owner Participant pursuant to Section 2.6(g) of the Participation Agreement) incurred in connection with its services as Secured Party under the Security Agreement, (ii) all amounts of premium, if any, payable under the Security Agreement on the Notes, (iii) interest on any part of any installment of Fixed Rental or amounts expended by the Lessor on behalf of the Lessee not paid when due for any period for which the same shall be overdue pursuant to Section 20 and on advances and other costs incurred pursuant to Section 21.2 hereof or any Casualty Value, Early Termination Value or Optional Purchase Price or any interest due thereon, (iv) all fees and expenses of the Lessor and its successors (other than the initial fees and expenses funded by the Owner Participant pursuant to 2.6(f) of the Participation Agreement) incurred in connection with its services as Lessor under this Lease, (v) on each installment payment date on the Notes, an amount, if any, which shall be required after application of the rentals and other sums payable by Lessee under this Lease pursuant to the Security Agreement payable on such date, if any, to cause the installment of principal and/or interest then due to be paid in full, and on any date on which any payment of Casualty Value or Early Termination Value shall be applied pursuant to the Security Agreement, an amount if any, which shall be required to pay in full on such date the payment of principal, premium, if any, and interest

then to be paid on the Notes pursuant to the terms of the Security Agreement, (vi) the indemnities provided for in Section 9.12 of the Participation Agreement and hereunder and (vii) payments provided for in Section 18 and 19 hereof, promptly as the same shall become due and owing, and in the event of any failure on the part of Lessee to pay any such Supplemental Rent, Lessor or its assigns shall have all rights, power and remedies provided for herein or by law or equity or otherwise as in the case of nonpayment of Fixed Rental.

(c) Prepaid Rent. In addition to its other obligations to pay Supplemental Rent, the Lessee shall prepay as Supplemental Rent to the Lessor on June 12, 1991 an amount ("Prepaid Rent") equal to interest accrued and unpaid, if any, on any and all Notes on such date, calculated for the period beginning on the Closing Date; provided, however, that the Lessee shall not be required to make any payment of Prepaid Rent described in this sentence to the extent that the amount thereof has been funded by a payment by the Lessor and provided, further, that in each instance in which the Lessee shall pay Prepaid Rent, its obligation to pay future Fixed Rental shall be reduced as set forth in paragraph (d) of this Section 2.1.

(d) The Lessor shall give notice to the Lessee at least three business days prior to the date of payment of any Prepaid Rent (herein called a "Prepayment Date") if funds equal to the amount of such Prepaid Rent will not be paid by the Lessor on such date; provided, however, that the failure of the Lessor to give any such notice shall not affect the obligations of the Lessee under Section 2.1(c). Subject to the penultimate sentence of this Section 2.1(d), all payments of Prepaid Rent made by the Lessee constitute prepayments of Fixed Rental made in the order in which installments of such Rent become due. The Lessor agrees to reimburse the Lessee in the manner provided in the next sentence, for any Prepaid Rent paid by the Lessee pursuant to Section 2.1(c), and to pay interest on the unreimbursed portion thereof at a rate equal to the greater of (i) 12.13% per annum, or (ii) the Prime Rate plus 2% from and including the date such amount is paid to but excluding the date it is reimbursed (such amounts and the related interest being herein called the "Reimbursement Amount"). For purposes of this Section 2.1(d), "Prime Rate" shall mean the rate announced from time to time by The Chase Manhattan Bank, N.A. as its prime rate. Subject to the following two sentences of this Section 2.1(d), the Lessee shall be entitled to offset Prepaid Rent paid (without duplication against any future payment of Fixed Rental (other than as limited by the proviso to this sentence), due from the

Lessee to the Lessor under this Lease until such time as the Lessee has been paid or shall have so offset the Reimbursement Amount as provided in this Section 2.1(d); provided, however, that the Lessee shall not have such right of offset so long as an Event of Default or an event that with the giving of notice or passage of time, or both, constitutes an Event of Default, shall have occurred and be continuing. No such offset or aggregate combined effect of separate offsets nor any deemed prepayment or Prepaid Rent shall reduce, or further reduce, the amount of any installment of Fixed Rental to an amount insufficient to pay in full the payments then required to be made on the account of the principal of and interest on the Notes.

2.2. Rent Payment Dates. The interim term of this Lease shall commence on the date of delivery of the Items of Equipment hereunder and terminate on June 11, 1991 (the "Interim Lease Term"). The basic term of this Lease shall begin on June 12, 1991 (the "Basic Lease Term Commencement Date") and end on June 12, 2011 (the "Basic Lease Term"). No rent, other than Supplemental Rent, shall be payable during the Interim Lease Term. The first installment of Fixed Rental for each Item of Equipment shall be due and payable on December 12, 1991 and the balance of said installments shall be payable on each June 12 and December 12 thereafter with the final such installment payable on December 12, 2010, all in accordance with Schedule F hereto. Each payment of Supplemental Rent shall be due and payable on the date on which the related fees and expenses are due and payable. If any of the rent payment dates is not a Business Day, the rent payment otherwise payable on such date shall be payable on the next succeeding business day. For purposes of this Lease, the term "Business Day" means calendar days, excluding Saturdays, Sundays and holidays on which banks in the States of Illinois, New York or Delaware are authorized or required to close.

2.3. Place and Manner of Rent Payment. The payments to be made by the Lessee under this Lease shall be made as follows:

(a) Each installment of Fixed Rental shall be paid to the Lessor by wire transfer to the principal office of the Lessor at the address thereof provided for payments in Section 21.1 hereof; provided that in the event either the Lessor or the Security Trustee shall notify the Lessee in writing that the right to receive payment of such installment shall have been assigned in accordance with Section 16 hereof, the Lessee shall make such payment by wire transfer to the place designated in such notice or as otherwise designated from time to time in writing by such assignee; and provided further that in the event such notice shall direct the Lessee to divide such installment into not more than two portions and to pay each portion by wire transfer separately to not more than two parties, the Lessee agrees to do so;

(b) The entire amount of any payment the amount of which is determined in accordance with Schedule D hereto ("Casualty Value") pursuant to Section 11 hereof or any payment the amount of which is determined in accordance with Schedule E hereto ("Early Termination Value") pursuant to Section 19 hereof or any Fair Market Value which is payable in lieu thereof, together with any premium payable under said Section 19, or any Optional Purchase Price payable pursuant to said Section 19 shall be paid to the Lessor by wire transfer to the principal office of the Lessor at the address thereof provided for payments in Section 21.1 hereof (identifying the same as a payment of Casualty Value under Section 11 or Early Termination Value, Optional Purchase Price or Fair Market Value, and premium, if any, as the case may be, relating to GATC Trust No. 90-2); provided that in the event either the Lessor or the Security Trustee shall notify the Lessee in writing that the right to receive payment of such Casualty Value, Early Termination Value, Optional Purchase Price, Fair Market Value and premium shall have been assigned in accordance with Section 16 hereof, the Lessee shall make such payment by such wire transfer in the manner designated in such notice or as otherwise designated from time to time in writing by such assignee;

(c) The amount of any payment owing to the Lessor pursuant to Sections 6, 10.2, 11.1 (with respect to public liability insurance) and 21.2 hereof shall be made directly to the party to receive the same without regard to the assignment of this Lease pursuant to Section 16 hereof;

(d) The amount of any interest due in respect of the late payment of any rentals or other amounts pursuant to Section 20 hereof shall be paid to the party and in the manner herein provided to receive said rental or other amount; and

(e) All payments other than those above specified shall be made by the Lessee directly to the party to receive the same unless any such payment has previously been made by the Lessor or its assignee, in which case the Lessee shall reimburse the Lessor or its assignee, as the case may be, directly for such payment.

The Lessee agrees that it will make all reasonable efforts to cause those payments due hereunder by wire transfer where specified above to be so wired as soon as practicable after the opening of business in Chicago, Illinois on the due date of such payment of Federal or otherwise immediately available funds to the party to whom such payment is to be made, and where not so specified, such payment shall be made by check of the Lessee drawn

on a bank located in the continental United States and mailed to the party to receive the same at the address herein provided or at such other address as the Lessee shall have been previously advised in writing.

2.4. Net Lease. This Lease is a net lease and the Lessee's obligation to pay all Fixed Rental and Supplemental Rent and other amounts payable hereunder shall be absolute and unconditional under any and all circumstances and, without limiting the generality of the foregoing, the Lessee shall not be entitled to any abatement of rent or reduction thereof or setoff against rent, including, but not limited to, abatements, reductions or setoffs due to any present or future claims of the Lessee against the Lessor under this Lease or otherwise or against any assignee of the Lessor pursuant to Section 16 hereof; nor, except as otherwise expressly provided herein, shall this Lease terminate, or the respective obligations of the Lessor or the Lessee be otherwise affected, by reason of any defect in or damage to or loss or destruction of or requisitioning of all or any Item of Equipment by condemnation or otherwise, the prohibition of Lessee's use of the Equipment, the interference with such use by any private person or corporation, the invalidity or unenforceability or lack of due authorization or other infirmity of this Lease, or lack of right, power or authority of the Lessor to enter into this Lease, the insolvency of the Lessee, the commencement of any proceeding by or against the Lessee for relief under any bankruptcy or similar law for the relief of debtors, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the rents and other amounts payable by the Lessee hereunder shall continue to be payable in all events unless the obligation to pay the same shall be terminated pursuant to Section 11 or 19 hereof, or until, pursuant to Section 13 hereof, the Equipment has been returned to the possession of the Lessor (for all purposes of this Lease any Item of Equipment shall not be deemed to have been returned to the Lessor's possession until all of the Lessee's obligations with respect to the return, transportation and storage thereof have been fully performed). To the extent permitted by applicable law, the Lessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender the lease of any of the Items of Equipment except in accordance with the express terms hereof. Each rental or other payment made by the Lessee hereunder shall be final and the Lessee shall not seek to recover all or any part of such payment from the Lessor or any assignee pursuant to Section 16 hereof for any reason whatsoever.

2.5. Adjustment of Rentals. The installments of Fixed Rental set forth in Schedule F hereto, the Casualty Value and Early Termination Value tables attached hereto as Schedules D and E, respectively, and the Optional Purchase Price set forth in Section 19.5 have been calculated on the assumptions that:

(i) the Items of Equipment having a Purchase Price equal to \$65,292,474 shall have been or shall be delivered and accepted and settled for pursuant to the Participation Agreement on December 14, 1990:

(ii) no change in any tax law, including any change in any regulation or tax rate, shall be proposed or enacted, promulgated, issued, adopted or made effective prior to the Closing Date which alters or eliminates any of the Tax Assumptions (as defined in the Tax Indemnity Agreement); provided Owner Participant or Lessee shall have given notice to the other of such change in tax law, regulation or tax rate prior to the Closing Date;

(iii) the Series A Notes bear interest at 9.93% per annum and the Series B Notes bear interest at 10.24% per annum, in each case computed on the basis of a 360-day year of twelve 30-day months, and payments of principal and interest on the Notes will be made semiannually as provided in Section 2.2 of the Participation Agreement;

(iv) the aggregate of all Transaction Expenses equal .75% of the Purchase Price of the Equipment; and

(v) the Note Purchasers have purchased the Notes pursuant to Section 2.2(b) of the Participation Agreement on the Closing Date.

If any such assumption shall prove to be incorrect, then the Lessor acting in good faith and at the written direction of the Owner Participant shall, prior to the first payment of Fixed Rental, recompute such installments of Fixed Rental and the Casualty Value and Early Termination Value tables and Optional Purchase Price higher or lower (but in no event shall the Optional Purchase Price be adjusted to less than 51.2% of the Purchase Price) in order to (A) preserve the Owner Participant's net after-tax yield and aggregate and periodic after-tax cash using the multiple investment sinking fund method ("Net Economic Return"), based on (1) the same methodology and investment assumptions utilized by the Owner Participant in establishing the original Fixed Rental, Casualty Value and Early Termination Value and the Optional Purchase Price, and (2) the same accounting standards in effect as of the Closing Date while (B) minimizing the net present value of the Fixed Rental to the Lessee to the extent possible consistent with the foregoing clause (A); provided that such adjustments shall comply with Section 467 of the Code, and the requirements of Sections 4.02(5), 4.07(1), 4.07(2) and 4.08(1) (provided that such Section 4.08(1) may be applied on a prospective basis) of Revenue Procedure 75-28, 1975-1 C.B. 752 and any other published or announced position of the Internal Revenue Service; and provided, further, that each installment of Fixed Rental shall be in an amount sufficient to pay on each installment

date the principal of, and interest on, the Notes due on such date without acceleration, and the Casualty Value and Early Termination Value as of any date and the Optional Purchase Price shall be sufficient to pay the aggregate unpaid principal amount of, and interest and premium, if any, on, the Notes outstanding as of such date. Lessor shall also have the right to reoptimize the Notes in connection with any adjustment to Fixed Rental, provided the net present value of the Fixed Rental and respective final maturities of the Series A and Series B Notes shall not be changed and the respective average lives of the Series A and Series B Notes shall not be increased or decreased by more than 3 months in either case. On or before the second payment of Fixed Rental, the Lessor and the Lessee shall execute and deliver a Lease Supplement, substantially in the form of Schedule C hereto, reflecting any revisions to Section 2.1(a) hereof, to Schedules D, E and F hereof and to the Optional Purchase Price.

Any notice to the Lessee from the Lessor setting forth the results of any recomputation pursuant to the paragraph above shall be accompanied by a letter from the Lessor setting forth in reasonable detail the reasons for such recomputation and stating that such recomputation was made in accordance with this Section 2.5. If requested in writing by the Lessee within 15 days after the giving of any such notice of recomputation, the Lessor hereby agrees to have a nationally recognized accounting firm of independent certified public accountants selected by the Lessor review at the Lessee's expense such recomputation and verify to the Lessee that such recomputation was correctly made in accordance with the standards described in this Section 2.5. If such review reveals a miscalculation, then the Lessor shall readjust the schedule of Fixed Rent, Casualty Value and Early Termination Value and Optional Purchase Price pursuant to the results of such review. If such review reveals a miscalculation by the Lessor which results in an increase in the net present value of the Fixed Rent under this Lease calculated as of the Closing Date by more than the greater of (a) ten (10) basis points or (b) 10% of the proposed adjustment, then the Lessor agrees to reimburse the Lessee for any amounts paid for such review.

### SECTION 3. TERM OF THE LEASE.

The term of this Lease as to each Item of Equipment shall consist of the Interim Lease Term and Basic Lease Term and any renewal term and shall begin on the date of the delivery to and acceptance by the Lessee of such Item of Equipment and, subject to the provisions of Sections 11, 14, 18 and 19 hereof, shall terminate 20 years following the Basic Lease Term Commencement Date.

SECTION 4. OWNERSHIP AND MARKING OF EQUIPMENT.

4.1. Retention of Title. The Lessor shall and hereby does retain full legal title to the Equipment notwithstanding the delivery thereof to and possession and use thereof by the Lessee or any Sublessee under any Permitted Sublease.

4.2. Duty to Number and Mark Equipment. The Lessee will cause each Item of Equipment to be kept numbered with its identifying number as set forth in Schedule A hereto and will not later than December 31, 1992 keep and maintain, plainly, distinctly, permanently and conspicuously marked by a plate or stencil printed in contrasting color upon each side of each Item of Equipment in letters not less than one inch in height as follows:

"TITLE TO THIS CAR IS VESTED IN A TRUSTEE  
UNDER AN EQUIPMENT TRUST AGREEMENT RECORDED  
UNDER SECTION 11303 (FORMERLY 20C) OF THE  
INTERSTATE COMMERCE ACT OR VESTED IN ANOTHER  
PERSON OR ENTITY AND SO RECORDED."

with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the title of the Lessor to such Item of Equipment, its rights under this Lease and the rights of any assignee under Section 16 hereof. The Lessee will replace promptly any such names and word or words which may be removed, obliterated, defaced or destroyed. The Lessee will not change the identifying number of any Item of Equipment unless and until (i) a statement of new identifying numbers to be substituted therefor shall have been delivered to the Lessor and the Security Trustee by the Lessee and filed, recorded or deposited in all public offices where this Lease shall have been filed, recorded or deposited and (ii) the Lessee shall have furnished the Security Trustee and the Lessor an opinion of counsel to the effect that such statement has been so filed, recorded and deposited, such filing, recordation and deposit will protect, preserve and maintain the Lessor's title to, or the Security Trustee's security interest in such Equipment and no filing, recording, deposit or giving of notice with or to any other federal, state or local government or agency thereof is necessary to protect, preserve and maintain the interests of the Security Trustee and the Lessor in such Equipment while operating in any jurisdiction wherein the Security Agreement or any instrument in respect thereof has been or is required to be filed, registered, deposited or recorded as provided in the Security Agreement. The Lessor agrees to execute at Lessee's cost and expense all amendments hereto necessary to accomplish such filings, recordings and deposits.

4.3. Prohibition Against Certain Designations. Except as above provided, the Lessee will not allow the name of any person, association or corporation to be placed on the Equipment

as a designation that might be interpreted as a claim of ownership; provided, however, that the Lessee may cause the Equipment to be lettered with the names or initials or other insignia customarily used by the Lessee or its affiliates or any sublessees under Permitted Subleases on railroad equipment used by any of them of the same or a similar type for convenience of identification of the right of the Lessee to use the Equipment under this Lease or of any sublessee to use the Equipment under any Permitted Sublease.

SECTION 5. DISCLAIMER OF WARRANTIES.

THE LESSEE LEASES THE EQUIPMENT, AS-IS, WHERE-IS, WITH ALL FAULTS, IN WHATEVER CONDITION IT MAY BE, WITHOUT ANY AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, BY EITHER THE LESSOR IN ITS INDIVIDUAL OR TRUST CAPACITIES OR THE OWNER PARTICIPANT, AND THE LESSOR IN ITS INDIVIDUAL AND TRUST CAPACITIES AND THE OWNER PARTICIPANT EACH EXPRESSLY DISCLAIMS ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO (A) THE FITNESS FOR ANY PARTICULAR PURPOSE OR MERCHANTABILITY OF ANY ITEM OR ITEMS OF EQUIPMENT, (B) THE LESSOR'S TITLE THERETO, (C) THE LESSEE'S RIGHT TO THE QUIET ENJOYMENT THEREOF, (D) THE DESIGN OR CONDITION OF, OR THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE EQUIPMENT, OR (E) ANY OTHER MATTER WHATSOEVER WITH RESPECT TO THE EQUIPMENT, IT BEING AGREED THAT ALL SUCH RISKS, AS BETWEEN THE LESSOR AND THE LESSEE ARE TO BE BORNE BY THE LESSEE; PROVIDED, HOWEVER, THAT NOTHING IN THE FOREGOING SHALL LIMIT OR OTHERWISE RESTRICT THE REPRESENTATIONS AND WARRANTIES OF THE OWNER PARTICIPANT AND THE LESSOR UNDER SECTIONS 3.1(d) AND 3.2(e) OF THE PARTICIPATION AGREEMENT. The Lessor hereby appoints and constitutes the Lessee its agent and attorney-in-fact during the term of this Lease 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 thereof, provided, however, that if at any time an Event of Default shall have occurred and be continuing, at Lessor's option, 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: (i) any liability, loss or damage caused or alleged to be caused directly or indirectly by any Item of Equipment or by any inadequacy thereof or deficiency or defect therein or by any other circumstances in connection therewith; (ii) the use, operation or performance of any Item of Equipment or any risks relating thereto; (iii) any interruption of service, loss of business or anticipated profits or consequential damages; or (iv) the delivery, operation, servicing, maintenance, repair, improvement or replacement of any Item of Equipment. The Lessee's delivery of a Certificate of Acceptance shall be conclusive evidence as between the Lessee and

the Lessor that all Items of Equipment described therein are in all the foregoing respects satisfactory to the Lessee, and the Lessee will not assert any claim of any nature whatsoever against the Lessor based on any of the foregoing matters.

SECTION 6. LESSEE'S INDEMNITY.

6.1. Scope of Indemnity. The Lessee shall defend, indemnify and save harmless the Lessor, in both its individual and trust capacities, the Owner Participant, the Trust Estate (as defined in the Trust Agreement) and any assignee of the Lessor pursuant to Section 16 hereof (including, without limitation, the Security Trustee and the Note Purchasers) and their respective affiliates, agents, servants, shareholders, directors, officers, employee's successors and assigns, including successive holders of the Notes (collectively the "Indemnitees" and individually an "Indemnitee"), from and against:

(a) any and all loss or damage to the Equipment, usual wear and tear excepted; provided that this Section shall not relieve Lessee of its obligations under Sections 7 and 8; and

(b) any claim, cause of action, damages, liability, cost or expense (including, without limitation, counsel fees and costs in connection therewith) which may be incurred in any manner by or for the account of any of them relating to any Item of Equipment or any part thereof, including, without limitation, (i) the construction, manufacture, financing, refinancing, registration, purchase, delivery, ownership, acceptance, rejection, possession, improvement, use, operation, leasing, subleasing, condition, maintenance, repair, sale, return, replacement, storage, abandonment or other application or disposition of any Item of Equipment (whether defects are latent or discoverable by the Lessee or any indemnified party), (ii) by reason or as the result of any act or omission (whether negligent or otherwise) of the Lessee for itself or as agent or attorney-in-fact for the Lessor hereunder, (iii) arising out of this Lease or the other Operative Agreements, including the Notes and the Beneficial Interest and the offering and sale or transfer thereof or the Bills of Sale or any sublease, (iv) as a result of claims for patent, trademark or copyright infringements, (v) as a result of claims for negligence or strict liability in tort, (vi) any violation of any other agreement, or any law, rule, regulation, including, without limitation, any environmental laws, rules or regulations, ordinance or restriction affecting or applicable to the Equipment or the leasing, ownership, use, replacement, adaption or maintenance thereof, (vii) any amount payable by the

Owner Participant to the Lessor pursuant to Article VI of the Trust Agreement, (viii) any injury to or death of any Person or any damage to or loss of property or damage to the environment (including without limitation, environmental clean-up or remediation or damages of any nature resulting from a discharge of any kind involving any Item of Equipment) caused by or arising from ownership, use, maintenance, repair, replacement, operation or the condition (whether defects are latent or discoverable by the Lessee or any indemnified party) of any Item of Equipment, or (ix) any cost or expense which the Lessor, as debtor, is obligated to incur under the Security Agreement other than as the result of an Event of Default, or event which with the lapse of time or the giving of notice, or both, could become such an Event of Default thereunder which is not caused by an Event of Default, or event which with the lapse of time or the giving of notice, or both, could become such an Event of Default under this Lease;

except only that the Lessee shall not be required to indemnify any Indemnitee under this Section 6 for any claim, cause of action, damages, liability, cost or expense resulting from (x) the willful misconduct or gross negligence of such Indemnitee, other than willful misconduct or gross negligence imputed to such Indemnitee solely by reason of its interest in the Items of Equipment; or (y) any Imposition (as defined in Section 10.2). The indemnities and assumptions of liabilities set forth in this Section 6.1 do not guarantee to any party at any time a residual value in the Equipment nor do they guarantee the payment of the Notes or any interest accrued thereon.

In the event the Lessee is required to make any payment under this Section 6.1, the Lessee shall pay such indemnified person an amount which, after deduction of all taxes required to be paid (net of any actual permanent tax benefit currently realized as a result of payment by the indemnified person of its claim or expense under the preceding paragraph) by such indemnified person in respect of the receipt or accrual thereof under the laws of the United States or any political subdivision thereof or any foreign jurisdiction or of any political subdivision thereof, calculated at the maximum applicable marginal statutory rates then in effect, shall be equal to the amount of such payment. The amount of any indemnity with respect to foreign taxes paid shall in respect of any indemnified person be reduced to the extent such indemnified person receives and utilizes a credit therefor against its United States Federal income tax liability, determined in the same manner as provided by Section 10.2 hereof. All amounts required to be paid pursuant to this Section 6.1 shall be made directly to or as otherwise requested by the indemnified person entitled thereto upon written demand by such indemnified person.

6.2. Continuation of Indemnities and Assumptions. The indemnities and assumptions of liability in this Section 6 contained shall continue in full force and effect notwithstanding the termination of this Lease, or the termination of the term hereof in respect of any one or more Items of Equipment, whether by expiration of time, by operation of law or otherwise; provided, however, that such indemnities and assumptions of liability shall not apply in respect of any matters referred to in subsection (a) or clause (i), (ii), (v), (vi) or (viii) of subsection (b) of Section 6.1 hereof, occurring after the termination of this Lease, except for any such matters occurring after the termination arising in connection with the Lessee's assembling, delivering, storing or transporting of the Equipment as provided in Section 13 or 15, as the case may be, and except for any such matters attributable to any action, inaction, event or condition occurring or existing before the return of the Equipment to the possession of the Lessor as provided in Section 13 or 15 hereof, as the case may be. Provided that no Event of Default shall have occurred and be continuing, the Lessee shall at its sole cost and expense be entitled to control, and shall assume full responsibility for, the defense of such claim or liability; provided that the Lessee shall keep the Indemnitee which is the subject of such proceeding fully apprised of the status of such proceeding and shall provide such Indemnitee with all information with respect to such proceeding as such Indemnitee shall reasonably request.

Notwithstanding any of the foregoing to the contrary, the Lessee shall not be entitled to control and assume responsibility for the defense of such claim or liability if (1) an Event of Default shall have occurred and be continuing, (2) such proceeding will involve any material danger of the sale, forfeiture or loss of, or the creation of any lien (other than any lien permitted under the Operative Agreements or a lien which is adequately bonded to the satisfaction of such Indemnitee) on, any Item of Equipment, (3) the amounts involved, in the good faith opinion of such Indemnitee, are likely to have a materially adverse affect on the business of such Indemnitee other than the ownership, leasing and financing of the Equipment, (4) in the good faith opinion of such Indemnitee, there exists an actual or potential conflict of interest such that it is advisable for such Indemnitee to retain control of such proceeding or (5) such claim or liability involves the possibility of criminal sanctions or liability to such Indemnitee. In the circumstances described in clauses (1) - (5), the Indemnitee shall be entitled to control and assume responsibility for the defense of such claim or liability at the expense of the Lessee. In addition, any Indemnitee may participate in any proceeding controlled by the Lessee pursuant to this Section 6, at its own expense in respect of any such proceeding as to which the Lessee shall have acknowledged in writing its obligation to indemnify the Indemnitee pursuant to this Section 6, and at the expense of Lessee in respect of any such proceeding as to which the Lessee shall not have so acknowledged its obligation to the Indemnitee pursuant to this

Section 6. Lessee may in any event participate in all such proceedings at its own cost. Nothing in this Section 6 shall be deemed to require any Indemnitee to contest any such claim or liability or to assume responsibility for or control of any proceeding with respect thereto.

SECTION 7. RULES, LAWS AND REGULATIONS.

The Lessee agrees to comply in all material respects with all governmental laws, regulations, requirements and rules (including, without limitation, the rules and regulations of the United States Department of Transportation, the Interstate Commerce Commission, the Federal Railroad Administration and the current Field Manual of the Interchange Rules or supplements thereto of the Mechanical Division, Association of American Railroads as the same may be in effect from time to time) (collectively, the "Interchange Rules") with respect to the use and maintenance of each Item of Equipment subject to this Lease. In case any equipment or appliance is required to be altered, added, replaced or modified (the "Alterations") on any Item of Equipment in order to comply with such laws, regulations, requirements and rules, the Lessee agrees to make such Alterations at its own expense and title thereto shall be immediately vested in the Lessor.

SECTION 8. USE AND MAINTENANCE OF EQUIPMENT.

The Lessee shall use the Equipment only in the manner for which it was designed and intended and so as to subject it only to ordinary wear and tear. The Lessee shall, at its own cost and expense, maintain and keep the Equipment in good order, condition and repair, and in at least as good condition as delivered hereunder, ordinary wear and tear excepted, and in accordance with prudent industry practices suitable for use in interchange in accordance with federal regulations and the Interchange Rules and in conformance with any requirements pertaining to warranties of the Manufacturer or insurance policies maintained pursuant to Section 11.1 hereof and in accordance with all manufacturers maintenance procedures, if any. In no event shall the Lessee discriminate as to the use or maintenance of any Item of Equipment (including the periodicity of maintenance or recordkeeping in respect of such Item) as compared to equipment of a similar nature which the Lessee owns or leases. In no event shall the Lessee make use of any Equipment in any jurisdiction not included in the insurance coverage required by Section 11 hereof. In no event shall more than 10% of the Items of Equipment be assigned to service outside the continental United States at the same time nor more than 7% of the Items of Equipment be permitted in Mexico at the same time. Lessee will maintain all records, logs and other materials required by relevant industry standards or any governmental authority having jurisdiction over

the Equipment required to be maintained in respect of any Item of Equipment, all as if Lessee were the owner of such Equipment, regardless of whether any such requirements, by their terms, are nominally imposed on the Lessee or the Owner Participant. Except as required by the provisions of Section 7 hereof, the Lessee shall not modify any Item of Equipment in any manner which will (i) decrease the value, utility, condition, remaining useful life or marketability of such Item of Equipment (ii) cause any Item of Equipment to be characterized as "limited use property" as that term is defined in Revenue Procedure 76-30, 1976-2 C.B. 467, or any successor thereto or (iii) permit or be intended to permit, without the consent of the Lessor, any Item of Equipment which is a Tank Car to have a U.S. Department of Transportation classification (as provided for in 49 C.F.R. Part 179 or any successor thereto) different from that classification in effect on the Closing Date; provided that if the Lessor withholds its consent to a request for any change in such classification for any Item of Equipment, the Lessee shall have the right to substitute Items of Equipment for such proposed changed classification Items of Equipment in accordance with the terms of Section 11.4 hereof. Any parts installed or replacements made by the Lessee upon any Item of Equipment pursuant to Section 7 hereof or pursuant to its obligation to maintain and keep the Equipment in good order, condition and repair under this Section 8 shall be considered accessions to such Item of Equipment and title thereto shall be immediately vested in the Lessor without cost or expense to the Lessor. Title to any additions or improvements other than those referred to in the preceding sentence which are readily removable without causing damage to such Item of Equipment or diminishing the value, utility, condition or remaining useful life that such Item of Equipment had prior to such addition or improvement shall remain with the Lessee. If the Lessee shall at its cost cause such readily removable additions or improvements to be made to any Item of Equipment, the Lessee may (and agrees that it will, at the request of the Lessor) prior to the return of such Item of Equipment to the Lessor hereunder, remove the same at its own expense without causing damage to such Item of Equipment; provided that upon notice to the Lessee not less than 45 days prior to the expiration of the Lease, Lessor shall have the right to purchase such additions or improvements at the Fair Market Value thereof. In the event that the Lessee shall cause to be made any material alterations, additions or improvements to any Item of Equipment which are not readily removable without causing damage to such Item of Equipment, the Lessee will promptly notify the Lessor of such material alteration, addition or improvement.

#### SECTION 9. LIENS ON THE EQUIPMENT.

The Lessee will not create, incur, assume or suffer to exist, and shall pay or satisfy and discharge, any and all claims against, through or under the Lessee and its successors or assigns which, if unpaid, might constitute or become a lien or a charge

upon any Item of Equipment, and any liens or charges which may be levied against or imposed upon any Item of Equipment as a result of the failure of the Lessee to perform or observe any of its covenants or agreements under this Lease and any other liens or charges which arise by virtue of claims against, through or under any other party other than any liens or charges which the Lessor is obligated to discharge pursuant to Section 2.2 of the Security Agreement or which the Owner Participant is obligated to discharge pursuant to Section 7 of the Participation Agreement (collectively, the "Lessor's Liens") or which the Security Trustee is obligated to discharge pursuant to Section 6.3(a) of the Security Agreement, but so long as no Event of Default shall have occurred and be continuing, the Lessee shall not be required to pay or discharge any such claims so long as it shall, in good faith and by appropriate legal proceedings contest the validity thereof in any reasonable manner which will not affect or endanger in any material respect the title and interest of the Lessor or the security interest or other rights of any assignee under Section 16 hereof in and to the Equipment. The Lessee shall give the Lessor and the Security Trustee prompt written notice of any such contest. The Lessee's obligations under this Section 9 shall survive the termination of this Lease.

SECTION 10. FILING; PAYMENT OF STATE AND LOCAL TAXES.

10.1. Filing. Prior to the delivery and acceptance of the first Item of Equipment hereunder, the Lessee will cause this Lease and the Security Agreement to be duly filed, registered or recorded with the Interstate Commerce Commission in accordance with Section 11303 of the Interstate Commerce Act and in such other places within or without the United States as the Lessor or the Security Trustee may reasonably request and will furnish the Lessor and the Security Trustee proof thereof. The Lessee will, from time to time, do and perform any other act and will execute, acknowledge, deliver, file, register and record (and will refile, reregister or rerecord whenever required) any and all further instruments required by law or reasonably requested by the Lessor or the Security Trustee (including, without limitation, all such acts required pursuant to Sections 6.10 and 6.11 of the Security Agreement), for the purpose of protecting, preserving and maintaining the Lessor's title to, or the Security Trustee's security interest in, any Item of Equipment to the satisfaction of the Lessor or the Security Trustee or their respective counsel or for the purpose of carrying out the intentions of this Lease, and in connection with any such action, will deliver to the Lessor and the Security Trustee proof of such filings and an opinion of the Lessee's counsel reasonably satisfactory to the Lessor and the Security Trustee that such action has been properly taken. The Lessee will pay all costs, charges and expenses incident to any such filing, refile, recording and rerecording or depositing and redepositing of any such instruments or incident to the taking of such action.

10.2. Payment of State, Local and Foreign Taxes. The Lessee shall defend, indemnify and save harmless the Lessor, in both its individual and trust capacities, the Owner Participant and any assignee of the Lessor pursuant to Section 16 hereof (including, without limitation, the Security Trustee and the Note Purchasers) and their respective affiliates, successors and assigns, including successive holders of the Notes (collectively, the "Indemnitees", and individually, an "Indemnitee") from and against, and as between the Lessee and each Indemnitee the Lessee hereby assumes liability with respect to, all fees (including, without limitation, license fees and registration fees), taxes (including, without limitation, income, gross receipts, franchise, sales, use, value added, property and stamp taxes), assessments, levies, imposts, duties, charges or withholdings of any nature whatsoever, together with any and all penalties, additions to tax, fines or interest thereon imposed against any of the Indemnitees, any Item of Equipment or the Lessee, upon, arising from or relating to (i) any Item of Equipment, (ii) the construction, manufacture, financing, purchase, delivery, ownership, acceptance, rejection, possession, improvement, use, operation, leasing, subleasing, condition, maintenance, repair, refinancing, registration, sale, return, replacement, storage, abandonment or other application or disposition of any Item, (iii) the rental payments, receipts or earnings arising from any Item of Equipment or payable pursuant to this Lease, or (iv) the Operative Agreements or the Notes or otherwise with respect to or in connection with the transactions contemplated thereby (herein called "Impositions"); provided that, except with respect to indemnification payments hereunder or payments pursuant to this Section 10.2, Impositions shall not include as to each respective Indemnitee: (i) United States Federal income tax liability; (ii) any Impositions imposed on or measured by the net income of the Indemnitee or any franchise or similar taxes of doing business imposed on the capital or net worth of the Indemnitee imposed by any state, local or foreign government or taxing authority or subdivision thereof, except to the extent such Impositions are solely attributable to the use or location of any Item of Equipment in the taxing jurisdiction or are in the nature of sales, use, property (whether tangible or intangible), ad valorem or similar taxes); (iii) any amount that is imposed as a result of the sale, transfer or other disposition, by the Lessor or the Owner Participant of any of its rights with respect to any Item of Equipment unless such sale, transfer or other disposition is a reasonable consequence of an Event of Default, results from any substitution, repair or replacement of any Item of Equipment under Section 11.4 hereof, or results from any sale, transfer or disposition required or provided for under this Lease; and (iv) any Impositions to the extent they exceed the Impositions that would have been imposed had an Indemnitee not transferred, sold or disposed of its Interest or rights in any Item of Equipment to a non U.S. person, unless such transfer, sale or disposition is a reasonable consequence of an Event of Default.

The Lessee agrees to pay, on demand, any and all Impositions, and to keep at all times all and every part of each Item of Equipment free and clear of all Impositions which might in any way affect the interest of any Indemnatee therein or result in a lien upon any such Item of Equipment; provided, however, that the Lessee shall be under no obligation to pay any Imposition so long as either the Indemnatee or the Lessee is contesting in good faith and by appropriate legal proceedings such Imposition and the nonpayment thereof does not, in the reasonable opinion of the Indemnatees, adversely affect the interest of any Indemnatee hereunder or under the Security Agreement.

If any Impositions shall have been charged or levied against any Indemnatee directly and paid by such Indemnatee after such Indemnatee shall have given written notice thereof to the Lessee and the same shall have remained unpaid for a period of ten business days thereafter, the Lessee shall reimburse such Indemnatee on presentation of invoice therefor. Prior to making such payment, such Indemnatee shall promptly notify the Lessee of the Impositions charged or levied (but the failure to so notify the Lessee shall relieve the Lessee of its obligation hereunder only to the extent such failure precludes a contest by the Lessee) hereunder.

If the Lessee shall request within 30 days after receipt of such notice, then such Indemnatee shall in good faith at the Lessee's expense contest such Imposition; provided, however, that to the extent the contest involves only Impositions constituting property taxes, sales taxes, or use taxes such contest shall be undertaken by the Lessee at the Lessee's expense and at no-after-tax cost to the Lessor or Owner Participant, but if such contest would involve any other type of Imposition then such Indemnatee may in its sole discretion control such contest (including selecting the forum for such contest, and determining whether any such contest shall be by (i) paying such Imposition under protest or (ii) resisting payment of such Imposition or (iii) paying such Imposition and seeking a refund thereof; provided, further, however, that (iv) at such Indemnatee's option, such contest shall be conducted by the Lessee in the name of such Indemnatee. In no event shall such Indemnatee be required or the Lessee be permitted to contest any Imposition for which the Lessee is obligated to indemnify pursuant to this Section unless: (i) such Lessee shall have acknowledged its liability to such Indemnatee for an indemnity payment pursuant to this Section as a result of such claim if and to the extent such Indemnatee or the Lessee, as the case may be, shall not prevail in the contest of such claim; (ii) such Indemnatee shall have received the opinion of independent tax counsel selected by the Indemnatee and satisfactory to the Lessee furnished at Lessee's sole expense, to the effect that a reasonable basis exists for contesting such claim or, in the event of an appeal, that it is more likely than not that an appellate court or an administrative agency with appellate jurisdiction, as the case may be, will reverse or

substantially modify the adverse determination; (iii) the Lessee shall have agreed to pay such Indemnitee on demand (and at no after-tax costs to the Lessor and Owner Participant) all reasonable costs and expenses that such Indemnitee may incur in connection with contesting such claim (including, without limitation, all costs, expenses, reasonable legal and accounting fees, disbursements, penalties, interest and additions to the Imposition); (iv) no Event of Default shall have occurred and shall have been continuing; (v) such Indemnitee shall have determined that the action to be taken will not result in any substantial danger of sale, forfeiture or loss of, or the creation of any Lien (except if such Lessee shall have adequately bonded such Lien or otherwise made provision to protect the interests of such Indemnitee in a manner satisfactory to such Indemnitee) on the Equipment or any portion thereof or any interest therein; (vi) the amount of such claims alone, or, if the subject matter thereof shall be of a continuing or recurring nature, when aggregated with identical potential claims shall be at least \$25,000; and (vii) if such contest shall be conducted in a manner requiring the payment of the claim, the Lessee shall have paid the amount required (and at no after-tax costs to the Lessor and Owner Participant). The Lessee shall cooperate with the Indemnitee with respect to any contest controlled and conducted by the Indemnitee and the Indemnitee shall consult with the Lessee regarding the conduct of such contest. The Indemnitee shall cooperate with the Lessee with respect to any contest controlled and conducted by the Lessee and the Lessee shall consult with the Indemnitee regarding the conduct of such contest.

Notwithstanding anything contained in this Section to the contrary, no Indemnitee shall be required to contest any claim if the subject matter thereof shall be of a continuing or recurring nature and shall have previously been adversely decided to the Indemnitee pursuant to the contest provisions of this Section unless there shall have been a change in the law (including, without limitation, amendments to statutes or regulations, administrative rulings or court decisions) enacted, promulgated or effective after such claim shall have been so previously decided, and such Indemnitee shall have received an opinion of independent tax counsel selected by the Indemnitee and reasonably satisfactory to Lessee, furnished at the Lessee's sole expense, to the effect that such change is favorable to the position which such Indemnitee or the Lessee, as the case may be, had asserted in such previous contest and as a result of such change, there is a reasonable basis to contest such claim.

With respect to any payment or indemnity hereunder, such payment or indemnity shall include an amount payable to the Indemnitee sufficient to hold such Indemnitee harmless on an after-tax basis from all taxes required to be paid by such Indemnitee with respect to such payment or indemnity under the laws of any federal, state or local government or taxing authority in or of the United States, or under the laws of any taxing

authority or governmental subdivision in or of a foreign country; provided that, if any Indemnitee realizes and recognizes a permanent tax benefit by reason of such payment or indemnity (whether such tax benefit shall be by means of a foreign tax credit, investment tax credit, depreciation or recovery deduction or otherwise), such Indemnitee shall pay to the Lessee an amount equal to the sum of such tax benefit plus any tax benefit realized as the result of any payment made pursuant to this proviso, when, as, if and to the extent realized; provided further that, (i) if at the time such payment shall be due to the Lessee an Event of Default or an event which, with the giving of notice or lapse of time or both, would constitute an Event of Default shall have occurred and be continuing under the Lease, such amount shall not be payable until such Event of Default or event shall have been cured, and (ii) the amount which such Indemnitee shall be required to pay to the Lessee shall not exceed the amounts which the Lessee has theretofore paid such Indemnitee hereunder with respect to such indemnity.

For purposes of this Section 10.2 (and Section 6.1), in determining the order in which any Indemnitee utilizes withholding or other foreign taxes as a credit against such Indemnitee's United States income taxes such Indemnitee shall be deemed to utilize (i) first, all foreign taxes other than those described in clause (ii) below; provided, however, that such other foreign taxes which are carried back to the taxable year for which a determination is being made pursuant to such paragraph (i) shall be deemed utilized after the foreign taxes described in clause (ii) below, and (ii) then, on a pro rata basis, all foreign taxes (including fees, taxes and other charges hereunder) with respect to which such Indemnitee is entitled to obtain indemnification pursuant to an indemnification provision contained in any lease, loan agreement, financing document or participation agreement (including this Lease).

In the event any reports with respect to Impositions are required to be made, the Lessee will either prepare and file such reports (and in the case of reports which are required to be filed on the basis of individual Items of Equipment, such reports shall be prepared and filed in such manner as to show as required the interests of each Indemnitee in such Items of Equipment) or, if it shall not be permitted to file the same, it will notify each Indemnitee of such reporting requirements, prepare such reports in such manner as shall be satisfactory to each Indemnitee and deliver the same to each Indemnitee within a reasonable period prior to the date the same is to be filed. The Lessee shall provide such information as the Owner Participant or the Lessor may reasonably require from the Lessee to enable the Owner Participant and the Lessor to fulfill their respective tax filing, tax audit, and tax litigation obligations.

In the event that, during the continuance of this Lease, any Imposition accrues or becomes payable or is levied or assessed

(or is attributable to the period of time during which this Lease is in existence or prior to the return of the Equipment in accordance with Section 13 hereof) which the Lessee is or will be obligated to pay or reimburse, pursuant to this Section 10.2, such liability shall continue, notwithstanding the expiration of this Lease, until all such Impositions are paid or reimbursed by the Lessee.

For purposes of applying this Section 10.2 with respect to any Imposition, the term "Owner Participant" shall include, in addition to NYNEX Credit Company (and its successors and assigns), each member of affiliated group of corporations with which NYNEX Credit Company (and its successors and assigns) files consolidated or combined tax returns relating to such Imposition.

SECTION 11. INSURANCE; PAYMENT FOR CASUALTY OCCURRENCE.

11.1. Insurance. The Lessee will at all times after delivery and acceptance of each Item of Equipment, at its own expense, keep or cause to be kept such Equipment insured by a reputable insurance company or companies in amounts and against risks (including public liability insurance) and with deductibles and terms and conditions not less than the insurance, if any, maintained by the Lessee with respect to similar equipment which it owns or leases, but in no event shall such coverage be for amounts or against risks less than the prudent industry standard. Without limiting the foregoing, the Lessee will:

(a) keep the Equipment fully insured against physical damage in an amount not less than the aggregate Casualty Value attributable to the Equipment as shown on Schedule D hereto, provided that such coverage may provide for deductible amounts of not more than \$1,000,000 per occurrence; and

(b) maintain public liability insurance naming the Owner Participant, the Lessor in its individual and trust capacities, the Security Trustee and the holders of the Notes as additional named insureds against bodily injury, death or property damage arising out of the use or operation of the Equipment with general liability limits of not less than \$50,000,000 per occurrence or in the aggregate, provided that such coverage may provide for deductible amounts not exceeding the lesser of (i) \$10,000,000, or (ii) 5% of the book value of the rail car fleet of the Lessee.

The insurance maintained pursuant to Section 11.1(a) shall list the Owner Participant and the Lessor as additional named insureds and loss payees and provide that (i) loss, if any, thereunder shall be payable to the Owner Participant, the Lessor, any assignee thereof pursuant to Section 16 hereof and the Lessee

as their interests shall appear; provided that in the event any such insurance shall be in effect with respect to the Equipment prior to the payment in full of all principal, premium, if any, and interest on the Notes, all payments thereunder shall be made to the Security Trustee under a standard mortgage loss payable clause, and (ii) so long as no Event of Default shall have occurred and be continuing, loss, if any, thereunder shall be adjusted with the insurer by the Lessee, subject to approval by the Lessor and the Security Trustee, which approval shall not be unreasonably withheld, if the loss from any one occurrence equals or exceeds \$1,000,000. In lieu of maintaining the insurance required by Section 11.1(a), the Lessee may self-insure with respect to the Equipment for such amounts and against such risks as shall be consented to by the Lessor and the Security Trustee, which consent shall be based upon reasonable practices then in effect in the rail car leasing and insurance industries and upon the financial condition of the Lessee. Subject to the Security Trustee's rights under the Security Agreement, so long as no Event of Default shall have occurred and be continuing, all proceeds of insurance maintained pursuant to Section 11.1(a) received by any party other than the Lessee with respect to any Items of Equipment not suffering a Casualty Occurrence (as hereinafter defined) shall be paid thereby to the Lessee upon reasonable proof that any damage to any Item with respect to which such proceeds were paid has been fully repaired. Any such proceeds of property insurance maintained pursuant to Section 11.1(a) received by any party with respect to a Casualty Occurrence shall be credited thereby toward the payment required by this Section 11.1 with respect to such Casualty Occurrence.

In the event any public liability insurance policy or coverage thereunder which are required to be maintained under Section 11.1(b) shall not be available to the Lessee in the commercial insurance market on commercially reasonable terms, Lessor shall not unreasonably withhold its agreement to waive such requirement to the extent the maintenance thereof is not so available upon application therefore as set forth herein. Lessee shall make written request for any such waiver in writing, accompanied by written reports prepared, at Lessee's option, either by (a) one independent insurance advisor chosen by the Lessor or (b) two independent insurance advisors chosen by the Lessee (one of which may be the regular insurance broker or brokers of the Lessee) - in either case, such independent insurance advisors being of recognized national standing and reasonably acceptable to the Participants. 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 Lessee, with a Best's rating of B+ or better for railcars of similar type and capacity, (y) explain in detail the basis for such conclusions and (z) be in form reasonably acceptable to the Participants. Upon the granting of any such waiver, the Lessee shall within 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 Section 11.1(b) 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, Lessor may make a written request for a supplemental report (in form reasonably acceptable to Lessor) from such insurance advisor(s) updating the prior report and reaffirming the conclusions set forth therein. Lessee shall provide any such required supplemental report within 45 days after receipt of the written request therefore. 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 Lessee to furnish timely any such supplemental report shall be conclusive evidence that such condition no longer exists. The failure to provide timely such supplemental report shall not be the only way Lessor may establish that such condition no longer exists. During any period with respect to which such waiver has been granted and remains in effect under this Section 11.1, Lessee shall in any event obtain public liability insurance as set forth in Section 11.1(b) from such carriers, in such amounts and with coverage limits and deductibles as is prudent under the circumstances and as may be purchased for an amount equal to 110% of Lessee's cost (on a fleet-wide basis) of liability insurance premiums for the coverage required by Section 11.1(b) for the immediately preceding fiscal year.

Lessee shall use its reasonable efforts to obtain such policies under Section 11.1(b) which do not invalidate the coverage thereof (as to the Owner Participant, the Lessor, the Security Trustee or the holders of the Notes) due to any action or inaction of the Lessee or any other Person (other than the Owner Participant, the Lessor, the Security Trustee or the holders of the Notes, but only in respect of their respective coverages) but shall be under no obligation to obtain such policies if they are not available to Lessee at commercially reasonable rates. Any insurance carried in accordance with this Section 11.1(b) shall be endorsed to provide that in as much as such policy or policies are 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 or policies covering each insured.

The Lessee shall, on or before May 1, 1991 and on or before each May 1 thereafter furnish the Participants with either (a) certificates or other satisfactory evidence of maintenance of the insurance required under this Section 11.1 or (b) a certificate of a reputable insurance broker (not affiliated with the Lessee and reasonably acceptable to the Lessor) stating that the insurance maintained by the Lessee complies with the requirements of this Section 11.1. All such policies shall state

that they shall not be cancelled or materially changed (as hereinafter defined) without at least 30 days (or, for non-payment of premiums, 10 days) prior written notice to the Lessor and the Security Trustee and the certificate shall confirm such statement. For purposes of this Section 11.1, material change shall be defined as changes in policy limits, exclusions or deductibles.

Lessee shall furnish to the Participants certificates evidencing renewal of policies of insurance required to be maintained pursuant to this Section 11.1, as soon as practical after such certificates become available.

11.2. Duty of Lessee to Notify Lessor. In the event that any Item of Equipment shall be or become lost, stolen, destroyed, or, in the good faith opinion of the Lessee, irreparably damaged during the term of this Lease or thereafter while such Item of Equipment is in the possession of the Lessee or any sublessee under a Permitted Sublease pursuant to Section 13 or 15 hereof, or there is a taking of title to any Item of Equipment or any Item of Equipment shall be requisitioned or taken over for use by any governmental authority of Mexico under the power of eminent domain or otherwise for any period or by any other governmental authority under the power of eminent domain or otherwise during the term of this Lease for a stated period or a period of use which exceeds the lesser of (a) 5 years, (b) the remaining portion of the Basic Lease Term or any renewal term then in effect of this Lease, or (c) the greater of one year or the remaining term of any Permitted Sublease applicable to such Item of Equipment (any such occurrence being hereinafter called a "Casualty Occurrence"), the Lessee shall fully (as soon as practical after it has knowledge of such Casualty Occurrence) inform the Owner Participant, the Lessor and any assignee of the Lessor pursuant to Section 16 hereof (including, without limitation, the Security Trustee and the Note Purchasers) in regard thereto, designating the date of occurrence of such Casualty Occurrence, and shall either (i) pay the Casualty Value (as defined in Section 11.7 hereof) of such Item in accordance with the terms of Section 11.3 hereof, or (ii) if the Lessee complies with the terms of Section 11.4 hereof, substitute replacement items of equipment in accordance with such terms.

11.3. Sum Payable for Casualty Loss. The Lessee, on the next succeeding rent payment date following its notice of a Casualty Occurrence with respect to any Item or Items of Equipment and election to comply with Section 11.2(i) hereof, or within 30 days after such notice and election in respect of any Casualty Occurrence after the expiration of the term of this Lease while such Item of Equipment is in the possession of the Lessee pursuant to Section 13 or 15 hereof, shall pay to the Lessor any rentals or other sums with respect to such Item due on or prior to such date (provided any payment of Fixed Rental designated as an advance payment shall not be payable on such date) then remaining unpaid plus a sum equal to the Casualty Value of such Item of Equipment as of the casualty payment date as described in Section 11.7.

11.4. Substitution of Equipment. (a) The Lessee shall, within 60 days of its notice of a Casualty Occurrence with respect to any Item or Items of Equipment where the Lessee has elected to replace such Item or Items, convey or cause to be conveyed to Lessor, to be leased by Lessor to Lessee hereunder in replacement of the Item or Items which sustained such Casualty Occurrence, title to a replacement Item or Items, such replacement Item or Items to be of the same car type and age, and having at least the same value, utility, remaining useful life, residual value and condition as the Item or Items so replaced (assuming such replaced Item or Items were in the condition and repair required under the terms of this Lease).

(b) Prior to or at the time of any conveyance of any replacement Item or Items, Lessee, at its own expense, will furnish the Lessor, the Owner Participant, and Security Trustee with the following documents which shall have been duly authorized, executed and delivered by the respective parties thereto and shall be in full force and effect on the date of such conveyance:

(i) a Bill of Sale for such replacement Item or Items from the Lessee to the Lessor substantially in the form of Exhibit A to the Participation Agreement;

(ii) supplements hereto and to the Security Agreement, in each case, in form and substance satisfactory to the parties thereto and to each Participant, covering such replacement Item or Items duly executed by the parties thereto and filed in all public offices wherein this Lease and the Security Agreement shall have been filed;

(iii) such evidence of compliance with the insurance provisions of Section 11.1 hereof with respect to such replacement Item or Items as such party may reasonably request;

(iv) either (1) an acknowledgement by the Lessee to the Lessor and the Owner Participant to the effect that the Lessee will indemnify the Lessor and the Owner Participant, in a manner reasonably satisfactory to the Lessor and the Owner Participant for any adverse tax consequences resulting from such replacement, or (2) an opinion of tax counsel selected by the Owner Participant to the effect that such replacement shall result in no adverse tax consequences to the Lessor or the Owner Participant; and

(v) such other documents and evidence as the Lessor or Security Trustee, or their respective counsel, may

reasonably request in order to establish the consummation of the transactions contemplated by this Section 11.4(b).

Upon full compliance by the Lessee with the terms of this Section 11.4(b), the Item or Items which suffered the Casualty Occurrence shall be disposed of in accordance with Section 11.6 hereof and, provided no Event of Default has occurred and is continuing, any casualty insurance proceeds relating to such replaced Item of Equipment from insurance maintained by the Lessee arising out of such Casualty Occurrence which are then held by the Lessor or the Security Trustee (or in which either has an interest) shall be released to the Lessee.

11.5. Rent Termination. Upon (and not until) payment of all sums required to be paid pursuant to Section 11.3 hereof in respect of any Item or Items of Equipment, the obligation to pay rent for such Item or Items of Equipment accruing subsequent to the Casualty Value payment date shall terminate, but the Lessee shall continue to pay rent for all other Items of Equipment.

11.6. Disposition of Equipment. The Lessee shall, as agent for the Lessor, dispose of such Item or Items of Equipment having suffered a Casualty Occurrence as soon as it is able to do so for the fair market value thereof. Any such disposition shall be on an "as-is", "where-is" basis without representation or warranty, express or implied, except as to the absence of Lessor's Liens. As to each separate Item of Equipment so disposed of, so long as no Event of Default, or any event which with the lapse of time or the giving of notice, or both, would constitute such an Event of Default shall have occurred and be continuing, the Lessee may retain all amounts arising from such disposition plus any insurance proceeds from policies maintained by Lessee and damages received by the Lessee by reason of such Casualty Occurrence; provided, however that the amount of such damages received by the Lessee by reason of such Casualty Occurrence as the result of a requisition or other take over of the Equipment by any governmental authority under the power of eminent domain or otherwise which is in excess of the Casualty Value attributable thereto which the Lessee has previously paid to the Lessor pursuant to Section 11.3 hereof shall be allocated (and paid or retained as appropriate) between the Lessor and the Lessee in accordance with the value of the Lessor's interest in such Item of Equipment and the value of Lessee's interest in the Lease with respect to such Item of Equipment. In disposing of such Item of Equipment, the Lessee shall take such action as the Lessor shall reasonably request to terminate any contingent liability which the Lessor might have arising after such disposition from or connected with such Item of Equipment.

11.7. Casualty Value. The Casualty Value of each Item of Equipment shall be an amount determined as of the date of the Casualty Occurrence, and shall be equal to that percentage of the

Purchase Price of such Item of Equipment for the date next succeeding the date of the Casualty Occurrence as is set forth in the Schedule of Casualty Value attached hereto as Schedule D.

11.8. Risk of Loss. The Lessee shall bear the risk of loss and, except as hereinabove in this Section 11 provided, shall not be released from its obligations hereunder in the event of any Casualty Occurrence to any Item of Equipment from and after the date hereof and continuing until payment of the Casualty Value and all rental installments and other sums due on and prior to the date of payment of such Casualty Value in respect of such Item of Equipment has been made, such Item or the salvage thereof has been disposed of by the Lessee and the title to such Item or the salvage thereof and all risk of loss and liabilities incident to ownership have been transferred to the purchaser of such Item or the salvage thereof.

11.9. Eminent Domain. In the event that during the term of this Lease the use of any Item of Equipment is requisitioned or taken by any governmental authority under the power of eminent domain or otherwise for a period not constituting a Casualty Occurrence, the Lessee's obligation to pay all installments of rental and other sums shall continue for the duration of such requisitioning or taking. So long as no Event of Default, or event which with the lapse of time or giving of notice, or both, shall have occurred and be continuing, the Lessee shall be entitled to receive and retain for its own account from time to time during the term all sums payable for any such period by such governmental authority as compensation for requisition or taking of possession.

## SECTION 12. ANNUAL REPORTS.

12.1. Duty of Lessee to Furnish. In addition to any other reporting obligation hereunder, on or before May 1, 1992 and on each May 1 thereafter during the term of this Lease, the Lessee will furnish to the Owner Participant, the Lessor and any assignee of the Lessor pursuant to Section 16 hereof (including, without limitation, the Security Trustee and each Note Purchaser) an accurate statement, as of the preceding December 31 (a) showing the amount, description and numbers of the Items of Equipment then leased hereunder, the amount, description and numbers of all Items of Equipment that may have suffered a Casualty Occurrence during the 12 months ending on such December 31 (or since the date of this Lease, 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, and (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. Lessee will provide Owner Participant with prompt notice, but in any event within thirty

lines or to any connecting carrier for shipment, all as directed by the Lessor upon not less than 30 days written notice to the Lessee. Storage of each such Item at a Designated Location is to be at the risk and expense of the Lessee for 90 days, and the Lessee agrees to maintain the insurance on such Item required by Section 11.1 hereof for such 90 days, after which time storage of each such Item is to be at the risk and expense of the Lessor. The Lessee agrees to cooperate with and to use its best efforts to assist the Lessor in making arrangements for storage by the Lessor of any Items of Equipment after the end of such 90-day period; provided that Lessee shall be under no obligation to incur any out-of-pocket expenses in doing so. Any movement of an Item of Equipment from such Item's Designated Location to a point within 500 miles of such location will be at the risk and expense of the Lessee; thereafter, any movement of such item beyond 500 miles from such Item's Designated Location will be at the Lessor's risk and expense for such movement exceeding 500 miles. During any such storage period at a Designated Location, the Lessee will permit the Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser of any such Item, to inspect the same; provided, however, that the Lessee shall not be liable, except in the case of negligence of the Lessee or of its employees or agents, for any injury to, or the death of, any person exercising, either on behalf of the Lessor or any prospective purchaser, the rights of inspection granted under this sentence.

(b) Upon receipt of notice of (i) the Designated Locations and (ii) Lessor's request that Lessee store the Equipment pursuant to Section 13(a) above, Lessee shall have the option to instead store such Items of Equipment at such storage track locations anywhere within the continental United States as it shall choose. If Lessee shall elect such option, Lessee shall on or before the expiration of the 90-day storage period specified in Section 13(a) transport each Item of Equipment to up to five locations within the continental United States designated by Lessor as specified above, except that such movement shall be at Lessee's risk and expense for the entire distance that such Item of Equipment is moved. During any storage period where the Lessee shall have exercised its option under this Section 13(b) the Lessee shall store, at its expense the Equipment in such manner as the Lessee normally stores similar units of railroad equipment owned or leased by it. Except as specifically modified herein, all the provisions of Section 13(a) shall apply to this Section 13(b).

(c) Provided no Event of Default has occurred and is continuing, all amounts earned in respect of the Equipment after the date of expiration of this Lease and prior to the return of the Equipment hereunder shall belong to the Lessee and, if received by the Lessor, shall be promptly turned over to the Lessee. In the event any Item of Equipment is not returned to the

(30) days, of (i) any legal proceeding relating to any Item of Equipment, alleging that Lessor, Lessee, Owner Participant or assignee is liable for an amount in excess of \$5,000,000, (ii) actual knowledge that or receipt of written notice alleging that any Item of Equipment violates any Environmental Law where the cost of placing the Equipment into compliance is likely to exceed \$100,000 or (iii) actual knowledge of or receipt of written notice of any incident involving any Item of Equipment alleging personal injury or property damage (including damage to the environment) including costs of remediation, in excess of \$1,000,000.

12.2. Lessor's Inspection Rights. The Lessor, the Owner Participant and any assignee of the Lessor pursuant to Section 16 hereof (including, without limitation, the Security Trustee and each Note Purchaser) each shall have the right, at their respective sole cost and expense, by their respective authorized representatives, to inspect the Equipment and the Lessee's records with respect thereto, at such time as shall be reasonably necessary to confirm thereto the existence and proper maintenance of the Equipment during the continuance of this Lease and the Lessee's records with respect to the subleases of the Equipment. So long as no Event of Default, or any event which with the lapse of time or the giving of notice, or both, would constitute such an Event of Default shall have occurred and be continuing, such inspection rights shall be subject to reasonable notice to the Lessee, and any inspection of the Lessee's records shall be conducted only during regular business hours of the Lessee.

### SECTION 13. RETURN OF EQUIPMENT UPON EXPIRATION OF TERM.

(a) Unless the Lessee exercises a purchase option granted by Section 18 with respect thereto, upon the expiration of the term of this Lease with respect to any Item of Equipment, including the optional renewal term pursuant to Section 18 hereof, the Lessee will, subject to Section 13(b) below and at its own cost and expense, at the request of the Lessor, deliver possession of such Item of Equipment to the Lessor at up to five storage track locations designated by the Lessor upon 90 days written notice to the Lessee (the "Designated Location"). Such notice shall specify the total number and type of Items of Equipment to be delivered to each such Designated Location; provided that the number of Items of Equipment specified for delivery to any one Designated Location shall be not less than 100. Lessee shall, at the request of the Lessor store such items of Equipment on such tracks at the Designated Locations for a period not exceeding 90 days after the expiration of this Lease, including the optional renewal term pursuant to Section 18 hereof. The Lessee will on or prior to the end of such 90-day period transport each Item of Equipment one time from such Designated Location to any railroad interchange point or points (not to exceed five in total) within the continental United States (except Alaska) on any railroad

Lessor or, if requested by the Lessor pursuant to Section 13(a) above, assembled, delivered and stored as hereinabove provided, the Lessee shall pay to the Lessor for each day from and after the expiration date of the Lease an amount equal to % of the Purchase Price of such Item of Equipment; provided that, (i) during such holdover period, Lessee shall use its best efforts to secure the return of the Equipment as required under this Section 13, (ii) in the event such holdover period shall exceed 60 days from the date of expiration of this Lease with respect to 10% or more of the Items of Equipment subject to this Lease upon its expiration, then for each day following such 60-day period the daily rate of payment by the Lessee for each Item not so assembled, delivered and stored shall be equal to % of the Purchase Price of such Item, and (iii) in the event any Item shall not have been so returned to the Lessor or, if requested by the Lessor pursuant to Section 13(a) above, assembled, delivered and stored by the 90th day following the expiration of this Lease, the Lessee shall on such 90th day pay to the Lessor the greater of the applicable Termination Value for such Item or the Fair Market Value thereof as of such 90th day plus the rent provided in clauses (i) and (ii) of this sentence for such 90-day period, and Lessor shall thereupon transfer to Lessee all of the Lessor's right, title and interest in any such Item on an "as-is", "where-is" basis without representation or warranty, express or implied, except as to the absence of Lessor's Liens.

(d) Each Item returned to the Lessor pursuant to this Section 13 shall (i) be in the same operating order, repair and condition as when originally delivered to the Lessee, ordinary wear and tear excepted, and be scrubbed clean and be free of any Hazardous Substances, and Lessee shall provide appropriate certificates or other evidence with respect to such compliance, (ii) meet the standards then in effect for railroad equipment of the same type and age as the Equipment, and shall be eligible for interchange, under the Interchange Rules and/or the applicable rules of any governmental agency or other organization with jurisdiction, (iii) have been maintained in accordance with provisions of Sections 7 and 8 hereof and (iv) have attached or affixed thereto any special device considered an accession thereto as provided in Sections 7 and 8 hereof and have removed therefrom any such device not so considered an accession which the Lessor has specifically requested to be removed pursuant to said Section 8, (v) have any lining remaining therein in a condition satisfactory to carry the commodity carried by such Item immediately prior to the return of such Item hereunder (in no event shall the Lessee discriminate as to the commodity carried by any Item of Equipment in contrast to equipment of a similar nature and similar service which the Lessee owns or leases) and (vi) be accompanied by related records, logs and other materials relating to the maintenance thereof.

(e) If requested by the Lessor pursuant to Section 13(a) above, the assembling, delivery, storage and transporting of the Equipment as hereinbefore provided are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee to so assemble, deliver, store and transport the Equipment.

SECTION 14. DEFAULT.

14.1. Events of Default. Any of the following events shall constitute an Event of Default hereunder:

(a) Default shall be made in the payment of any part of the Fixed Rental, Casualty Value, Early Termination Value, the Optional Purchase Price or Fair Market Value provided in Section 2, 11 or 19 hereof and such default shall continue for 5 Business Days;

(b) Default shall be made in the payment of any amount due under the Operative Agreements (other than payments covered by subparagraph (a) above) and such default shall continue for 5 Business Days after the earlier of (1) written notice thereof to the Lessee, or (2) the Lessee otherwise obtains knowledge thereof;

(c) The Lessee shall make or permit any assignment or transfer of this Lease, or of possession of the Equipment or any portion thereof, not permitted by this Lease;

(d) The Lessee shall fail to maintain the insurance required by Section 11.1 hereof;

(e) Default shall be made in the observance or performance of any other of the covenants, conditions and agreements on the part of the Lessee contained herein or in the Participation Agreement and such default shall continue for 30 days in the case of a default under Section 14.5 hereof and for 30 days after written notice from the Lessor to the Lessee, specifying the default and demanding the same to be remedied, in the case of all other defaults;

(f) Any representation or warranty made by the Lessee herein or in the Participation Agreement or in any statement or certificate furnished to the Lessor, the Owner Participant, the Security Trustee or any Note Purchaser pursuant to or in connection with this Lease or the Participation Agreement is untrue in any material respect as of the date of issuance or making thereof;

(g) The Lessee becomes insolvent or fails generally to pay its debts as such debts become due, or causes an order for relief to be entered against it, or acquiesces in the entering of such an order against it, under applicable federal or state bankruptcy law, or makes an assignment for the benefit of creditors or applies for or consents to the appointment of a custodian, trustee or receiver for the Lessee or for the major part of its property;

(h) A custodian, trustee or receiver is appointed for the Lessee or for the major part of its property and is not discharged within 60 days after such appointment; or

(i) Bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings for relief under any bankruptcy law or similar law for the relief of debtors, are instituted by or against the Lessee and, if instituted against the Lessee, are consented to or are not dismissed within 60 days after such institution.

14.2. Remedies. If any Event of Default has occurred and is continuing, the Lessor or, in the event this Lease shall have been assigned to an assignee pursuant to Section 16 hereof, such assignee, at its option, may:

(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 to recover damages for the breach thereof, including reasonable attorneys' fees; and/or

(b) By notice in writing to the Lessee, terminate this Lease, whereupon all right of the Lessee to the use of the Equipment shall absolutely cease and terminate as though this Lease had never been made, but the Lessee shall remain liable as hereinafter provided; and thereupon, the Lessor 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 all or any of the Items of Equipment and thenceforth hold, possess and enjoy the same free from any right of the Lessee, or its successors or assigns, to use such Items for any purpose whatever, but the Lessor shall nevertheless have a right to recover from the Lessee any and all amounts which may have accrued to the date of such termination (computing the rental for any number of days less than a full rental period by multiplying the rental for such full rental period by a fraction of which the

numerator is such number of days and the denominator is the total number of days in such full rental period) and also to recover forthwith from the Lessee (i) as damages for loss of the bargain and not as a penalty, whichever of the following amounts the Lessor, in its sole discretion, shall specify: (x) a sum with respect to each Item of Equipment which represents the excess of the present worth, at the time of such termination, of all rentals for such Item which would otherwise have accrued hereunder from the date of such termination to the end of the term of this Lease over the then present worth of the then Fair Rental Value of such Item for such period computed by discounting from the end of such term to the date of such termination rentals which the Lessor reasonably estimates to be obtainable for the use of such Item during such period, such present worth to be computed in each case on a basis of a 9% per annum discount, compounded semiannually from the respective dates upon which rentals would have been payable hereunder had this Lease not been terminated, or (y) an amount equal to the excess if any of the Casualty Value of such Item of Equipment as of the rent payment date on or immediately preceding the date of termination over the amount the Lessor reasonably estimates to be the Fair Market Value thereof at such time; provided, however, that in the event the Lessor shall have sold any Item of Equipment, the Lessor, in lieu of collecting any amounts payable to the Lessor by the Lessee pursuant to the preceding clauses (x) and (y) of this part (i) with respect thereto may, if it shall so elect, demand that the Lessee pay the Lessor and the Lessee shall pay to the Lessor, on the date of such sale, as liquidated damages for loss of a bargain and not as a penalty, an amount equal to the excess, if any, of the Casualty Value of such Item of Equipment as of the rent payment date on or immediately preceding the date of termination over the net proceeds of such sale, and (ii) any damages and expenses, other than for a failure to pay rental, in addition thereto, including reasonable attorneys' fees, which the Lessor shall have sustained by reason of the breach of any covenant or covenants of this Lease other than for the payment of rental.

For purposes of Section 14.2 above, the Fair Rental Value and Fair Market Value for any Item of Equipment shall be determined in the manner provided for appraisal arrangements specified below; provided that any sale in a commercially reasonable manner of any Item of Equipment prior to any such determination shall conclusively establish the Fair Market Value of such Item and any rental in a commercially reasonable manner of any Item of Equipment prior to any such determination shall conclusively establish the Fair Rental Value of such Item.

The Fair Rental Value or Fair Market Value, as the case may be, of the Items of Equipment shall be determined on the basis of, and shall be equal in amount to, the value which would obtain in an arm's-length transaction between an informed and willing lessee or buyer, as the case may be (other than a lessee or buyer, as the case may be, currently in possession), and an informed and willing lessor or seller, as the case may be, under no compulsion to lease or sell, as the case may be. If the Lessor and the Lessee are unable to agree upon a determination of the Fair Rental Value or the Fair Market Value of such Items of Equipment within 20 days after receipt by Lessee of written notice setting forth the method to be used to calculate damages pursuant to Section 14.2(b), such value shall be determined in accordance with the foregoing definition by a qualified, independent Appraiser. The term "Appraiser" shall mean any independent, nationally recognized appraiser chosen by the Lessor. The Appraiser shall be instructed to make such determination within a period of 30 days following appointment, and shall promptly communicate such determination in writing to the Lessor and the Lessee: The determination so made shall be conclusively binding upon both the Lessor and the Lessee. The expenses and fees of the Appraiser shall be borne by the Lessee.

14.3. Cumulative Remedies. The remedies 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 remedies in its favor existing at law or in equity. The Lessee hereby waives any mandatory requirements of law, now or hereafter in effect, which might limit or modify any of the remedies herein provided, to the 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 against the rent payments due hereunder, and agrees to make the rent payments regardless of any offset or claim which may be asserted by the Lessee on its behalf in connection with the lease of the Equipment.

14.4. Lessor's Failure to Exercise Rights. The failure of the Lessor to exercise the rights granted it hereunder upon any occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or recurrence of any such contingencies or similar contingencies.

14.5. Notice of Event of Default. The Lessee also agrees to furnish to the Lessor, the Owner Participant, the Security Trustee and each Note Purchaser, promptly upon any officer becoming aware of any condition which constituted or constitutes an Event of Default under this Lease or which, after notice or lapse of time, or both, would constitute such an Event of Default, written notice specifying such condition and the nature and status thereof.

SECTION 15. RETURN OF EQUIPMENT UPON DEFAULT.

15.1. Lessee's Duty to Return. If the Lessor or any assignee of the Lessor pursuant to Section 16 hereof shall terminate this Lease pursuant to Section 14 hereof, the Lessee shall forthwith deliver possession of the Equipment to the Lessor. For the purpose of delivering possession of any Item of Equipment to the Lessor as above required, the Lessee shall at its own cost, expense and risk (except as hereinafter stated):

(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 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 such Equipment has been sold, leased or otherwise disposed of by the Lessor and during such period of storage the Lessee shall continue to maintain all insurance required by Section 11.1 hereof; and

(c) Transport the Equipment to any place on any lines of railroad or to any connecting carrier for shipment, all as the Lessor may direct in writing.

All Equipment returned shall be in the condition required by Section 13 hereof.

All amounts earned in respect of the Equipment after the date of termination of this Lease pursuant to Section 14 hereof, but not exceeding the rental, per diem, or other similar charge for equipment received therefor, shall be paid to the Lessor or in the event this Lease has been assigned pursuant to Section 16 hereof, to such assignee, and, if received by the Lessee, shall be promptly turned over to the Lessor, or in the case of such assignment, to such assignee. In the event any Item of Equipment is not assembled, delivered and stored as hereinabove provided within 15 days after the termination of this Lease, the Lessee shall, in addition, pay to the Lessor as liquidated damages and not as a penalty or, in the case of such assignment, to such assignee, 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 rental in effect immediately prior to the expiration of the Lease for such Item of Equipment, or (ii) 125% of the Fair Rental Value (determined in the manner provided in Section 14.2 hereof) for such Item of Equipment for each such day exceeds the amount, if any, received by the Lessor or such assignee (either directly or from the Lessee) for such day for such Item pursuant to the preceding sentence.

15.2. Specific Performance. The assembling, delivery, storage and transporting of the Equipment as hereinbefore provided are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises, 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.

15.3. Lessor Appointed Lessee's Agent. Without in any way limiting the obligation of the Lessee under the foregoing provisions of this Section 15, 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 Items of Equipment to the Lessor, to demand and take possession of such Item in the name and on behalf of the Lessee from whomsoever shall be at the time in possession of such Item.

#### SECTION 16. ASSIGNMENTS BY LESSOR.

This Lease and all rent and all other sums due or to become due hereunder may be assigned in whole or in part by the Lessor without the consent of the Lessee, but the Lessee shall be under no obligation to any assignee of the Lessor except upon written notice of such assignment from the Lessor. Upon notice to the Lessee of any such assignment, the rent and other sums payable by the Lessee which are the subject matter of the assignment shall be paid to or upon the written order of the assignee. Without limiting the foregoing, the Lessee further acknowledges and agrees that (i) the rights of any such assignee in and to the sums payable by the Lessee under any provision of this Lease shall not be subject to any abatement whatsoever and shall not be subject to any defense, set-off, counterclaim or recoupment whatsoever whether by reason of failure of or defect in the Lessor's title, or any interruption from whatsoever cause in the use, operation or possession of the Equipment or any part thereof, or any damage to or loss or destruction of the Equipment or any part thereof, or by reason of any other indebtedness or liability, howsoever and whenever arising, of the Lessor to the Lessee or to any other person, firm or corporation or to any governmental authority or for any cause whatsoever, it being the intent hereof that, except in the event of a wrongful act on the part of such assignee, the Lessee shall be unconditionally and absolutely obligated to pay such assignee all of the rents and other sums which are the subject matter of the assignment, (ii) unless and until the Lessee shall have received written notice from Security Trustee that the Lien of the Security Agreement has been released, the terms and provisions of the Security Agreement shall govern as to whether (1) the consent or agreement of either the Lessor or the Security Trustee, or both, shall be required in order to effect any amendment or modification of, or waive any requirements under this

Lease, and (2) the Lessor or the Security Trustee, or both, may receive the benefit of or exercise any right, privilege or remedy of the Lessor provided for in this Lease, and (iii) all obligations of the Lessor to the Lessee under this Lease shall be and remain enforceable by the Lessee against, and only against, the Lessor.

It is understood and agreed that the right, title and interest of any such assignee in, to and under this Lease and the rents and other sums 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 so long as no Event of Default shall have occurred hereunder.

The provisions of Section 3.5-B(d) and 3.5-B(e) of the Participation Agreement (which are restrictions on transfer of Interests) are hereby incorporated herein as though set forth in full and the Lessor hereby agrees to abide by such provisions.

#### SECTION 17. ASSIGNMENTS BY LESSEE; USE AND POSSESSION.

17.1. Lessee's Rights to the Equipment. So long as no Event of Default shall have occurred and be continuing, the Lessee shall be entitled to the possession and use of the Equipment in accordance with the terms of this Lease, but, without the prior written consent of the Lessor, the Lessee shall not assign, transfer or encumber its leasehold interest under this Lease in any of the Equipment; provided that the Lessee may assign its rights and/or obligations hereunder to any corporation controlled by, controlling or under common control with the Lessee, provided that the Lessor shall have received an instrument or instruments reasonably satisfactory to it, the Owner Participant, the Security Trustee and each Note Purchaser under which such assignee assumes the obligations of the Lessee hereunder and the Lessee irrevocably and unconditionally guarantees such assignee's performance of all of such obligations, and whereupon the Lessee's responsibility for the obligations of the Lessee hereunder shall be those of a guarantor and not of a principal. The Lessee shall not, without the prior written consent of the Lessor, part with the possession or control of, or suffer or allow to pass out of its possession or control, any of the Equipment, except to the extent permitted by the provisions of Section 17.2 hereof.

17.2. Permitted Subleases. So long as no Event of Default, or any event which with the lapse of time or giving of notice, or both, would constitute such Event of Default, shall have occurred and be continuing, the Lessee shall be entitled to sublease the Equipment to, or to permit its use under the terms of car contracts by, (i) a railroad company or companies incorporated in the United States of America or any state thereof or the District of Columbia, or Canada or any Province thereof, upon

lines of railroad owned or operated by such railroad company or companies or over which such railroad company or companies have trackage rights or rights for operation of their trains, and upon connecting and other carriers in the usual interchange of traffic or (ii) responsible companies other than railroad companies for use in their business, in each case described in clauses (i) and (ii) of this sentence provided that on the effective date of any such sublease, such sublessee is not subject to any bankruptcy, insolvency or similar proceedings other than proceedings under Chapter 11 of the Bankruptcy Code of 1978 (and in such case, all appropriate court approvals are obtained to protect the interest of the Lessor and its assigns in the Equipment) (leases to such sublessees being herein referred to as "Permitted Subleases"); provided, however, that the Lessee shall not assign or permit the assignment of any Item of Equipment to service (including, without limitation, the regular operation and maintenance thereof) in any location which is not a Perfected Jurisdiction. All such subleases, including without limitation any entered into on or prior to the commencement of the Lease term and the rights and interest 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 shall confirm such subordination by a provision therein satisfactory to the Lessor and the Security Trustee, shall not be for a term which extends beyond the Basic Lease Term and shall not include any term or provision which results in unindemnified adverse consequences to the Lessor or the Owner Participant. For the purposes of this Section 17.2, a sublease of any Item to the Canadian National Railroad or the Canadian Pacific Railroad shall mean that such Item has been assigned to service in Canada, a sublease to a provincial railroad shall mean that such Item has been assigned to service in such Province and a Perfected Jurisdiction shall mean the United States and any Canadian or Mexican jurisdiction with respect to which all instruments required by the laws of any such jurisdiction have been executed, acknowledged, delivered, filed, registered and recorded as required (in the case of Mexico, to the best knowledge of the counsel delivering the opinion hereinafter referred to) by the laws of that jurisdiction to protect the rights of the Lessor and the Security Trustee under this Lease and the Security Agreement as evidenced by an opinion of counsel reasonably satisfactory to the Lessor, the Owner Participant, the Security Trustee and each Note Purchaser so long as it shall continue to be a holder of Notes, and the Security Trustee; provided that no more than 10% of the Items of Equipment shall be assigned to service outside the continental United States at the same time and no more than 7% of the Items of Equipment shall be permitted in Mexico at the same time. No assignment or sublease entered into by the Lessee hereunder shall relieve the Lessee of any liability or obligation hereunder which shall be and remain those of a principal and not a surety. In the event the Lessee proposes to enter into a lease of any Items of Equipment with a lessee subject to bankruptcy,

insolvency or similar proceedings other than those under Chapter 11 of the Bankruptcy Act of 1978, the Lessee shall replace such Items under this Lease with other Items of Equipment in accordance with and subject to each and all of the terms and conditions of Section 11.4.

17.3. Merger, Consolidation or Acquisition of Lessee. Nothing in this Section 17 shall be deemed to restrict the right of the Lessee to assign or transfer its leasehold interest under this Lease in the Equipment or possession of the Equipment to any solvent corporation organized under the laws of any state of the United States or the District of Columbia into or with which the Lessee shall have become merged or consolidated or which shall have acquired or leased all or substantially all of the property of the Lessee, provided that (a) (i) immediately prior and after giving effect to any such merger, consolidation or acquisition, no Event of Default, or event which with notice or the passage of time, or both, would become an Event of Default, shall have occurred and be continuing, (ii) such assignee, successor or transferee shall have duly assumed the obligations of the Lessee hereunder and under the Participation Agreement and the Tax Indemnity Agreement pursuant to an agreement reasonably satisfactory to the Lessor, the Owner Participant and the Security Trustee and (iii) the aggregate net worth of the Lessee and the assignee or the transferee corporation immediately after such merger, consolidation or acquisition (determined in accordance with generally accepted accounting principles) is not less than the consolidated net worth of the Lessee immediately prior to such merger, consolidation or acquisition and (b) such merger, consolidation or acquisition shall not alter in any way the Lessee's obligations to the Lessor hereunder which shall be and remain those of a principal and not a guarantor.

The Lessee will preserve and keep in full force and effect its corporate existence, rights and franchises and all licenses and permits necessary to the performance of its obligations hereunder, except as otherwise provided in the preceding paragraph.

## SECTION 18. PURCHASE OPTIONS; RENEWAL OPTIONS.

18.1. Election to Retain or Return Equipment. Not less than 270 days prior to the end of the Basic Lease Term, the Lessee will give the Lessor irrevocable notice of its decision to return or retain all but not less than all of the Tank Cars and/or all but not less than all of the Covered Hopper Cars at the end of the Basic Lease Term. If the Lessee elects to retain such Items of Equipment, Lessee shall comply with Section 18.2 and/or 18.3 hereof, as it may elect in accordance with the provisions thereof including the notice requirements stated therein.

18.2. Purchase Options. Provided that no material default by Lessee under this Lease shall have occurred and be continuing, the Lessee shall have the right to purchase all but not less than all of the Tank Cars and/or all but not less than all of the Covered Hopper Cars then leased hereunder at either the expiration of the Basic Lease Term or at the expiration of the renewal term (as provided in Section 18.3 hereof), at a price equal to the Fair Market Value of such Items of Equipment. The Lessee shall give the Lessor written notice not less than 90 days prior to the end of the Basic Lease Term or the renewal term, as the case may be, of this Lease of its election to exercise the purchase option provided for in this Section, which notice shall be irrevocable. Payment of the option price, together with all other amounts due and owing under the Operative Agreements, shall be made at the place of payment specified in Section 2.3 hereof in immediately available funds against delivery of a bill of sale transferring and assigning to the Lessee all right, title and interest of the Lessor in and to the Equipment on an "as-is" "where-is" basis and containing a warranty against Lessor's Liens. The Lessor shall not be required to make any other representation or warranty as to the condition of the Equipment or any other matters, and may specifically disclaim any such representations or warranties. In the event the Lessee exercises its purchase option under this Section 18.2, (i) at the expiration of the Basic Lease Term, then the appraisal referred to in Section 18.3(b) shall be used for the determination of Fair Market Value, and (ii) at the expiration of the renewal term, then the appraisal to be used for the determination of Fair Market Value shall be made promptly following the Lessee's notice of election pursuant to Section 18.1 hereof to exercise the purchase option hereunder but otherwise in accordance with the procedures set forth in Section 18.3.

18.3. Renewal Options. Provided that no Event of Default or event which with the lapse of time or giving of notice, or both, would constitute an Event of Default shall have occurred and be continuing, the Lessee shall have one renewal option as to all, but not less than all of the Tank Cars and/or all but not less than all of the Covered Hopper Cars then leased hereunder during which renewal period rental will be paid in advance either on a Fixed Rental Basis (the "Fixed Rental Renewal Option") or a Fair Market Value basis (the "Fair Rental Value Renewal Option"), determined as follows:

(a) Based on the appraisal referred to below, the Lessee shall give the Lessor written notice not less than 90 days prior to the end of the Basic Lease Term of its election to exercise either of the renewal options provided for in this section, which notice shall be irrevocable. If the Fixed Rental Renewal Option is selected by the Lessee, the renewal term shall be determined and selected as hereinafter provided and each

semiannual installment of Fixed Rental payable during the renewal term shall be in an amount equal to (1) 50% of the average of the semiannual Fixed Rental installments payable hereunder during the 20 year period following the Basic Lease Term Commencement Date for all such Items of Equipment for which the requirements in Section 18.3(d) are met, plus (ii) with respect to all such Items of Equipment for which such requirements are not met, the higher of 50% of the average of the semiannual Fixed Rental installments payable hereunder during the 20 year period following the Basic Lease Term Commencement Date for all such Items of Equipment and the Fair Market Rental Values with respect to all such Items of Equipment determined according to the appraisal referred to in Section 18.3(b). If the Fair Rental Value Renewal option is selected by the Lessee, the renewal term shall be at least one year and may be for any number of additional whole years up to but not exceeding eight years as designated by the Lessee, and each semi-annual installment of Fixed Rental payable during the renewal term shall be in an amount equal to the Fair Rental Value for all such Items of Equipment;

(b) Promptly following Lessee's written notice of an election to retain given pursuant to Section 18.1, the Lessee shall choose an independent qualified appraiser for the purpose of determining the remaining estimated useful life, the Uninflated Residual Value, the Fair Rental Value and the Fair Market Value of the Equipment at the end of the Basic Lease Term and each of the next eight years and shall notify the Lessor in writing of its selection. If for any reason the Lessor does not agree that such appraiser may act as the sole appraiser for purposes of this Section 18.3, it shall within ten days after such notice designate in writing to the Lessee a second independent qualified appraiser and such appraisers shall mutually agree upon a third qualified independent appraiser. If such appraisers cannot agree on such third appraiser within 20 days, then the American Arbitration Association shall promptly designate a third appraiser. Such party or parties so chosen to act as the appraiser for purposes of this Section 18 is hereinafter referred to as the "Appraiser" and the expenses and fees thereof shall be borne by the Lessee;

(c) Promptly following the selection of the Appraiser, and in any event not less than ninety (90) days prior to the end of the Basic Lease Term the Appraiser shall determine the then remaining estimated useful life of the Equipment as of the end of the Basic Lease Term, the Uninflated Residual Value thereof, the Fair Rental Value and the Fair Market Value thereof at

the end of the Basic Lease Term and each of the next eight years;

(d) The renewal term under the Fixed Rental Renewal Option shall be for a period which when added to the Interim Lease Term, the Basic Lease Term, the proposed renewal term and the 90-day maximum holdover period thereafter under Section 13 hereof does not exceed 80% of the estimated economic useful life of an Item of Equipment for all periods from and after the Closing Date or result at the expiration of such 90-day hold-over period following such proposed renewal term in such Item of Equipment having an Uninflated Residual Value less than 20% of the Purchase Price of the Equipment, all as determined by the Appraiser as of the end of the Basic Lease Term pursuant to clause (c) above. Such renewal term shall be, at Lessee's option, for a period of up to five years in increments of one year unless such renewal term would violate the provisions of the first sentence of this paragraph (d) with respect to all Items of Equipment to which such renewal relates;

(e) the Casualty Value payable during the renewal term in respect of any Item of Equipment suffering a Casualty Loss shall be equal to the Fair Market Value of such Item as of the beginning of such renewal term decreasing on a straight-line basis during the renewal term to the estimated Fair Market Value of such Item at the end of the renewal term; provided that in no event shall such Casualty Value be less than 20% of the Purchase Price of such Item; and

(f) the renewal term shall commence immediately upon the expiration of the Basic Lease Term.

18.4. Determination of Fair Rental Value and Fair Market Value. For purposes of Section 18 hereof, the Fair Rental Value or Fair Market Value for any Item of Equipment shall be determined on the basis of, and shall be equal in amount to, the value which would obtain in an arm's-length transaction between an informed and willing lessee or buyer, as the case may be (other than a lessee or buyer, as the case may be, currently in possession) and an informed and willing lessor or seller, as the case may be, under no compulsion to lease or sell, as the case may be. Any such determination shall be made (i) on the assumption that the Equipment is in at least the condition and state of repair required by this Lease (including Section 13), (ii) as respects Fair 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 this Lease, (iii) giving effect to the removal of any parts which the Lessee is entitled to remove under the provisions of Section 8 hereof, and (iv) on the

assumption that the Equipment is not subject to this Lease or any other lease or sublease. If the Lessor and the Lessee are unable to agree upon a determination of the Fair Rental Value or the Fair Market Value of such Items of Equipment within 120 days of the end of the original Lease term, such value shall be determined in accordance with the foregoing definition by the Appraiser as determined pursuant to Section 18.3 hereof, or if within 120 days of a renewal term, by any independent appraiser mutually agreed upon by the Lessor and the Lessee or if no such mutual agreement is reached within 15 days, two independent qualified appraisers, one chosen by the Lessor and one chosen by the Lessee, or, if such appraisers cannot agree on the amount of such value within 15 days of appointment, an independent qualified appraiser to be chosen by the American Arbitration Association promptly thereafter. Such appraiser or appraisers shall be instructed to make such determination within a period of 30 days following appointment, and shall promptly communicate such determination in writing to the Lessor and the Lessee. The determination so made shall be conclusively binding upon both the Lessor and the Lessee. The expenses and fees of all such appraisers shall be borne by the Lessee.

18.5. Delivery of Equipment. Unless the Lessee has elected to purchase the Items of Equipment then leased hereunder as provided in this Section 18, all of such Items of Equipment shall be returned to the Lessor at the end of the Basic Lease Term or the renewal term in accordance with Section 13 hereof.

#### SECTION 19. EARLY TERMINATION; OPTIONAL PURCHASE.

19.1. Right of Early Termination. So long as no Event of Default, or any event which with the lapse of time or the giving of notice, or both, would constitute such an Event of Default shall have occurred and be continuing, the Lessee may, upon not less than 180 days' prior written notice to the Lessor, which notice shall be irrevocable, terminate this Lease with respect to all, but not less than all, of the Items of Equipment contained in any "Basic Group" identified as such in Schedule A hereto after June 12, 2001 as of any succeeding rent payment date during the Basic Lease Term (but not during any renewal term) if such Items of Equipment, in the good faith judgment of the Lessee as approved by its Board of Directors, shall have become obsolete or surplus to the needs of the Lessee in the conduct of its business. Such written notice shall designate the date on which termination is to become effective (the "Early Termination Date") and shall be accompanied by a certified copy of the resolutions of the Board of Directors approving such determination and by a Certificate of the President or a Vice President of the Lessee setting forth the determination that such Items of Equipment have become obsolete or surplus to the needs of the Lessee and a statement in reasonable detail of the basis for such determination and further certifying

that the Lessee will make all reasonable effort to dispose of all equipment similar to such Items of Equipment within a two-year period following such Early Termination Date. For the purposes of this Section 19.1, interest rates payable by the Lessee on its indebtedness for borrowed money or finance charges payable by the Lessee in connection with the acquisition of its equipment under conditional sale contracts, leases or other arrangements for deferred payment shall be disregarded in the determination of any right of termination provided in this Section 19.1. Following the giving of such notice, the Lessee shall use its best efforts at the Lessee's sole expense to obtain bids for the purchase of such Items of Equipment from Persons other than the Lessee or any Persons affiliated with the Lessee, provided that no bids shall be accepted after the date which is 60 days prior to the date on which termination is to become effective. The Lessee shall certify to the Lessor in writing the amount of each bid so received and the name and address of the Person submitting such bid promptly upon receipt thereof. The Lessor may obtain bids, 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.

19.2. Sale of Terminated Items. Except as otherwise provided in Section 19.4 hereof, the Lessor shall accept the highest bid for such Items of Equipment obtained by the Lessee or the Lessor within the 60 days following the Lessee's certification of bids to the Lessor. On the Early Termination Date indicated in such notice, the Lessee shall pay, in immediately available funds, to the Lessor the installment of Fixed Rental due on such date (other than any Fixed Rental expressed to be payable in advance with respect to such Items of Equipment) plus the premium, if any, on the Notes required to be paid by the Lessor pursuant to Section 4.1(c) of the Security Agreement plus an amount by which the greater of the Fair Market Value of such Items of Equipment or the Early Termination Value shown on Schedule E hereto, for such Items of Equipment as of such date exceeds the proceeds of such sale net of all reasonable out-of-pocket costs incurred by the Lessor and the Owner Participant in connection therewith. Except as otherwise provided in Section 19.4 hereof, on the Early Termination Date, the Lessor shall sell to the highest bidder all of the Lessor's rights, title and interest in such Items of Equipment on an "as-is", "where-is" basis without representation or warranty, express or implied, except as to the absence of Lessor's Liens.

19.3. Termination of Lease. Upon payment to the Lessor by the Lessee of the amounts required by this Section 19, and payment of all other sums due hereunder and under the Operative Agreements, this Lease shall terminate with respect to such Items of Equipment. Whether or not any such difference is payable by the Lessee, the Lessee shall have no right to receive or share in any portion of the proceeds of any sale of such Items of Equipment

pursuant to this Section 19. If no bid is received, this Lease shall continue in full force and effect, with respect to such Equipment, provided that the Lessee shall have no further right to give notice of termination of this Lease with respect to such basic group pursuant to this Section 19 if the Lessee shall have exercised such right with respect to such basic group on three prior occasions which such right may be exercised not more than once every twelve consecutive months. The Lessee agrees that in the event the Lease shall continue in full force and effect with respect to such Equipment, it will reimburse the Lessor and the Owner Participant for all reasonable out-of-pocket costs incurred by the Lessor and the Owner Participant in connection therewith.

19.4. Right of Lessor to Retain Terminated Items.

Notwithstanding the foregoing provisions of this Section 19, Lessor may, within 60 days after Lessee's certification under this Section 19 of a bid or, if Lessee does not certify any such bids, at any time up to 30 days prior to the Early Termination Date, notify the Lessee in writing of its preemptive election to take possession of such Items of Equipment on the Early Termination Date, provided that Lessor may not so elect unless it shall simultaneously agree to provide the funds necessary to pay in full the Notes and all other Secured Indebtedness related to such Basic Group on or before the Early Termination Date. Lessee shall pay the premium, if any, on the Notes required to be paid by the Lessor pursuant to Section 4.1(c) of the Security Agreement. If Lessor has not, after making its preemptive election referred to above, made the payment contemplated by the preceding sentence and thereby caused this Lease to terminate, this Lease shall continue in full force and effect as to such Items of Equipment and Lessee shall pay the reasonable costs and expenses incurred by the Owner Participant and Lessor (unless such failure to terminate the Lease is a consequence of the failure of Lessor or the Owner Participant without due cause to make, or cause to be made, the payment referred to in the immediately preceding sentence), if any, in connection with preparation for such sale. Upon receipt of such notice (and, in the case of the Lessee, evidence that the conditions of the proviso to the second preceding sentence have been satisfied), Lessee and Lessor shall cease efforts to obtain bids as provided above and shall reject all other bids theretofore or thereafter received. If the Lessor shall have made the election referred to in the second preceding sentence, on the Early Termination Date, Lessee shall deliver such Items of Equipment to Lessor in accordance with Section 13 hereof and shall pay all Fixed Rental due on the Early Termination Date with respect to the Items of Equipment (other than any Fixed Rental expressed to be payable in advance with respect thereto), whereupon the obligation of Lessee to pay Fixed Rental due and payable after the Early Termination Date with respect to such Items of Equipment shall cease and from and after the Early Termination Date such Items of Equipment shall no longer be subject to this Lease.

19.5. Optional Purchase. In addition to the rights granted to the Lessee pursuant to Section 19.1, so long as no Event of Default or any event which with the lapse of time or the giving of notice, or both, would constitute such an Event of Default shall have occurred and be continuing, the Lessee may terminate this Lease with respect to all, but not less than all, of the Tank Cars and/or all but not less than all of the Covered Hopper Cars on June 12, 2009. On such date, as a condition to such termination, the Lessee shall pay, in immediately available funds, to the Lessor the installment of Fixed Rental due on such date (other than any Fixed Rental expressed to be payable in advance with respect to such Items of Equipment) plus all other amounts due and owing under the Operative Agreements plus % (the "Optional Purchase Price") of the Purchase Price of the Items of Equipment to which such termination applies, and the Lessor shall deliver to the Lessee a bill of sale transferring and assigning to the Lessee all right, title and interest of the Lessor in and to the Equipment on an "as-is", "where-is" basis, without representation or warranty, express or implied, except as to the absence of Lessor's Liens. The Lessee shall give the Lessor not less than 30 days notice of its intention to exercise its rights hereunder.

Upon payment to the Lessor by the Lessee of the amounts required by this Section 19.5 and payment of all other sums due hereunder, this Lease shall terminate as to the Items of Equipment to which such termination applies, except as otherwise provided herein.

SECTION 20. INTEREST ON OVERDUE RENTALS AND AMOUNT PAID BY LESSOR.

Anything to the contrary herein contained notwithstanding, any nonpayment of rent due hereunder, or amounts expended by the Lessor on behalf of the Lessee, shall result in the additional obligation on the part of the Lessee to pay also an amount equal to the higher of (i) 12.13% per annum, or (ii) the Prime Rate plus 2% (or the maximum rate of interest permitted by law, whichever is less) on the overdue rentals and amounts expended for the period of time during which they are overdue or expended and not repaid. "Prime Rate" shall mean the per annum rate of interest from time to time announced by The Chase Manhattan Bank, N.A. as its prime rate or other corporate base rate.

SECTION 21. MISCELLANEOUS.

21.1. Notices. Any notice required or permitted to be given by either party hereto to the other shall be deemed to have been given when deposited in the United States certified mails, first class, postage prepaid, addressed as follows:

If to the Lessor: Wilmington Trust Company, as  
Lessor under GATC Trust No. 90-2  
Rodney Square North  
Wilmington, Delaware 19890

Attention: Corporate Trust  
Administration

(with copies to the Owner  
Participant)

If to the Owner Participant: At the address provided therefor in  
Schedule 1 to the Participation  
Agreement

If to the Security  
Trustee:

Harris Trust and Savings Bank  
111 West Monroe Street  
Chicago, Illinois 60603

Attention: Indenture Trust  
Division

If to the Lessee: General American Transportation  
Corporation  
120 South Riverside Plaza  
Chicago, Illinois 60606

Attention: Secretary

If to the Note  
Purchasers: At the addresses provided  
therefor in Schedule 2 to  
the Participation Agreement.

or addressed to any such party at such other address as such party  
shall hereafter furnish to such other parties in writing.

21.2. Right of Lessor to Perform. If the Lessee shall  
fail to comply with any of its covenants herein contained, either  
the Lessor, the Owner Participant or, in the case of an assignment  
by the Lessor pursuant to Section 16 hereof, the assignee  
thereunder (including, without limitation, the Security Trustee  
and each Note Purchaser) may, but shall not be obligated to, make  
advances to perform the same and to take all such action as may be  
necessary to obtain such performance. Any payment so made by any  
such party and all cost and expense (including, without  
limitation, reasonable attorneys' fees and expenses) incurred in

connection therewith shall be payable by the Lessee to the party making the same upon demand as additional rent hereunder, with interest at the rates provided in Section 20.

21.3. Execution in Counterparts. This Lease, and any lease supplemental hereto, may be executed in several counterparts, each of which so executed shall be deemed to be an original and in each case such counterparts shall constitute but one and the same instrument.

21.4. Law Governing. This Lease shall be construed in accordance with the laws of the State of New York 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.

21.5. Headings and Table of Contents. All Section headings and the Table of Contents are inserted for convenience only and shall not affect any construction or interpretation of this Lease.

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

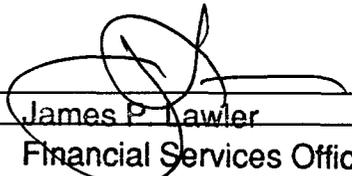
21.7. Lessor Furnished Insurance. Without limiting any obligation of the Lessee to maintain insurance in effect pursuant to Section 11.1 hereof, the Lessor or the Owner Participant may, at its own election and expense, maintain for its own benefit such additional public liability and/or property damage insurance as it shall deem appropriate so long as such insurance shall not impair the enforcement of or collection upon any policies maintained pursuant to said Section 11.1.

21.8. Limitations of Liability. It is expressly understood and agreed that this Lease is executed by Wilmington Trust Company, not in its individual capacity or personally but solely as Lessor under the Trust Agreement in the exercise of the power and authority conferred and vested in it as such Lessor, that each and all of the representations, undertakings and agreements herein made on the part of the Lessor are each and every one of them made and intended not as personal representations, undertakings and agreements by Wilmington Trust Company or the Owner Participant, or for the purpose or with the intention of binding Wilmington Trust Company in its individual capacity or the Owner Participant, but are made and intended for the purpose of binding only the Trust Estate as defined in the Trust Agreement, that this Lease is executed and delivered by

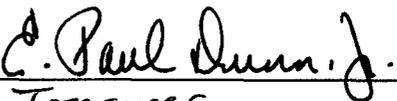
Wilmington Trust Company solely in the exercise of the powers expressly conferred upon Wilmington Trust Company as Lessor under the Trust Agreement, that actions to be taken by the Lessor pursuant to its obligations hereunder may, in certain instances, be taken by the Lessor only upon specific authority of the Owner Participant, that nothing herein contained shall be construed as creating any liability on Wilmington Trust Company in its individual capacity or the Owner Participant, or any incorporator or any past, present or future subscriber to the capital stock of, or stockholder, officer or director of, Wilmington Trust Company or the Owner Participant, to perform any covenant either express or implied contained herein, all such liability, if any, being expressly waived by the Lessee and by any Person claiming by, through or under the Lessee, provided, however, that nothing contained in this Section 21.8 shall be construed to limit the liability of Wilmington Trust Company in its individual capacity for any breach of any representations or warranties of the Lessor in its individual capacity set forth herein or to limit the liability of the Lessor for gross negligence or willful misconduct. Any obligation of the Lessor hereunder may be performed by the Owner Participant, and any such performance shall not be construed as revocation of the trust created by the Trust Agreement. Nothing contained in this Lease shall restrict the operation of the provisions of the Trust Agreement with respect to its revocation or the resignation or removal of the Lessor thereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed by their respective officers thereunder duly authorized and the corporate seals to be hereto affixed as of the day and year first above written.

WILMINGTON TRUST COMPANY, not  
in its individual capacity but  
solely as Owner Trustee under  
GATC Trust No. 90-2

By   
Its James P. Lawler  
Financial Services Officer

GENERAL AMERICAN TRANSPORTATION  
CORPORATION

By   
Its Treasurer

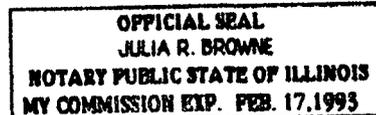
STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

On this 13<sup>th</sup> day of December, 1990, before me personally appeared James P. Lawler, to me personally known, who being by me duly sworn, say that he is a Financial Services Officer of WILMINGTON TRUST COMPANY, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Julia R. Browne  
Notary Public

[NOTARIAL SEAL]

My commission expires:



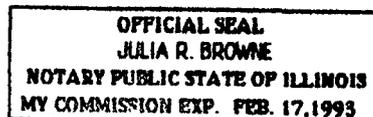
STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

On this 13<sup>th</sup> day of December, 1990, before me personally appeared E. Paul Dunn, Jr., to me personally known, who being by me duly sworn, say that he is the Treasurer of GENERAL AMERICAN TRANSPORTATION CORPORATION, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Julia R. Browne  
Notary Public

[NOTARIAL SEAL]

My commission expires:



GENERAL AMERICAN TRANSPORTATION CORPORATION  
 1990 LEASE FINANCING  
 EQUIPMENT LIST -- CAR NUMBERS  
 NYNEX

BASIC GROUP	DOT CLASS	DESCRIPTION	QTY	CAR	CAR NUMBERS
-----					
1989 ACQUISITIONS					
A	L/O (1)	4900 CFC COVERED HOPPER--AIRSLIDE	110	GACK	56670-56685,56689-56713
				ATV	56618-56666
				SOC	109825-109844
A1	L/O (1)	5125 CFC COVERED HOPPER--POWER FLO	9	GACK	10030,10074-10075,10078-10083
B	L/O (1)	5850/5851 CFC COVERED HOPPER--PLASTIC PELLETS	283	GACK	73286-73288,73398-73418,73452,73454,73456,73468,73471-73488,73496-73615,73617, 73621-73625,73627-73628,73630-73631,73633-73634,73636,73638-73641, 73643,73645-73647,73650-73651,73653,73655-73656,73659,73714,73721-73728, 73730-73732,73735,73739-73740,73743,73746-73793,74005-74030
C	L/O (1)	5800 CFC COVERED HOPPER--CARBON BLACK	82	GACK	60151-60232
D	L/O (1)	2900 CFC COVERED HOPPER	23	GACK	29000-29022
E	111A100-W-1	14-29,000 GAL. TANK CAR	168	GATK	29651-29714,29765-29804,65355-65372,65374-65419
F	111A100-W-1	13,000 GAL. TANK CAR--CLAY SLURRY	112	GATK	65255-65294,65295-65325,65330-65354,65457-65472
G	111A100-W-1	20,000 GAL. EC/I TANK CAR	52	GATK	34441-34445,36541-36572,37002,37048-37061
H	111A100-W-1	23,000 GAL. EC/I TANK CAR	200	GATK	3741-3853,3893-3900,3901,19651-19675,35561-35610,56701-56703
I	111A100-W-1	26,000 IC TANK CAR--LUBE OIL	71	GATK	53929-53949,53953,53955,53960,53962-53982,53984-53992,53994-54002,54004-54011
J	111A100-W-1	29,000 GAL. TANK CAR--ALCOHOL	52	GATK	29715-29764,50615-50616
K	111A100-W-3	17,000 EC/I TANK CAR--CORN SYRUP	112	GATK	4056,4059,4073,4087,4090,4097-4098,4102,4106-4107,4114,4128-4129,4131,4133,4135, 4138,4140-4144,4146-4154,4156,4159-4161,4163-4167,4170,4172-4173,4175-4176, 4178-4181,4186,4189,4191,4193,4195,4197-4200,4202-4203,4206,4208,4210-4211, 4217-4218,4220-4221,4223,4225-4230,4232,4235-4270
L	111A100-W-1	MISCELLANEOUS TANK CAR	27	GATK	17951-17954,18639-18650 22961-22964,22966,22968-22970,22972,22974-22975

-----  
 1301  
 =====

(1) AAR Mechanical Designation for Classification  
 of Covered Hopper Cars.

Schedule A  
 (to Equipment Lease)

CERTIFICATE OF ACCEPTANCE  
UNDER EQUIPMENT LEASE

TO: WILMINGTON TRUST COMPANY, as Lessor under  
GATC Trust No. 90-2 (the "Lessor")

I, a duly appointed and authorized representative of  
GENERAL AMERICAN TRANSPORTATION CORPORATION (the "Lessee") under  
the Equipment Lease dated as of December 14, 1990 between the  
Lessor and the Lessee, do hereby certify that I have received,  
approved and accepted delivery under the Lease of the following  
Items of Equipment listed on Schedule A attached hereto:

PLACE ACCEPTED: Chicago, Illinois

DATE ACCEPTED: December \_\_\_\_, 1990

I do further certify that the foregoing Items of Equip-  
ment are in good order and condition, and conform to the  
specifications applicable thereto, that there is no defect in any  
of the foregoing Items of Equipment with respect to design,  
manufacture, condition or in any other respect, and that each Item  
has been (or will be pursuant to Section 4.2 of the Lease) labeled  
by means of a plate or a stencil printed in contrasting colors  
upon each side of the Item in letters not less than one inch in  
height as follows:

"TITLE TO THIS CAR IS VESTED IN A TRUSTEE UNDER  
AN EQUIPMENT TRUST AGREEMENT RECORDED UNDER  
SECTION 11303 (FORMERLY 20C) OF THE INTERSTATE  
COMMERCE ACT OR VESTED IN ANOTHER PERSON OR  
ENTITY AND SO RECORDED;"

The execution of this Certificate will in no way relieve  
or decrease the responsibility of any manufacturer of the  
Equipment, for any warranties it has made with respect to the  
Equipment.

Dated: December \_\_\_\_, 1990

\_\_\_\_\_  
Authorized Representative  
of the Lessee

(GATC Trust No. 90-2)

SCHEDULE B  
(to Equipment Lease)

LEASE SUPPLEMENT NO. 1

This LEASE SUPPLEMENT NO. 1, dated as of \_\_\_\_\_, between WILMINGTON TRUST COMPANY, a Delaware banking corporation, not in its individual capacity but solely as Lessor under GATC Trust No. 90-2 (the "Lessor"), and GENERAL AMERICAN TRANSPORTATION CORPORATION, a New York corporation (the "Lessee");

WITNESSETH:

The Lessor and the Lessee have heretofore entered into that certain Equipment Lease dated as of December 14, 1990 (the "Lease"). The terms used herein are used with the meanings specified in the Lease.

The Lease provides for the execution and delivery of a Lease Supplement substantially in the form hereof for, among other things, the purpose of confirming any change in Fixed Rentals, Casualty Values and Early Termination Values.

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

1. Schedules D, E and F to the Lease, showing Casualty Values, Early Termination Values and Fixed Rentals are hereby amended to read in full as attached hereto.

2. The Optional Purchase Price in Section 19.5 of the Lease is hereby amended to read "\_\_\_\_\_ %".

3. Any and all notices, requests, certificates and other instruments executed and delivered after the execution and delivery of this Lease Supplement may refer to the "Equipment Lease dated as of December 14, 1990" or the "Lease dated as of December 14, 1990" 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.

4. 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, except as herein modified, shall be and remain in full force and effect.

5. 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 as of the day and year first above written and to be delivered as of the date first above written.

WILMINGTON TRUST COMPANY, not in its individual capacity but solely as Lessor under GATC Trust No. 90-2

By \_\_\_\_\_  
Its \_\_\_\_\_

GENERAL AMERICAN TRANSPORTATION CORPORATION

By \_\_\_\_\_  
Its \_\_\_\_\_

Consented to as of the date first above written.

HARRIS TRUST AND SAVINGS BANK,  
as Security Trustee

By \_\_\_\_\_  
Its Vice President

STATE OF DELAWARE )  
 ) SS  
COUNTY OF NEW CASTLE )

On this \_\_\_\_\_ day of \_\_\_\_\_, 199\_, before me personally appeared \_\_\_\_\_, to me personally known, who being by me duly sworn, say that he is the Vice President of WILMINGTON TRUST COMPANY, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

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

[NOTARIAL SEAL]

My commission expires:

STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

On this \_\_\_\_\_ day of \_\_\_\_\_, 199\_, before me personally appeared \_\_\_\_\_, to me personally known, who being by me duly sworn, say that he is the Treasurer of GENERAL AMERICAN TRANSPORTATION CORPORATION, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

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

[NOTARIAL SEAL]

My commission expires:

SCHEDULE OF CASUALTY VALUE

The Casualty Value for an Item of Equipment payable on the Basic Lease Term Commencement Date or any Fixed Rental payment date thereafter shall mean an amount equal to the percent of the Purchase Price of such Item set forth opposite such date in the attached schedule.

SCHEDULE D  
(to Equipment Lease)

SCHEDULE OF EARLY TERMINATION VALUE

The Early Termination Value for an Item of Equipment payable on June 12, 2001 or any Fixed Rental payment date thereafter shall mean an amount equal to the percent of the Purchase Price of such Item set forth opposite such date in the attached schedule.

**Sale/Leaseback of Tank Cars and Covered Hoppers  
for General American Transportation Corporation**

**Schedule of Rental Payments**

SCHEDULE OF STIPULATED LOSS VALUE

The Stipulated Loss Value for an Item of Equipment payable on the Term Lease Commencement Date or any Fixed Rental Payment Date thereafter shall mean an amount equal to the percent of the Purchase Price of such Item set forth opposite such date in the following schedule:

<u>Term Lease Commencement Date or Fixed Rental Payment Date on which Stipulated Loss Value is Paid</u>	<u>Percentage of Purchase Price Payable as Stipulated Loss Value</u>
14 JUN 1991	108.48877
14 DEC 1991	110.41863
14 JUN 1992	110.73872
14 DEC 1992	112.24695
14 JUN 1993	111.91802
14 DEC 1993	112.98952
14 JUN 1994	112.12918
14 DEC 1994	112.89586
14 JUN 1995	111.60098
14 DEC 1995	112.16027
14 JUN 1996	110.49314
14 DEC 1996	110.88112
14 JUN 1997	108.82256
14 DEC 1997	109.03544
14 JUN 1998	106.56843
14 DEC 1998	106.66996
14 JUN 1999	103.88381
14 DEC 1999	103.99966
14 JUN 2000	100.99090
14 DEC 2000	101.12875
14 JUN 2001	97.91182
14 DEC 2001	98.06461
14 JUN 2002	92.63374
14 DEC 2002	92.80841
14 JUN 2003	87.03003
14 DEC 2003	87.26687
14 JUN 2004	81.12855
14 DEC 2004	81.59068
14 JUN 2005	75.04065
14 DEC 2005	75.76954
14 JUN 2006	68.78637
14 DEC 2006	69.83037
14 JUN 2007	62.39249
14 DEC 2007	63.80690
14 JUN 2008	55.89275
14 DEC 2008	57.74073
14 JUN 2009	49.32882
14 DEC 2009	51.31368
14 JUN 2010	42.46810
14 DEC 2010	44.12077
14 JUN 2011	35.00000

SCHEDULE D  
(to Equipment Lease)

SCHEDULE OF FIXED RENTALS

Each payment of Fixed Rental shall pertain to the six month period immediately preceding the Fixed Rental Payment Date.

<u>Fixed Rental Payment Date</u>	<u>Percentage of Purchase Price Payable at Fixed Rental</u>
12/14/91	3.801857303
6/14/92	5.262619264
12/14/92	3.727869724
6/14/93	5.336606843
12/14/93	3.646387185
6/14/94	5.418089383
12/14/94	3.556650486
6/14/95	5.507826081
12/14/95	3.457823444
6/14/96	5.606653124
12/14/96	3.348985224
6/14/97	5.715491344
12/14/97	3.229121679
6/14/98	5.835354889
12/14/98	3.097115927
6/14/99	5.967360641
12/14/99	2.951738055
6/14/00	6.112738513
12/14/00	2.832525762
6/14/01	6.231950806
12/14/01	2.718553693
6/14/02	8.360250994
12/14/02	2.518852600
6/14/03	8.559952087
12/14/03	2.302092347
6/14/04	8.776712340
12/14/04	1.974152794
6/14/05	9.104651893
12/14/05	1.612993023
6/14/06	9.465811664
12/14/06	1.215247760
6/14/07	9.863556927
12/14/07	0.777210936
6/14/08	10.301593751
12/14/08	0.294800907
6/14/09	10.784003780
12/14/09	0.000000000
6/14/10	11.078804687
12/14/10	0.000000000
6/14/11	11.078804687

SCHEDULE E  
(to Equipment Lease)

Dec. Trust No. 1990-2