3-181A005

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RECORDATION NO. 18284 B FILED 1425
JUN 30 1993 11:05 AM
INTERSTATE COMMERCE COMMISSION

RECORDATION NO. 18284 C FILED 1425
JUN 30 1993 11:05 AM
INTERSTATE COMMERCE COMMISSION

RECORDATION NO. 18284 A FILED 1425
JUN 30 1993 11:05 AM
INTERSTATE COMMERCE COMMISSION

JUN 30 11 00 AM '93
MOTOR OPERATING UNIT

June 30, 1993

New Number 64

Mr. Sidney L. Strickland, Jr.
Secretary
Interstate Commerce Commission
Washington, D.C. 20423

RECORDATION NO. 18284 FILED 1425
JUN 30 1993 11:05 AM
INTERSTATE COMMERCE COMMISSION

Dear Mr. Strickland:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are two fully executed and acknowledged copies each of 1) an Equipment Lease Agreement (Santa Fe Trust No. 1992-3)) dated as of December 20, 1992 and 2) a Trust Indenture and Security Agreement (Santa Fe Trust No. 1992-3) dated as of December 20, 1992 (each a "primary document"); and 3) a Lease Supplement (Santa Fe Trust No. 1992-3) No. 1 dated June 30, 1993 and 4) an Indenture Supplement No. 1 dated June 30, 1993 (each a "secondary document").

The names and addresses of the parties to the foregoing documents are:

Equipment Lease and Supplement No. 1

Lessor: Wilmington Trust Company
1100 North Market Street
Wilmington, Delaware 19890

Lessee: The Atchison, Topeka and Santa Fe
Railway Company
1700 East Golf Road
Schaumburg, Illinois 60173

Trust Indenture and Security Agreement and Supplement No. 1

Debtor: Wilmington Trust Company
1100 North Market Street
Wilmington, Delaware 19890

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

A description of the railroad equipment covered by the foregoing documents is set forth in Schedule 1 to Lease Supplement No. 1.

Also enclosed is a check in the amount $64 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

Kindly return stamped copies of the enclosed documents to the undersigned.

Very truly yours,

Charles T. Kappler

CTK/bg
Enclosures

Interstate Commerce Commission

Washington, D.C. 20423

6/30/93

OFFICE OF THE SECRETARY

Charles T. Kappler

Alvord & Alvord

918 16th St N.W.

Washington,D.C. 20006

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 6/30/93 at 11:05am, and assigned recordation number(s). 18284, 18284-A 18284-B & 18482-C

Sincerely yours,

Secretary
SIDNEY L. STRICKLAND, JR.

Enclosure(s)

NEW NUMBER

EQUIPMENT LEASE AGREEMENT
(Santa Fe Trust No. 1992-3)

18234

RECORDATION NO. FILED 1425

JUN 30 1993 11:06 AM

INTERSTATE COMMERCE COMMISSION

Dated as of December 20, 1992

Between

WILMINGTON TRUST COMPANY,
not in its individual capacity except
as expressly provided herein, but
solely as Owner Trustee,
Lessor

and

THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY,
Lessee

Bi-Level and Tri-Level Autoracks

CERTAIN OF THE RIGHT, TITLE AND INTEREST OF THE LESSOR IN AND TO THIS LEASE, THE UNITS COVERED HEREBY AND THE RENT DUE AND TO BECOME DUE HEREUNDER HAVE BEEN ASSIGNED AS COLLATERAL SECURITY TO, AND ARE SUBJECT TO A SECURITY INTEREST IN FAVOR OF, HARRIS TRUST AND SAVINGS BANK, NOT IN ITS INDIVIDUAL CAPACITY BUT SOLELY AS INDENTURE TRUSTEE UNDER A TRUST INDENTURE AND SECURITY AGREEMENT (SANTA FE TRUST NO. 1992-3), DATED AS OF DECEMBER 20, 1992 BETWEEN SAID INDENTURE TRUSTEE, AS SECURED PARTY, AND THE LESSOR, AS DEBTOR. INFORMATION CONCERNING SUCH SECURITY INTEREST MAY BE OBTAINED FROM THE INDENTURE TRUSTEE AT ITS ADDRESS SET FORTH IN SECTION 20 OF THIS LEASE. THIS LEASE AGREEMENT HAS BEEN EXECUTED IN SEVERAL COUNTERPARTS, BUT ONLY THE COUNTERPART TO BE DEEMED THE ORIGINAL COUNTERPART FOR CHATTEL PAPER PURPOSES CONTAINS THE RECEIPT THEREFOR EXECUTED BY HARRIS TRUST AND SAVINGS BANK, AS INDENTURE TRUSTEE, ON THE SIGNATURE PAGES THEREOF. SEE SECTION 25.2 FOR INFORMATION CONCERNING THE RIGHTS OF THE ORIGINAL HOLDER AND THE HOLDERS OF THE VARIOUS COUNTERPARTS HEREOF.

92-04031-0

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Attachments:

Exhibit A Form of Lease Supplement
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EQUIPMENT LEASE AGREEMENT
(Santa Fe Trust No. 1992 3)

This EQUIPMENT LEASE AGREEMENT (Santa Fe Trust No. 1992-3), dated as of December 20, 1992 (this "Lease"), between WILMINGTON TRUST COMPANY, a Delaware banking corporation, not in its individual capacity except as expressly provided herein, but solely as Owner Trustee under the Trust Agreement (the "Lessor"), and THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY, a Delaware corporation (the "Lessee").

In consideration of the mutual agreements herein contained and other good and valuable consideration, receipt of which is hereby acknowledged, the Lessor and the Lessee agree as follows:

SECTION 1. DEFINITIONS.

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

SECTION 2. LEASE AND DELIVERY OF UNITS.

2.1 Purchase Agreement Assignment. The Lessor has acquired the right to purchase the Units referred to below from Thrall Car Manufacturing Company, an Illinois corporation (the "Manufacturer"), pursuant to a Purchase Agreement Assignment dated as of the date hereof.

2.2 Purchase and Lease. The Lessor hereby agrees (subject to satisfaction or waiver of the conditions set forth in Sections 4.1, 4.2 and 4.5 of the Participation Agreement) on each Closing Date (i) to purchase the Units from the Manufacturer specified in the related Notice of Delivery, and (ii) to subject such Units to this Lease by the execution and delivery of a Lease Supplement covering such Units. The Lessee hereby agrees (subject to satisfaction or waiver of the conditions set forth in Section 4.3 of the Participation Agreement) on each Closing Date to lease from the Lessor on the terms and conditions set forth herein the related Units, as conclusively evidenced by the execution and delivery by the Lessee and the Lessor of a Lease Supplement covering such Units. The Lessee hereby agrees that execution and delivery of a Lease Supplement by the Lessee shall, without further act, irrevocably constitute acceptance by the Lessee of the Units identified in such Lease Supplement for all purposes of this Lease. All risk of loss of a Unit shall pass to the Lessee upon the acceptance of each such Unit.

2.3 Tranche of Units. Each Unit shall be part of a tranche (a "Tranche") as follows: Units accepted on the first Closing Date

(or Replacement Units substituted therefor under Section 11) shall be part of Tranche I ("Tranche I"); and Units accepted in connection with the second Closing Date (or Replacement Units substituted therefor under Section 11) shall be part of Tranche II ("Tranche II").

SECTION 3. TERM AND RENT.

3.1 Lease Term. The interim term of this Lease (the "Interim Term") for each Unit shall commence on the Closing Date for such Unit and shall expire at 11:59 P.M. (Chicago time) on the day prior to the Basic Term Commencement Date for such Unit. The basic term of this Lease (the "Basic Term") shall commence on the Basic Term Commencement Date and, subject to earlier termination pursuant to Sections 10, 11, 15 and 22, shall expire at 11:59 P.M. (Chicago time) on the Basic Term Expiration Date. Subject and pursuant to Section 22.2, the Lessee may elect one or more Renewal Terms with respect to all, but not less than all, Units.

3.2 Basic Rent. The Lessee hereby agrees to pay the Lessor Basic Rent for each Unit throughout the Basic Term applicable thereto in consecutive semi-annual installments payable on each Rent Payment Date. Each such semi-annual payment of Basic Rent shall be in an amount equal to: (i) the product of the Equipment Cost for such Unit multiplied by the Basic Rent percentage for such Unit set forth opposite such Rent Payment Date on Schedule 3 to the Participation Agreement applicable to such Unit (as such Schedule 3 shall be adjusted in accordance with Section 2.6 of the Participation Agreement); plus (ii) if the Trust Certificates bear interest at a floating rate, for each day during the interest period to which such semi-annual payment of Basic Rent relates when the interest accruing on such Trust Certificates exceeds the Discount Rate used in establishing Schedule 3 to the Participation Agreement applicable to such Unit (as so adjusted), an amount equal to the difference between the amount of such daily accruing interest on the Trust Certificates and the amount of interest which would have accrued on the Trust Certificates for such day at the Discount Rate; minus (iii) if the Trust Certificates bear interest at a floating rate, for each day during the interest period to which such semi-annual payment of Basic Rent relates when the interest accruing on such Trust Certificate is less than the Discount Rate used in establishing Schedule 3 to the Participation Agreement applicable to such Unit (as so adjusted) (but if any such accrual is less than 0% per annum, it shall be deemed to be accruing at 0% per annum), an amount equal to the difference between the amount of interest which would have accrued on the Trust Certificates for such day at the Discount Rate and the amount of such daily accruing interest.

Anything contained herein or in the Participation Agreement to the contrary notwithstanding, each installment of Basic Rent (both

before and after any adjustment in accordance with Section 2.6 of the Participation Agreement) shall be, under any circumstances and in any event, in an amount at least sufficient for the Lessor to pay in full as of the due date of such installment, any payment of principal of and interest on the Trust Certificates required to be paid by the Lessor pursuant to the Indenture on such due date.

3.3 Supplemental Rent. The Lessee also agrees to pay to the Lessor, or to whomsoever shall be entitled thereto, any and all Supplemental Rent, promptly as the same shall become due and owing, or where no due date is specified, promptly after demand by the Person entitled thereto, and in any event within ten Business Days after such demand, and in the event of any failure on the part of the Lessee to pay any Supplemental Rent, the Lessor shall have all rights, powers and remedies provided for herein or by law or equity or otherwise as in the case of nonpayment of Basic Rent. The Lessee will also pay, as Supplemental Rent, (i) on demand, to the extent permitted by applicable law, an amount equal to interest at the applicable Late Rate on any part of any installment of Basic Rent not paid when due for any period for which the same shall be overdue and on any payment of Supplemental Rent not paid when due or demanded, as the case may be, for the period from such due date or demand until the same shall be paid, (ii) in the case of any prepayment or repayment of the Trust Certificates pursuant to the Indenture, except solely by reason of an Indenture Event of Default that does not arise out of a Lease Event of Default, on the date such Trust Certificates are prepaid or repaid, an amount equal to the Premium, if any, payable in connection therewith, and (iii) an amount equal to the Initial Certificate Holder Related Charges, if any, on each date when due and payable. All Supplemental Rent to be paid pursuant to this Section 3.3 shall be payable in the type of funds and in the manner set forth in Section 3.6.

3.4 Certain Adjustments. The Lessee and the Lessor agree that Basic Rents, Stipulated Loss Values and Termination Values shall be adjusted to the extent provided in Section 2.6 of the Participation Agreement.

3.5 Advance. If and to the extent that the Indenture Trustee on any Interim Interest Payment Date shall not have received funds from the Owner Trustee sufficient for the payment in full of the interest then due and owing on the related Trust Certificates, the Lessee shall pay as Supplemental Rent, in one installment due on such Interim Interest Payment Date, an amount, if any, equal to such deficiency (such payment being referred to herein as an "Advance"). The Lessor shall promptly reimburse the Lessee for having made such Advance in an amount equal to such Advance plus interest thereon at the Late Rate for the period from the date of such Advance until the Lessee has been fully reimbursed for the Advance plus interest thereon. In the event the Lessee makes any Advance pursuant to this Section 3.5 and is not promptly reimbursed

therefor by the Owner Participant after demand for such reimbursement and if no Lease Event of Default has occurred and is continuing, the Lessee shall be entitled to offset and deduct (without duplication) against each succeeding payment or portion thereof of (i) Basic Rent (excluding the portion thereof sufficient to pay as of the payment date principal and accrued interest on the Trust Certificates required to be paid on the date such Basic Rent is paid), (ii) Supplemental Rent (to the extent such Supplemental Rent is payable to the Owner Participant or to the Lessor as Owner Trustee, but not to the Lessor in its individual capacity and not to any Certificate Holder), other than that portion of Supplemental Rent which is denominated as Stipulated Loss Value or Termination Value or determined by reference to Premium, or (iii) Stipulated Loss Value or Termination Value (excluding, with respect to Stipulated Loss Value or Termination Value, the portion thereof sufficient, together with Basic Rent, if any, payable contemporaneously therewith (and not distributable to the Lessor), to pay in full as of the payment date of Stipulated Loss Value or Termination Value, as appropriate, any payment of principal of and interest on the Trust Certificates required to be paid on such date), an amount equal to such Advance plus interest on such amount at the Late Rate until the Lessee has been fully reimbursed for such Advance plus such interest. The amount offset with respect to each payment of Basic Rent, Supplemental Rent, Stipulated Loss Value or Termination Value shall be applied, first, to the payment of accrued but unpaid interest on such Advance to the date of such payment and, second, to the repayment of the Advance.

3.6 Manner of Payments. All Rent (other than Supplemental Rent payable to Persons other than the Lessor, which shall be payable to such other Persons in accordance with written instructions furnished to the Lessee by such Persons, unless otherwise provided in any of the Operative Agreements or required by law) shall be paid by the Lessee to the Lessor by transferring or delivering such amounts to the Lessor's account at Wilmington Trust Company, re: Santa Fe-3 ABA No. 031100092, for credit to account number 30508-0. All Rent shall be paid by the Lessee in funds consisting of lawful currency of the United States of America, which shall be immediately available to the recipient not later than 11:00 A.M. (Chicago time) on the date of such payment, provided, that so long as the Indenture shall not have been discharged pursuant to the terms thereof, the Lessor hereby directs, and the Lessee agrees, that all Rent (excluding Excepted Property) payable to the Lessor and assigned to the Indenture Trustee shall be paid directly to the Indenture Trustee at the times and in funds of the type specified in this Section 3.6 at the office of the Indenture Trustee at 111 West Monroe Street, Chicago, Illinois 60603, Attention: Indenture Trust Division, or at such other location in the United States of America as the Indenture Trustee may otherwise direct.

3.7 Net Lease, Etc. This Lease is a net lease and the Lessee's obligation to pay all Rent payable hereunder shall, subject to Section 3.5, be absolute, unconditional and irrevocable and shall not be affected by any circumstance of any character whatsoever, including, without limitation, (i) any set-off, abatement, counterclaim, suspension, recoupment, reduction, rescission, defense or other right that the Lessee may have (other than pursuant to Section 3.5 hereof) against the Lessor, the Owner Participant, the Indenture Trustee or any Certificate Holder, any vendor or manufacturer of any Unit, or any other Person for any reason whatsoever, (ii) any defect in or failure of title, merchantability, condition, design, compliance with specifications, operation or fitness for use of all or any part of any Unit, (iii) any damage to, or removal, abandonment, requisition, taking, condemnation, loss, theft or destruction of all or any part of any Unit or any interference, interruption, restriction, curtailment or cessation in the use or possession of any Unit by the Lessee or any other Person for any reason whatsoever or of whatever duration, (iv) to the maximum extent permitted by law, any insolvency, bankruptcy, reorganization or similar proceeding by or against the Lessee, the Lessor, the Owner Participant, the Indenture Trustee, any Certificate Holder or any other Person, (v) the invalidity, illegality or unenforceability of this Lease, any other Operative Agreement, or any other agreement, document or instrument referred to herein or therein or any other infirmity herein or therein or any lack of right, power or authority or authorization of the Lessee, the Lessor, the Owner Participant, the Indenture Trustee, any Certificate Holder or any other Person to enter into this Lease or any other Operative Agreement or to perform the obligations hereunder or thereunder or consummate the transactions contemplated hereby or thereby or any doctrine of force majeure, impossibility, frustration or failure of consideration, (vi) the breach or failure of any warranty or representation made in this Lease or any other Operative Agreement by the Lessee, the Lessor, the Owner Participant, the Indenture Trustee, or any other Person, or (vii) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, any present or future law notwithstanding, it being the intention of the parties hereto that all Rent being payable by the Lessee shall continue to be payable in all events in the manner and at the times provided herein. To the maximum extent permitted by law, the Lessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender this Lease with respect to any Unit, except in accordance with the express terms hereof. If for any reason whatsoever this Lease shall be terminated in whole or in part by operation of law or otherwise, except as specifically provided herein, the Lessee nonetheless agrees, subject to Section 3.5, to the maximum extent permitted by law, to pay to the Lessor and/or to any other Person entitled thereto, amounts equal to each installment of Basic Rent and all Supplemental Rent due and

owing at the time such payment would have become due and payable in accordance with the terms hereof had this Lease not been terminated in whole or in part. The obligations of the Lessee in the immediately preceding sentence shall survive the expiration or termination of this Lease other than in accordance with its terms. Each payment of Rent made by the Lessee hereunder shall be final and the Lessee shall not seek or have any right to recover all or any part of such payment from the Lessor or any Person for any reason whatsoever. Nothing contained herein shall be construed to waive any claim which the Lessee might have under any of the Operative Agreements or otherwise, or to limit the right of the Lessee to independently make any claim it might have against the Lessor or any other Person or to independently pursue such claim in such manner as the Lessee shall deem appropriate.

SECTION 4. OWNERSHIP AND MARKING OF UNITS; ATTACHMENT TO FLATCARS.

4.1 Retention of Title. The Lessor shall and hereby does retain, subject to the rights and interests of the Indenture Trustee under the Indenture so long as the Indenture shall remain in effect, full legal title to and ownership of the Units notwithstanding the delivery to and possession and use of the Units by the Lessee hereunder or any sublessee under any sublease permitted hereby.

4.2 Duty to Number and Mark Units. The Lessee will cause each Unit (including, without limitation, any Replacement Unit) to be numbered, on the date of execution and delivery of the related Lease Supplement, with its reporting mark shown on the Lease Supplement covering such Unit; and the Lessee will cause each Unit (including, without limitation, each Replacement Unit) as soon as practicable (but in no event later than one year after the date on which the Lease Supplement relating to such Unit is executed) to be plainly, distinctly, permanently and conspicuously marked by a plate or stencil printed in contrasting colors upon each side of such Unit, in letters not less than one inch in height, with the following legend:

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

with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the Lessor's right, title and interest in and to such Unit, its rights under this Lease and the rights of the Indenture Trustee. Except as provided hereinabove, the Lessee will not place any such Units in operation or exercise any control or dominion over the same until the reporting mark and required legend shall have been so marked on both sides thereof, and will replace promptly any such items which

may be removed, defaced, obliterated or destroyed. The Lessee will not change the reporting mark of any Unit except in accordance with a statement of new reporting marks to be substituted therefor, which statement shall be delivered to the Lessor by the Lessee prior to such change and a supplement to this Lease and the Indenture with respect to such new reporting marks shall be filed or recorded in all public offices where this Lease and the Indenture shall have been filed or recorded and in such other places, if any, where the Lessor or the Indenture Trustee may reasonably request in order to protect, preserve and maintain the Lessor's right, title and interest in the Units and the rights of the Indenture Trustee. The costs and expenses of all such supplements, filings and recordings shall be borne by the Lessee.

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

4.4 Attachment of Units to Flatcars. The Lessee will cause each Unit to be and remain attached or affixed to a flatcar leased from TTX Company, a Delaware corporation ("Trailer Train"), under a car contract with Trailer Train (together with any successor flatcar lease permitted by this Section 4.4, a "Car Contract"), and shall furnish to the Lessor a list of the unit number of each such flatcar and the corresponding Unit number. If for any reason the Car Contract shall be in default or shall terminate as to any flatcar to which a Unit is attached or affixed, the Lessee will promptly notify the Lessor of such default or termination and within 120 days thereafter (the "Section 4.4 Date"), the Lessee shall either (a) cause such Unit to be removed from such flatcar and to be attached or affixed to another flatcar which is either leased to (under another lease which is not in default) or owned by the Lessee free and clear of all Liens, other than Permitted Liens and Liens arising under agreements of the character referred to in the immediately succeeding paragraph of this Section 4.4, and shall furnish to the Lessor a list of the unit number of each such flatcar and the corresponding Unit number, or (b) treat such event as an Event of Loss which is a Flatcar Loss. Any Unit attached to a flatcar pursuant to this Section 4.4 shall be attached in a

manner suitable for use in accordance with the Interchange Rules and shall be maintained in accordance with Section 8.1.

In the event the Lessee complies with clause (a) of the immediately preceding paragraph of this Section 4.4 with respect to any Unit, and pursuant thereto: (x) such Unit is to be attached or affixed to a leased flatcar other than the flatcar to which such Unit was attached on the Closing Date applicable thereto, the Lessee will furnish to the Lessor, as soon as practicable but in any event not later than 30 days after such Unit is so attached or affixed, written agreements of the lessor of such flatcar of like substance to the written agreements with respect to such Unit furnished by Trailer Train prior to or at the commencement of the Lease Term applicable thereto, or (y) such Unit is to be attached or affixed to a flatcar owned by the Lessee, the Lessee will furnish to the Lessor, as soon as practicable but in any event not later than 30 days after such Unit is so attached or affixed, copies of all financing documents relating to such flatcar. In the event that any Unit shall fail to be attached to a flatcar in accordance with the provisions of the first paragraph of this Section 4.4, or in the event that the written agreement of the lessor or financing documents, as appropriate, referred to in the first sentence of this paragraph with respect to any Unit shall not be furnished within the time period provided in said sentence, or in the event that the financing documents furnished by the Lessee do not establish to the reasonable satisfaction of the Lessor that any Unit shall not constitute an accession to the flatcar and that such Unit shall not become subject to any security interest or other interest of any party to such financing, then, in any such case, the Lessee shall comply with clause (b) of the immediately preceding paragraph of this Section 4.4 with respect to such Unit (and for such purposes, the Section 4.4 Date shall be the date of the event giving rise to such required compliance).

So long as any Units are leased hereunder, the Lessee will perform its obligations under, and will exercise any and all rights or options to renew the term of, and will not cancel or otherwise terminate, the Car Contract covering the flatcars to which such Units are attached.

SECTION 5. DISCLAIMER OF WARRANTIES.

5.1 Disclaimer of Warranties. Without waiving any claim the Lessee may have against any seller, supplier or manufacturer, THE LESSEE ACKNOWLEDGES AND AGREES THAT, (i) EACH UNIT IS OF A SIZE, DESIGN, CAPACITY AND MANUFACTURE SELECTED BY AND ACCEPTABLE TO THE LESSEE, AND THAT THE LESSEE HAS EXAMINED AND APPROVED ALL SUPPLY CONTRACTS RELATING TO ANY UNIT, (ii) THE LESSEE IS SATISFIED THAT EACH UNIT IS SUITABLE FOR ITS PURPOSES, (iii) NEITHER THE LESSOR NOR THE OWNER PARTICIPANT IS A MANUFACTURER OR A DEALER IN PROPERTY OF SUCH KIND, (iv) EACH UNIT IS LEASED HEREUNDER SUBJECT TO ALL

APPLICABLE LAWS AND GOVERNMENTAL REGULATIONS NOW IN EFFECT OR HEREAFTER ADOPTED, AND (v) THE LESSOR LEASES AND THE LESSEE TAKES EACH UNIT "AS-IS", "WHERE-IS" AND "WITH ALL FAULTS", IN WHATEVER CONDITION IT MAY BE, AND THE LESSEE ACKNOWLEDGES THAT NEITHER THE LESSOR, AS THE LESSOR OR IN ITS INDIVIDUAL CAPACITY, NOR THE OWNER PARTICIPANT MAKES NOR SHALL BE DEEMED TO HAVE MADE, AND EACH EXPRESSLY DISCLAIMS, ANY AND ALL RIGHTS, CLAIMS, WARRANTIES OR REPRESENTATIONS EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, CONDITION, FITNESS FOR ANY PARTICULAR PURPOSE, DESIGN, OPERATION, MERCHANTABILITY, OR TITLE, OF ANY UNIT, THE QUALITY OF THE MATERIAL THEREIN OR WORKMANSHIP THEREOF OR CONFORMITY THEREOF TO SPECIFICATIONS, FREEDOM FROM PATENT, COPYRIGHT OR TRADEMARK INFRINGEMENT, THE ABSENCE OF ANY LATENT OR OTHER DEFECT, WHETHER OR NOT DISCOVERABLE, OR AS TO THE ABSENCE OF ANY OBLIGATIONS BASED ON STRICT LIABILITY IN TORT OR ANY OTHER EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY WHATSOEVER WITH RESPECT THERETO, except that the Lessor, in its individual capacity, represents and warrants that on the applicable Closing Date, the Lessor shall have received whatever right, title and interest to the Units as was conveyed to the Lessor by the Manufacturer and each Unit will be free of Lessor's Liens attributable to the Lessor in its individual capacity. The Lessor hereby appoints and constitutes the Lessee its agent and attorney-in-fact during the Lease Term to assert and enforce, from time to time, in the name and for the account of the Lessor and the Lessee, as their interests may appear, but in all cases at the sole cost and expense of the Lessee, whatever claims and rights the Lessor may have as owner of the Units against the Manufacturer or any prior owner thereof; provided, however, that if at any time a Lease Event of Default shall have occurred and be continuing, at the 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: (w) any liability, loss or damage caused or alleged to be caused directly or indirectly by any Unit or by any inadequacy thereof or deficiency or defect therein or by any other circumstances in connection therewith; (x) the use, operation or performance of any Unit or any risks relating thereto; (y) any interruption of service, loss of business or anticipated profits or consequential damages; or (z) the delivery, operation, servicing, maintenance, repair, improvement or replacement of any Unit. The Lessee's delivery of a Lease Supplement shall be conclusive evidence as between the Lessee and the Lessor that all Units described therein are in good order and condition, appear to conform to specifications applicable thereto and all governmental standards and requirements reasonably interpreted as being applicable thereto and are in all 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. RETURN OF UNITS; CONDITION; STORAGE.

6.1 Return. If the Lessee has not provided irrevocable notice of its intention to exercise a purchase option pursuant to Section 22.1 or a renewal option pursuant to Section 22.2 on or before the 179th day prior to the end of the Lease Term then in effect, then the Lessor shall provide the Lessee with irrevocable written notice not less than 90 days prior to the end of the Basic Term, or the applicable Renewal Term, as the case may be, of its election to either (x) have the Units returned to it in the condition required by Section 6.2, for reletting or sale to another Person or Persons, or (y) scrap the Units. If the Lessor elects to have the Units returned to it, then the provisions of the following paragraphs (i), (ii), (iii), (iv) and (v) below shall apply. If the Lessor decides to scrap the Units, then the provisions of the following paragraph (vi) below shall apply.

(i) The Lessee and the Lessor shall use reasonable efforts to choose mutually agreeable locations for return of the Units then subject to this Lease, and the Lessee shall use reasonable efforts to promptly deliver the Units in the largest practical number to the smallest practical number of locations at or after the end of the Basic Term or the applicable Renewal Term, as the case may be.

(ii) At such time as the Lessee shall have delivered (a) approximately 50 Units to any one storage location or (b) approximately 100 Units to multiple storage locations which Units are reasonably capable of being inspected in one day, it shall give prompt written notice to the Lessor. Upon receipt of such notice, the Lessor shall have 15 days to inspect the condition of such Units. The Lessor shall promptly inspect such Units. Any inspection by the Lessor shall be upon the terms set forth in Section 6.2. If the Units are determined by the Lessor to have been delivered in the condition required by Section 6.2, the Lessor shall promptly, and in any event prior to the end of the 15-day inspection period, deliver a written notice to the Lessee confirming that such Units are in the condition required by Section 6.2. Thereupon, the Lessor shall be entitled to 60 days storage (the "Storage Period"), at the Lessee's expense in accordance with the provisions of Section 6.3. If the Lessor fails to inspect the Units within 15 days after the receipt of the notice referred to in the first sentence of this paragraph (ii), the aforesaid Storage Period shall be deemed to commence immediately upon the expiration of such 15-day inspection period; provided, however, the Lessor shall not be deemed thereby to have waived any of its rights under Section 6.2 with respect to the required return condition. During the 15-day inspection period and the subsequent Storage Period, the Lessee and the Lessor will equally share the per diem rental cost of the

flatcar to which the Unit is attached. If the Lessor notifies the Lessee that an inspection shows that a Unit does not meet the return condition required by Section 6.2, the Lessee promptly shall repair the Unit so that it meets such condition. If a Unit is to be repaired, the Lessee shall bear the per diem rental cost of the related flatcar for (x) every day after the end of the Lease Term with respect to such Unit until such Unit is delivered, (y) that portion of the 15-day inspection period prior to receipt of notice from the Lessor that such Unit is required to be repaired and (z) each day after notice from the Lessor that its inspection showed a repair is required until completion of such repair (and, if there has been a sharing of flatcar rental with respect to a Unit requiring repair, appropriate adjustments shall be made so as to credit the Lessor for such sharing). Once a Unit is repaired, the Storage Period for such Unit (reduced by that portion of the Storage Period, if any, which elapsed prior to the making by the Lessor of its inspection) shall commence.

(iii) In the event that not all of the Units then subject to this Lease are delivered on the last day of the Basic Term or the applicable Renewal Term, as the case may be, Basic Rent shall continue to accrue with respect to all Units then subject to this Lease until such time as 50% of the Units then subject to this Lease have been delivered in accordance with paragraph (i) of this Section 6.1. If 50% of the Units have been so delivered, Basic Rent shall continue to accrue only upon any Unit which has not been delivered in accordance with the terms hereof until such Unit has been delivered. If a Unit is delivered in accordance with the terms hereof and an inspection shows that it does not meet the return condition, then Basic Rent with respect to such Unit shall recommence so that Basic Rent shall be paid for (i) every day after the end of the Lease Term with respect to such Unit until such Unit was delivered, (ii) that portion of the 15-day inspection period prior to receipt of written notice from the Lessor that a repair is required with respect to such Unit and (iii) each day after notice from the Lessor that its inspection showed a repair with respect to such Unit is required until completion of such repair. Basic Rent will be payable monthly in arrears and for each day shall equal the per diem equivalent of the average annual Basic Rent during the Basic Term; provided, however, that if any Unit is not delivered within 90 days of the end of the Lease Term, the Basic Rent for each day thereafter shall be 125% of such per diem equivalent.

(iv) Upon the expiration of the Basic Term or the applicable Renewal Term, the Lessee shall deliver the Units as soon as possible. If not all of the Units are delivered within 120 days of the end of the Lease Term, the following shall occur:

(A) Unreturned Units equalling not more than 20% of the Units subject to the Lease at the expiration of the Basic Term or applicable Renewal Term, as the case may be, may be delivered for inspection within an additional 60 days (for a total of 180 days from the end of the Lease Term), and if not so returned, the Lessee shall, if the Lessor elects, purchase such Units for the greater of (A) Stipulated Loss Value with respect to such Units on the last day of the Lease Term, and (B) Fair Market Value of such Units.

(B) The Lessee shall, if the Lessor elects, purchase all other unreturned Units on the 120th day following the end of the Lease Term for the purchase price described in the foregoing clause (iv)(A).

(C) Should the Lessor not make the election described in clauses (iv)(A) or (iv)(B), the Lessee's obligations hereunder with respect to such unreturned Units shall continue until such Units are returned in accordance with the terms hereof, and all of the Lessor's rights and remedies hereunder shall remain in full force and effect.

(v) During the inspection and/or Storage Period, the Lessee, at its expense, shall cause such Units as the Lessor specifies in a written notice or notices to be transported (on their related flatcars) to such point or points on the Lessee's own system as the Lessor designates; provided that the Lessee shall not be obligated to so transport a Unit more than once.

(vi) If the Lessor notifies the Lessee that a Unit is to be scrapped in accordance with the provisions of this Section 6.1, then the Lessee need not deliver such Unit to the Lessor in the condition required by Section 6.2, but may instead deliver it at any time after such notice to a scrap dealer designated or approved by the Lessor. The Lessor shall designate the largest practical number of scrap dealers on the Lessee's lines to which the Lessee may deliver the Units which the Lessor has elected to scrap pursuant to this Section 6.1. In addition, the Lessee may deliver the Units which the Lessor has elected to scrap to any other scrap dealers as the Lessor may approve, which approval shall not be unreasonably withheld or delayed. After the later to occur of (x) the end of the Lease Term with respect to a Unit or (y) the last day a Unit is in commercial service, the Basic Rent with respect to such Unit shall cease to accrue and the Lessee and the Lessor will equally share the per diem rental cost of the flatcar to which such Unit is attached. However, if any Unit has not been delivered to a scrap dealer or is not available for immediate

delivery to the scrap dealer at such time as the dealer can accept such delivery, in each case on or before the 75th day after the end of the Lease Term, then Basic Rent for each day after such 75th day shall commence to accrue on such Unit at the rate of 125% of the per diem equivalent of the average annual Basic Rent during the Basic Term with respect to such Unit. If any such Units are not delivered on or before the 120th day after the end of the Lease Term with respect to such Units, the following shall occur:

(A) Undelivered Units equalling not more than 20% of the Units subject to the Lease at the expiration of the Lease Term may be delivered within an additional 60 days (for a total of 180 days from the end of the Lease Term) and if not so delivered, the Lessee shall, if the Lessor elects, purchase such Units for the greater of (A) Stipulated Loss Value on the last day of the Lease Term, and (B) Fair Market Value.

(B) The Lessee shall, if the Lessor elects, purchase all other undelivered Units at the 120th day following the end of the term of the Lease for the purchase price described in the foregoing clause (vi)(A).

(C) Should the Lessor not make the election described in clauses (vi)(A) or (vi)(B), the Lessee's obligations hereunder with respect to such undelivered Units shall continue until such Units are delivered in accordance with the terms hereof, and all of the Lessor's rights and remedies hereunder shall remain in full force and effect.

The reasonable cost of detaching the Units from the flatcars to which they are attached shall be shared equally by Lessor and Lessee.

6.2 Condition of Units. Each Unit when delivered to the Lessor pursuant to Section 6.1(a) shall be in the condition required by Section 8.1 and free and clear of all Liens other than Lessor's Liens. All logs, records, books and other materials relating to the use, damage, repair and maintenance of such Unit shall be made available to the Lessor or its designee upon the delivery of such Unit. During the Storage Period, the Lessor or any Person designated by it and any prospective purchaser or user, shall have the right to inspect any Unit that is returned pursuant to Section 6.1 in addition to the inspection required by Section 6.1. Such inspection shall be at the Lessor's sole cost, expense and risk (including, without limitation, the risk of personal injury or death), by its authorized representatives, during the Lessee's normal business hours, subject to the Lessee's and the related designated location's standard security and safety rules

and procedures, and upon reasonable prior notice to the Lessee; provided, however, that the Lessee shall be liable for any injury to, or the death of, any Person exercising, on behalf of the Lessor, the rights of inspection granted under this Section 6.2 if caused by the Lessee's negligence or wilful misconduct. No inspection pursuant to this Section 6.2 shall interfere with the normal conduct of the Lessee's business, and the Lessee shall not be required to undertake or incur any additional liabilities in connection therewith.

6.3 Storage. Any storage (and transportation of the Units) provided by the Lessee during the Storage Period with respect to such Unit shall, in all cases, be at the sole risk and expense of the Lessee and the Lessee shall maintain the insurance required by Section 12.1 with respect to all stored Units. The Lessee shall not be required to store the Units after the Storage Period. If the Lessee stores any Unit after the Storage Period, such storage shall be at the sole expense and risk of the Lessor.

SECTION 7. LIENS.

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

SECTION 8. MAINTENANCE; OPERATION; POSSESSION; COMPLIANCE WITH LAWS.

8.1 Maintenance and Operation. The Lessee, at its own cost and expense, shall maintain, repair and keep, or shall cause to be maintained, repaired and kept, each Unit, and shall operate each Unit, (i) in good operating order, condition and repair, and in at least as good operating order, condition and repair as on the date of the delivery by the Manufacturer, ordinary wear and tear excepted, and in a manner comparable to and no less favorable than maintenance practices used by the Lessee in respect of equipment owned or leased by the Lessee similar in type to such Unit and in a manner suitable for use by a Class I Railroad, (ii) in accordance with all manufacturer's warranties and in accordance with all insurance policies required to be maintained pursuant to Section 12 hereof, if applicable, and (iii) in compliance with all applicable laws, rules and regulations, including the United States Department of Transportation ("DOT"), the ICC, the Federal Railroad Administration and the Interchange Rules; provided, however, that during the Lease Term and so long as no Lease Event of Default of

the type described in Section 14(a), 14(b), 14(e) or 14(f) shall have occurred and be continuing the Lessee may, in good faith and by appropriate proceedings diligently conducted, contest the validity or application of any such law, rule or regulation in any reasonable manner which does not materially interfere with the use, possession, operation or return of any of the Units or materially adversely affect the rights or interests of the Lessor and the Indenture Trustee in the Units or hereunder or otherwise expose the Lessor or the Indenture Trustee to criminal sanctions or release the Lessee from the obligation to return the Units in compliance with the provisions of Section 6.2. In no event shall the Lessee adversely discriminate as to the use or maintenance of any Unit (including the periodicity of maintenance or record keeping in respect of such Unit) as compared to equipment of a similar nature which the Lessee owns or leases. The Lessee will maintain all records, logs and other materials for each Unit required by relevant industry standards and any governmental authority having jurisdiction over such Unit, all as if the Lessee were the owner of such Unit, regardless of whether any such requirements, by their terms, are nominally imposed on the Lessee, the Lessor or the Owner Participant.

8.2 Possession. The Lessee shall be entitled to the possession of the Units and to the use of the Units in the general operation of the Lessee's business of transporting motor vehicles on the Lessee's own system, on lines over which the Lessee has trackage rights and on the lines of other railroads in the United States, Canada and Mexico.

8.3 Sublease. The Lessee, without the consent of the Lessor, shall be entitled to sublease (each a "Permitted Sublease") all or a portion of the Units to a business entity so long as: (i) on the effective date of any such sublease, no Lease Event of Default has occurred and is continuing and such sublessee is not subject to any bankruptcy, insolvency or similar proceedings; (ii) any sublease, and the rights and interest of any sublessee thereunder, shall be in all events subject and subordinate to this Lease and the rights and interests of the Lessor and its respective successors and assigns hereunder, and the Lessee shall remain primarily and directly liable for the performance of its obligations hereunder; (iii) any sublease shall not be for a term which extends beyond the Basic Term and any exercised Renewal Term; (iv) such sublease may allow the sublessee to sublease all or a portion of the Units to a sub-sublessee, subject to the terms hereof for a sublease, but will prohibit further subleasing by the sub-sublessee; and (v) all filings of any such sublease necessary to protect the rights of the Lessor in the Units subject thereto shall have been made in a timely fashion. No sublease (or sub-sublease) shall permit the sublessee (or sub-sublessee) thereunder to take any action inconsistent with the terms of this Lease or any other Operative Agreement. Within 30 days following the end of each fiscal year of

the Lessee during the Lease Term, the Lessee shall provide the Lessor a list of all subleases then in effect which, when entered into, had an original term of more than one year, which list shall, with respect to each sublease, (A) identify the sublessee; (B) identify the Units subject to such sublease; and (C) state the scheduled commencement and termination dates of such sublease. Upon the reasonable request of the Lessor (but, not more frequently than once in any fiscal year of the Lessee unless a Lease Event of Default shall have occurred and be continuing), the Lessee shall provide the following information within a reasonable time after the receipt of such request: (A) a list of all sub-subleases; (B) the identity of the sublessor and sublessee under any such sub-sublease and (C) if known by the Lessee, the scheduled commencement and termination dates of such sub-subleases.

SECTION 9. MODIFICATIONS.

9.1 Required Modifications. In the event the Association of American Railroads, the DOT, or any other United States, state or local governmental agency requires that any Unit be modified, altered or improved (a "Required Modification"), the Lessee agrees to make such Required Modification at its own expense; provided, however, that during the Lease Term and so long as no Lease Event of Default of the type described in Section 14(a), 14(b), 14(e) or 14(f) shall have occurred and be continuing, the Lessee may, in good faith and by appropriate proceedings diligently conducted, contest the validity or application of any such requirement in any reasonable manner which does not materially interfere with the use, possession, operation or return of any Unit or materially adversely affect the rights or interests of the Lessor and the Indenture Trustee in the Units or hereunder or otherwise expose the Lessor, the Indenture Trustee or any Participant to criminal sanctions or relieve the Lessee of the obligation to return the Units in compliance with the provisions of Section 6.2. Title to any Required Modification (regardless of whether such Required Modification is a Severable Modification or a Non-Severable Modification) shall immediately vest in the Lessor.

9.2 Optional Modifications. The Lessee at any time may modify, alter or improve any Unit (an "Optional Modification"; and each of an Optional Modification and a Required Modification is a "Modification"); provided that no Optional Modification shall materially diminish the fair market value, utility, condition, or remaining economic useful life of such Unit below the fair market value, utility, condition, or remaining economic useful life thereof immediately prior to such Modification, assuming such Unit was then in the condition required to be maintained by the terms of this Lease. Title to any Non-Severable Modification shall be immediately vested in the Lessor. Title to any Severable Modification which is not a Required Modification shall remain with the Lessee. During the Lease Term or at the return of such Unit,

and so long as no Lease Default or Lease Event of Default shall have occurred and be continuing, the Lessee may remove and replace any Severable Modification which is not a Required Modification. If the Lessee, at its cost, shall cause any Severable Modifications which are not Required Modifications to be made to any Unit, and such Severable Modifications theretofore made have not been removed, the Lessor shall have the right to purchase such Severable Modifications (other than Severable Modification consisting of proprietary or communications equipment) at their then Fair Market Value. If the Lessor does not elect to purchase such Severable Modifications, it shall have the right to cause, at the Lessee's cost and expense, such Severable Modifications to be removed upon return of the Unit.

SECTION 10. VOLUNTARY TERMINATION.

10.1 Right of Termination. So long as no Lease Event of Default shall have occurred and be continuing, the Lessee shall have the right, at its option at any time and from time to time, during the Basic Term and on or after the fifth anniversary of the Basic Term Commencement Date applicable to the Units in question, to terminate the Lease Term with respect to not less than 50 Units (except that if, as a result of Events of Loss and prior terminations under this Section 10.1, there are less than 50 Units then subject to this Lease, the Lessee may terminate this Lease as to all such Units) if the Lessee determines in good faith (as evidenced by a certificate executed by the Chief Financial Officer of the Lessee) that such Units (the "Proposed Terminated Units") have become obsolete or surplus to the Lessee's needs or that any Required Modification would be economically impractical. The Lessee shall (a) if the Outstanding Series of Trust Certificates related to such Proposed Terminated Units has been issued in a Public Offering, deliver at least 130 days' irrevocable prior notice to the Lessor and the Indenture Trustee and on such date of notice cause a Letter of Credit payable to the Lessor to be issued in an amount equal to the estimated Premium, if any, payable on the Series of Trust Certificates with respect to such Proposed Terminated Units, and (b) otherwise, deliver at least 120 days' revocable prior notice to the Lessor and the Indenture Trustee, specifying, in the case of the foregoing clauses (a) and (b), a proposed date of termination for such Proposed Terminated Units (the "Termination Date"), which date shall be a Rent Payment Date. Any such termination will be effective on the Termination Date. Except as expressly provided herein, there will be no conditions to the Lessee's right to terminate this Lease with respect to any Proposed Terminated Unit pursuant to this Section 10.1. So long as the Lessor shall not have given the Lessee a notice of election to retain such Proposed Terminated Unit (and all other Proposed Terminated Units relating to the same Termination Date) in accordance with Section 10.3, the Lessee may withdraw the termination notice referred to in clause (b) above, if the Series

of Trust Certificates related to such Proposed Terminated Unit has not been issued in a Public Offering, at any time prior to the tenth Business Day preceding the Termination Date, whereupon this Lease shall continue in full force and effect, provided that the Lessee may not exercise its right to withdraw such a termination notice more than twice with respect to a Series of Trust Certificates. Unless theretofore withdrawn, the termination notice shall become irrevocable in the case of a Proposed Terminated Unit with respect to which the related Series of Trust Certificates has not been issued in a Public Offering, upon the tenth Business Day preceding the Termination Date. The Lessee agrees that, without limiting Section 2.5(b) of the Participation Agreement, it will reimburse the Lessor, the Indenture Trustee and the Owner Participant for all out-of-pocket costs and expenses (including, without limitation, (i) reasonable legal fees and expenses and (ii) in the case of BA Leasing & Capital Corporation and any other Owner Participant that is a bank or other financial institution which regularly allocates the time charges of its internal counsel, the allocated time charges of internal counsel) incurred by the Lessor, the Owner Participant and the Indenture Trustee in connection with the proposed termination of any Unit, whether or not consummated, except that if the proposed termination is not consummated because of the Lessor's failure to pay the amount required to be paid by it pursuant to Section 10.3 after making the election provided for therein and no Lease Default or Lease Event of Default shall have occurred and be continuing, the Lessee shall not be obligated to reimburse the Lessor or the Owner Participant.

10.2 Sale of Units. With respect to any Proposed Terminated Unit, during the period from the date of such notice given pursuant to Section 10.1 to the Termination Date, the Lessee, as agent for the Lessor and at the Lessee's sole cost and expense, shall use its reasonable efforts to obtain bids from Persons other than the Lessee or Affiliates thereof for the cash purchase of such Proposed Terminated Unit on the Termination Date, and it shall promptly, and in any event at least 10 Business Days prior to the proposed date of sale, certify to the Lessor in writing the amount and terms of each such bid and the name and address of the party submitting such bid. The Lessor and the Owner Participant shall have the right to obtain bids for the purchase of such Proposed Terminated Unit, either directly or through agents other than the Lessee from the Owner Participant or other Persons, but shall be under no duty to solicit bids, inquire into the efforts of the Lessee to obtain bids or otherwise take any action in connection with arranging such sale. Unless the Lessor shall have elected to retain the Proposed Terminated Unit (and all other Proposed Terminated Units relating to the same Termination Date) in accordance with Section 10.3, on the Termination Date: (i) the Lessee shall, subject to receipt (x) by the Lessor of all amounts owing to the Lessor pursuant to the next sentence, and (y) by any other Persons entitled thereto of all unpaid Supplemental Rent due on or before the Termination Date,

deliver the Proposed Terminated Unit to the bidder (which shall not be the Lessee or any Affiliate thereof), if any, which shall have submitted the highest cash bid prior to such date for such Proposed Terminated Unit (or to such other bidder as the Lessee and the Lessor shall agree); and (ii) the Lessor shall, without recourse or warranty (except as to the absence of any Lessor's Lien attributable to the Lessor) simultaneously therewith sell such Proposed Terminated Unit "as-is, where-is" to such bidder. The cash selling price realized at such sale shall be paid to and retained by the Lessor (after reimbursement to the Lessee of all of its costs and expenses in connection with such sale) and, in addition, on the Termination Date, the Lessee shall pay to the Lessor, (A) all unpaid Basic Rent with respect to such Proposed Terminated Unit due and payable prior to (but not on) the Termination Date, (B) the excess, if any, of (1) the Termination Value for such Proposed Terminated Unit computed as of the Termination Date, over (2) the net cash sales proceeds (after the deduction of all costs and expenses of the Lessee, the Lessor and the Owner Participant in connection with such sale, including, in the case of BA Leasing & Capital Corporation and any Owner Participant that is a bank or other financial institution which regularly allocates the time charges of its internal counsel, the allocated time charges of internal counsel) of the Proposed Terminated Unit, and (C) any other unpaid Supplemental Rent including, without limitation, in respect of Premium, if any (to the extent an amount equal thereto is not paid to the Lessor (or to the Indenture Trustee) irrevocably pursuant to a drawing on the Letter of Credit, if required pursuant to Section 10.1, which Letter of Credit shall be drawn upon by the Lessor, if it is legally entitled to do so, in accordance with the terms thereof), due to the Lessor, the Owner Participant, the Indenture Trustee or any Certificate Holder on or before the Termination Date. The Lessee's sole duty in acting as agent pursuant to the first sentence of this Section 10.2 shall be to use its reasonable efforts to sell the Units at the highest price then obtainable consistent with the terms of this Lease.

10.3 Retention of Units by the Lessor. Notwithstanding the provisions of Sections 10.1 and 10.2, the Lessor may, with respect to all Proposed Terminated Units relating to the same Termination Date, irrevocably elect by written notice to the Lessee, no later than 60 days after receipt of the Lessee's notice of termination, not to sell such Proposed Terminated Units on the Termination Date, whereupon the Lessee shall (i) deliver such Proposed Terminated Units to the Lessor in the same manner and condition as if delivery were made to the Lessor pursuant to Section 6, treating the Termination Date as the last day of the Lease Term with respect to such Proposed Terminated Units, and (ii) pay to the Lessor, the Owner Participant, the Indenture Trustee or any Certificate Holder, all Basic Rent and all Supplemental Rent due and owing on the Termination Date and unpaid excluding any Termination Value (to the

extent specified in the first sentence of the definition of such term) but including payment to the Lessor of an amount equal to the Premium, if any (to the extent an amount equal thereto is not paid to the Lessor (or to the Indenture Trustee) irrevocably pursuant to a drawing on the Letter of Credit, if required pursuant to Section 10.1, which Letter of Credit shall be drawn upon by the Lessor, if it is legally entitled to do so, in accordance with the terms thereof), in respect of the principal amount of the Trust Certificates to be prepaid in accordance with Sections 6.1(b) and 6.1(d) of the Indenture. The Lessor shall pay, or cause to be paid, out of funds paid to it by the Lessee pursuant to the foregoing sentence (except for the principal amount of the Trust Certificates issued in respect of such Proposed Terminated Unit), to the Indenture Trustee in funds of the type specified in Section 3.6 an amount equal to the outstanding principal amount of the Trust Certificates issued in respect of such Proposed Terminated Units and all accrued interest to the date of prepayment of such Trust Certificates on such Termination Date and an amount equal to the Premium, if any, in respect of the principal amount of the Trust Certificates to be prepaid. If the Lessor shall for any reason whatsoever fail to make any payment required by this Section 10.3, this Lease shall not be terminated with respect to such Proposed Terminated Units on a proposed Termination Date; however, the Lessor shall thereafter no longer be entitled to exercise its election to retain such Proposed Terminated Units and, without limiting any claim which the Lessee may have, the Lessee may at its option at any time thereafter submit a new termination notice pursuant to Section 10.1 with respect to such Proposed Terminated Units specifying a proposed Termination Date occurring not earlier than 130 or 120 days from the date of such notice, as specified in clause (a) or (b) of Section 10.1.

10.4 Termination of Lease. In the event of either (x) any such sale and receipt by the Lessor and the Indenture Trustee of all of the amounts provided in Section 10.2 or (y) retention of the Proposed Terminated Units by the Lessor in compliance with Section 10.3, including, without limitation, the satisfaction of the Lessor's payment obligations thereunder, and upon compliance by the Lessee with the other provisions of this Section 10, the obligation of the Lessee to pay Basic Rent hereunder for such Proposed Terminated Units shall cease with respect to any period after the Termination Date and the Lease Term for the Proposed Terminated Units shall end. Otherwise, this Lease shall remain in full force and effect with respect to the Proposed Terminated Units.

SECTION 11. LOSS, DESTRUCTION, REQUISITION, ETC.

11.1 Event of Loss. The term "Event of Loss", with respect to a Unit, shall mean that such Unit (i) shall suffer damage or destruction resulting in an insurance settlement on the basis of an actual, constructive or compromised total loss; (ii) shall suffer destruction or damage beyond repair; (iii) shall suffer damage which, in the Lessee's judgment, makes repair uneconomic or renders such Unit unfit for commercial use; (iv) shall suffer theft, loss or disappearance for a period in excess of 90 days; (v) shall be permanently returned to the Manufacturer; (vi) shall have title thereto taken or appropriated by any governmental authority under the power of eminent domain or otherwise; (vii) shall be taken or requisitioned for use by any governmental authority under the power of eminent domain or otherwise, and such taking or requisition for use pursuant to this clause (vii) is for a period that exceeds (x) 180 days or, if less, the remaining portion of the Basic Term or any Renewal Term then in effect, in the case such taking or requisition is by a governmental authority other than the government of the United States or (y) two years, or, if less, the remaining portion of the Basic Term or any Renewal Term then in effect, in the case such taking or requisition is by the government of the United States; or (viii) shall be affixed to a flatcar subject to a Car Contract which shall be in default or terminated and the Lessee, pursuant to Section 4.4, has elected, or shall be required, to comply with clause (b) of the first paragraph of Section 4.4 (such Event of Loss described in this clause (viii), a "Flatcar Loss").

11.2 Replacement or Payment upon Event of Loss. Upon the occurrence of an Event of Loss with respect to any Unit, the Lessee shall promptly after a Responsible Officer of the Lessee shall have actual knowledge of such occurrence give the Lessor and the Indenture Trustee notice of such occurrence of such Event of Loss and within 30 days after such notice give the Lessor and the Indenture Trustee further notice of its election to perform one of the following options (it being agreed that if the Lessee shall not have given notice of such election within 30 days after giving notice of such occurrence, the Lessee, shall be deemed to have elected to perform the option set forth in the following paragraph (ii)), provided that the Lessee shall not have the right to select the option set forth in paragraph (i) if a Lease Event of Default shall have occurred and be continuing:

(i) as promptly as practicable (but no sooner than 10 days after giving of its notice of election to perform the option set forth in this paragraph (i)), and in any event on or before the 180th day following the Event of Loss occurred, the Lessee shall comply with Section 11.4(b) and shall convey or cause to be conveyed to the Lessor a Replacement Unit to be leased to the Lessee hereunder, such Replacement Unit to be

free and clear of all Liens (other than Permitted Liens of the type described in clauses (ii) and (iv) of the definition thereof) and to have a Fair Market Value, utility, remaining economic useful life, residual value and condition at least equal to the Unit so replaced (assuming such Unit had not suffered an Event of Loss and was in the condition required to be maintained by the terms of this Lease); provided that, if the Lessee shall not perform its obligation to effect such replacement under this paragraph (i) during the period of time provided herein, then the Lessee shall comply with the following paragraph (ii) except that the related Settlement Date may occur within 210 days following the Event of Loss; or

(ii) on a Determination Date (the "Settlement Date") occurring between 30 days and 180 days after the date on which the Event of Loss occurred, as such Settlement Date is selected by the Lessee (who shall notify the Lessor and the Indenture Trustee in writing (A) at least 30 but no more than 60 days prior to such Settlement Date if the Series of Trust Certificates related to the Unit suffering such Event of Loss has been issued in a Public Offering, or (B) otherwise, at least 10 Business Days prior to such Settlement Date), the Lessee shall pay or cause to be paid to the Lessor (or in the case of Supplemental Rent, to the Persons entitled thereto) in funds of the type specified in Section 3.6, the sum of (x) an amount equal to the Stipulated Loss Value, determined as of such Settlement Date, of each such Unit suffering an Event of Loss, or, with respect to a Flatcar Loss only, the higher of the Fair Market Value of such Unit or such Stipulated Loss Value, (y) to the extent not theretofore paid, Basic Rent due and payable prior to (but not on) such Settlement Date, and (z) all other unpaid Supplemental Rent then due, including, but not limited to, an amount equal to the Premium, if any, payable pursuant to Section 6.1(a)(i) of the Indenture.

11.3 Rent Termination. Upon the replacement of any Unit or Units in compliance with Section 11.2(i), or upon the payment of all sums required to be paid pursuant to Section 11.2(ii) hereof in respect of any Unit or Units for which the Lessee has elected to pay, or has been deemed to have elected to pay pursuant to Section 11.2(i) the amounts specified in Section 11.2(ii), the Lease Term with respect to such Unit or Units having suffered the Event of Loss and the obligation to pay Basic Rent for such Unit or Units having suffered the Event of Loss due and accruing subsequent to the date of payment of Stipulated Loss Value or date of conveyance of such Replacement Unit or Units pursuant to Section 11.2 shall terminate, without prejudice to the continuation of those obligations which, by the express terms of the Operative Agreements, survive termination of the Lease Term.

11.4 Disposition of Units; Replacement of Unit.

(a) Upon the payment of all sums required to be paid pursuant to Section 11.2 in respect of any Unit or Units and satisfaction of all conditions in Section 11.2, the Lessor will transfer to the Lessee "as-is, where-is" all right, title and interest of the Lessor in and to such Unit or Units, without recourse or warranty, except for the absence of Lessor's Liens. As to each separate Unit, so long as no Lease Event of Default shall have occurred and be continuing, the Lessee or its designee shall be entitled to any amounts arising from any disposition, plus any awards or other proceeds and damages received by the Lessee, the Lessor or the Indenture Trustee by reason of such Event of Loss after having paid the full amount described in Section 11.2.

(b) At the time of or prior to any replacement of any Unit, the Lessee, at its own expense, will (A) furnish the Lessor with a Bill of Sale (together with an assignment of the manufacturer's warranties, if any such warranties exist) with respect to the Replacement Unit, (B) cause a Lease Supplement substantially in the form of Exhibit A hereto with appropriate modifications, subjecting such Replacement Unit to this Lease, and duly executed by the Lessee, to be delivered to the Lessor for execution and, upon such execution, to be filed for recordation in the same manner as provided for the original Lease Supplement in Section 16.1, (C) so long as the Indenture shall not have been satisfied and discharged, cause an Indenture Supplement substantially in the form of Exhibit B to the Indenture (with appropriate modifications) for such Replacement Unit, to be delivered to the Lessor and to the Indenture Trustee for execution and, upon such execution, to be filed for recordation in the same manner as provided for the original Indenture Supplement in Section 16.1, (D) furnish the Lessor and the Indenture Trustee with an opinion of the Lessee's counsel (which may be the Lessee's General Counsel or Vice President-Law), to the effect that (w) the Bill of Sale referred to in clause (A) above constitutes a legal, valid, binding and enforceable obligation of the Lessee (subject to customary qualifications as to bankruptcy and equitable principles), (x) the Lessor will be entitled to the benefits of 11 U.S.C. § 1168 with respect to such Replacement Unit under this Lease, (y) legal title and ownership of such Replacement Unit has been conveyed to the Lessor, free and clear of all Liens (other than Permitted Liens, except for Permitted Liens of the type described in clauses (ii) or (iv) of the definition thereof), and (z) all filings, recordings and other action necessary or appropriate to perfect and protect the Lessor's and the Indenture Trustee's respective interests in the Replacement Unit have been accomplished, (E) furnish the Lessor and the Indenture Trustee with an Officer's Certificate certifying that as of said date, and upon consummation of the replacement, no Lease Default or Lease Event of Default exists, and (F) furnish such other documents and evidence as the Owner Participant, the

Lessor or Indenture Trustee, or their respective counsel, may reasonably request in order to establish the consummation of the transactions contemplated by this Section 11.4, including, without limitation, evidence of compliance with Section 12 with respect to the Replacement Unit. For all purposes hereof, upon passage of title thereto to the Lessor the Replacement Unit shall be deemed part of the property leased hereunder and the Replacement Unit shall be deemed a "Unit" as defined herein. Upon such passage of title, the Lessor will transfer to the Lessee "as-is, where-is" all the Lessor's right, title and interest in and to the replaced Unit, without recourse or warranty (except as to the absence of Lessor's Liens).

11.5 Eminent Domain. In the event that during the Lease Term the use of any Unit is requisitioned or taken by any governmental authority under the power of eminent domain or otherwise for a period which does not constitute an Event of Loss, the Lessee's obligation to pay all installments of Basic Rent shall continue for the duration of such requisitioning or taking. The Lessee shall be entitled to receive and retain for its own account all sums payable for any such period by such governmental authority as compensation for requisition or taking of possession.

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

SECTION 12. INSURANCE.

12.1 Property Damage and Public Liability Insurance. The Lessee will, at all times prior to the return of the Units to the Lessor and during the Storage Period for such Unit, at its own expense, cause to be carried and maintained with reputable insurance companies such insurance in such amounts against such risks, with such insurance companies and with such terms (including co-insurance, deductibles, limits of liability and loss payment provisions) as is customary under the Lessee's risk management program and in keeping with risks assumed by Class I Railroads generally, including if so customary and in keeping with industry practice (i) all risk property insurance in respect of the Units and (ii) public liability insurance, (including Federal Employer Liability Act coverage) against loss or damage for personal injury,

death or property damage suffered upon, in or about any premises occupied by it or occurring as a result of the use, maintenance or operation of the Units; provided, however, that the Lessee may self-insure with respect to any or all of the above if customary under such risk management program and in keeping with risks assumed by Class I railroads generally. Such coverage may provide for deductible amounts as are customary under the Lessee's risk management program and in keeping with risks assumed by Class I railroads generally. Notwithstanding the foregoing, all insurance coverages (including, without limitation, self-insurance) with respect to the Units required under this Section 12.1 will be comparable to, and no less favorable than, insurance coverages applicable to equipment owned or leased by the Lessee which is comparable to the Units. The Lessee shall, at its own expense, be entitled to make all proofs of loss and take all other steps necessary to collect the proceeds of such insurance.

12.2 Proceeds of Insurance. The entire proceeds of any property insurance or third-party payments for damages or for an Event of Loss to any Unit shall be paid over to the Lessee.

12.3 Additional Insurance. At any time the Lessor (either directly or in the name of the Owner Participant) or the Owner Participant may at its own expense carry insurance with respect to its interest in the Units, provided that such insurance does not interfere with the Lessee's ability to insure the Units as required by this Section 12 or adversely affect the Lessee's insurance or the cost thereof, it being understood that all salvage rights to each Unit and all primary subrogation rights shall remain with the Lessee's insurers at all times. Any insurance payments received from policies maintained by the Lessor or the Owner Participant pursuant to the previous sentence shall be retained by the Lessor or the Owner Participant, as the case may be, without reducing or otherwise affecting the Lessee's obligations hereunder.

SECTION 13. REPORTS; INSPECTION.

13.1 Duty of the Lessee to Furnish. On or before March 1, 1993, and on each March 1 thereafter, the Lessee will furnish to the Lessor, Owner Participant, and the Indenture Trustee an accurate statement, as of the preceding December 31, (a) showing the number, description and reporting marks of the Units then leased hereunder, the amount, description and reporting marks of all Units that may have suffered an Event of Loss during the 12 months ending on such December 31 (or since the first Closing Date, in the case of the first such statement), and such other information regarding the condition or repair of the Units as the Lessor may reasonably request, and (b) stating that, in the case of all Units repainted during the period covered by such statement, the markings required by Section 4.2 hereof shall have been preserved or replaced.

13.2 Inspection Rights. During the Lease Term with respect to a Unit, each of the Lessor and the Indenture Trustee shall have the right, but not the obligation, at its sole cost, expense and risk, including, without limitation, the risk of personal injury or death (except that if a Lease Event of Default shall have occurred and be continuing such inspection shall be at the cost and expense of the Lessee, and under all circumstances the Lessee shall bear the risk of its own negligence or wilful misconduct), by its authorized representatives exercised not more than once in any calendar year (except if a Lease Event of Default shall have occurred and be continuing) to inspect such Unit and all logs, records, books and other materials relating to the use, damage, repair and maintenance of such Unit, in each case during the Lessee's normal business hours, subject to the Lessee's standard security and safety rules and procedures and, unless a Lease Event of Default shall have occurred and be continuing, upon reasonable prior notice to the Lessee. No inspection pursuant to this Section 13.2 shall interfere with the use, operation or maintenance of the Units or the normal conduct of the Lessee's business.

SECTION 14. LEASE EVENTS OF DEFAULT.

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

(a) the Lessee shall fail to make any payment of Basic Rent, or any payment under Section 10.2, 10.3 or 11.2, within 10 Business Days after the same shall have become due; or

(b) the Lessee shall fail to make any other payment under the Operative Agreements (provided that any failure to pay any amount owed by the Lessee under the Tax Indemnity Agreement or any failure of the Lessee to pay to the Lessor (in its individual or trust capacity) or the Owner Participant when due any amounts constituting Excepted Property shall not constitute a Lease Event of Default unless written notice is given by the Owner Participant to the Lessee that such failure shall constitute a Lease Event of Default), including, without limitation, any payment of Supplemental Rent (other than under Section 10.2, 10.3 or 11.2), after the same shall have become due and such failure shall continue unremedied for a period of 15 days after receipt by the Lessee of written notice of such failure from the Lessor or the Indenture Trustee; or

(c) the Lessee shall fail to observe or perform any of the covenants or agreements to be observed or performed by the Lessee in Section 6.7 of the Participation Agreement; or

(d) any representation or warranty made by the Lessee in this Lease or in any other Operative Agreement or in any other document or certificate furnished by the Lessee pursuant to the terms of the Operative Agreements (other than representations relating to tax matters) that was material and untrue or incorrect in any material respect as of the date of making thereof and such untruth or incorrectness shall continue to be material and unremedied after a period of 30 days following receipt by the Lessee of written notice thereof from the Lessor or the Indenture Trustee; provided that if such untruth or incorrectness is capable of being remedied by the Lessee, then such untruth or incorrectness shall not constitute a Lease Event of Default for so long as the Lessee is diligently proceeding to remedy such untruth or incorrectness, but in no event shall such additional period exceed 150 days; or

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

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

(g) the Lessee shall fail to observe or perform any of its covenants or agreements (other than those described in the foregoing clauses of this Section 14) to be observed or performed by the Lessee hereunder or under the Participation Agreement or any other Operative Agreement (other than the Tax

Indemnity Agreement) and such failure shall continue unremedied for 30 days after notice from the Lessor or the Indenture Trustee to the Lessee, specifying the failure and demanding the same to be remedied; provided that, if such failure is capable of being remedied and such remedy does not involve the payment of money alone, no such failure shall constitute a Lease Event of Default hereunder so long as the Lessee is diligently proceeding to remedy such failure, but in no event shall such failure continue unremedied for a period in excess of 180 days;

provided that, notwithstanding anything to the contrary contained in this Lease, any failure of the Lessee to perform or observe any covenant or agreement herein shall not constitute a Lease Event of Default if such failure is caused solely by reason of an event referred to in the definition of "Event of Loss" so long as the Lessee is continuing to comply with the applicable terms of Section 11. The Lessor shall notify the Lessee promptly upon obtaining knowledge of the Lessee's failure to make any payment of Basic Rent after the same shall have become due; provided that the giving of such notice by the Lessor shall not be a condition to the start of the 10-Business Day period referred to in Section 14(a).

SECTION 15. REMEDIES.

15.1 Remedies. Upon the occurrence of any Lease Event of Default and at any time thereafter so long as the same shall be continuing, the Lessor may, at its option, declare this Lease to be in default by a written notice to the Lessee (but this Lease shall be deemed to be in default in the event of the occurrence of an Event of Default under Section 14(e) or 14(f)); and at any time thereafter, so long as the Lessee shall not have remedied all outstanding Lease Events of Default, the Lessor may do one or more of the following as the Lessor in its sole discretion shall elect, to the extent permitted by, and subject to compliance with any mandatory requirement of, applicable law then in effect:

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

(b) by notice in writing to the Lessee, the Lessor may (x) rescind or terminate the Lease as to any or all Units; and/or (y) demand of the Lessee, and the Lessee shall, upon written demand of the Lessor and at the Lessee's expense, forthwith return any or all of the Units to the Lessor or its order in the manner and condition required by, and otherwise in accordance with all of the provisions of Section 15.6; or the Lessor with or without notice or judicial process may by

its agents enter upon the premises of the Lessee where any of the Units may be located and take possession of and remove all or any of the Units and thenceforth hold, possess and enjoy the same free from any right of the Lessee, or its successor or assigns, to use such Units for any purpose whatever;

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

(d) hold or lease to others any Unit as the Lessor in its sole discretion may determine, free and clear of any rights of the Lessee and without any duty to account to the Lessee with respect to such action or inaction or for any proceeds with respect thereto, except that the Lessee's obligation to pay Basic Rent with respect to such Unit due for any periods subsequent to the date upon which the Lessee shall have been deprived of possession and use of such Unit pursuant to this Section 15 shall be reduced by the net proceeds, if any, received by the Lessor from leasing such Unit to any Person other than the Lessee;

(e) whether or not the Lessor shall have exercised, or shall thereafter at any time exercise, any of its rights under paragraph (a), (b), (c) or (d) above with respect to any Unit, the Lessor, by written notice to the Lessee specifying a payment date (for purposes of this paragraph (e), the "Payment Date") which shall be a Determination Date not earlier than 10 days after the date of such notice, may demand that the Lessee pay to the Lessor, and the Lessee shall pay to the Lessor, on account of any Unit selected by the Lessor on the Payment Date, as liquidated damages for loss of a bargain and not as a penalty (in lieu of the Basic Rent for such Unit due after the Payment Date), the sum of: (x) any unpaid Basic Rent on account of such Unit due prior to (but not on) the Payment Date; plus (y) whichever of the following amounts the Lessor, in its sole discretion, shall specify in such notice: (i) an amount equal to the excess, if any, of (A) Stipulated Loss Value for such Unit determined as of the Payment Date over (B) the Fair Market Value of such Unit (and if such Unit has been sold, the net sales proceeds shall be deemed to be equal to

Fair Market Value); or (ii) an amount equal to the excess, if any, of (A) the present value as of the Payment Date of all installments of Basic Rent on account of such Unit until the end of the Basic Term or the Renewal Term, as the case may be, for such Unit discounted at a rate per annum equal to the Discount Rate over (B) the present value as of the Payment Date of the Fair Market Rental Value of such Unit until the end of the Basic Term or the Renewal Term, as the case may be, for such Unit discounted at a rate per annum equal to the Discount Rate; plus interest on such sum of (x) plus (y) at the Late Rate from the Payment Date to the date of actual payment; and upon payment in full of such amount, together with payment of all other amounts of Supplemental Rent then due, the Lease Term for such Unit, if not theretofore ended, shall end;

(f) unless the Lessor shall have exercised, or shall thereafter at any time exercise, any of its rights under Section 15.1(e) with respect to a Unit, the Lessor, by written notice to the Lessee specifying a payment date which shall be a Determination Date occurring not earlier than 10 days after the date of such notice (for purposes of this paragraph (f), the "Payment Date"), may require that the Lessee pay to the Lessor, and the Lessee shall pay to the Lessor, on account of such Unit on the Payment Date as liquidated damages for loss of a bargain and not as a penalty (in lieu of scheduled Basic Rent due after the Payment Date), the sum of: (x) any unpaid Basic Rent on account of such Unit due prior to (but not on) the Payment Date; plus (y) the Stipulated Loss Value for such Unit, computed as of the Payment Date; plus interest on such sum of (x) plus (y) at the Late Rate from the Payment Date to the date of actual payment; and upon payment in full of such amount, together with all other amounts of Supplemental Rent then due, the Lessor shall transfer "as is", "where is", without recourse or warranty (except as to the absence of Lessor's Liens attributable to the Lessor) all right, title, and interest of the Lessor to such Unit to the Lessee or as it may direct, and the Lease Term for such Unit, if not theretofore ended, shall end; and/or

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

In addition, the Lessee shall be liable, except as otherwise provided above, for any and all unpaid Rent due hereunder before, during and (in the case of Supplemental Rent only) after the exercise of any of the foregoing remedies, and for legal fees (including, in the case of BA Leasing & Capital Corporation and any other financial institution which regularly allocates the time

charges of its internal counsel, the time charges of internal counsel) and other costs and expenses incurred by reason of the occurrence of any Lease Event of Default or the exercise of the Lessor's remedies with respect thereto, including, without limitation, the repayment in full of any costs and expenses necessary to be expended in repairing any Unit in order to cause it to be in compliance with all maintenance and regulatory standards imposed by this Lease or by law.

15.2 Cumulative Remedies. Each right, power and remedy in this Lease provided in favor of the Lessor shall not be deemed exclusive, but shall be cumulative and shall be in addition to all other rights, powers and remedies in its favor existing at law, in equity or by statute; provided, however, that no calculation of damages shall be made so as to exceed the measure of damages which would be available under Section 15.1(e) or 15.1(f) hereof. Subject to Section 3.5, the Lessee hereby waives any and all existing or future claims of any right to assert any offset or counterclaim against the Rent payments due hereunder, and agrees to make the Rent payments regardless of any offset or counterclaim or claim which may be asserted by the Lessee on its behalf in connection with the lease of the Units.

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

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

15.5 The Lessee's Duty to Furnish Information with Respect to Subleases and Sub-subleases. Upon the occurrence of a Lease Event of Default, the Lessor may request that the Lessee deliver to the Lessor, and upon such request the Lessee agrees that it will promptly deliver to the Lessor, (i) a detailed list of all Units that are then being subleased by the Lessee, (ii) the identity of the sublessees with respect to such Units, (iii) the identity of an employee or other agent of each such sublessee with whom the Lessee regularly communicates with in respect of such Units, (iv) the most recent known location of such Units, (v) a detailed list of all Units which, to the Lessee's knowledge, are then being sub-subleased, and (vi) the identity of the sublessors and sub-sublessees with respect to Units described in clause(v).

15.6 The Lessee's Duty to Return Units Upon Default. If the Lessor or any assignee of the Lessor shall demand return of all or any of the Units pursuant to Section 15 hereof, the Lessee shall forthwith deliver possession of such Units to the Lessor. For the purpose of delivering possession of any Unit to the Lessor as above required, the Lessee shall at its own cost, expense and risk:

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

(b) permit the Lessor to store such Units on such tracks at the risk of the Lessee without charge for insurance, rent or storage until such Units have 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 12.1 hereof; provided, however, that the storage period shall not exceed one year; and

(c) transport the Units to any place on the lines of railroad operated by the Lessee or its Affiliates or to any connection carrier for shipment, all as the Lessor may direct in writing.

All Units returned shall be in the condition required by Section 8.1 and free and clear of all Liens other than Lessor's Liens. All logs, records, books and other materials relating to the use, damage, repair and maintenance of the Units shall be made available to the Lessor or its designee upon the return of the Units.

All amounts earned in respect of the Units after the date of termination of this Lease pursuant to Section 15 hereof, but not exceeding the rental, per diem, or other similar charge for equipment received therefor, until the complete exercise of remedies under Section 15 has occurred, shall be paid to the Lessor or the assignee of the Lessor, and, if received by the Lessee, shall be promptly turned over to the Lessor or such assignee.

15.7 Specific Performance; the Lessor Appointed the Lessee's Agent. The delivery of possession of the Units as provided in Section 6.1 and/or Section 15.6 is of the essence of this Lease, and upon application to any court of competent 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 deliver possession of the Units. Without in any way limiting the obligation of the Lessee under the provisions of Section 6.1 or Section 15.6, the Lessee hereby irrevocably appoints the Lessor as the agent and attorney of the Lessee, with full power and authority, at any time while the Lessee is obligated to deliver

possession of any Units to the Lessor pursuant to this Section 15, to demand and take possession of such Unit in the name and on behalf of the Lessee from whosoever shall be at the time in possession of such Unit.

SECTION 16. FILINGS; FURTHER ASSURANCES.

16.1 Filings. On or prior to each Closing Date the Lessee will (i) cause this Lease (unless theretofore filed), the Lease Supplement dated such Closing Date, the Indenture (unless theretofore filed) and the Indenture Supplement dated such Closing Date to be duly filed and recorded with the ICC in accordance with 49 U.S.C. § 11303, (ii) cause this Lease (unless theretofore filed), the Lease Supplement dated such Closing Date, the Indenture (unless theretofore filed) and the Indenture Supplement dated such Closing Date to be deposited with the Registrar General of Canada pursuant to Section 90 of the Railway Act of Canada and cause notice of such deposit to be forthwith given in The Canada Gazette in accordance with said Section 90 and (iii) furnish the Lessor and the Owner Participant proof thereof.

16.2 Further Assurances. The Lessee will duly execute and deliver to the Lessor such further documents and assurances and take such further action as the Lessor may from time to time reasonably request or as may be required by applicable law in order to effectively carry out the intent and purpose of this Lease and to establish and protect the rights and remedies created in favor of the Lessor, the Owner Participant and the Indenture Trustee hereunder, including, without limitation, the execution and delivery of supplements or amendments hereto, in recordable form, subjecting to this Lease any Replacement Unit and the recording or filing of counterparts hereof or thereof in accordance with the laws of such jurisdiction as the Lessor may from time to time deem advisable, and the filing of financing statements, including, without limitation, continuation statements, with respect thereto.

16.3 Expenses. Except as provided in Section 2.5 of the Participation Agreement, the Lessee will pay all costs, charges and expenses (including reasonable attorneys' fees and expenses and, in the case of BA Leasing & Capital Corporation and any other Owner Participant that is a bank or other financial institution which regularly allocates the time charges of its internal counsel, the allocated time charges of internal counsel) incident to any such filing, refiling, recording and rerecording or depositing and redepositing of any such instruments or incident to the taking of any such action.

SECTION 17. THE LESSOR'S RIGHT TO PERFORM.

If the Lessee fails to make any payment required to be made by it hereunder or fails to perform or comply with any of its other agreements contained herein, the Lessor may itself make such payment or perform or comply with such agreement, after giving not less than five Business Days' prior notice thereof to the Lessee (except in the event that an Indenture Default resulting solely from a Lease Event of Default shall have occurred and be continuing, in which event the Lessor may effect such payment, performance or compliance to the extent necessary to cure such Indenture Default with notice given concurrently with or promptly after such payment, performance or compliance), but shall not be obligated hereunder to do so, and the amount of such payment and of the reasonable expenses of the Lessor incurred in connection with such payment or the performance of or compliance with such agreement, as the case may be, together with interest thereon at the Late Rate from the date of such payment or incurrence of expenditure until the Lessor has been fully reimbursed therefor, to the extent permitted by applicable law, shall be deemed to be Supplemental Rent, payable by the Lessee to the Lessor on demand.

SECTION 18. ASSIGNMENT BY THE LESSOR.

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

SECTION 19. ASSIGNMENT BY THE LESSEE.

19.1 Assignment. Except as provided in Section 6.7 of the Participation Agreement, the Lessee will not, without the prior written consent of the Lessor, assign any of its rights hereunder; nor will the Lessee sublease any of the Units without the prior written consent of the Lessor, except in accordance with Section 8.3.

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

agreement then in effect and permitted by the terms of this Lease shall constitute performance by the Lessee and discharge such obligation by the Lessee (it being understood that if such permitted assignee or sublessee shall fail to fully perform any such obligation, the Lessee shall not be discharged from performing such obligation). Except as otherwise expressly provided herein, any right granted to the Lessee in this Lease shall grant the Lessee the right to exercise such right or permit such right to be exercised by any such permitted assignee or sublessee; provided that the Lessee's purchase and renewal options set forth in Section 22 may be exercised only by the Lessee itself or by any permitted assignee of, or successor to, the Lessee in a transaction permitted by Section 6.7 of the Participation Agreement. The inclusion of specific references to obligations or rights of any such assignee or sublessee in certain provisions of this Lease shall not in any way prevent or diminish the application of the provisions of the two sentences immediately preceding with respect to obligations or rights in respect of which specific reference to any such assignee or sublessee has not been made in this Lease.

SECTION 20. NOTICES.

Unless otherwise expressly specified or permitted by the terms hereof, all communications and notices provided for herein shall be in writing, and any such notice shall become effective when delivered. Any written notice shall be by (a) personal delivery thereof, including, without limitation, by overnight mail and courier service, (b) United States mail, certified or registered, postage prepaid, return receipt requested or (c) facsimile transmission, confirmed mechanically or by the method set forth in clause (a) or (b) above, in each case addressed to the following Person at its respective address set forth below or at such other address as such Person may from time to time designate by written notice to the other Persons listed below:

If to the Lessor:

WILMINGTON TRUST COMPANY
1100 North Market Street
Rodney Square North
Wilmington, Delaware 19890
Attention: Corporate Trust
Administration

Telecopy Number: (302) 651-8882
Confirmation No.: (302) 651-1959

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

If to the Owner Participant:

To the address set forth in Section 10.3 of the Participation Agreement

If to the Indenture Trustee:

Harris Trust and Savings Bank
111 West Monroe Street
Chicago, Illinois 60603
Attention: Indenture Trust Division
Telecopy Number: (312) 461-3525
Confirmation No.: (312) 461-2526

If to the Lessee:

The Atchison, Topeka and
Santa Fe Railway Company
1700 East Golf Road
Schaumburg, Illinois 60173
Attention: Chief Financial Officer
Telecopy Number: (708) 995-6466
Confirmation No.: (708) 995-6000

SECTION 21. CONCERNING THE INDENTURE TRUSTEE.

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

21.2 Right, Title and Interest of Indenture Trustee Under Lease. It is understood and agreed that the right, title and interest of the Indenture Trustee in, to and under this Lease and the Rent due and to become due hereunder shall by the express terms granting and conveying the same be subject to the interest of the Lessee in and to the Units as provided in this Lease.

SECTION 22. PURCHASE OPTIONS; RENEWAL OPTIONS.

22.1 Purchase Options. Provided that no Lease Event of Default shall have occurred and be continuing at the end of the Lease Term (unless the Lessor shall have expressly waived such Lease Event of Default solely for the purpose of this Section 22.1) and the Lessee shall have duly given the notice required by the next succeeding sentence of this Section 22.1, the Lessee shall have the right to purchase all (but not less than all) of the Units then leased hereunder (as specified in such notice required by this Section 22.1) at (i) the expiration of the Basic Term, for a price equal to the lesser of (x) the Fixed Purchase Price of such Units or (y) the Fair Market Value of such Units and (ii) the expiration of any Renewal Term (as provided in Section 22.2 hereof), at a price equal to the Fair Market Value of such Units. The Lessee shall give the Lessor irrevocable written notice not less than 180 days prior to the end of the Basic Term, or the applicable Renewal Term, as the case may be, of its election to exercise the purchase option provided for in this Section 22.1. Payment of the purchase price, together with all other amounts due and owing by the Lessee under the Operative Agreements, shall be made at the place of payment specified in Section 3.6 hereof in immediately available funds and the Lessor shall transfer to the Lessee all of its right, title and interest in and to the Units on an "as-is, where-is" basis. The Lessor shall not be required to make any representation or warranty as to the condition of the Units or as to any other matters, except for the absence of Lessor's Liens, and may specifically disclaim any such representations or warranties.

22.2 Renewal Options. (a) Provided that this Lease has not been earlier terminated and no Lease Event of Default shall have occurred and be continuing at the end of the Lease Term (unless the Lessor shall have expressly waived such Lease Event of Default solely for the purpose of this Section 22.2(a)) and the Lessee shall have duly given notice required by this Section 22.2(a), at the end of the Basic Term, the Lessee may elect to extend the term of this Lease for all (but not less than all) of the Units for an additional one or two year period (the "Initial Renewal Term"). The Lessee shall give the Lessor irrevocable written notice not less than 180 days prior to the end of the Basic Term of its election to exercise such renewal option and of the duration of the Initial Renewal Term. Each installment of the Basic Rent for each Unit during the Initial Renewal Term shall be equal to the lesser of (i) 50% of the average annual Basic Rent installments payable under Section 3.2 for such Unit during the Basic Term or (ii) the Fair Market Rental Value of such Unit (calculated for semi-annual arrears rental payments), payable semi-annually in arrears.

(b) Provided no Lease Event of Default shall have occurred and be continuing at the end of the Lease Term (unless the Lessor shall have expressly waived such Lease Event of Default solely for

the purpose of this Section 22.2(b)), the Lessee previously elected a one year Initial Renewal Term pursuant to Section 22.2(a) and the Lessee shall have duly given the notice required by this Section 22.2(b), the Lessee shall have the right to renew the Lease with respect to all (but not less than all) of the Units at the expiration of the Initial Renewal Term for a period of one year (the "Second Renewal Term"). The Lessee shall give the Lessor irrevocable written notice not less than 180 days prior to the end of the Initial Renewal Term of its election to exercise its second renewal option. The Basic Rent installments payable under Section 3.2 for such Unit during the Basic Term for each Unit leased during the Second Renewal Term shall be the lesser of (i) 50% of the average annual Basic Rent installments payable under Section 3.2 for such Unit during the Basic Term and (ii) the Fair Market Rental Value of such Unit (calculated for semi-annual arrears rental payments), payable semi-annually in arrears. The Second Renewal Term shall commence immediately upon the expiration of the Initial Renewal Term.

(c) If the Lessee fails to renew this Lease pursuant to Section 22.2(a), then this Lease shall not be subject to any subsequent renewals hereunder.

22.3 Appraisal. By written notice at least 270 days prior to the end of the Basic Term or a Renewal Term, the Lessee may request a determination of Fair Market Value or Fair Market Rental Value with respect to the Units. Promptly following such written notice, the Lessor and the Lessee shall proceed to determine (x) the Fair Market Rental Value of such Units and (y) the Fair Market Value of such Units as of the first day of the Renewal Term and the last day of such Renewal Term. All determinations are to be made in accordance with the definition of said terms in Appendix A to this Lease within 90 days of the aforesaid notice.

22.4 Stipulated Loss Value During Renewal Term. All of the provisions of this Lease, other than Section 10, shall be applicable during any Renewal Term for such Units, except as specified in the next sentence. During any Renewal Term, the Stipulated Loss Value of any Unit shall be determined on the basis of the Fair Market Value of such Unit as of the first day of such Renewal Term, adjusted in equal monthly increments to the Fair Market Value of such Unit as of the last day of such Renewal Term; provided that in no event during any Renewal Term in which Basic Rent is calculated in accordance with clause (i) of the last sentence of Section 22.2(a) shall the Stipulated Loss Value of any Unit be less than 20% of the Equipment Cost of such Unit.

SECTION 23. LIMITATION OF THE LESSOR'S LIABILITY.

It is expressly agreed and understood that all representations, warranties and undertakings of the Lessor hereunder (except

as expressly provided herein) shall be binding upon the Lessor only in its capacity as Owner Trustee under the Trust Agreement and in no case shall Wilmington Trust Company be personally liable for or on account of, any statements, representations, warranties, covenants or obligations stated to be those of the Lessor hereunder, except that the Lessor (or any successor Owner Trustee) shall be personally liable (i) in the case of handling funds, for its failure to act with the same care as the Bank uses in handling its own funds and, in all other cases, for its gross negligence or wilful misconduct and (ii) for its breach of its covenants, representations and warranties contained herein to the extent covenanted or made in its individual capacity.

SECTION 24. INVESTMENT OF SECURITY FUNDS; MISCELLANEOUS.

Any moneys received by the Lessor or the Indenture Trustee which are required to be paid to the Lessee pursuant to Section 11.4(a) or 11.5, as the case may be, until paid to the Lessee as provided in Section 11.4(a) or 11.5, or as otherwise applied as provided herein or in the Trust Agreement and Indenture, shall be invested in Permitted Investments by the Lessor (unless the Lien of the Indenture shall not have been discharged, in which case, by the Indenture Trustee as provided in Section 9.3 of the Indenture) from time to time as directed in writing by the Lessee, if such investments are reasonably available for purchase. There shall be promptly remitted to the Lessee, so long as no Lease Event of Default shall have occurred and be continuing, any gain (including interest received) realized as the result of any such investment (net of any fees, commissions and other expenses, if any, incurred in connection with such investment). The Lessee will promptly pay to the Lessor or the Indenture Trustee, as the case may be, on demand, the amount of any net loss realized as the result of any such investment (together with any fees, commissions and other expenses, if any, incurred in connection with such investment), such amount to be held and disposed of in accordance with the terms hereof and of the Trust Agreement and the Indenture.

SECTION 25. MISCELLANEOUS.

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

without invalidating the remainder of such provision or the remaining provisions of this Lease as to such jurisdiction or in any other jurisdiction.

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

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

25.4 Successors and Assigns. This Lease shall be binding upon the parties hereto and their respective successors and assigns and shall inure to the benefit of, and shall be enforceable by, the parties hereto and their respective permitted successors and assigns. Except as expressly provided herein, no party hereto may assign its interests herein without the consent of the other parties hereto and the Indenture Trustee.

25.5 True Lease. It is the intent of the parties to this Lease that it will be a true lease and not a "conditional sale" and will be a "finance lease" under Article 2A of the Illinois Uniform Commercial Code, and that the Lessor shall at all times be considered to be the owner of each Unit which is the subject of this Lease for the purposes of all Federal, state, city and local income taxes or for franchise taxes measured by income, and that this Lease conveys to the Lessee no right, title or interest in any Unit except as lessee. Nothing contained in this Section 25.5 shall be construed to limit the Lessee's use or operation of any Unit in accordance with the terms hereof or to constitute a representation, warranty or covenant by the Lessee as to tax consequences.

25.6 Amendments and Waivers. No term, covenant, agreement or condition of this Lease may be terminated, amended or compliance therewith waived (either generally or in a particular instance, retroactively or prospectively) except by an instrument or instruments in writing executed by each party hereto and except as may be permitted by the terms of the Indenture.

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

25.8 Business Days. If the date on which any payment is to be made pursuant to this Agreement is not a Business Day, the payment otherwise payable on such date shall be payable on the next succeeding Business Day, and, except as otherwise required by the Indenture, without any additional amount accruing with respect thereto, with the same force and effect as if made on the date when such payment is due.

25.9 Directly or Indirectly. Where any provision in this Lease refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

25.10 Incorporation by Reference. The obligations set forth in Sections 7.1 and 7.2 of the Participation Agreement are hereby incorporated by reference.

25.11 Lessee's Right of Quiet Enjoyment. The Lessor shall not take, or cause to be taken, any action contrary to the Lessee's rights under this Lease, including, without limitation, the right to possession and use by the Lessee or any permitted sublessee of the Units unless and until a Lease Event of Default has occurred and is continuing or the term of the Lease has expired (and the Lessee has not exercised its option to purchase the Units) or has been terminated (and the Lessee has not exercised its option to purchase the Units) in accordance with the terms hereof.

* * * * * * * * * *

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

LESSOR:

WILMINGTON TRUST COMPANY,
not in its individual capacity except as otherwise expressly provided but solely as Owner Trustee

By: _____
Name: _____
Title: Norma P. Closs Vice President

CORPORATE SEAL

Attest:

By: _____
Name: LLOYD O. MARTIN
Title: Assistant Vice President

LESSEE:

THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY

By: _____
Name: Steve Vollmer
Title: Director of Finance

CORPORATE SEAL

Attest:

By: _____
Name: Craig D. Smetko
Title: Asst. Secretary

STATE OF Delaware)
) SS
COUNTY OF New Castle)

On this 23rd of December, 199 2, before me personally appeared Norma P. Closs and LLOYD O. MARTIN, to me personally known, who being by me duly sworn, say that they are VICE PRESIDENT and Assistant Vice President respectively of WILMINGTON TRUST COMPANY, that said instrument was signed and sealed on behalf of said corporation on such day by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Sonja F. Allen
Notary Public

[NOTARIAL SEAL]

My commission expires: SONJA F. ALLEN
NOTARY PUBLIC
My Commission expires May 30, 1994

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this 30 day of December, 1992, before me personally appeared Steven Vollmer and Craig Smeltzer to me personally known, who being by me duly sworn, say that they are Director of Finance, and Asst Secretary, respectively, of THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY, that said instrument was signed and sealed on behalf of said corporation on such day by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

" OFFICIAL SEAL "
LOIS M. MELKOVITZ
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 3/24/96

Lois M. Melkovitz
Notary Public

[NOTARIAL SEAL]

My commission expires: _____

18099876.2 122292 1348C 92040310

FORM OF

LEASE SUPPLEMENT (Santa Fe Trust No. 1992-3) NO. __

Dated _____, 199_

between

WILMINGTON TRUST COMPANY,
not in its individual
capacity except as expressly provided
herein but solely as Owner Trustee,
Lessor

and

THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY,
Lessee

CERTAIN OF THE RIGHT, TITLE AND INTEREST OF THE LESSOR IN AND TO THIS LEASE SUPPLEMENT, THE UNITS COVERED HEREBY AND THE RENT DUE AND TO BECOME DUE UNDER THE LEASE HAVE BEEN ASSIGNED AS COLLATERAL SECURITY TO, AND ARE SUBJECT TO A SECURITY INTEREST IN FAVOR OF, HARRIS TRUST AND SAVINGS BANK, NOT IN ITS INDIVIDUAL CAPACITY BUT SOLELY AS INDENTURE TRUSTEE UNDER A TRUST INDENTURE AND SECURITY AGREEMENT (Santa Fe Trust No. 1992-3), DATED AS OF DECEMBER 20, 1992, BETWEEN SAID INDENTURE TRUSTEE, AS SECURED PARTY, AND THE LESSOR, AS DEBTOR. INFORMATION CONCERNING SUCH SECURITY INTEREST MAY BE OBTAINED FROM THE INDENTURE TRUSTEE AT ITS ADDRESS SET FORTH IN SECTION 20 OF THE LEASE. THIS LEASE SUPPLEMENT HAS BEEN EXECUTED IN SEVERAL COUNTERPARTS, BUT ONLY THE COUNTERPART TO BE DEEMED THE ORIGINAL COUNTERPART FOR CHATTEL PAPER PURPOSES CONTAINS THE RECEIPT THEREFOR EXECUTED BY HARRIS TRUST AND SAVINGS BANK, AS INDENTURE TRUSTEE, ON THE SIGNATURE PAGES THEREOF. SEE SECTION 25.2 OF THE LEASE FOR INFORMATION CONCERNING THE RIGHTS OF THE ORIGINAL HOLDER AND THE HOLDERS OF THE VARIOUS COUNTERPARTS HEREOF.

Filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303 on _____ ___, 199_, at _____ Recordation Number _____, and deposited in the office of the Registrar General of Canada pursuant to Section 90 of the Railway Act of Canada on _____ ___, 199_, at _____.

LEASE SUPPLEMENT (Santa Fe Trust No. 1992-3) NO. __

LEASE SUPPLEMENT (Santa Fe Trust No. 1992-3) NO. ___ dated _____ ____, 199_ (this "Lease Supplement") between WILMINGTON TRUST COMPANY, not in its individual capacity but solely as Owner Trustee (the "Lessor") under the Trust Agreement, and ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY, a Delaware corporation (the "Lessee");

W I T N E S S E T H :

WHEREAS, the Lessor and the Lessee have heretofore entered into that certain Equipment Lease Agreement (Santa Fe Trust No. 1992-3) dated as of December 20, 1992 (the "Lease"). Unless otherwise defined herein, capitalized terms used herein shall have the meanings specified in Appendix A to the Lease; and

WHEREAS, the Lease provides for the execution and delivery of a Lease Supplement on each Closing Date substantially in the form hereof for the purpose of confirming the acceptance and lease of certain of the Units under the Lease in accordance with the terms thereof;

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

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

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

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

4. Basic Rent, Stipulated Loss Values and Termination Values. The Basic Rent payable under Section 3.2(i) of the Lease, Stipulated Loss Values and Termination Values applicable in respect of the Units are set forth, respectively, on the appropriate portions of revised Schedules 3, 4 and 5 to the Participation Agreement.

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

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

7. References. Any and all notices, requests, certificates and other instruments executed and delivered concurrently with or after the execution and delivery of this Lease Supplement may refer to the "Equipment Lease Agreement, dated as of December 20, 1992", or may identify the Lease in any other respect without making specific reference to this Lease Supplement, but nevertheless all such references shall be deemed to include this Lease Supplement, unless the context shall otherwise require.

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

9. Governing Law. This Lease Supplement shall be governed by and construed in accordance with the laws and decisions of the State of Illinois without regard to principles of conflicts of laws; provided, however, that the parties shall be entitled to all rights conferred by any applicable Federal statute, rule or regulation.

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

LESSOR:

WILMINGTON TRUST COMPANY,
not in its individual capacity, but
solely as Owner Trustee

By:_____
Name:_____
Title:_____

CORPORATE SEAL

Attest:

By:_____
Name:_____
Title:_____

LESSEE:

THE ATCHISON, TOPEKA AND SANTA FE
RAILWAY COMPANY

By:_____
Name:_____
Title:_____

CORPORATE SEAL

Attest:

By:_____
Name:_____
Title:_____

Receipt of the original
counterpart of the foregoing
Lease is hereby acknowledged
this ____ day of _____, 199_.*/

HARRIS TRUST AND SAVINGS BANK,
as Indenture Trustee

By:_____
Name:_____
Title:_____

---

*/ on chattel paper original only

STATE OF _____)
) SS
COUNTY OF _____)

On this ____ of _____, 199_, before me personally appeared _____ and _____, to me personally known, who being by me duly sworn, say that they are _____ and _____, respectively of WILMINGTON TRUST COMPANY, that said instrument was signed and sealed on behalf of said corporation on such day by authority of its Board of Directors, and they 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 _____ and _____, to me personally known, who being by me duly sworn, say that they are _____, and _____, respectively, of THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY, that said instrument was signed and sealed on behalf of said corporation on such day by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

_____
Notary Public

[NOTARIAL SEAL]

My commission expires: _____

SCHEDULE 1

Units

DEFINITIONS

General Provisions

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

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

Defined Terms

"After-Tax-Basis" shall mean (i) in the case of any amount being paid to any Tax Indemnitee, an amount which, after deduction of all additional federal, state and local income taxes imposed upon such Tax Indemnitee that would not have been imposed but for the receipt or accrual of such amount (or the receipt or accrual of amounts paid by reason of a "gross-up" provision), is equal to the amount required to be paid under the applicable Operative Agreement, and (ii) in the case of any amount being paid by any Tax Indemnitee, an amount which, after deduction of all additional federal, state and local income taxes saved by such Tax Indemnitee that would not have been saved but for the payment or accrual of the obligation to pay such amount (or the payment or accrual of the obligation to pay amounts by reason of a "gross-up" provision) is equal to the amount to be paid under the applicable Operative Agreement.

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

"Affiliate" of any Person shall mean any other Person which directly or indirectly controls, or is controlled by, or is under

a common control with, such Person. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise, and the term "controlled" shall have a meaning correlative to the foregoing.

"Appraisal" shall have the meaning specified in Section 4.2(a) of the Participation Agreement.

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

"Bank" shall have the meaning specified in Section 3.1 of the Participation Agreement.

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

"Basic Rent" shall mean, with respect to any Unit, all scheduled rent payable by the Lessee to the Lessor pursuant to Section 3.2 of the Lease for the Basic Term for such Unit, and all scheduled rent payable pursuant to Section 22.2 of the Lease for any Renewal Term for such Unit.

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

"Basic Term Commencement Date" shall mean the earlier of (i) the date which is six months less one day following the first Closing Date and (ii) December 29, 1993.

"Basic Term Expiration Date" shall mean for any Unit, the date which is eleven years after the Basic Term Commencement Date for such Unit.

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

"Bill of Sale" shall mean the bill of sale, dated a Closing Date, or the date that any Replacement Unit is subjected to the Lease (and the Lien of the Indenture, if the Indenture is in effect), from the Manufacturer (or the Lessee, in the case of a Replacement Unit) to the Owner Trustee covering the Units delivered on such Closing Date or such Replacement Unit, as the case may be, substantially in the form of Exhibit D to the Participation Agreement.

"Breakage Costs" shall mean, with respect to the principal amount of Trust Certificates issued pursuant to the Initial Trust Certificate Purchase Agreement, the following: any loss, cost or expense, including, without limitation, any loss, cost or expense incurred by reason of the liquidation or re-employment of deposits or other funds acquired by the Initial Certificate Holder to fund or maintain the loan evidenced by the Trust Certificates or the relending or reinvesting of such deposits or amounts paid or prepaid to such holder as a result of any payment, redemption or prepayment of the Trust Certificates held by the Initial Certificate Holder on a date other than the last day of an Interest Period, to the extent such payment or prepayment is payable under Section 6.1 of the Indenture. If a claim for compensation is made, it shall be accompanied by a certificate to the Lessee, the Owner Trustee and the Owner Participant setting forth the amount of such loss, cost or expense in reasonable detail (including an explanation of the basis and the computation of such loss, cost or expense) and the amounts shown on such certificate shall be conclusive and binding on such parties to the Operative Agreements absent manifest error. Notwithstanding the foregoing, Breakage Costs shall be payable only in the circumstances provided in the Indenture.

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

"Car Contract" shall have the meaning specified in Section 4.4 of the Lease.

"Certificate Holders" shall mean and include each registered owner of a Trust Certificate.

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

"Change in Tax Law" shall mean (i) (a) an amendment to the Code, other than a change in the alternative minimum tax, that is enacted on or prior to a Closing Date or (b) an amendment to the Code that is enacted after such Closing Date, (ii) (a) a change in the Treasury Regulations, whether proposed, temporary or final, that is promulgated on or prior to a Closing Date and (except with respect to proposed regulations) effective with respect to the transactions entered into on or prior to such

Closing Date, or, (b) a change in the Treasury Regulations, whether proposed, temporary or final that is promulgated after a Closing Date and (except with respect to proposed regulations) effective with respect to the transactions entered into on or prior to such Closing Date, or (iii) a change in judicial precedent or administrative announcement promulgated or decided prior to a Closing Date.

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

"Class I Railroad" shall mean a "Class I Carrier" within the meaning of 49 C.F.R. Part 1201 which is a railroad operating within the jurisdiction of the Interstate Commerce Commission pursuant to Title 49 of the U.S. Code.

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

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

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

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

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

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

"Debt Rate" shall mean, with respect to any Trust Certificate, as of the date of determination, a rate equal to the scheduled rate of interest per annum borne by such Trust Certificate ((a) with respect to Trust Certificates held by the Initial Certificate Holder, computed on the basis set forth in the Initial Trust Certificate Purchase Agreement and (b) with respect to any other Trust Certificates, except as may be provided to the contrary in any Trust Certificate Purchase Agreement, computed on the basis of a year of 360 days consisting of twelve 30-day months).

"Defaulted Interest" shall have the meaning specified in Section 2.8(b) of the Indenture.

"Defaulted Payment" shall have the meaning specified in Section 2.8(b) of the Indenture.

"Defaulted Premium" shall have the meaning specified in Section 2.8(b) of the Indenture.

"Determination Date" shall mean, with respect to any Unit, each of the dates set forth on Schedule 4 or 5 to the Participation Agreement which relates to such Unit.

"Discount Rate" shall mean the per annum composite rate (calculated by reference to a spread over 7-year United States Treasury securities) which the Investment Banker indicates would be the likely composite Debt Rate if the Trust Certificates to be issued pursuant to Section 6.13 of the Participation Agreement were priced on the date of determination of the Discount Rate; provided, however, (i) if the transactions contemplated by Section 6.13 of the Participation Agreement are consummated, then the Discount Rate thereafter shall be the composite Debt Rate of the Trust Certificates issued pursuant to the Trust Certificate Purchase Agreement entered into pursuant to Section 6.13 and (ii) if the transactions contemplated by Section 6.13 of the Participation Agreement are not consummated on or before December 28, 1993, then the Discount Rate for any day during the period commencing on December 29, 1993 and ending on the date, if any, that the transactions contemplated by Section 6.13 of the Participation Agreement are consummated shall be the LIBOR Rate (as defined in the Initial Trust Certificate Purchase Agreement) in effect on December 29, 1993 plus the Eurodollar Margin (as defined in the Initial Trust Certificate Purchase Agreement) in effect on such date, which Discount Rate shall be reflected in adjustments to Schedules 3, 4, 5 and 6 to the Participation Agreement made pursuant to Section 2.6(a)(ii) of the Participation Agreement.

"DOT" shall have the meaning specified in Section 8.1 of the Lease.

"Environmental Law" shall mean any and all Federal, state, local or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees or requirements of any governmental authority regulating, relating to or imposing liability standards of conduct concerning any Hazardous Substances or environmental protections, as now or may at any time hereafter be in effect, including, without limitation, the Clean Water Act, the Comprehensive Environmental Response, Compensation and Liability Act, the Superfund Amendments and Reauthorization Act of 1986, the Emergency Planning and Community Right to Know Act, the Resource Conservation and Recovery Act, the Safe Drinking Water Act, the Toxic Substances Control Act, together, in each case, with each amendment, supplement or other modification thereto,

and the regulations promulgated thereunder and all substitutions therefor.

"Equipment Cost" shall mean, for each Unit, the purchase price therefor specified on Schedule 1 to the Participation Agreement.

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

"ERISA Entity" shall have the meaning specified in Section 2.14 of the Indenture.

"Event of Default" shall mean a Lease Event of Default.

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

"Excepted Property" shall mean (i) all indemnity payments or payments which by the terms of Section 7 of the Participation Agreement, Section 4.3 or 6.1 of the Trust Agreement or any section of the Tax Indemnity Agreement or any corresponding payment under Section 3.3 of the Lease shall be payable to the Owner Participant, the Owner Trustee in its individual capacity or any of their respective successors, Affiliates, permitted assigns, directors, officers, employees, servants and agents, (ii) any insurance proceeds payable under insurance maintained by the Owner Trustee in its individual capacity or the Owner Participant pursuant to Section 12.3 of the Lease, (iii) any insurance proceeds (or governmental payments in lieu thereof) payable to the Owner Trustee in its individual capacity or to the Owner Participant, under any public liability insurance maintained by the Lessee pursuant to Section 12 of the Lease or by any other Person, (iv) any rights of the Owner Participant or the Owner Trustee in its individual capacity to demand, collect, sue for, or otherwise receive and enforce payment of the amounts described in the foregoing clauses (i) through (iii), provided that the rights referred to in this clause (iv) shall not be deemed to include the exercise of any remedies provided for in Section 15 of the Lease other than the right to proceed by appropriate action or actions, either at law or in equity, to enforce performance by the Lessee of the applicable covenants or to recover damages for the breach thereof, (v) any amount payable to the Owner Participant by any Transferee as the purchase price of the Beneficial Interest in compliance with the terms of the Participation Agreement and the Trust Agreement, (vi) the respective rights of the Owner Trustee in its individual capacity or the Owner Participant to the proceeds of the foregoing, and (vii) the rights of the Owner Participant under Section 10 of the Tax Indemnity Agreement.

"FASB Statement No. 13" shall have the meaning specified in Section 10.2(a) of the Participation Agreement.

"Fair Market Rental Value" or "Fair Market Value", with respect to all Units (or portions thereof) with respect to which a determination is being made, shall mean the cash rent or cash price obtainable for such Units (or portions thereof) in an arm's-length lease or sale between an informed and willing lessee (other than a lessee in possession) or purchaser/user (other than a purchaser/user in possession and other than a dealer in used equipment of a type similar to the Units) under no compulsion to lease or purchase, as the case may be, and an informed and willing lessor or seller, under no compulsion to lease or sell, as the case may be. In making any determination there shall be no increase to the cash rent or cash price obtainable as a result of the existence of Modifications the title to which is vested in the Lessee. Except for determinations for the purposes of Section 15 of the Lease, Fair Market Rental Value and Fair Market Value shall be determined upon the assumption that each Unit (or appropriate portion thereof) is in the condition and repair required under the Lease and is attached to a flatcar in a manner which meets the requirements of Section 4.4 of the Lease, provided, that no portion of this Fair Market Rental Value or Fair Market Value shall be attributed to the flatcar itself or to any favorable or unfavorable rentals under the Car Contract relating to the flatcar. For purposes of Section 15 of the Lease, determinations of Fair Market Rental Value and Fair Market Value shall be determined upon the assumption that each Unit is to be leased or sold on an "as-is, where-is" basis. If the parties are unable to agree upon a Fair Market Rental Value and/or a Fair Market Value within (x) at least 90 days prior to the making of any payment under Section 11.2 of the Lease as a result of a Flatcar Loss or (y) 30 days after delivery of the appropriate notice pursuant to Section 22 of the Lease, or, unless the Lessor otherwise consents, if Fair Market Rental Value or Fair Market Value is to be determined for the purposes of Section 15 of the Lease, such values shall be determined by the following appraisal procedure. Determinations under this appraisal procedure shall be conclusively binding on both the Lessor and the Lessee. (I) If the appraisal procedure is used for any purpose other than Section 15 of the Lease: the Lessee, in the case of clause (x) above, at least 80 days prior to the making of any payment under Section 11.2 of the Lease in respect of a Flatcar Loss, and, in the case of clause (y) above, within 10 days after the 30-day period after the delivery of the appropriate notice pursuant to Section 22 of the Lease, will provide the Lessor the names of appraisers that would be satisfactory to the Lessee, and the Lessor and the Lessee will consult with the intent of selecting a mutually acceptable appraiser. If a mutually acceptable appraiser is selected, the Fair Market Rental Value and/or the Fair Market Value, as the

case may be, shall be determined by such appraiser and set forth in a written appraisal that is in compliance with the "Uniform Standards Of Appraisal Practice" of the Appraisal Foundation. If the Lessee and the Lessor are unable to agree upon a single appraiser within 10 days after the Lessee provides the Lessor with the names of appraisers, either party can file with the American Arbitration Association to provide a list of qualified and certified appraisers of recognized standing and knowledgeable in equipment of the type subject to the Lease and within 15 days of such filing the American Arbitration Association shall provide such a list. Within 10 days of receipt of such list, the Lessor and the Lessee shall list in order of preference their respective choices for appraisers and the appraiser which is most preferred by both the Lessor and the Lessee (or, if two appraisers are preferred equally by the Lessor and the Lessee, the appraiser which is most preferred by both parties but chosen by the Lessor) shall perform the appraisal and set forth Fair Market Rental Value or Fair Market Value in a written appraisal that is in compliance with the "Uniform Standards of Appraisal Practice" of the Appraisal Foundation and the Lessor and the Lessee shall equally share the cost of the appraisal. (II) If the appraisal procedure is used for the purpose of Section 15 of the Lease: the Lessor shall select an independent qualified and certified appraiser of recognized standing and knowledgeable in equipment of the type subject to the Lease. Such appraisal shall be made within 15 days of appointment. The Lessee shall bear the cost of such appraisal. Notwithstanding any of the foregoing, for the purposes of Section 15 of the Lease, the Fair Market Rental Value or the Fair Market Value, as the case may be, shall be zero with respect to any Unit if the Lessor theretofore has not been able to recover possession of such Unit in accordance with the terms of paragraph (b) of Section 15.1 of the Lease.

"Fair Market Sales Value", with respect to any Unit shall mean the cash price obtainable for such Unit in an arm's length sale between an informed and willing purchaser under no compulsion to purchase and an informed and willing seller under no compulsion to sell.

"Final Determination" shall mean (i) a decision, judgment, decree or other order by any court of competent jurisdiction, which decision, judgment, decree or other order has become final (i.e., the earliest of when all allowable appeals by either party to the action (or with respect to the Owner Participant, only such appeals as are required by Section 10 of the Tax Indemnity Agreement) have been exhausted or the time for filing such appeal has expired), (ii) a closing agreement entered into under Section 7121 of the Code (or any successor provision) or any other binding settlement agreement entered into in connection with an administrative or judicial proceeding, in any case with the consent of the Lessee, or (iii) the expiration of the time for

instituting an initial suit with respect to a claimed deficiency or for instituting a claim for refund or if such a claim was filed, the expiration of the time for instituting suit with respect thereto.

"Fixed Purchase Price" shall have the meaning set forth on Schedule 7 to the Participation Agreement.

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

"Harris" shall have the meaning specified in Section 3.3 of the Participation Agreement.

"Hazardous Substances" shall mean any hazardous materials, hazardous wastes, hazardous or toxic substances, defined or regulated as such in or under any Environmental Law, including, without limitation, asbestos, gasoline and any other petroleum products (including crude oil or any fraction thereof), and materials exhibiting the characteristics of ignitability, corrosivity, reactivity or extraction procedure toxicity, as such terms are defined in connection with hazardous materials or hazardous wastes or hazardous or toxic substances in any Environmental Law.

"ICC" shall mean the Interstate Commerce Commission or any successor thereto.

"Indemnified Person" shall have the meaning specified in Section 7.2(b) of the Participation Agreement.

"Indenture" or "Trust Indenture" shall mean the Trust Indenture and Security Agreement (Santa Fe Trust No. 1992-3), dated as of December 20, 1992 between the Owner Trustee, in the capacities described therein, and the Indenture Trustee, as amended or modified from time to time. Such terms shall include each Indenture Supplement entered into pursuant to the terms of the Indenture.

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

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

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

"Indenture Supplement" shall mean (i) an Indenture Supplement dated a Closing Date or the date that any Replacement

Unit is subjected to the Lien and security interest of the Indenture, substantially in the form of Exhibit B to the Indenture, between the Owner Trustee, in the capacities described therein, and the Indenture Trustee, covering the Units related to such Closing Date or such Replacement Unit, as the case may be, or (ii) any supplement or amendment entered into from time to time between the Owner Trustee, in the capacities described therein, and the Indenture Trustee.

"Indenture Trustee" shall mean Harris Trust and Savings Bank, an Illinois banking corporation, as trustee under the Indenture and its successors thereunder.

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

"Initial Certificate Holder" shall mean National Westminster Bank Plc, a public limited company incorporated under the laws of England and Wales, and its permitted transferees, successors and assigns.

"Initial Certificate Holder Related Charges" shall mean all amounts, liabilities and obligations payable by the Lessee to the Initial Certificate Holder pursuant to Section 2(g), 2(h) or 5(c)(v) of the Initial Trust Certificate Purchase Agreement.

"Initial Renewal Term" shall have the meaning specified in Section 22.2 of the Lease.

"Initial Trust Certificate Purchase Agreement" shall mean the Equipment Trust Certificate Purchase Agreement, dated as of December 20, 1992, among the parties to the Participation Agreement and the Initial Certificate Holder.

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

"Interest Periods" shall have the meaning specified in Section 8 of the Initial Trust Certificate Purchase Agreement.

"Interim Interest" shall mean any interest which is due and payable during the Interim Term or on the Basic Term Commencement Date pursuant to the terms of any Trust Certificate Purchase Agreement, assuming that no Lease Event of Default or Indenture Event of Default shall have occurred and be continuing.

"Interim Interest Payment Date" shall mean any date upon which Interim Interest is due and payable.

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

"Internal Revenue Service Guidelines" shall mean Revenue Procedures 75-21 and 75-28.

"Investment Banker" shall mean an independent investment banking institution of national standing appointed by the Lessee.

"Late Rate" shall mean (i) with respect to the portion of any payment of Rent that would be required to be distributed to the Certificate Holders pursuant to the Indenture, the Lessor (whether directly or pursuant to the Indenture), the Owner Participant or the Owner Trustee, in its individual capacity, the rate per annum (calculated on the basis of a 360-day year consisting of twelve 30-day months) equal to the lesser of (a) 1% over the Debt Rate borne by the related Trust Certificate and (b) the maximum interest rate from time to time permitted by law, and (ii) with respect to any amount payable to the Lessee, the rate per annum (calculated on the basis of a 360-day year consisting of twelve 30-day months) equal to the lesser of (a) 9 1/4% and (b) the maximum interest rate from time to time permitted by law.

"Lease" or "Lease Agreement" or "Equipment Lease" shall mean the Equipment Lease Agreement (Santa Fe Trust No. 1992-3), relating to the Units, dated as of December 20, 1992, between the Owner Trustee, in the capacities described therein, as the Lessor, and The Atchison, Topeka and Santa Fe Railway Company, as the Lessee, as amended or modified from time to time. Such terms shall include each Lease Supplement entered into pursuant to the terms of the Lease.

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

"Lease Event of Default" and "Event of Default" shall have the meanings specified in Section 14 of the Lease.

"Lease Supplement" shall mean (i) a Lease Supplement (Santa Fe Trust No. 1992-3), dated a Closing Date or the date that any Replacement Unit is subjected to the Lease, substantially in the form of Exhibit A to the Lease, between the Lessor and the Lessee, covering the Units related to such Closing Date or such Replacement Unit, as the case may be, or (ii) any supplement or amendment entered into from time to time between the Lessor and Lessee.

"Lease Term" shall mean, with respect to any Unit, the Interim Term applicable to such Unit, the Basic Term applicable

to such Unit and any Renewal Term applicable to such Unit then in effect.

"Lessee" shall mean The Atchison, Topeka and Santa Fe Railway Company, a Delaware corporation and any successor or assign permitted under Section 6.7 of the Participation Agreement.

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

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

"Lessor" shall have the meaning specified in the recitals to the Lease.

"Lessor's Liens" means any Lien on the Units or other portions of the Trust Estate arising as a result of (i) claims against the Owner Trustee (in its individual capacity) or the Owner Participant, not related to the transactions contemplated by the Operative Agreements, or (ii) acts or omissions of the Owner Trustee (in its individual capacity) or the Owner Participant, not related to the transactions contemplated by the Operative Agreements or in breach of any covenant or agreement of such Person set forth in any of the Operative Agreements, or (iii) taxes imposed against the Owner Trustee (in its individual capacity or as Owner Trustee) or the Owner Participant or the Trust Estate which are not indemnified against by the Lessee pursuant to the Participation Agreement or under the Tax Indemnity Agreement, or (iv) claims against the Lessor or the Owner Participant arising out of the transfer (whether voluntary or involuntary) by the Lessor or the Owner Participant (without the consent of the Lessee and the Indenture Trustee) of all or any portion of their respective interests in the Units, the Trust Estate or the Operative Agreements, other than a transfer pursuant to Sections 10, 11, 15 or 22 of the Lease.

"Letter of Credit" shall mean any direct-pay irrevocable letter of credit (the reimbursement or repayment obligation of the Lessee with respect thereto which is not to be secured by any collateral) in form and substance satisfactory to the Owner Participant issued by a bank reasonably satisfactory to the Owner Participant, which Letter of Credit has been incorporated in the transactions contemplated by the Operative Agreements in a manner satisfactory to the Owner Participant.

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

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

"Manufacturer" shall mean Thrall Car Manufacturing Company, an Illinois corporation.

"Maturity" shall mean, with respect to the Trust Certificates of any Series, all of the Trust Certificates maturing on a particular Maturity Date.

"Maturity Date" with respect to each Trust Certificate of a Series, shall mean the Payment Date specified in Exhibit B to the Indenture Supplement under which such Series of Trust Certificates is issued as the final maturity date of such Trust Certificate.

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

"Net Economic Return" shall mean, with respect to each Closing Date, the original Owner Participant's (a) initial anticipated net after-tax yield reflected in the computations of Basic Rent, Stipulated Loss Value and Termination Value initially set forth in the original Schedules 3, 4, 5 and 6 to the Participation Agreement, and (b) anticipated aggregate after-tax cash flow computed utilizing the multiple investment sinking fund method of analysis and the same assumptions (including, without limitation, the Tax Assumptions) as used by the original Owner Participant in making the computations of Basic Rent, Stipulated Loss Value and Termination Value initially set forth in the original Schedules 3, 4, 5 and 6 to the Participation Agreement; provided that the initial anticipated net after-tax yield shall be adjusted as follows: (i) if the Discount Rate set forth in the Notice of Delivery with respect to such Closing Date is greater than or equal to 6.75% per annum and less than or equal to 7.19% per annum, the net after-tax yield shall not be adjusted; (ii) if the Discount Rate set forth in the Notice of Delivery with respect to such Closing Date is greater than or equal to 7.20% per annum and less than or equal to 8.19% per annum, the net after-tax yield shall be 25 basis points higher than the initial anticipated net after-tax yield; (iii) if the Discount Rate set forth in the Notice of Delivery with respect to such Closing Date is greater than or equal to 8.20% per annum and

less than or equal to 9.19% per annum, then the net after-tax yield shall be 50 basis points higher than the initial anticipated net after-tax yield; (iv) if the Discount Rate set forth in the Notice of Delivery with respect to such Closing Date is greater than or equal to 9.20% per annum and less than or equal to 10.19% per annum, the net after-tax yield shall be 75 basis points higher than the initial anticipated net after-tax yield; and (v) if the Discount Rate is below 6.75% per annum or greater than 10.19% per annum, the Lessee and the Owner Participant shall negotiate in good faith to determine the appropriate net after-tax yield, such after-tax yield to be determined in a manner consistent with the foregoing, but not necessarily on a straight-line basis.

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

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

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

"Operative Agreements" shall mean the Participation Agreement, the Bills of Sale, the Trust Agreement, the Trust Certificates, the Lease (including each Lease Supplement), the Indenture (including each Indenture Supplement), the Tax Indemnity Agreement, the Purchase Agreement, the Purchase Agreement Assignment, each Trust Certificate Purchase Agreement, the Termination Agreement and the Certificates of Acceptance.

"Opinion of Counsel" shall mean a written opinion of legal counsel, who, (a) in the case of counsel for the Lessee may be (i) a senior attorney employed by the Lessee, (ii) Mayer, Brown & Platt or (iii) other counsel designated by the Lessee and who shall be reasonably satisfactory to the Owner Participant and to the Indenture Trustee, (b) in the case of legal counsel for the Owner Trustee, may be (i) Richards, Layton & Finger or (ii) other counsel designated by the Owner Trustee and who shall be reasonably satisfactory to the Owner Participant and to the

Indenture Trustee, and (c) in the case of counsel for the Owner Participant may be (i) a senior attorney employed by the Owner Participant, (ii) Paul, Weiss, Rifkind, Wharton & Garrison, or (iii) other counsel designated by the Owner Participant and who shall be reasonably satisfactory to the Indenture Trustee.

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

"Other Participation Agreement" shall mean that certain Participation Agreement (Santa Fe Trust No. 1992-2) dated as of December 15, 1992 among The Atchison, Topeka and Santa Fe Railway Company, as Lessee, Wilmington Trust Company, as Owner Trustee, BA Leasing & Capital Corporation, as Owner Participant, and Harris Trust and Savings Bank, as Indenture Trustee.

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

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

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

(c) Trust Certificates in exchange for or in lieu of which other Trust Certificates which have been authenticated, executed and delivered pursuant to the Indenture;

provided, however, that in determining whether the Certificate Holders of the requisite aggregate principal amount of Trust Certificates Outstanding have given any request, demand, authorization, declaration, direction, notice, consent or waiver under the Indenture, Trust Certificates owned by or pledged to the Lessee, the Owner Trustee or the Owner Participant or any Affiliate of any thereof shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Indenture Trustee shall be protected in relying upon any such request, demand, authorization, declaration, direction, notice, consent or waiver, only Trust Certificates which the Indenture Trustee knows

to be so owned or so pledged shall be disregarded, and except if all Trust Certificates are so owned or pledged. The foregoing proviso shall not negate the prohibitions set forth in Section 6.8 of the Participation Agreement.

"Owner Participant" shall mean the Owner Participant as defined in the Participation Agreement, any corporation which succeeds thereto by merger or consolidation or any Transferee thereof permitted by Section 6.1 of the Participation Agreement.

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

"Owner Trustee" shall mean Wilmington Trust Company, a Delaware banking corporation, not in its individual capacity but solely as Owner Trustee under the Trust Agreement and its successors thereunder.

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

"Participation Agreement" shall mean the Participation Agreement (Santa Fe Trust No. 1992-3), dated as of December 20, 1992, among the Lessee, the Owner Trustee, in the capacities described therein, the Owner Participant and the Indenture Trustee, in the capacities described therein, as amended or modified from time to time.

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

"Payment Amount" shall mean, with respect to the Trust Certificates of any Series, the total amount of the payment of principal due and payable on each Payment Date, as set forth in the appropriate Indenture Supplement, and as adjusted for prepayments pursuant to the Indenture. As to any single Trust Certificate, "Payment Amount" shall mean the portion of total Payment Amount set forth therein in dollar or percentage terms.

"Payment Date" shall mean, with respect to both payments of principal and interest, for each Series of Trust Certificates related to a Tranche each June 29 and December 29, commencing on the first such date to occur after the initial issuance of such Series.

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

of, or time deposits with, any bank, trust company or national banking association (in each case excluding the Owner Participant and its Affiliates) incorporated or doing business under the laws of the United States of America or one of the States thereof having combined capital and surplus and retained earnings of at least $1,000,000,000 (including Harris and the Bank if such conditions are met) and having a rating assigned to the long-term unsecured debt of such institutions by Standard & Poor's Corporation and Moody's Investors Service, Inc. at least equal to AA and AA2, respectively, and (iv) commercial paper of companies, banks, trust companies or national banking associations (in each case excluding the Lessee, the Owner Participant and their respective Affiliates) incorporated or doing business under the laws of the United States of America or one of the States thereof and in each case having a rating assigned to such commercial paper by Standard & Poor's Corporation or Moody's Investors Service, Inc. (or, if neither such organization shall rate such commercial paper at any time, by any nationally recognized rating organization in the United States of America) equal to the highest rating assigned by such organization; provided that if all of the above investments are unavailable, the entire amount to be invested may be used to purchase Federal Funds from an entity described in clause (iii) above; provided, further, that no investment shall be eligible as a "Permitted Investment" unless the final maturity or date of return of such investment is 90 days or less from the date of purchase thereof; and provided, finally, that if funds are invested pursuant to Section 2.7(a) of the Participation Agreement, the final maturity or date of return of such investment shall not be later than the postponed Closing Date determined pursuant to Section 2.7(b) of the Participation Agreement and in no event shall the investment period for such funds exceed three days.

"Permitted Liens", with respect to any Unit, shall mean: (i) the interests of the Lessee and the Owner Trustee under the Lease; (ii) the interest of the Lessee and any sublessee as provided in any sublease permitted pursuant to Section 8.3 of the Lease; (iii) any Liens thereon for taxes, assessments, levies, fees and other governmental and similar charges not due and payable or the amount or validity of which is being contested in good faith by appropriate proceedings so long as (a) there exists no material risk of sale, forfeiture or loss of, or loss or interference with use or possession of, or diminution of value, utility or useful life of, any Unit or any interest therein, or any risk of interference with the payment of Rent, (b) such contest would not result in, or increase the risk of, the imposition of any criminal liability on any Indemnified Person, (c) such contest would not materially and adversely affect the rights, titles and interests of the Owner Trustee or the Indenture Trustee in or to any Unit or any interest therein, and (d) appropriate reserves with respect thereto are maintained in

accordance with generally accepted accounting principles; (iv) any Liens of mechanics, suppliers, materialmen, laborers, employees, repairmen and other like Liens arising in the ordinary course of the Lessee's (or if a sublease permitted pursuant to Section 8.3 of the Lease is then in effect, any sublessee's) business securing obligations which are not due and payable or the amount or validity of which is being contested in good faith by appropriate proceedings so long as (a) there exists no material risk of sale, forfeiture or loss of, or loss or any risk of interference with use or possession of, or diminution of value, utility or useful life of, any Unit or any interest therein, or interference with the payment of Rent, (b) such contest would not result in, or increase the risk of, the imposition of any criminal liability on any Indemnified Person, (c) such contest would not materially and adversely affect the rights, titles and interests of the Owner Trustee or the Indenture Trustee in or to any Unit or any interest therein, and (d) appropriate reserves with respect thereto are maintained in accordance with generally accepted accounting principles; (v) the Lien and security interest granted to the Indenture Trustee under and pursuant to the Indenture, and the respective rights of the Certificate Holders, the Indenture Trustee, the Owner Participant and the Owner Trustee under the Operative Agreements; (vi) Liens arising out of any judgment or award against the Lessee (or any sublessee permitted pursuant to Section 8.3 of the Lease) with respect to which an appeal or proceeding for review is being taken in good faith and with respect to which there shall have been secured a stay of execution pending such appeal or proceeding for review so long as (a) there exists no material risk of sale, forfeiture or loss of, or loss or interference with the use or possession of, or diminution of value, utility or useful life of, any Unit or any interest therein, or any risk of interference with the payment of Rent, (b) such contest would not result in, or increase the risk of, the imposition of any criminal liability on any Indemnified Person, (c) such contest would not materially and adversely affect the rights, titles and interests of the Owner Trustee or the Indenture Trustee in or to any Unit or any interest therein, and (d) such Lien has been fully bonded to the satisfaction of the Owner Participant and appropriate reserves with respect thereto are maintained in accordance with generally accepted accounting principles; and (vii) salvage rights of insurers under insurance policies maintained by the Lessee pursuant to Section 12 of the Lease.

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

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

"Premium" shall mean (a) in the case of the Trust Certificates issued pursuant to the Initial Trust Certificate Purchase Agreement, the Breakage Costs, (b) in the case of Trust Certificates issued in a Public Offering, the Public Offering Premium, and (c) in the case of all other Trust Certificates, the amount specified in the related Trust Certificate Purchase Agreement.

"Prepayment Date" shall mean the date on which the Trust Certificates are to be prepaid or redeemed (or purchased in lieu of prepayment or redemption, as applicable) pursuant to Section 6.1 or 8.3(e)(iii) of the Indenture, which date, unless otherwise stated in the Indenture, shall be a Payment Date.

"Prepayment Price" shall mean the price at which the Trust Certificates are to be prepaid or redeemed (or purchased in lieu of prepayment or redemption, where applicable), determined as of the applicable Prepayment Date, pursuant to Section 6.1 or 8.3(e) of the Indenture, as the case may be.

"Private Placement" shall mean any offer, issue, sale or delivery of Trust Certificates to institutional investors pursuant to a direct privately placed transaction which would not require registration under Section 5 of the Securities Act of 1933 by reason of Section 4(2) thereof without regard to Rule 144A promulgated under the Securities Act of 1933.

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

"Public Offering" shall mean any offer, issue, sale or delivery of Trust Certificates not constituting a Private Placement, and the term "Public Offering" shall include any offer, issue, sale or delivery of Trust Certificates to institutional investors pursuant to a privately placed transaction which would not require registration under Section 5 of the Securities Act of 1933 by reason of Rule 144A promulgated thereunder.

"Public Offering Premium" shall mean, with respect to the principal amount of Trust Certificates to be prepaid on any Prepayment Date, the amount which the Investment Banker determines as of the second Business Day prior to such Prepayment Date to equal the product obtained by multiplying (a) the excess, if any, of (i) the sum of the present values of all the remaining scheduled payments of principal and interest from the Prepayment Date to the respective dates on which such payments would otherwise have become due, including the Maturity of such Trust Certificate (but excluding that portion of any scheduled payment of interest which is actually due and paid on the Prepayment Date), discounted semi-annually on each Rent Payment Date at a

rate equal to the Treasury Rate, based on a 360-day year of twelve 30-day months over (ii) the aggregate unpaid principal amount of such Trust Certificate plus any accrued but unpaid interest thereon by (b) a fraction the numerator of which shall be the principal amount of such Trust Certificate to be prepaid on such Prepayment Date and the denominator of which shall be the aggregate unpaid principal amount of such Trust Certificate; provided that the aggregate unpaid principal amount of such Trust Certificate for the purposes of clause (a)(ii) and (b) of this definition shall be determined after deducting the principal payment, if any, due on such Prepayment Date.

"Purchase Agreement" shall mean that certain Purchase Agreement, dated as of November 25, 1992, between the Lessee and the Manufacturer.

"Purchase Agreement Assignment" shall mean that certain Purchase Agreement Assignment, dated as of December 20, 1992, between the Lessee and the Owner Trustee substantially in the form of Exhibit C to the Participation Agreement.

"Reasonable Basis Opinion" shall mean a written opinion to the effect that the position to be asserted is warranted in existing law or can be supported by a good faith extension, modification or reversal of existing law and that there is a realistic possibility that such position will be upheld if (or when) the matter is litigated all as set forth in American Bar Association Formal Opinion 85-352.

"Record Date" for the interest or Payment Amount payable on any Payment Date shall mean the calendar day (whether or not a Business Day) which is ten calendar days prior thereto.

"Reference Rate" shall mean the rate of interest publicly announced from time to time by Bank of America National Trust and Savings Association ("Bank of America") in San Francisco, California as its Reference Rate. The Reference Rate is a rate set by Bank of America based upon various factors, including costs of Bank of America and desired return, general economic conditions, and other factors, and is used as a reference point for pricing some loans. Bank of America may price loans at, above or below the Reference Rate. Any change in the Reference Rate shall take effect on the day specified in the public announcement.

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

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

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

"Remaining Weighted Average Life" shall mean, as of any date, with respect to prepayment or redemption of a Trust Certificate, the number of days equal to the quotient obtained by dividing (A) the sum of the products obtained by multiplying (1) the amount of each remaining principal payment on such Trust Certificate as of such date by (2) the number of days from and including the prepayment or redemption date to but excluding the scheduled payment date of such principal payment by (B) the unpaid principal amount of such Trust Certificate as of such date.

"Renewal Term" shall mean, with respect to any Unit, any term in respect of which the Lessee shall have exercised its option to renew the Lease for such Unit pursuant to Section 22.2 thereof, including the Initial Renewal Term and the Second Renewal Term.

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

"Rent Payment Date" shall mean the dates set forth on Schedule 3 to the Participation Agreement, as adjusted pursuant to Section 2.6 of the Participation Agreement.

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

"Replacement Unit" shall mean an autorack, which shall meet the standards of Section 11.2(i) of the Lease and have been leased under the Lease pursuant to Section 11.4 of the Lease.

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

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

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

"Second Renewal Term" shall have the meaning specified in Section 22.2 of the Lease.

"Section 4.4 Date" shall have the meaning specified in Section 4.4 of the Lease.

"Series" shall mean, with respect to the Trust Certificates, all Trust Certificates issued with respect to Units having the same Closing Date and, by reason thereof, designated as a Series pursuant to Section 2.1 of the Indenture (or such other designation consistent with the purpose of the Indenture and the other Operative Agreements as the Owner Participant and the Lessee from time to time shall specify).

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

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

"Stipulated Loss Value", for any Unit as of any Determination Date, shall mean the amount determined by multiplying the Equipment Cost for such Unit by the percentage set forth in the appropriate portion of Schedule 4 to the Participation Agreement relating to such Unit (as said Schedule is from time to time in effect) opposite the Determination Date on which such Stipulated Loss Value is being determined; provided that during any Renewal Term, "Stipulated Loss Value" shall be determined as provided in Section 22.4 of the Lease. Anything contained in the Lease or in the Participation Agreement to the contrary notwithstanding, Stipulated Loss Value for such Unit (both before and after any adjustment pursuant to Section 2.6 of the Participation Agreement or any deduction pursuant to Section 3.5 of the Lease), under any circumstances and in any event, will be an amount which will be at least sufficient to pay in full as of the date of payment thereof, the portion of the unpaid principal of the Trust Certificates which is related to such Unit, together with all unpaid interest accrued to the date on which such amount is paid in accordance with the terms thereof.

"Storage Period" shall have the meaning specified in Section 6.1 of the Lease.

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

"Supplemental Rent" shall mean all amounts, liabilities and obligations (other than Basic Rent) which the Lessee is obligated

to pay under the Operative Agreements to or on behalf of any of the other parties thereto, including, without limitation, Termination Value and Stipulated Loss Value payments, payments pursuant to Section 7 of the Participation Agreement, Sections 3.3 (including payments calculated by reference to Premium) and 3.5 of the Lease and the Tax Indemnity Agreement and payments in respect of Initial Certificate Holder Related Charges made pursuant to the Initial Trust Certificate Purchase Agreement.

"Tax Assumptions" shall have the meaning specified in Section 2 of the Tax Indemnity Agreement.

"Tax Counsel" shall mean an independent firm of attorneys nationally recognized as being expert in tax matters selected by the Owner Participant and reasonably acceptable to the Lessee.

"Taxes" shall have the meaning specified in Section 7.1(b) of the Participation Agreement.

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

"Tax Indemnity Agreement" shall mean the Tax Indemnity Agreement, dated as of December 20, 1992, between the Lessee and the Owner Participant as amended or modified from time to time.

"Termination Agreement" shall mean a Termination Agreement, dated a Closing Date, between the Manufacturer and the Lessee.

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

"Termination Value", for any Unit as of any date during the Basic Term, shall mean the amount determined by multiplying the Equipment Cost for such Unit by the percentage set forth in the appropriate portion of Schedule 5 to the Participation Agreement relating to such Unit (as said Schedule is from time to time in effect) opposite the date on which such Termination Value is being determined. Anything contained in the Lease or in the Participation Agreement to the contrary notwithstanding, Termination Value for such Unit (both before and after any adjustment pursuant to Section 2.6 of the Participation Agreement or any deduction pursuant to Section 3.5 of the Lease), under any circumstances and in any event, will be an amount which will be at least sufficient to pay in full as of the date of payment thereof, the portion of the unpaid principal of the Trust Certificates which is related to such Unit, together with all unpaid interest accrued to the date on which such amount is paid in accordance with the terms thereof.

"Total Equipment Cost" shall mean the sum of the Equipment Cost for each Unit up to a maximum of $43,050,000.

"Total Other Equipment Cost" shall mean "Total Equipment Cost" as such term is used in the Other Participation Agreement.

"Trailer Train" shall have the meaning specified in Section 4.4 of the Lease.

"Tranche" shall have the meaning specified in Section 2.3 of the Lease.

"Tranche I" shall have the meaning specified in Section 2.3 of the Lease.

"Tranche II" shall have the meaning specified in Section 2.3 of the Lease.

"Trailer Train" shall have the meaning specified in Section 4.4 of the Lease.

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

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

"Treasury Rate" shall mean with respect to prepayment of each Trust Certificate, a per annum rate (expressed as a semiannual equivalent and as a decimal and, in the case of United States Treasury bills, converted to a bond equivalent yield) determined to be the per annum rate equal to the semiannual yield to maturity for United States Treasury securities maturing on the Average Life Date of such Trust Certificate, as determined by interpolation between the most recent weekly average yields to maturity for two series of United States Treasury securities, (A) one maturing as close as possible to, but earlier than, the Average Life Date of such Trust Certificate and (B) the other maturing as close as possible to, but later than, the Average Life Date of such Trust Certificate, in each case as published in the most recent H.15(519) (or, if a weekly average yield to maturity for United States Treasury securities maturing on the Average Life Date of such Trust Certificate is reported in the most recent H.15(519), as published in H.15(519)). "H.15(519)" means "Statistical Release H.15(519), Selected Interest Rates", or any successor publication, published by the Board of Governors of the Federal Reserve System. The most recent H.15(519) means the latest H.15(519) which is published prior to the close of business on the third Business Day preceding the scheduled Prepayment Date.

"Trust Agreement" shall mean that certain Trust Agreement (Santa Fe Trust No. 1992-3), dated as of December 20, 1992, between the Owner Participant and the Owner Trustee, as amended or modified from time to time.

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

"Trust Certificate Purchase Agreements" shall mean, collectively, (i) the Initial Trust Certificate Purchase Agreement, (ii) any other Equipment Trust Certificate Purchase Agreement entered into pursuant to the Participation Agreement for the issuance and sale of Trust Certificates under the Indenture, and (iii) all other agreements, documents or materials pursuant to which any Trust Certificates are offered or sold (including, without limitation, underwriting agreements, placement agreements, offering materials and the Trust Certificates).

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

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

"Unit" shall mean one of the Units.

"Units" shall mean collectively those autoracks described in the Lease Supplements and the Indenture Supplements, together with any and all appliances, parts, instruments, accessories, furnishings, other equipment, accessions, additions, improvements, substitutions and replacements from time to time incorporated or installed in any item thereof and any and all appliances, parts, instruments, accessories, furnishings and other equipment title to which rests in, and which is the property of, the Owner Trustee pursuant to the terms of the Lease.