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18407
RECORDATION NO _____ FILED-1425
SEP 24 1993 -10 40 AM
INTERSTATE COMMERCE COMMISSION

September 24, 1993

3-267A005

Mr. Sidney L. Strickland, Jr., Secretary
Interstate Commerce Commission
Twelfth Street & Constitution Avenue, N.W.
Washington, DC 20423

18407-A
RECORDATION NO _____ FILED-1425
SEP 24 1993 -10 40 AM
INTERSTATE COMMERCE COMMISSION

18407-B
RECORDATION NO _____ FILED-1425
SEP 24 1993 -10 40 AM
INTERSTATE COMMERCE COMMISSION

18407-C
RECORDATION NO _____ FILED-1425
SEP 24 1993 -10 40 AM
INTERSTATE COMMERCE COMMISSION

Re: GATX Capital Corporation
Leveraged Lease Financing of Railroad Rolling Stock
(GATX Trust No. 93-A)

Dear Mr. Strickland:

We are enclosing for recording pursuant to Section 11303 of Title 49 of the United States Code an original and three counterparts of each of the two primary documents described below and the two secondary documents described below, which secondary documents are related to the enclosed primary documents. The undersigned has acted as special counsel in connection with the preparation of the enclosed documents and has knowledge of the matters set forth therein.

RECEIVED
OFFICE OF THE
SECRETARY
SEP 24 8 31 AM
LICENSING BRANCH

The enclosed primary documents are as follows:

Equipment Lease Agreement (GATX Trust No. 93-A) dated as of September 1, 1993, between Wilmington Trust Company, as trustee under GATX Trust No. 93-A, as lessor (the *"Lessor"*), and GATX Capital Corporation, as lessee (the *"Lessee"*).

Trust Indenture and Security Agreement (GATX Trust No. 93-A) dated as of September 1, 1993, between Wilmington Trust Company, as trustee under GATX Trust No. 93-A (the *"Owner Trustee"*), and State Street Bank and Trust Company of Connecticut, National Association, as indenture trustee (the *"Indenture Trustee"*).

The enclosed secondary documents are as follows:

Lease Supplement No. 1 (GATX Trust No. 93-A) dated September 24, 1993, between the Lessor and the Lessee. The primary document to which this Lease Supplement No. 1 is connected is the Equipment Lease Agreement referred to above and which is being submitted for recording concurrently herewith.

Trust Indenture Supplement No. 1 (GATX Trust No. 93-A) dated September 24, 1993, of the Owner Trustee. The primary document to which this Trust Indenture Supplement No. 1 is connected is the Trust Indenture and Security Agreement referred to above and which is being submitted for recording concurrently herewith.

The names and addresses of the parties to the documents are as follows:

EQUIPMENT LEASE AGREEMENT AND LEASE SUPPLEMENT NO. 1

Lessee:	GATX Capital Corporation Four Embarcadero Center, Suite 2200 San Francisco, California 94111
Lessor:	Wilmington Trust Company, as trustee under GATX Trust No. 93-A 1100 North Market Street Rodney Square North Wilmington, Delaware 19890

TRUST INDENTURE AND SECURITY AGREEMENT

Owner Trustee:	Wilmington Trust Company, as trustee under GATX Trust No. 93-A 1100 North Market Street Rodney Square North Wilmington, Delaware 19890
Indenture Trustee:	State Street Bank and Trust Company of Connecticut, National Association 750 Main Street, Suite 1114 Hartford, Connecticut 06103

TRUST INDENTURE SUPPLEMENT NO. 1

Owner Trustee:	Wilmington Trust Company, as trustee under GATX Trust No. 93-A 1100 North Market Street Rodney Square North Wilmington, Delaware 19890

The Equipment Lease Agreement provides, *inter alia*, for the lease by the Lessor to the Lessee of certain container cars (the *"Units"*). The Trust Indenture and Security Agreement provides, *inter alia*, for the granting of a security interest in the Units in favor of the Indenture Trustee in order to secure the Owner Trustee's performance of certain obligations under the Trust Indenture and any Trust Indenture Supplement executed and

delivered from time to time and the Lessee's performance of certain obligations under the Equipment Lease and any Lease Supplement executed and delivered from time to time. Lease Supplement No. 1 and Trust Indenture Supplement No. 1 provide, *inter alia*, for the Equipment Lease Agreement and the Trust Indenture and Security Agreement, respectively, to apply to the 159 container cars bearing the road numbers set forth in Schedule 1 to Lease Supplement No. 1 and Schedule 1 to Trust Indenture Supplement No. 1, namely the road numbers set forth in Schedule 1 hereto.

A general description of the railroad equipment covered by each of the enclosed documents is set forth in Schedule 1 attached to this letter and made a part hereof.

A fee of sixty-four dollars ($64.00) is enclosed. Please time and date stamp the enclosed copy of each of the enclosed documents along with the extra copy of this letter as proof of filing and recordation of the enclosed documents and return the original and any extra copies of such documents and this letter not needed by the Commission for recordation to:

Ross D. Taylor
Chapman and Cutler
111 West Monroe Street
Chicago, Illinois 60603

A short summary of each of the documents to appear in the index follows:

(1) EQUIPMENT LEASE AGREEMENT:

Equipment Lease Agreement (GATX Trust No. 93-A) dated as of September 1, 1993 between Wilmington Trust Company, as trustee under GATX Trust No. 93-A, as Lessor, 1100 North Market Street, Rodney Square North, Wilmington, Delaware 19890, and GATX Capital Corporation, as Lessee, Four Embarcadero Center, Suite 2200 San Francisco, California 94111, covering container cars bearing the road numbers set forth in Schedule 1 to such Lease Supplements as may be executed and delivered from time to time pursuant to such Equipment Lease.

(2) TRUST INDENTURE AND SECURITY AGREEMENT:

Trust Indenture and Security Agreement (GATX Trust No. 93-A) dated as of September 1, 1993, between Wilmington Trust Company, as trustee under GATX Trust No. 93-A, 1100 North Market Street, Rodney Square North, Wilmington, Delaware 19890, and State Street Bank and Trust Company of Connecticut, National Association, as Indenture Trustee, 750 Main Street, Hartford, Connecticut 06103, covering container cars bearing the road numbers set forth in such Trust Indenture Supplements as may be executed and delivered from time to time pursuant to such Trust Indenture.

(3) LEASE SUPPLEMENT NO. 1:

Lease Supplement No. 1 (GATX Trust No. 93-A) dated September 24, 1993 between Wilmington Trust Company, as trustee under GATX Trust No. 93-A, as Lessor, 1100 North Market Street, Rodney Square North, Wilmington, Delaware 19890, and GATX Capital Corporation, as Lessee, Four Embarcadero Center, Suite 2200, covering 159 container cars bearing the road numbers set forth in Schedule 1 to such Lease Supplement No. 1, namely the road numbers set forth in Schedule 1 hereto. Lease Supplement No. 1 is related to the Equipment Lease Agreement (GATX Trust No. 93-A) dated as of September 1, 1993 which is filed concurrently therewith.

(4) TRUST INDENTURE SUPPLEMENT NO. 1:

Trust Indenture Supplement No. 1 (GATX Trust No. 93-A) dated September 24, 1993, of Wilmington Trust Company, as trustee under GATX Trust No. 93-A, 1100 North Market Street, Rodney Square North, Wilmington, Delaware 19890, covering 159 container cars bearing the road numbers set forth in Schedule 1 to such Trust Indenture Supplement No. 1, namely the road numbers set forth in Schedule 1 hereto. Trust Indenture Supplement No. 1 is related to the Trust Indenture and Security Agreement (GATX Trust No. 93-A) dated as of September 1, 1993 which is filed concurrently therewith.

Sincerely,

CHAPMAN AND CUTLER

By _____
Ross D. Taylor

RDT
Enclosures

Schedule 1

SCHEDULE OF EQUIPMENT

One Hundred Maxi-Stack II 1/2 articulated 125-ton Double Stack container Cars, numbered SFLC 254200-254299, inclusive

Fifty-Nine Five Platform Maxi-Stack IBC Container Stack Cars, Car Numbers: SFFL 254300-254358, inclusive

Interstate Commerce Commission

Washington, D.C. 20423

9/24/93

OFFICE OF THE SECRETARY

Ross D. Taylor
Chapman And Cutler
111 West Monroe Street
Chicago, Illinois 60603

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 9/24/93 at 10:40am, and assigned recordation number(s). 18407, 18407-A, 18407-B & 18407-C

Sincerely yours,

Secretary
SIDNEY L. STRICKLAND, JR.

Enclosure(s)

18407

SEP 24 1993 -10 40 AM

INTERSTATE COMMERCE COMMISSION

EQUIPMENT LEASE AGREEMENT
(GATX TRUST NO. 93-A)

Dated as of September 1, 1993

Between

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

LESSOR

And

GATX CAPITAL CORPORATION

LESSEE

Container Cars

Certain rights and interests of the Owner Trustee under this Lease are subject to a security interest in favor of State Street Bank and Trust Company of Connecticut, National Association, as Indenture Trustee for the benefit of the Loan Participants. The "original" counterpart of this Lease bears the signature thereon of said Indenture Trustee.

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ATTACHMENTS TO EQUIPMENT LEASE:

Exhibit A — Form of Lease Supplement
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EQUIPMENT LEASE AGREEMENT
(GATX TRUST NO. 93-A)

This EQUIPMENT LEASE AGREEMENT (GATX Trust No. 93-A), dated as of September 1, 1993 (the *"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 (*"Lessor"*), and GATX CAPITAL CORPORATION, a Delaware corporation (*"Lessee"*).

WITNESSETH:

SECTION 1. DEFINITIONS.

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

SECTION 2. ACCEPTANCE AND LEASING OF EQUIPMENT.

Lessor hereby agrees (subject to satisfaction or waiver of the conditions set forth in Section 4.1, 4.2 and 4.3 of the Participation Agreement) to accept delivery of each Unit from Lessee and to lease such Unit to Lessee hereunder, and Lessee hereby agrees (subject to satisfaction or waiver of the conditions set forth in Section 4.4 of the Participation Agreement), immediately following such acceptance by Lessor, to lease from Lessor hereunder such Unit, such acceptance by Lessor and lease by Lessee to be evidenced by the execution and delivery by Lessee and Lessor of a Lease Supplement covering such Unit, all in accordance with Section 2.3(b) of the Participation Agreement. Lessee hereby agrees that its execution and delivery of a Lease Supplement covering any Unit shall, without further act, irrevocably constitutes acceptance by Lessee of such Unit for all purposes of this Lease.

SECTION 3. TERM AND RENT.

Section 3.1. Lease Term. The interim term of this Lease (the *"Interim Term"*) for each Unit shall commence on the Closing Date and shall terminate at 11:59 PM (Chicago Time) on the day before the Basic Term Commencement Date. The basic term of this Lease (the *"Basic Term"*) shall commence at 12:00 AM (Chicago time) on the Basic Term Commencement Date and, subject to earlier termination pursuant to Sections 10, 11, 15 and 22 or Section 6 of the Participation Agreement shall expire at 11:59 P.M. (Chicago time) as to the Units in each Group as set forth below:

GROUP	TERMINATION DATE
I	September 23, 2011
II	September 23, 2011

Subject and pursuant to Section 22.4, Lessee may elect one or more renewal terms.

Section 3.2. Basic Rent. Lessee hereby agrees to pay Lessor as Basic Rent for each Unit throughout the Basic Term applicable thereto Basic Rent in consecutive semi-annual installments payable on each Rent Payment Date. Each such semi-annual payment of Basic Rent shall be in an amount equal to the product of the Equipment Cost for such Unit multiplied by the Basic Rent percentage applicable to the Group to which such Unit belongs set forth opposite such Rent Payment Date on Schedule 3 to the Participation Agreement (as such Schedule 3 shall be adjusted pursuant to Section 2.6 of the Participation Agreement). Basic Rent shall be payable in advance on certain Rent Payment Dates and in arrears on certain Rent Payment Dates, as specified in Schedule 3 to the Participation Agreement, as so adjusted, such Schedule 3 as so adjusted from time to time being incorporated herein by reference.

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

Section 3.3. Supplemental Rent. Lessee also agrees to pay to Lessor, or to whomsoever shall be entitled thereto, any and all Supplemental Rent, promptly as the same shall become due and owing, or where no due date is specified, promptly after demand by the Person entitled thereto, and in the event of any failure on the part of Lessee to pay any Supplemental Rent, 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. 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 the termination of this Lease with respect to any Unit pursuant to Section 10, on the applicable Termination Date, an amount equal to the Make-Whole Amount, if any, with respect to the principal amount of each Related Note to be prepaid as a result of such termination, (iii) in the case of the purchase of any Unit pursuant to Section 22.1 or Section 6.6 of the Participation Agreement, unless Lessee shall have assumed the Related Notes as provided in Section 9 of the Participation Agreement, on such date of purchase, an amount equal to the Make-Whole Amount, if any, with respect to the principal amount of each Related Note to be prepaid as a result of such purchase, and (iv) in the case of any refinancing of the Notes

pursuant to Section 10.2 of the Participation Agreement, on the Refunding Date, an amount equal to the Make-Whole Amount, if any, with respect to the aggregate principal amount of the Notes being prepaid. 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.

Section 3.4. Adjustment of Rent. Lessee and Lessor agree that the Basic Rent, Stipulated Loss Value and Termination Value percentages and the Early Purchase Price shall be adjusted to the extent provided in Section 2.6 of the Participation Agreement, subject in all cases to the limitation set forth in the second paragraph of Section 3.2.

Section 3.5. Advances. Lessor agrees to give notice to Lessee and the Indenture Trustee at least five Business Days prior to the Basic Term Commencement Date if the funds for the payment of interest on the Notes contemplated to be made by the Owner Trustee pursuant to Section 2.2(c) of the Participation Agreement will not be paid by the Owner Trustee to the Indenture Trustee in an amount equal to the amount contemplated to be paid pursuant to Section 2.2(c) of the Participation Agreement. If and to the extent that the Indenture Trustee on the Basic Term Commencement Date shall not have received funds from the Owner Trustee sufficient for the payment in full of the interest then due and owing on the Notes, Lessee shall pay as Supplemental Rent, in one installment due on the Basic Term Commencement Date, an amount equal to such deficiency (such payment being referred to herein as an *"Advance"*). In the event 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 in the manner set forth in Section 20 and provided no Lease Default or Lease Event of Default shall have occurred and be continuing, Lessee shall be entitled to offset and deduct (without duplication) against that portion of each succeeding payment of Basic Rent, Stipulated Loss Value or Termination Value which becomes payable to or to the order of the Owner Trustee under the Indenture and distributable to the Owner Participant under the Trust Agreement, an amount equal to such Advance plus interest on such amount at the Late Rate (as applicable to payments to Lessor) until Lessee has been fully reimbursed for such Advance plus such interest and in each such case, such offset shall be deemed to constitute a reduction in the amount of such Advance so payable. No such offset or aggregate combined effect of separate offsets shall in any event or under any circumstance reduce the amount of any indemnity or other claim payable by Lessee to any holder of a Note, the Indenture Trustee or the Owner Trustee in its individual capacity, nor in any event or under any circumstance reduce any installment of Basic Rent, or any payment of Stipulated Loss Value or Termination Value, to an amount that is insufficient at all times to pay in full the payments then required to be made on account of the principal and interest on the Notes then outstanding.

Section 3.6. Manner of Payments. All Rent (other than Supplemental Rent payable to Persons other than Lessor, which shall be payable to such other Persons in accordance with written instructions furnished to Lessee by such Persons, as otherwise provided in any of the Operative Agreements or as required by law) shall be paid by Lessee to Lessor at its office at 1100 Market Street, Rodney Square North, Wilmington, Delaware 19890. All Rent shall be paid by Lessee in funds consisting of lawful currency of the United States of America, which shall be immediately available to the recipient not later than 12:00 noon

(New York City time) on the date of such payment, *provided*, that so long as the Indenture shall not have been discharged pursuant to the terms thereof, Lessor hereby directs, and Lessee agrees, that all Rent (excluding Excepted Property) payable to Lessor 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 account of the Indenture Trustee at State Street Bank and Trust Company, Boston, Massachusetts, or at such other location in the United States of America as the Indenture Trustee may otherwise direct.

SECTION 4. OWNERSHIP AND MARKING OF EQUIPMENT.

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

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

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

with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect Lessor's right, title and interest in and to such Unit, its rights under this Lease and the rights of the Indenture Trustee; *provided that* with respect to any Units which are subject to subleases on the Closing Date, (i) Lessee will use its best efforts to cause any sublessee to mark such Units with the legend required above when such Units are in for maintenance for a period of five days or more, (ii) Lessee shall direct (and shall use its best efforts to cause) each Manager to mark such Units with the legend required above when returned to such Manager for maintenance for a period of five days or more, and (iii) Lessee shall mark the Units with the legend required above upon the earlier to occur of the return of the Units to Lessee after the expiration of such subleases or when such Units are returned to Lessee for maintenance for a period of five days or more. Except as provided hereinabove, Lessee will not place any such Units in operation or exercise any control or dominion over the same until the required legend shall have been so marked on both sides thereof, and will replace promptly any such word or words in such legend which may be removed, defaced, obliterated or destroyed. 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 by Lessee to Lessor and, so long as the Indenture shall not have been discharged pursuant to its terms, Indenture Trustee, prior to or contemporaneously with such change and a supplement to this Lease and, if not so discharged, 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 Lessor and, so long as the Indenture shall not have been discharged pursuant to its terms, Indenture Trustee may reasonably request in order to protect, preserve and maintain its right, title and interest in the Units. The costs and expenses of all such supplements, filings and recordings shall be borne by Lessee.

Section 4.3. Prohibition Against Certain Designations. Except as above provided, 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, Lessee may cause the Equipment to be lettered with the names or initials or other insignia customarily used by Lessee or any permitted sublessees or any of their respective Affiliates on railroad equipment used by it of the same or a similar type for convenience of identification of the right of Lessee to use the Equipment hereunder or any permitted sublessee to use the Equipment pursuant to a sublease permitted hereby.

SECTION 5. DISCLAIMER OF WARRANTIES.

Section 5.1. Disclaimer of Warranties. Without waiving any claim Lessee may have against any seller, supplier or manufacturer, LESSEE ACKNOWLEDGES AND AGREES THAT, (i) EACH UNIT IS OF A SIZE, DESIGN, CAPACITY AND MANUFACTURE SELECTED BY AND ACCEPTABLE TO LESSEE, (ii) LESSEE IS SATISFIED THAT EACH UNIT IS SUITABLE FOR ITS PURPOSES AND LESSEE HAS ACCEPTED EACH UNIT AND LESSOR AND OWNER PARTICIPANT EACH EXPRESSLY DISCLAIMS SELECTION OF THE UNITS LEASED UNDER THIS LEASE, (iii) NEITHER 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) LESSOR LEASES AND LESSEE TAKES EACH UNIT "AS-IS", "WHERE-IS" AND "WITH ALL FAULTS", IN WHATEVER CONDITION IT MAY BE, AND LESSEE ACKNOWLEDGES THAT NEITHER LESSOR, AS 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 THEREOF OR AS TO THE TITLE, OF THE EQUIPMENT, THE QUALITY OF THE MATERIAL 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 Lessor, in its individual capacity, represents and warrants that on the Closing Date, Lessor shall have received

whatever title to the Equipment as was conveyed to Lessor by Lessee and each Unit will be free of Lessor's Liens attributable to Lessor and provided that the foregoing disclaimer in clause (v) shall not extend to the Owner Participant's representation and warranty contained in Section 3.6(e) of the Participation Agreement. Lessor hereby appoints and constitutes 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 Lessor and Lessee, as their interests may appear, but in all cases at the sole cost and expense of Lessee, whatever claims and rights Lessor may have as owner of the Equipment against the manufacturers or any prior owner thereof; *provided, however*, that if at any time a Lease Event of Default shall have occurred and be continuing, at Lessor's option, such power of attorney shall terminate, and Lessor may assert and enforce, at Lessee's sole cost and expense, such claims and rights. Lessor shall have no responsibility or liability to Lessee or any other Person with respect to any of the following: (i) any liability, loss or damage caused or alleged to be caused directly or indirectly by any Unit, or by any of the commodities, items or materials from time to time contained therein, whether or not permitted by the terms hereof, or by any inadequacy thereof or deficiency or defect therein or by any other circumstances in connection therewith; (ii) the use, operation or performance of any Unit or any risks relating thereto; (iii) any interruption of service, loss of business or anticipated profits or consequential damages; or (iv) the delivery, operation, servicing, maintenance, repair, improvement or replacement of any Unit. Lessee's delivery of a Lease Supplement shall be conclusive evidence as between Lessee and Lessor that all Units described therein are in all the foregoing respects satisfactory to Lessee, and Lessee will not assert any claim of any nature whatsoever against Lessor based on any of the foregoing matters.

SECTION 6. RETURN OF EQUIPMENT; STORAGE.

Section 6.1. Return; Holdover Rent. (a) On the expiration of the Lease Term with respect to any Unit which has not been purchased by Lessee, Lessee will, at its own risk and expense, deliver possession of such Unit in the condition required by Section 6.2 to Lessor at any storage track locations, f.o.b. such location, (i) as may be agreed upon by Lessor and Lessee in writing at least 120 days before the end of the Lease Term; or (ii) in the absence of such agreement, at Lessor's election by written notice to Lessee on or before the 90th day before the end of the Lease Term, to any return location (a *"Return Location"*) designated by Lessor within the continental United States (except Alaska). In the case of (i) above, Lessee shall bear all risk and expense of movement to the Return Location. In the case of (ii) above, Lessee shall bear the risk and expense of any movement of such Unit to any one of the following points which is designated by Lessor to Lessee prior to the 90th day before the end of the Lease Term: (1) a return location within 250 miles of Chicago, Illinois, (2) any return location specified by Lessor within 500 miles of the location of such Unit immediately prior to such return, or (3) with respect to any Unit which is subject to any sublease by a railroad during the 60-day period immediately prior to the return of such Units (including any period during which such Unit is being returned pursuant to the terms of such sublease), any return location specified by Lessor on the tracks of such sublessee; *provided,* that this clause (3) shall not apply to any Unit which has been returned to the Lessee pursuant to the terms of the applicable sublease prior to the Lessee's receipt of notice from the Lessor electing this clause (3); thereafter any further movement necessary to

return such Unit to the applicable Return Location shall be at the risk and expense of Lessor. There shall be no less than 20 Units returned to each location and the aforesaid written notice from Lessor shall specify the total number and type of Units to be delivered to each location.

If at least 140 days prior to the end of the Lease Term, Lessee has not received notice from Lessor with respect to each Unit to be returned by Lessee pursuant to this Section 6, designating a return location pursuant to Section 6.1(a) or electing a storage location pursuant to Section 6.3, Lessee shall provide to Lessor written notice to such effect at least 135 days prior to the end of the Lease Term (such notice, the *"Lessee Notice"*). In the absence of any notice from Lessor to Lessee either designating a return location pursuant to Section 6.1 or a storage location pursuant to Section 6.3 with respect to any Units (the *"Nonelection Units"*), (x) if Lessee has so provided a Lessee Notice to Lessor, then Lessee shall store, at Lessee's sole risk and expense, all such Nonelection Units for up to 60 days (as elected by Lessor) at storage locations selected by Lessee, and any movement of such Units from such storage locations shall be at the sole risk and expense of Lessor, and (y) if Lessee has not so provided a Lessee Notice to Lessor, then Lessee shall store, at Lessee's sole risk and expense, all such Nonelection Units for up to 60 days (as elected by Lessor) at storage locations selected by Lessee, and Lessee shall on or before the expiration of such storage period transport such Units to such locations within the continental United States (except Alaska) designated by Lessor upon not less than 30 days' prior written notice from Lessor to Lessee, except that any movement of any Unit from such Unit's storage location to a point within 500 miles from such Unit's storage location will be at the risk and expense of Lessee; thereafter, any movement of such Unit will be at Lessor's risk and expense for such movement exceeding 500 miles. There shall be no less than 20 Nonelection Units stored at each storage location selected by Lessee pursuant to the immediately preceding sentence.

No less than 20 Units will be moved from any return or storage location at any one time; *provided, however,* if less than 20 Units remain at any such location, such Units will be moved by Lessee as if the Units constituted the minimum number of Units required for movement.

Upon the later of expiration of the Lease Term with respect to any Unit returned or stored pursuant to this Section 6.1(a) in compliance with the terms hereof, tender of such Unit at the location determined in accordance with this Section 6.1(a) and compliance with the terms of Section 6.2, this Lease and the obligation to pay Holdover Rent for such Unit accruing subsequent to the expiration of the Lease Term with respect to such Unit shall terminate. Unless the Equipment is stored pursuant to Section 6.3, Lessee's obligation with respect to return of Units upon expiration of the Lease Term shall be as set forth in this Section 6.1 and in Section 6.2.

(b) Provided no Lease Event of Default has occurred and is continuing, all amounts earned in respect of a Unit of Equipment after the date of expiration of the Lease Term with respect to such Unit and prior to the return of the Unit hereunder shall belong to Lessee and, if received by Lessor, shall be promptly turned over to Lessee. In the event any Unit of Equipment is not returned to Lessor in accordance with the provisions of Section 6.1(a) on

the last day of the Lease Term with respect thereto or, if requested by Lessor pursuant to Section 6.3, assembled, delivered and stored on such last day of the Lease Term, Lessee shall pay to Lessor for each day from and after the expiration date of the Lease Term with respect to such Unit an amount equal to (i) for the first 90 days from and after such expiration date, the higher of the daily equivalent of the average Basic Rent for the Basic Term or Renewal Term as applicable for such Unit of Equipment or the daily equivalent of the average basic rent payable (other than any basic rent payable to any Manager) under any sublease for such Unit then in effect, and (ii) after such 90 day period, 125% of the amount payable pursuant to clause (i) (collectively, *Rent"*); *provided* that, during such holdover period, Lessee shall use its best efforts to secure the return of the Equipment as required under this Section 6. The provision for payment pursuant to this Section 6.1(b) shall not be in abrogation of Lessor's right under Section 6.1(a) to have such Unit returned to it hereunder.

Section 6.2. Condition of Equipment. Each Unit when returned to Lessor pursuant to Section 6.1(a) shall be (i) in the condition required by this Lease, (ii) in compliance in all material respects with the then applicable rules and regulations of the Federal Railroad Administration and the Interchange Rules, (iii) acceptable for use in interchange service after giving effect to a transfer or change of ownership, (iv) suitable for commercial use and (v) free and clear of all Liens except Lessor Liens and Permitted Liens of the type described in clause (c) of the definition of Permitted Liens to the extent arising as a result of a fleet wide action which includes such Unit. All logs, records, books and other materials relating to the maintenance of such Unit shall, upon request, be delivered to Lessor or its designee upon the return of such Unit. Lessee shall notify Lessor when at least 75% of the Units in any Group (a *"Tier One Return Group"*) will be available for inspection at the appropriate return or storage location. Thereafter, Lessor shall have the right to inspect any or all of such Units within 15 Business Days of receipt of such notice to ensure that such Units are in compliance with the conditions set forth in this Section 6.2, at Lessor's sole cost, expense and risk (including, without limitation, the risk of personal injury or death), by its authorized representatives, during Lessee's normal business hours and upon reasonable prior notice to Lessee; *provided, however*, that Lessee shall not be liable for any injury to, or the death of, any Person exercising, on behalf of Lessor, the rights of inspection granted under this Section 6.2 unless caused by Lessee's gross negligence or wilful misconduct; and *further provided*, that if any such Unit is not in compliance with the conditions set forth in this Section 6.2 then Lessee will (i) promptly take such steps as are necessary to bring such Unit in compliance with the conditions set forth in this Section 6.2 and (ii) pay the reasonable cost and expense of any reinspections of such Unit conducted by Lessor required because of such non-compliance with Section 6.2. Lessee shall notify Lessor when all of the remaining Units in each such Group (a *"Tier Two Return Group"*) have been returned to the appropriate return or storage location and Lessor shall have the right to inspect any or all of such Units in accordance with the provisions set forth above; *provided, however*, all reasonable cost and expense of any inspections or reinspections of any Tier Two Return Group shall be paid by Lessee. No inspection pursuant to this Section 6.2 shall interfere with the normal conduct of Lessee's business, and Lessee shall not be required to undertake or incur any additional liabilities in connection therewith. If Lessor fails to use all reasonable efforts to inspect the Units within the applicable time period set forth in this

Section 6.2(a) and such inspections do not occur within such time periods, such Units shall be deemed to be in compliance with this Section 6.2; *provided,* that if any such inspection fails to occur for any reason beyond the reasonable control of Lessor, such inspection period shall be extended for an additional five Business Days. With respect to each Tier One Return Group, if, other than pursuant to any reinspection, at least 75% of the total Units in the applicable Group are in compliance with the conditions set forth in this Section 6.2 (the *"Initial Units"*), then all of such Initial Units shall be deemed to have been returned to Lessor for purposes of this Lease on the date Lessor receives Lessee's notice that such Tier One Return Group is available for inspection. All Units in any Group which have not been deemed to be returned in accordance with the immediately preceding sentence (the *"Remaining Units"*) shall be deemed to have been returned to Lessor for purposes of this Lease on the date on which all of such Units in such Tier Two Return Group are in compliance with the conditions set forth in this Section 6.2.

Section 6.3. Storage. (a) Upon not less than 120 days notice prior to the expiration of the Lease Term with respect to each Unit, upon request by Lessor, Lessee shall store such Unit, free of charge, at such location (i) as may be agreed upon by Lessor and Lessee in writing at least 110 days before the end of the Lease Term; or (ii) in the absence of such agreement, as Lessor may select by written notice to Lessee on or before the 90th day before the end of the Lease Term or, if Lessee rejects Lessor's selection in accordance with Section 6.3(b), at a site within the continental United States (excluding Alaska) selected by Lessee and of which Lessor shall be promptly notified, for a period (the *"Storage Period"*) of not more than 60 days after a date (the *"Storage Commencement Date"*) determined as follows: (i) with respect to each Initial Unit, the date of receipt of Lessee's notice that the applicable Tier One Return Group is available for inspection, and (ii) with respect to each Remaining Unit, the date on which all of such Remaining Units are in compliance with the conditions set forth in Section 6.2. There shall be no less than 20 Units stored at each storage location. Lessee's obligation to pay Holdover Rent for any Unit stored pursuant to this Section 6.3 shall terminate on the applicable Storage Commencement Date for such Unit. Any storage provided by Lessee during the Storage Period pursuant to this Section 6.3, whether at a storage location selected by Lessee or Lessor shall be at the sole risk and expense of Lessee and Lessee shall maintain the insurance required by Section 12.1 with respect to all stored Units. On not more than one occasion with respect to each stored Unit and upon not less than 30 days' prior written notice from Lessor to Lessee, Lessee will, upon the expiration of the Storage Period or earlier upon request of Lessor, transport such Units to any railroad interchange point or points within the continental United States (except Alaska) on any railroad lines or to any connecting carrier for shipment, all as directed by Lessor, whereupon Lessee shall have no further liability or obligation with respect to such Units. Any movement pursuant to this Section 6.3(a) of any Unit from such Unit's designated storage location will be at the risk and expense of Lessor. During the Storage Period, Lessee will permit Lessor or any person designated by Lessor, including the authorized representative or representatives of any prospective purchaser or user of such Unit, to restencil the marks on such Unit (if such restenciling is permitted by the owner of the applicable storage location) and to inspect the same during Lessee's normal business hours upon at least three Business Days' prior telephonic notice; *provided, however*, that such inspection and restenciling shall not interfere with the normal conduct of Lessee's

business and such person shall be insured to the reasonable satisfaction of Lessee with respect to any risks incurred in connection with any such inspections or restenciling and Lessee (except in the case of Lessee's gross negligence or wilful misconduct) shall not be liable for any injury to, or the death of, any person exercising, either on behalf of Lessor or any prospective purchaser or user, the rights of inspection and restenciling granted pursuant hereto. Lessee shall not be required to store the Equipment after the Storage Period. If Lessee does store any Unit after the Storage Period, such storage shall be at the sole expense and risk of Lessor.

(b) Upon receipt of notice of Lessor's request that Lessee store the Equipment pursuant to Section 6.3(a) above, Lessee shall have the option to instead store such Units at such storage track locations anywhere within the continental United States as it shall choose (provided that, there shall be no less than 20 Units stored at each such location) at Lessee's risk and expense. If Lessee shall elect such option, Lessee shall on or before the expiration of the storage period provided for in Section 6.3(a), transport the Equipment to such locations within the continental United States (except Alaska) designated by Lessor upon not less than 30 days' prior written notice from Lessor to Lessee, except that any movement of any Unit from such Unit's designated location to a point within 500 miles from such Unit's designated location will be at the risk and expense of Lessee; thereafter, any movement of such Unit will be at Lessor's risk and expense for such movement exceeding 500 miles. No less than 20 Units will be moved to a return location from any Lessee-selected storage location at any one time; *provided, however*, if less than 20 Units remain at any storage location, such group of Units will be moved by Lessee as if the Units constituted the minimum number of Units required for movement. During any Storage Period under Section 6.1(a), Section 6.3(a) or where Lessee shall have exercised its option under this Section 6.3(b), Lessee shall store the Equipment in such manner as Lessee normally stores similar units of railroad equipment owned or leased by it. Except as specifically modified herein, all the provisions of Section 6.3(a) shall apply to this Section 6.3(b).

SECTION 7. LIENS.

Lessee will not directly or indirectly create, incur, assume, permit or suffer to exist any Lien on or with respect to any Units or Lessee's leasehold interest therein under this Lease, except Permitted Liens, Lessor's Liens and Liens described in Section 6.7 of the Participation Agreement, and 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. Notwithstanding the foregoing, so long as no Lease Event of Default shall have occurred and be continuing, Lessee shall not be required to pay or discharge any Lien so long as it shall, in good faith and by appropriate legal proceeding contest the validity thereof in any reasonable manner which will not affect or endanger the title and interest of Lessor or the security interest or other rights of the Indenture Trustee in and to the Units or interfere with the payment of Rent hereunder. Lessee shall give Lessor and the Indenture Trustee written notice of any such contest.

SECTION 8. MAINTENANCE; POSSESSION; COMPLIANCE WITH LAWS.

Section 8.1. Maintenance and Operation. Lessee, at its own cost and expense, shall maintain, repair and keep each Unit, (i) according to prudent industry practice, in good working order, and in good physical condition and repair for railcars of a similar age and usage, normal wear and tear accepted, (ii) in a manner consistent with maintenance practices used by Lessee in respect of equipment owned or leased by Lessee similar in type to such Unit, (iii) in accordance in all material respects with all manufacturer's warranties and in accordance with all applicable provisions, if any, of insurance policies required to be maintained pursuant to Section 12, and (iv) in compliance in all material respects with any applicable laws and regulations, including, without limitation, the rules and regulations of the Federal Railroad Administration and the Interchange Rules as they apply to the maintenance and operation of the Equipment in interchange (whether or not such Unit is then being used in interchange service); *provided, however*, that Lessee may, in good faith and by appropriate proceedings diligently conducted, contest the validity or application of any such standard, 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 adversely affect the rights or interests of Lessor and the Indenture Trustee in the Equipment or hereunder or interfere with the payment of Rent hereunder or otherwise expose Lessor, the Indenture Trustee or any Participant to criminal sanctions or release Lessee from the obligation to return the Equipment in compliance with the provisions of Section 6.2. Lessee shall provide Lessor and Indenture Trustee with notice of any contest of the type described in the preceding sentence in detail sufficient to enable Lessor and Indenture Trustee to ascertain whether such contest may have an effect of the type described in the preceding sentence. In no event shall Lessee discriminate as to the use or maintenance of any Unit (including the periodicity of maintenance or recordkeeping in respect of such Unit) or as to the operating standards set forth in applicable subleases for such Units, in each case, as compared to equipment of a similar nature which Lessee owns or leases. Lessee will maintain all records, logs and other materials required by relevant industry standards or any governmental authority having jurisdiction over the Units required to be maintained in respect of any Unit, all as if Lessee were the owner of such Units, regardless of whether any such requirements, by their terms, are nominally imposed on Lessee, Lessor or the Owner Participant.

Section 8.2. Possession. Lessee shall be entitled to the possession of the Equipment and to the use of the Equipment by it, any Affiliate or any sublessee permitted hereby, in the United States, Canada and Mexico, only in the manner for which it was designed and intended and so as to subject it only to ordinary wear and tear. In no event shall Lessee make use of any Equipment in any jurisdiction not included in the insurance coverage required by Section 12. Except as otherwise set forth in the proviso to this sentence, in no event shall more than 12% of the Units be used in Mexico at the same time; *provided* that with respect to any Units subject to a Prior Sublease, for so long as such Prior Sublease is in effect, in no event shall such Units be used in Mexico except on a temporary or incidental basis. Nothing in this Section 8.2 shall be deemed to constitute permission by Lessor to any Person that acquires possession of any Unit to take any action inconsistent with the terms and provisions of this Lease and any of the other Operative Agreements. If any Unit shall be used in violation of the restriction on Mexican use set forth above, Lessee may, within the

grace period set forth in proviso to Section 14(d), substitute a Replacement Unit meeting the criteria and in accordance with Section 11.4(b) for such Unit. The rights of any Person that acquires possession of any Unit pursuant to this Section 8.2 shall be subject and subordinate to the rights of Lessor hereunder.

Section 8.3. Sublease. (a) Provided Lessor shall not have declared the Lease to be in default pursuant to Section 15.1 hereof, Lessee shall be entitled, without the prior approval of Lessor, to enter into a sublease for any Unit or Units (pursuant to a car service contract or otherwise) to, or to grant permission for the use thereof under car contracts by (i) a railroad company or companies incorporated under the laws of the United States of America or any state thereof or the District of Columbia, or Canada or any province thereof, or, subject to the limitations set forth below, Mexico or any state thereof, upon lines of railroad owned or operated by such railroad company or companies or over which such railroad company or companies have trackage rights or rights for operation of their trains, and upon connecting and other carriers in the usual interchange of traffic or (ii) responsible companies other than railroad companies for use in their business (leases to such sublessees being herein referred to as *"Permitted Subleases"*). All subleases, (i) except as specifically provided in Section 8.3(b), shall in all events be subject and subordinate to this Lease and the rights and interests of Lessor and its respective successors and assigns hereunder, including without limitation Lessor's right of repossession under Section 15 and to terminate such sublease upon such repossession, and shall confirm such subordination by a provision substantially in the form currently contained in Lessee's standard car service contract delivered to Lessor and the Indenture Trustee prior to the Closing Date, or otherwise as satisfactory to Lessor and the Indenture Trustee, (ii) shall not be for a term which extends beyond the Basic Term and any exercised Renewal Term, and (iii) shall not include any term or provision which could reasonably be expected to result in material adverse consequences to Lessor, the Owner Participant or the Indenture Trustee. Lessee shall not at any time sublease more than 7% of the Units collectively to any railroad company or any companies incorporated under the laws of Mexico or any state thereof (*"Mexican Sublessees"*); *provided, however,* Lessee may sublease up to 20% of the Units to Mexican Sublessees upon delivery to and acceptance by Owner Participant and the Indenture Trustee of a reasonably satisfactory legal opinion of independent counsel, selected by Lessee and reasonably acceptable to Owner Participant and the Indenture Trustee, stating that under the laws of Mexico and any applicable jurisdiction therein (i) the ownership interests of the Owner Trustee and security interest of the Indenture Trustee in Units located in Mexico can be perfected with such rights, priorities and remedies as against third parties and sublessees comparable to the rights, priorities and remedies of Owner Trustee and the Indenture Trustee in Units located in the United States, (ii) all filings, notices, recordings or other actions necessary or appropriate to perfect such rights have been made and (iii) the Lease and the Indenture are enforceable and would be enforced by Mexican courts in accordance with their terms against Units located in Mexico. In the event Lessee desires to sublease one or more Units for a term which extends beyond the Basic Term or Renewal Term, Lessee, as a condition precedent to entering into such sublease, shall replace such Unit with another Unit in accordance with and subject to the provisions of Section 11.2(i), 11.3 and 11.4. No assignment or sublease entered into by Lessee hereunder shall relieve Lessee of any liability or obligation hereunder which shall be and remain those of a principal and not a surety.

Nothing in this Section 8.3 shall be deemed to constitute permission to any Person in possession of any Unit pursuant to any such sublease to take any action inconsistent with the terms and provisions of this Lease or any of the other Operative Agreements.

(b) Lessor and Lessee acknowledge that certain Units are subject to subleases existing as of the Closing Date and described on Schedule 7 to the Participation Agreement. To the extent any such sublease is not subject and subordinate to this Lease (such sublease a *"Prior Sublease"*), and in the event that and at such time that Lessee's tangible net worth (determined in accordance with generally accepted accounting principals) shall be equal to or less than $100 million or a Lease Event of Default shall have occurred and be continuing, all such Prior Subleases and the rents payable under such Prior Subleases shall be assigned to Lessor, and concurrently therewith reassigned to the Indenture Trustee, by an assignment substantially in the form attached hereto as Exhibit B. No such assignment and reassignment of a Prior Sublease shall be required in the event Lessee amends in writing such Prior Sublease to make it subject and subordinate hereto and to the Indenture (as provided in Section 8.3(a)). Except as provided in this Section 8.3(b), no subleases shall be assigned to Lessor and the Indenture Trustee. The provisions of this Section 8.3(b) shall in no way limit the restrictions set forth in Section 8.3(a) with respect to subleases entered into after the Closing Date.

SECTION 9. MODIFICATIONS.

Section 9.1. Required Modifications. In the event the Association of American Railroads, the United States Department of Transportation, or any other United States, state or local governmental agency or any applicable law requires that any Unit be altered, replaced or modified (a *"Required Modification"*), Lessee agrees to make such Required Modification at its own expense; *provided, however*, that Lessee may, in good faith and by appropriate proceedings diligently conducted, contest the validity or application of any such law, regulation, requirement or rule in any reasonable manner which does not materially interfere with the use, possession, operation or return of any Unit or adversely affect the rights or interests of Lessor and the Indenture Trustee in the Equipment or hereunder or interfere with the payment of Rent hereunder or otherwise expose Lessor, the Indenture Trustee or any Participant to criminal sanctions or relieve Lessee of the obligation to return the Equipment in compliance with the provisions of Section 6.2. Title to any Required Modification shall immediately vest in Lessor.

Section 9.2. Optional Modifications. Lessee at any time may in its discretion modify, alter or improve any Unit in a manner which is not required by Section 9.1 (a *"Modification"*); *provided* that no Modification shall diminish the fair market value, utility, or remaining economic useful life of such Unit below the value, utility, or remaining economic useful life thereof immediately prior to such Modification other than in a *de minimis* manner, assuming such Unit was then in the condition required to be maintained by the terms of this Lease or cause such Unit to become limited use property. Title to any Non-Severable Modification shall be immediately vested in Lessor. Title to any Severable Modification shall remain with Lessee unless it is a Required Modification, in which case title shall vest in Lessor pursuant to Section 9.1. If Lessee shall at its cost cause such

Severable Modifications (which are not Required Modifications) to be made to any Unit, Lessor shall have the right, upon 90 days prior written notice in the case of a return other than pursuant to Section 15.6 (with respect to which no prior notice is required), prior to the return of such Unit to Lessor hereunder, to purchase such Severable Modifications (other than Severable Modifications consisting of proprietary or communications equipment) at their then Fair Market Sales Value (taking into account their actual condition). If Lessor does not so elect to purchase such Severable Modifications, Lessee may remove such Severable Modifications at Lessee's cost and expense, and if requested (which request shall be made by not less than 90 days prior written notice in the case of a return other than pursuant to Section 15.6) by Lessor will so remove such Severable Modifications at Lessee's cost and expense in each case, so long as such removal does not impair the value, useful life or utility of the Equipment other than in a *de minimis* manner.

SECTION 10. VOLUNTARY TERMINATION.

Section 10.1. Right of Termination. So long as no Lease Default or Lease Event of Default shall have occurred and be continuing, Lessee shall have the right, at its option at any time or from time to time during the Basic Term on or after the seventh anniversary of the Basic Term Commencement Date to terminate the Lease Term with respect to any Lot of Units (the *"Terminated Units"*) if Lessee determines in good faith (as evidenced by a certificate executed by the Chief Financial Officer of Lessee) that such Units have become obsolete or surplus to Lessee's requirements, by delivering at least 120 days' prior notice to Lessor and the Indenture Trustee specifying the Units constituting such Lot and a proposed date of termination for such Units (the *"Termination Date"*), which date shall, except as provided in the last sentence of Section 10.3, be a Rent Payment Date, any such termination to be effective on the Termination Date. Except as expressly provided herein, there will be no conditions to Lessee's right to terminate this Lease with respect to the Terminated Units pursuant to this Section 10.1. So long as (a) Lessor shall not have given Lessee a notice of election to retain the Terminated Units in accordance with Section 10.3, or (b) notice of prepayment of the Notes shall not have been given pursuant to Section 2.10 of the Indenture, Lessee may withdraw the termination notice referred to above at any time prior to the Termination Date, whereupon this Lease shall continue in full force and effect; *provided* that Lessee (i) may not exercise its right to withdraw such a termination notice more than three times with respect to any Group, and (ii) may not withdraw any termination notice with respect to any Terminated Units after receipt by Lessee of a bid equal to or greater than Termination Value with respect to such Terminated Units or later than sixty (60) days prior to the scheduled Termination Date. Lessee agrees that if it withdraws a termination notice it will reimburse Lessor, the Participants and the Indenture Trustee for all reasonable out-of-pocket costs, expenses and liabilities incurred by any thereof in connection therewith.

Section 10.2. Sale of Equipment. During the period from the date of such notice given pursuant to Section 10.1 to the Termination Date, Lessee, as agent for Lessor and, except as provided in Section 10.3, at Lessee's sole cost and expense, shall use reasonable best efforts to obtain bids from Persons other than Lessee or Affiliates thereof for the cash purchase of the Terminated Units, and Lessee shall promptly, and in any event at least ten

days prior to the proposed date of sale, certify to Lessor in writing the amount and terms of each such bid, the proposed date of such sale and the name and address of the party submitting such bid. Nothing in this Section 10.2 or in any other provision of this Lease shall or shall be deemed to prohibit or restrict in any manner the right of Owner Participant or any agent thereof to solicit and/or obtain bids for the purchase of the Terminated Units. Unless Lessor shall have elected to retain the Terminated Units in accordance with Section 10.3, on the Termination Date: (i) Lessee shall, subject to the prior or concurrent receipt (x) by Lessor of all amounts owing to Lessor pursuant to the next sentence, and (y) by the Persons entitled thereto of all unpaid Supplemental Rent due on or before the Termination Date, deliver the Terminated Units (excluding any optional Severable Modifications removed by Lessee) to the bidder (which shall not be Lessee or any Affiliate thereof), if any, which shall have submitted the highest cash bid prior to such date (or to such other bidder as Lessee and Lessor shall agree), in the same manner and condition as if delivery were made to Lessor pursuant to Section 6 and (ii) Lessor shall simultaneously therewith transfer to such bidder, without recourse or warranty (except as to the absence of any Lessor's Lien), all Lessor's right, title and interest in and to the Terminated Units. The net proceeds of sale realized at such sale shall be paid to and retained by Lessor and, in addition, on the Termination Date, Lessee shall pay to Lessor, (A) all unpaid Rent with respect to such Terminated Units due and payable on or prior to the Termination Date (exclusive of any advance Basic Rent due on such date), (B) the excess, if any, of (1) the Termination Value for the Terminated Units computed as of the Termination Date, over (2) the net cash sales proceeds (after the deduction of all reasonable costs and expenses of Lessor and the Owner Participant in connection with such sale) of the Terminated Units, (C) an amount equal to the Make-Whole Amount, if any, in respect of the principal amount of the Related Notes to be prepaid in accordance with Section 2.10(b) of the Indenture, and (D) all accrued and unpaid interest on the principal amount of the Related Notes to be prepaid on the Termination Date. If no sale shall have occurred, whether as a result of Lessee's failure to pay all of the amounts hereinabove required or otherwise, this Lease and the Indenture shall continue in full force and effect with respect to such Units and Lessee agrees to reimburse Lessor, the Participants and the Indenture Trustee for all reasonable costs and expenses incurred by any thereof in connection therewith; *provided* that if such sale shall not have occurred solely because of Lessee's failure to pay the amounts hereinabove required, Lessee shall have no further right to terminate this Lease with respect to such Units. Lessee, in acting as agent for Lessor, shall have no liability to Lessor for failure to obtain the best price, shall act in its sole discretion and shall be under no duty to solicit bids publicly or in any particular market. Lessee's sole interest in acting as agent shall be to use its reasonable best efforts to sell the Units in a commercially reasonable manner at the highest price then obtainable consistent with the terms of this Lease.

Section 10.3. Retention of Equipment by Lessor. Notwithstanding the provisions of Sections 10.1 and 10.2, Lessor may irrevocably elect by written notice to Lessee, the Indenture Trustee and the Participants, no later than 60 days after receipt of Lessee's notice of termination, not to sell the Terminated Units on the Termination Date, whereupon Lessee shall (i) deliver the Terminated Units to Lessor in the same manner and condition as if delivery were made to Lessor pursuant to Section 6, treating the Termination Date as the termination date of the Lease Term with respect to the Terminated Units, and (ii) pay to

Lessor, or to the Persons entitled thereto, all Basic Rent and all Supplemental Rent (including, without limitation, all accrued and unpaid interest on the Related Notes on the Termination Date and the Make-Whole Amount, if any, in respect of the principal amount of the Related Notes to be prepaid) due and owing on the Termination Date and unpaid (exclusive of any in advance Basic Rent due on such date). If Lessor elects not to sell the Terminated Units as provided in this Section 10.3, then Lessor shall pay, or cause to be paid, to the Indenture Trustee in funds of the type described in Section 3.6 and in an amount equal to the outstanding principal amount of the Related Notes on such Termination Date; *provided* that if for any reason whatsoever Lessor shall not have paid all such amounts to the Indenture Trustee on the Termination Date, this Lease shall, anything herein contained to the contrary notwithstanding, continue in full force and effect. If Lessor shall fail to perform any of its obligations pursuant to this Section 10.3 and as a result thereof this Lease shall not be terminated with respect to the Terminated Units on a proposed Termination Date, Lessor shall (x) thereafter no longer be entitled to exercise its election to retain such Terminated Units, and (y) reimburse Lessee for any expenses incurred by it in obtaining bids pursuant to Section 10.2, and Lessee may at its option at any time thereafter prior to the immediately following Rent Payment Date submit a new termination notice pursuant to Section 10.1 with respect to such Terminated Units specifying a proposed Termination Date occurring on a Determination Date occurring not earlier than 25 days from the date of such notice. For purposes of determining the amount to be paid by Lessee pursuant to Section 10.2, all amounts payable under the Indenture with respect to the Termination Date (including, without limitation, accrued and unpaid interest and Make-Whole Amount, if any) shall be determined as of the actual Termination Date, and any other amounts payable under this Section shall be determined as of the original Termination Date. If Lessee shall fail to pay all amounts required to be paid pursuant to this Section 10.3 on the Termination Date or rescheduled Termination Date, as the case may be, this Lease and the Indenture shall continue in full force and effect with respect to such Terminated Units and Lessee agrees to reimburse Lessor, the Participants and the Indenture Trustee for all reasonable costs, expenses and liabilities incurred by any thereof in connection therewith.

Section 10.4. Termination of Lease. In the event of either (x) any such sale and receipt by Lessor and the Indenture Trustee of all of the amounts provided in Section 10.2 or (y) retention of the Equipment and payment in full by Lessor and Lessee in compliance with Section 10.3, and upon compliance by Lessee with the other provisions of this Section 10, the obligation of Lessee to pay Basic Rent hereunder for such Terminated Units shall cease and the Lease Term for the Terminated Units shall end.

SECTION 11. LOSS, DESTRUCTION, REQUISITION, ETC.

Section 11.1. Event of Loss. In the event that any Unit (i) shall suffer damage which, in Lessee's reasonable judgment (as evidenced by an Officer's Certificate to such effect), makes repair uneconomic or renders such Unit unfit for commercial use, (ii) shall suffer destruction, or shall suffer theft or disappearance for a period exceeding 12 months or, if less, beyond the end of the Lease Term, (iii) shall have title thereto taken or appropriated by any governmental authority, agency or instrumentality under the power of eminent domain or otherwise or (iv) shall be taken or requisitioned for use by any governmental

authority or any agency or instrumentality thereof under the power of eminent domain or otherwise, and such taking or requisition is for a period that exceeds the remaining Basic Term or any Renewal Term then in effect (unless such taking or requisition is by Mexico or any governmental authority, agency or instrumentality thereof, in which case such period shall be the lesser of the period as aforesaid or 365 days) (any such occurrence being hereinafter called an *"Event of Loss"*), Lessee, in accordance with the terms of Section 11.2, shall promptly and fully inform Lessor and the Indenture Trustee of such Event of Loss.

Section 11.2. Replacement or Payment upon Event of Loss. Upon the occurrence of an Event of Loss or an election to replace pursuant to Section 8.3(a), with respect to any Unit, Lessee shall as soon as reasonably practical and in any event within 30 days after a Responsible Officer of Lessee shall have actual knowledge of such occurrence or deemed occurrence give Lessor and the Indenture Trustee notice of such occurrence or deemed occurrence of such Event of Loss (which notice shall identify the Unit involved) and either (a) such notice shall designate which one of the following options Lessee shall elect to perform, or (b) if such notice does not so designate, then Lessee shall within the 90 day period following such notice give Lessor and the Indenture Trustee notice as to which of the following options Lessee shall elect to perform:

(i) Upon Lessee's election to perform under this clause (i), as promptly as practicable following such election, and in any event on or before the 90th day following the date of notice of such Event of Loss, or the date Lessee exercises an option to replace pursuant to Section 8.3(a), as the case may be, Lessee shall comply with Section 11.4(b) and shall convey or cause to be conveyed to Lessor a Replacement Unit to be leased to Lessee hereunder, such Replacement Unit to be of the same car type, the same or a later year of manufacture of the Unit replaced and free and clear of all Liens (other than Permitted Liens of the type described in clause (b) with respect to sublessees, and in clause (d) of the definition thereof) and to have a value, utility, remaining economic useful life, residual value and condition at least equal to the Unit so replaced (assuming such Unit was in the condition required to be maintained by the terms of this Lease); *provided* that, if Lessee shall fail to elect either such option within such 90-day period, or shall elect the option under this clause (i) within such period but shall fail to perform its obligation to effect such replacement under this paragraph (i) within such 90-day period then (except in the case of a failure to perform an election to replace pursuant to Section 8.3(a)) at the end of such 90-day period Lessee shall immediately give Lessor and Indenture Trustee notice of such failure and specify that Lessee shall pay to Lessor on the next succeeding Rent Payment Date that is at least 25 days after the end of such 90-day period, or in the case of Supplemental Rent, to the person entitled thereto, the amounts specified in paragraph (ii) below as of such next succeeding Rent Payment Date, and Lessee shall pay such amounts on such Rent Payment Date; or

(ii) on the Rent Payment Date which is not less than 25 days following the date of notice of Lessee's election to perform under this clause (ii), Lessee shall pay or cause to be paid to Lessor (or in the case of Supplemental Rent, to the Persons entitled thereto) in funds of the type specified in Section 3.6, (a) an amount equal to

the Stipulated Loss Value of each such Unit suffering an Event of Loss determined as of such Rent Payment Date, (b) all Basic Rent payable on such date in respect of such Unit (exclusive of any in advance Basic Rent due on such date), and (c) all other Rent then due and payable hereunder, it being understood that until such Stipulated Loss Value and other sums are paid, there shall be no abatement or reduction of Basic Rent;

Section 11.3. Rent Termination. Upon the replacement of any Unit or Units in compliance with Section 11.2(i) (but only as to replaced Units and not any Replacement Unit) or upon the payment of all sums required to be paid pursuant to Section 11.2 in respect of any Unit or Units, the Lease Term with respect to such Unit or Units and the obligation to pay Rent for such Unit or Units accruing subsequent to the date of payment of Stipulated Loss Value or date of conveyance of such Replacement Unit or Units pursuant to Section 11.2 shall terminate; *provided* that Lessee shall be obligated to pay all Rent in respect of such Unit or Units which is payable under Section 11.2 with respect to such payment of Stipulated Loss Value or such replacement of such Unit or Units and in respect of all other Units then continuing to remain subject to this Lease; *provided further* that it is understood and agreed that, in the event of a replacement in compliance with Section 11.2(i), the Rent paid with respect thereto on the Rent Payment Date next following the conveyance of the Replacement Unit or Units shall be deemed paid in respect of, and allocated between, both the Replacement Unit or Units and the original Unit or Units it or they replaced.

Section 11.4. Disposition of Equipment; 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, Lessor will convey to Lessee or its designee all right, title and interest of Lessor in and to such Unit or Units, "as is", "where is", without recourse or warranty, except for a warranty against Lessor's Liens, and shall execute and deliver to Lessee or its designee such bills of sale and other documents and instruments as Lessee or its designee may reasonably request to evidence such conveyance. As to each separate Unit so disposed of, so long as no Lease Event of Default shall have occurred and be continuing, Lessee or its designee shall be entitled to any amounts arising from such disposition, plus any awards, insurance (other than any insurance provided pursuant to Section 12.5(b)) or other proceeds and damages received by Lessee, Lessor or the Indenture Trustee by reason of such Event of Loss after having paid the Stipulated Loss Value attributable thereto.

(b) At the time of or prior to any replacement of any Unit, Lessee, at its own expense, will (A) furnish Lessor with a Bill of Sale with respect to the Replacement Unit substantially in the form delivered pursuant to Section 4.1(g) of the Participation Agreement, (B) cause a Lease Supplement substantially in the form of Exhibit A hereto, subjecting such Replacement Unit to this Lease, and duly executed by Lessee, to be delivered to Lessor for execution and, upon such execution, to be filed for recordation in the same manner and within the same time periods 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 A to the Indenture for such Replacement Unit, to be delivered to Lessor and to the Indenture Trustee for execution and, upon such execution, to be filed for recordation in the same manner and within the same time periods as provided for the original Indenture Supplement in Section 16.1,

(D) furnish Lessor with a reasonably satisfactory opinion of Lessee's counsel (which may be an in-house counsel of Lessee), to the effect that (x) the Bill of Sale referred to in clause (A) above constitutes an effective instrument for the conveyance of title to the Replacement Unit to Lessor, (y) legal and beneficial title to the Replacement Unit has been delivered to Lessor, free and clear of all Liens (other than Permitted Liens of the type described in clause (b) with respect to sublessees, and in clause (d) of the definition thereof), and (z) all filings and recordings required pursuant to the terms of (B) and (C) above have been accomplished, (E) furnish to the Owner Participant an acknowledgement by Lessee, in form and substance reasonably satisfactory to the Owner Participant, that Lessee will indemnify the Owner Participant in accordance with (and to the extent provided by) the Tax Indemnity Agreement for any adverse tax consequences resulting from such replacement, and (F) furnish such other documents and evidence as the Owner Participant, 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. For all purposes hereof, upon passage of title thereto to Lessor the Replacement Unit shall be deemed part of the property leased hereunder and the Replacement Unit shall be deemed a *"Unit"* of Equipment as defined herein. Upon such passage of title, Lessor will transfer to Lessee, without recourse or warranty (except as to Lessor's Liens), all Lessor's right, title and interest in and to the replaced Unit, and upon such transfer, Lessor will request in writing that the Indenture Trustee execute and deliver to Lessee an appropriate instrument releasing such replaced Unit from the lien of the Indenture.

Section 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, Lessee's obligation to pay all installments of Basic Rent shall continue for the duration of such requisitioning or taking. 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. Any amount referred to in this Section 11.5 or in Section 11.4(a) which is payable to Lessee shall not be paid to Lessee, or if it has been previously paid directly to Lessee, shall not be retained by 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 Lessor, or if the Indenture shall not then have been discharged pursuant to its terms, to the Indenture Trustee, as security for the obligations of Lessee under this Lease, and at such time as there shall not be continuing any such Lease Event of Default, such amount shall be paid to Lessee.

SECTION 12. INSURANCE.

Section 12.1. Property Damage and Public Liability Insurance. Lessee will at all times after delivery and acceptance of each Unit, at its own expense, keep or cause to be kept such Unit insured by a reputable insurance company or companies having, in the case of domestic insurance companies, an A.M. Best rating of "A- VIII" or better or, in the case of any foreign insurance company, an A.M. Best rating of "A-" or better, in amounts and against risks and with deductibles and terms and conditions not less than the insurance, if any, maintained by Lessee with respect to similar equipment which it owns or leases, but in

no event shall such coverage be for amounts or against risks less than the prudent industry standard for companies engaged in full service leasing of container railcars. Without limiting the foregoing, Lessee will in any event;

(a) keep each Unit of the Equipment insured against physical damage in an amount not less than the Stipulated Loss Value attributable thereto as shown on Schedule 4 to the Participation Agreement, subject to a limit of not less than $10 million per occurrence (except for a $10 million annual aggregate each for flood and earth movement); *provided* that such coverage may provide for deductible amounts of not more than $1,000,000 per occurrence; and

(b) maintain public liability insurance naming the Participants, Lessor, as Lessor of the Equipment and in its individual capacity, and the Indenture Trustee as additional insureds (but only with respect to liability arising out of or related to the Operative Agreements and the Equipment) against bodily injury, death or property damage arising out of the use or operation of the Equipment with general and excess liability limits of not less than $50,000,000 per occurrence or in the aggregate, *provided* that such coverage may provide for deductible amounts not exceeding the lesser of (x) $10,000,000 or (y) 5% of the book value of the railcar fleet of Lessee.

It is understood and agreed that the insurance required hereunder may be part of a company-wide insurance program, including risk-retention and self-insurance. Any policy of insurance maintained in accordance with this Section 12.1 and any policy purchased in substitution or replacement for any of such policies shall provide that if any such insurance is canceled or terminated (other than normal policy expiration) for any reason whatsoever, Lessor, Indenture Trustee and the Participants shall receive 30 days' prior written notice of such cancellation or termination.

If any of the insurance required hereunder is provided on a "claims made" basis, such insurance shall continue in effect for a period of two years after this Lease has terminated in accordance with its terms.

Section 12.2. Property Damage Insurance. (a) The insurance maintained pursuant to Section 12.1(a) shall provide that (i) so long as the Notes remain outstanding, the proceeds up to the Stipulated Loss Value for any loss or damage to any Unit shall be made to the Indenture Trustee under a standard mortgage loss payable clause, and thereafter to Lessor and (ii) so long as no Lease Event of Default shall have occurred and be continuing, Lessee will be entitled, at its own expense, to make all proofs of loss and take all other steps necessary to collect the proceeds of such insurance.

(b) In lieu of maintaining the property damage insurance required by Section 12.1(a), Lessee may self-insure with respect to the Equipment for such amounts and against such risks as shall be consented to by Lessor and the Indenture Trustee, which consent shall be based upon reasonable practices then in effect in the railcar leasing and insurance industries and upon the financial condition of Lessee.

(c) The entire proceeds of any property insurance or third party payments for damages to any Unit received by Lessor or the Indenture Trustee shall be held by such party until, with respect to such Unit, the repairs referred to in clause (i) below are made as specified therein or payment of the Stipulated Loss Value is made, and such entire proceeds will be paid, so long as no Lease Event of Default under Section 14(a), (b), (f) or (g) shall have occurred and be continuing, either:

(i) to Lessee promptly following receipt by the Indenture Trustee or Lessor, as the case may be, of a written application signed by Lessee for payment to Lessee for repairing or restoring the Units which have been damaged so long as (1) Lessee shall have complied with the applicable provisions of the Lease, and (2) Lessee shall have certified that any damage to such Units shall have been fully repaired or restored; or

(ii) if this Lease is terminated with respect to such Unit because of an Event of Loss and Lessee has paid the Stipulated Loss Value due as a result thereof, such proceeds shall promptly paid over to, or retained by, Lessee.

Section 12.3. Public Liability Insurance. (a) The public liability insurance referred to in paragraph 12.1(b) shall (i) provide that in as much as such policies cover more than one insured, all terms, conditions, insuring agreements and endorsements, with the exception of limits of liability and liability for premiums, commissions, assessments or calls (which shall be solely a liability of Lessee), shall operate in the same manner as if there were a separate policy or policies covering each insured, (ii) waive any rights of subrogation of the insurers against the Participants, Lessor, as Lessor of the Equipment and in its individual capacity, and the Indenture Trustee and (iii) provide that neither the Participants, Lessor, as Lessor of the Equipment and in its individual capacity, or the Indenture Trustee shall have any responsibility for any insurance premiums, whether for coverage before or after cancellation or termination of any such policies as to Lessee.

(b) Lessee shall use its reasonable efforts to obtain public liability insurance policies stipulating that coverage thereunder will not be invalidated (as to the Participants, Lessor, as Lessor of the Equipment and in its individual capacity, and the Indenture Trustee) due to any action or inaction of Lessee or any other Person (other than such Participant, Lessor or the Indenture Trustee, but only in respect of their respective coverages), but shall be under no obligation to obtain such policies containing such stipulations if they are not available to Lessee at commercially reasonable rates in the markets in which Lessee has then placed its insurance program.

(c) In the event any public liability insurance policy or coverage thereunder which are required to be maintained under Section 12.1(b) shall not be available to Lessee in the commercial insurance market on commercially reasonable terms, Lessor shall not unreasonably withhold its agreement to waive such requirement to the extent the maintenance thereof is not so available upon application therefore as set forth herein. Lessee shall make written request for any such waiver in writing, accompanied by written reports prepared, at Lessee's option, either by (i) one independent insurance advisor chosen by

Lessee and Lessor or (ii) three independent insurance advisors, one chosen by Lessor, one chosen by Lessee and one chosen by the other two advisors (one of which may be the regular insurance broker or brokers of Lessee) - in either case, such independent insurance advisors being of recognized national standing. The fees and expenses of all such advisors shall be paid by Lessee. The written reports required hereunder shall (x) state that such insurance (or the required coverage thereunder) is not reasonably available to Lessee at commercially reasonable premiums in the commercial insurance markets within which Lessee normally purchases its insurance from insurers, acceptable to Lessee, with a Best's rating of A- or better for railcars of similar type and capacity, (y) explain in detail the basis for such conclusions, and (z) be in form reasonably acceptable to Lessor. Upon the granting of any such waiver, Lessee shall within 15 days thereafter certify to Lessor in writing the cost (on a fleet-wide basis) of liability insurance premiums for the coverage required by Section 12.1(b) for the immediately preceding fiscal year; and in the event that any such certificate is not received by Lessor (with a copy to Owner Participant) within such 15 day period, any such waiver shall be deemed revoked. At any time after the granting of such waiver, but not more often than twice a year, Lessor may make a written request for a supplemental report (in form reasonably acceptable to Lessor) from such insurance advisor(s) updating the prior report and reaffirming the conclusions set forth therein. Lessee shall provide any such required supplemental report within 60 days after receipt of the written request therefor. Any such waiver shall be effective for only as long as such insurance is not reasonably available to Lessee in the commercial markets in which Lessee normally purchases its insurance at commercially reasonable rates, it being understood that the failure of Lessee to furnish timely any such supplemental report shall be conclusive evidence that such condition no longer exists. If such supplemental report shows that such coverage is available, Lessee shall within 90 days of such report obtain such insurance coverage. During any period with respect to which such waiver has been granted and remains in effect under this Section 12.3(c), Lessee shall obtain public liability insurance as set forth in Section 12.1(b) from such carriers, in such amounts and with coverage limits and deductibles as is prudent under the circumstances, but in any event in an amount that may be purchased for a premium equal to 110% of Lessee's cost (on a fleet-wide basis) of liability insurance premiums for the coverage required by Section 12.1(b) for the fiscal year immediately preceding the fiscal year in which such waiver first was granted.

Section 12.4. Certificate of Insurance. Lessee shall, prior to the Closing Date and when the renewal certificate referred to below is sent (but in any event not less than annually), furnish Lessor, Owner Participant and the Indenture Trustee with a certificate signed by the insurer or an independent insurance broker showing the insurance then maintained by Lessee pursuant to Section 12.1. With respect to any renewal policy or policies, certificates or binders evidencing such renewal shall be furnished as soon as practicable, but in no event later than 30 days after the earlier of the date such renewal is effected or the expiration date of the original policy or policies. Simultaneously, with the furnishing of such certificate, Lessee will provide appropriate evidence, reasonably satisfactory to Lessor and the Indenture Trustee, that all premiums due on such insurance have been paid.

Section 12.5. Additional Insurance. (a) In the event that Lessee shall fail to maintain insurance as herein provided, Lessor may at its option, upon prior written notice to Lessee, provide such insurance and, in such event, Lessee shall, upon demand from time to time, (i) upon receipt of reasonably appropriate assurances of confidentiality, promptly and in any event within five Business Days after receipt of Lessor's written request, provide to Lessor's insurer such information regarding the Equipment as it may reasonably require to provide such insurance and (ii) reimburse Lessor for the cost thereof together with interest from the date of payment thereof at the Late Rate, on the amount of the cost to Lessor of such insurance which Lessee shall have failed to maintain. If after Lessor has provided such insurance, Lessee then obtains the coverage provided for in Section 12.1 which was replaced by the insurance provided by Lessor and Lessee provides Lessor with evidence of such coverage reasonably satisfactory to Lessor, upon Lessee's written request to Lessor, Lessor shall cancel the insurance it has provided pursuant to the first sentence of this Section 12.5(a). In such event, Lessee shall reimburse Lessor for all costs to Lessor of cancellation, including without limitation any short rate penalty, together with interest from the date of Lessor's payment thereof at the Late Rate. So long as the Indenture shall not have been discharged pursuant to its terms, the rights provided to Lessor in this Section 12.5(a) may be exercised by either Lessor or the Indenture Trustee, but not both concurrently at the expense of Lessee.

(b) In addition, at any time Lessor (either directly or in the name of 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 Lessee's ability to insure the Equipment as required by this Section 12 or adversely affect Lessee's insurance or the cost thereof, it being understood that all salvage rights to each Unit shall remain with Lessee's insurers at all times. Any insurance payments received from policies maintained by Lessor pursuant to the previous sentence shall be retained by Lessor without reducing or otherwise affecting Lessee's obligations hereunder.

SECTION 13. REPORTS; INSPECTION.

Section 13.1. Duty of Lessee to Furnish. On or before April 30, 1994, and on or before each April 30 thereafter, Lessee will furnish to Lessor, Owner Participant and the Indenture Trustee an accurate statement, as of the preceding December 31, (a) showing the amount, 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 Closing Date, in the case of the first such statement), the amount, description and reporting marks of all Units which have the legend required by Section 4.2 printed thereon, and such other information regarding the condition or repair of the Equipment as Lessor may reasonably request, (b) stating that, in the case of all Equipment repainted during the period covered by such statement, the markings required by Section 4.2 hereof shall have been preserved or replaced, (c) showing the percentage of use in each of Canada and Mexico based on the total mileage traveled by all of the Units in a Group for the prior calendar year as reported to Lessee by railroads or by its sublessees, and (d) stating that Lessee is not aware of any condition of any Unit which would cause such Unit not to comply in any material respect with the rules and regulations

of the Federal Railroad Administration and the Interchange Rules as they apply to maintenance and operation of the Equipment in interchange, whether or not such Equipment is then being used in interchange service.

Section 13.2. Lessor's Inspection Rights. Lessor, each Participant and the Indenture Trustee each shall have the right, but not the obligation, at their respective sole cost and expense (except during the continuance of a Lease Default, which shall be at the sole cost and expense of Lessee) and risk (including, without limitation, the risk of personal injury or death), by their respective authorized representatives, to inspect (a) the Equipment and Lessee's records with respect thereto, and (b) following the occurrence of a Lease Default and during the continuance thereof, or following notice by Lessee that it will be returning any Unit to Lessor pursuant to Section 10 or Section 22, any sublease of such Unit then in effect and Lessee's records with respect thereto. All inspections shall be conducted during Lessee's normal business hours and upon reasonable prior notice to Lessee. Lessee shall not be liable for any injury to, or the death of, any Person exercising, either on behalf of Lessor, any Participant, the Indenture Trustee or any prospective user, the rights of inspection granted under this Section 13.2 unless caused by Lessee's gross negligence or wilful misconduct. No inspection pursuant to this Section 13.2 shall interfere with the use, operation or maintenance of the Equipment or the normal conduct of Lessee's business, and Lessee shall not be required to undertake or incur any additional liabilities in connection therewith.

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) Lessee shall fail to make any payment of Basic Rent or Advance within 5 Business Days after the same shall have become due; or

(b) Lessee shall fail to make any payment of Supplemental Rent, including indemnity or tax indemnity payments, Stipulated Loss Value, Termination Value or Early Purchase Price (but excluding any Advance, provision for which is made in Section 14(a)) after the same shall have become due and such failure shall continue unremedied for 10 Business Days after receipt by Lessee of written notice of such failure from Lessor or the Indenture Trustee; or

(c) Lessee shall fail to maintain the insurance required by Section 12.1 and such failure shall not have been waived as provided for in Section 12.3(c); or

(d) Lessee shall make or permit any possession or use of the Equipment or any portion thereof not permitted by this Lease; *provided* that such unauthorized

possession or use shall not constitute a Lease Event of Default for a period of 45 days, so long as (i) such unauthorized possession or use does not result from the willful action of the Lessee, (ii) the unauthorized possession or use is capable of being remedied, and (iii) Lessee diligently proceeds to remedy such situation through such 45-day period; or Lessee shall make or permit any unauthorized assignment or transfer of this Lease in violation of Section 18.2; or

(e) any representation or warranty made by Lessee in this Lease or in the Participation Agreement or in any other Operative Agreement is 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 for a period of 30 days after receipt by Lessee of written notice thereof; *provided* that, if such untruth or incorrectness is capable of being remedied, but cannot reasonably be remedied within such 30 day period and cannot be remedied by the payment of money, no such untruth or incorrectness shall constitute a Lease Event of Default hereunder for a period not to exceed 60 days after receipt of such notice so long as Lessee is diligently proceeding to remedy such untruth or incorrectness; or

(f) 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) admit in writing its inability to pay its debts generally as they come due, or (iv) make a general assignment for the benefit of creditors, or (v) take any corporate action to authorize any of the foregoing; or

(g) an involuntary case or other proceeding shall be commenced against 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

(h) Lessee shall fail to observe or perform any other of the covenants or agreements to be observed or performed by Lessee hereunder or under the Participation Agreement and such failure shall continue unremedied for 30 days after notice from Lessor or the Indenture Trustee to Lessee, specifying the failure and demanding the same to be remedied; *provided, however,* that the continuation of such failure for 30 days or longer (but in no event exceeding 180 days) shall not constitute a Lease Event of Default hereunder so long as (i) such default is curable but cannot be cured within such 30 day period and cannot be cured by the payment of money, (ii) Lessee is diligently pursuing the cure of such default, and (iii) such default does not affect or endanger in any material respect the title or interest of Lessor or the security interest or other rights of the Indenture Trustee in and to the Units.

SECTION 15. REMEDIES.

Section 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, Lessor may, at its option, declare this Lease to be in default by a written notice to Lessee (provided that no such written notice shall be required with respect to any Lease Event of Default under Section 14(f) or (g)); and at any time thereafter, unless Lessee has remedied all outstanding Lease Events of Default prior to Lessor commencing the exercise of any of its remedies hereunder, Lessor may do one or more of the following as Lessor in its sole discretion shall elect, to the extent permitted by, and subject to compliance with any mandatory requirements of, applicable law then in effect:

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

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

(c) sell any Unit at public or private sale, as Lessor may determine, free and clear of any rights of Lessee and without any duty to account to Lessee with respect to such sale or for the proceeds thereof (except to the extent required by paragraph (f) below if Lessor elects to exercise its rights under said paragraph), in which event 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 Lessor elects to exercise its rights under either of said paragraphs);

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

(e) whether or not 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, Lessor, by written notice to Lessee specifying a payment date (which date shall be a Determination Date for the purposes of computing Stipulated Loss Value) which shall be not earlier than 30 days after the date of such notice, may demand that Lessee pay to Lessor, and Lessee shall pay to Lessor, on the payment date specified in such notice, 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 specified in such notice), all Rent due and payable, or accrued, for such Unit as of the payment date specified in such notice plus whichever of the following amounts Lessor, in its sole discretion, shall specify in such notice: (i) an amount with respect to each Unit which represents the excess of the present value, at the time of such payment date, of all rentals for such Unit which would otherwise have accrued hereunder from such payment date for the remainder of the Basic Term or any Renewal Term then in effect over the then present value of the then Fair Market Rental Value of such Unit (taking into account its actual condition) for such period computed by discounting from the end of such Term to such payment date rentals which Lessor reasonably estimates to be obtainable for the use of such Unit during such period, such present value to be computed in each case on a basis of a rate per annum equal to the Late Rate, compounded semiannually from the respective dates upon which rentals would have been payable hereunder had this Lease not been terminated; or (ii) an amount equal to the excess, if any, of the Stipulated Loss Value for such Unit computed as of the payment date specified in such notice over the Fair Market Sales Value of such Unit (taking into account its actual condition) as of the payment date specified in such notice; or (iii) an amount equal to the higher of Stipulated Loss Value for such Unit computed as of the payment date specified in such notice or the Fair Market Sales Value of such Unit (assuming it is in the condition required by this Lease) as of the payment date specified in such notice, and upon payment by Lessee pursuant to this clause (iii) of such Stipulated Loss Value or Fair Market Sales Value, as the case may be, and of all other amounts payable by Lessee under this Lease and under the other Operative Agreements in respect of such Unit, Lessor shall transfer without recourse or warranty all right, title and interest of Lessor in and to such Unit to Lessee or as it may direct, and Lessor shall execute and deliver such documents evidencing such transfer as Lessee shall reasonably request;

(f) if Lessor shall have sold any Unit pursuant to paragraph (c) above, Lessor, in lieu of exercising its rights under paragraph (e) above with respect to such Unit may, if it shall so elect, demand that Lessee pay to Lessor, and Lessee shall pay to Lessor, as liquidated damages for loss of a bargain and not as a penalty (in lieu of the Basic Rent for such Unit due subsequent to the Rent Payment Date next preceding such sale), any accrued and unpaid Rent for such Unit as of the date of such sale (Basic Rent for this purpose accruing at a per diem rate equal to the semiannual amount due on the next following Rent Payment Date divided by 180) and, if that date is a Rent Payment Date, the Basic Rent due on that date, plus the amount, if any, by which the Stipulated Loss Value of such Unit computed as of the Rent Payment Date next preceding the date of such sale or, if such sale occurs on a Rent Payment Date, then computed as of such Rent Payment Date, exceeds the net proceeds of such sale, plus interest on such amounts from the date of such sale to the date of payment at the Late Rate; and

(g) Lessor may terminate this Lease or may exercise any other right or remedy that may be available to it under applicable law.

In addition, Lessee shall be liable, except as otherwise provided above, for any and all unpaid Rent due hereunder before or during the exercise of any of the foregoing remedies, and for legal fees and other costs and expenses incurred by reason of the occurrence of any Lease Event of Default or the exercise of 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.

Section 15.2. Cumulative Remedies. The remedies in this Lease provided in favor of Lessor shall not be deemed exclusive, but shall be cumulative and shall be in addition to all other remedies in its favor existing at law or in equity. Lessee hereby waives any mandatory requirements of law, now or hereafter in effect, which might limit or modify any of the remedies herein provided, to the extent that such waiver is permitted by law. 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 Lessee on its behalf in connection with the lease of the Equipment. To the extent permitted by applicable law, Lessee hereby waives any rights now or hereafter conferred by statute or otherwise that may require Lessor to sell, lease or otherwise use the Equipment in mitigation of Lessor's damages as set forth in Section 15.1 or that may otherwise limit or modify any of Lessor's rights and remedies provided in this Section 15.

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

Section 15.4. Notice of Lease Event of Default. Lessee agrees to furnish to Lessor, each Participant and the Indenture Trustee, promptly upon any officer becoming aware of any condition which constituted or constitutes a Lease Event of Default under this Lease or which, after notices or lapse of time, or both, would constitute such a Lease Event of Default, written notice specifying such condition and the nature and status thereof.

Section 15.5. Lessee's Duty to Furnish Information with Respect to Subleases. Upon (a) the occurrence of a Lease Event of Default pursuant to Section 14(a), (b), (d) (with respect to those Units affected thereby), (f) or (g), or (b) the exercise by Lessor of any of its remedies under this Lease, Lessor may request that Lessee deliver to Lessor, and upon such request Lessee agrees that it will promptly provide to Lessor, a copy of each Prior Sublease then in effect with respect to any Units and any other sublease then in effect with respect to any Units (which in the case of subleases which are not Prior Subleases may have the financial terms thereof redacted unless the event referred to in clause (b) above shall

have occurred, in which case Lessee shall provide complete copies thereof), the identity of an employee or other agent of each such sublessee with whom Lessee regularly communicates with in respect of such Units and the most recent known location of such Units.

Section 15.6. Lessee's Duty to Return Equipment Upon Default. If Lessor or any assignee of Lessor shall terminate this Lease pursuant to this Section 15 and shall have provided to Lessee the written demand specified in Section 15.1(b):

(a) with respect to the Units not then subject to a Prior Sublease, Lessee shall forthwith deliver possession of such Units to Lessor. For the purpose of delivering possession of any Unit to Lessor as above required, Lessee shall at its own cost, expense and risk (except as hereinafter stated):

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

(ii) Permit Lessor to store such Equipment on such tracks without charge for insurance, rent or storage until such Equipment has been sold, leased or otherwise disposed of by Lessor and during such period of storage Lessee shall continue to maintain all insurance required by Section 12.1 hereof; and

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

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

(b) with respect to the Units then subject to a Prior Sublease, Lessee shall (i) to the extent it has not already done so, comply with its obligations under Section 8.3(b); (ii) direct the sublessee under any such Prior Sublease or any Manager to remit all amounts payable to Lessee under or in connection with such Prior Sublease directly to Lessor or as Lessor shall direct; and (iii) direct such sublessee or Manager to return such Units at the expiration of such Prior Sublease directly to Lessor or as Lessor shall direct.

All amounts earned in respect of the Equipment after the date of termination of this Lease pursuant to this Section 15, but not exceeding the amounts actually received therefor, shall be paid to Lessor or, so long as the Indenture shall not have been discharged pursuant to its terms, the Indenture Trustee, and, if received by Lessee, shall be promptly turned over to Lessor or the Indenture Trustee as aforesaid. In the event any Unit is not assembled, delivered and stored as hereinabove provided within 15 days after the termination of this Lease, Lessee shall, in addition, pay to Lessor or the Indenture Trustee as aforesaid as liquidated damages and not as a penalty, for each day thereafter an amount equal to the amount, if any, by which the higher of (i) an amount equal to 110% of the daily equivalent of the average Basic Rent payable during the Basic Term and (ii) 125% of the Fair Market Rental Value for such Unit for each such day exceeds the amount, if any, received by Lessor

or the Indenture Trustee as aforesaid (either directly or from Lessee) for such day for such Unit pursuant to the preceding sentence.

Section 15.7. Specific Performance; Lessor Appointed Lessee's Agent. The assembling, delivery, storage and transporting of the Equipment as provided in Section 15.6 are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises, Lessor shall be entitled to a decree against Lessee requiring specific performance of the covenants of Lessee so to assemble, deliver, store and transport the Equipment. Without in any way limiting the obligation of Lessee under the provisions of Section 15.6, Lessee hereby irrevocably appoints Lessor as the agent and attorney of Lessee, with full power and authority, at any time while Lessee is obligated to deliver possession of any Units to Lessor pursuant to this Section 15, to demand and take possession of such Unit in the name and on behalf of Lessee from whosoever shall be at the time in possession of such Unit.

SECTION 16. FILINGS; FURTHER ASSURANCES.

Section 16.1. Filings. On or prior to the Closing Date Lessee will cause this Lease, the Lease Supplement dated the Closing Date, the Indenture and the Indenture Supplement dated the Closing Date to be duly filed and recorded with the ICC in accordance with 49 U.S.C. §11303. Promptly following the Closing Date Lessee will cause this Lease, the Lease Supplement dated the Closing Date, the Indenture and the Indenture Supplement dated the Closing Date to be deposited with the Registrar General of Canada pursuant to Section 90 of the Railway Act of Canada within 21 days following the Closing Date or the effective date of the replacement of any Unit, as applicable, and cause notice of such deposit to be forthwith given in *The Canada Gazette* in accordance with said Section 90 and will furnish Lessor, the Indenture Trustee and each Participant proof thereof.

Section 16.2. Further Assurances. Lessee will duly execute and deliver to Lessor such further documents and assurances and take such further action as 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 Lessor, the Participants 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 Lessor may from time to time deem advisable, and the filing of financing statements with respect thereto; *provided* that this sentence is not intended to impose upon Lessee any additional liabilities not otherwise contemplated by this Lease.

Section 16.3. Other Filings. If, at any time during the Lease Term, Mexico, or one or more states in Mexico, or any of the Canadian provinces establishes an effective state or provincial system for filing and perfecting the security and/or ownership interests of entities such as Lessor and/or the Indenture Trustee, upon the reasonable written request of Lessor or the Indenture Trustee Lessee shall cause any and all of the Operative Agreements to be recorded with or under such system and shall cause all other filings and recordings and all

such other actions required under such system to be effected and taken in order to perfect and protect the respective right, title and interests of Lessor, the Owner Trustee, the Participants and the Indenture Trustee thereunder.

Section 16.4. Expenses. Lessee will pay all costs, charges and expenses (including reasonable attorneys fees) incident to any such filing, refiling, recording and rerecording or depositing and re-depositing of any such instruments or incident to the taking of such action.

SECTION 17. LESSOR'S RIGHT TO PERFORM.

If Lessee fails to make any payment required to be made by it hereunder or fails to perform or comply with any of its other agreements contained herein, Lessor may itself make such payment or perform or comply with such agreement, after giving not less than five Business Days' prior notice thereof to Lessee (except in the event that an Indenture Default resulting solely from a Lease Default or a Lease Event of Default shall have occurred and be continuing, in which event Lessor may effect such payment, performance or compliance to the extent necessary to cure such Indenture Default with notice given concurrently with 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 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 such date of payment, to the extent permitted by applicable law, shall be deemed to be Supplemental Rent, payable by Lessee to Lessor on demand.

SECTION 18. ASSIGNMENT.

Section 18.1. Assignment by Lessor. Lessee and Lessor hereby confirm that concurrently with the execution and delivery of this Lease, 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 the Units, this Lease and certain of the Rent payable hereunder (excluding Excepted Property), all as more explicitly set forth in the Indenture. Lessor agrees that it shall not otherwise assign or convey its right, title and interest in and to this Lease, the Equipment or any Unit, except as expressly permitted by and subject to the provisions of the Participation Agreement, the Trust Agreement and the Indenture.

Section 18.2. Assignment by Lessee. Except as otherwise provided in Section 8.3 or in the case of any requisition for use by any governmental authority or any agency or instrumentality thereof referred to in Section 11.1, Lessee will not, without the prior written consent of Lessor, assign any of its rights hereunder; *provided* that Lessee may assign its rights and/or obligations hereunder to any corporation in accordance with the provisions of Section 6.5 of the Participation Agreement or to any corporation which is an Affiliate of Lessee, *provided* that in the case of an assignment to an Affiliate, (a) Lessor shall have received an instrument or instruments reasonably satisfactory to it, the Owner Participant and the Indenture Trustee under which such Affiliate assumes the obligations of

Lessee hereunder, and (b) Lessee irrevocably and unconditionally guarantees such assignee's performance of all of such obligations as primary obligor and not as a surety pursuant to a Guaranty Agreement in form and substance reasonably satisfactory to Lessor and Indenture Trustee.

Section 18.3. Third Party's Performance and Rights. Any obligation imposed on Lessee in this Lease shall require only that Lessee perform or cause to be performed such obligation, even if stated herein as a direct obligation, and the performance of any such obligation by any permitted assignee, transferee or sublessee or by any other third party independent contractor engaged by Lessee to manage and maintain the Units on behalf of Lessee (a *"Manager"*) shall constitute performance by Lessee and shall discharge such obligation by Lessee. Except as otherwise expressly provided herein, any right granted to Lessee in this Lease shall grant Lessee the right to (a) exercise such right or permit such right to be exercised by any such assignee or transferee, or (b) in Lessee's capacity as sublessor pursuant to any sublease permitted pursuant to Section 8.3 hereof, permit any sublessee to exercise substantially equivalent rights under any such sublease as are granted to lessee under this Lease; *provided, however*, that Lessee's right to terminate this Lease in respect of any Lot pursuant to Section 10 and Lessee's purchase and renewal options set forth in Section 22 may be exercised only by Lessee itself or by any assignee or transferee of Lessee or by any successor to Lessee in a transaction permitted by Section 6.5 of the Participation Agreement. The inclusion of specific references to obligations or rights or any such assignee, sublessee, transferee or Manager in certain provisions of this Lease shall not in any way prevent or diminish the application of the provisions of the two sentences immediately preceding with respect to obligations or rights in respect of which specific reference to any such assignee, sublessee, transferee or Manager has not been made in this Lease.

SECTION 19. NET LEASE, ETC.

This Lease is a net lease and 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 including, without limitation, (i) any set-off, abatement, counterclaim, suspension, recoupment, reduction, rescission, defense or other right that Lessee may have (other than pursuant to Section 3.5 hereof) against Lessor, the Owner Participant, the Indenture Trustee or any holder of a Note, 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 Lessee or any other Person for any reason whatsoever or of whatever duration, (iv) any insolvency, bankruptcy, reorganization or similar proceeding by or against Lessee, Lessor, the Owner Participant, the Indenture Trustee, any holder of a Note or any other Person, (v) the invalidity, illegality or unenforceability of this Lease, any other Operative Agreement, or any other instrument referred to herein or therein or any other infirmity herein or therein or any lack of right, power or authority of Lessee, Lessor,

the Owner Participant, the Indenture Trustee, any holder of a Note 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 Lessee, Lessor, the Owner Participant, the Indenture Trustee, any holder of a Note or any other Person, or (vii) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing. To the extent permitted by applicable law, 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, Lessee nonetheless agrees, subject to Section 3.5, to the maximum extent permitted by law, to pay to Lessor or to the Indenture Trustee, as the case may be, an amount 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. Each payment of Rent made by Lessee hereunder shall be final and Lessee shall not seek or have any right to recover all or any part of such payment from Lessor or any Person for any reason whatsoever. Nothing contained herein shall be construed to waive any claim which Lessee might have under any of the Operative Agreements or otherwise or to limit the right of Lessee to make any claim it might have against Lessor or any other Person or to pursue such claim in such manner as Lessee shall deem appropriate.

SECTION 20. NOTICES.

Unless otherwise expressly specified or permitted by the terms hereof, all communications and notices provided for herein shall be in writing or by facsimile, and any such notice shall become effective (i) upon personal delivery thereof, including, without limitation, by overnight mail or courier service, (ii) in the case of notice by United States mail, certified or registered, postage prepaid, return receipt requested, upon receipt thereof, or (iii) in the case of notice by facsimile, upon confirmation of receipt thereof, provided such transmission is promptly further confirmed in writing by either of the methods set forth in clause (i) or (ii), 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 Lessor:	Wilmington Trust Company 1100 North Market Street Wilmington, Delaware 19890 Attention: Corporate Trust Administration Fax No.: (302) 651-8882 Confirmation No.: (302) 651-1859 With copies to the Owner Participant.
If to the Owner Participant:	Key Bank of Alaska c/o Keycorp Leasing Ltd. 54 State Street Albany, New York 12207 Attention: Manager Leveraged Leasing Fax No.: (518) 986-8172 Confirmation No.: (518) 482-4462
If to the Indenture Trustee:	State Street Bank and Trust Company of Connecticut, National Association 750 Main Street, Suite 1114 Hartford, Connecticut 06103 Attention: Corporate Trust Department Fax No.: (203) 244-1899 Confirmation No.: (203) 244-1800
If to Lessee:	GATX Capital Corporation Four Embarcadero Center, Suite 2200 San Francisco, California 94111 Attention: Contract Administration Fax No.: (415) 955-3416 Confirmation No.: (415) 955-3200

SECTION 21. CONCERNING THE INDENTURE TRUSTEE.

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 be subject to the rights of Lessee hereunder in and to the Equipment so long as no Event of Default shall have occurred and be continuing.

SECTION 22. PURCHASE OPTIONS; RENEWAL OPTIONS.

Section 22.1. Early Purchase Option. Provided that no Lease Event of Default by Lessee under this Lease shall have occurred and be continuing (unless Lessor shall have waived such Lease Event of Default solely for the purpose of this Section 22.1) and Lessee

shall have duly given the notice required by the next succeeding sentence, Lessee shall have the right and, upon the giving of such notice, the obligation to purchase one or more Lots of Units then leased hereunder (as specified in such notice) on the Early Purchase Date at a price equal to the Early Purchase Price of such Units. Lessee shall give Lessor (with a copy to Owner Participant) written notice not less than 90 days prior to the Early Purchase Date of its election to exercise the purchase option provided for in this Section 22.1, which notice shall be irrevocable and shall specify the Lot or Lots to be purchased and the method of selection of such Lot or Lots, which method shall be reasonable acceptable to Lessor. Payment of the Early Purchase Price, together with all other amounts due and owing by Lessee under the Operative Agreements, with respect to such Units, including, without limitation, all unpaid Basic Rent therefor due and payable on or prior to the Early Purchase Date (exclusive of any in advance Basic Rent due on such date) and any Make-Whole Amount with respect to the principal amount of the Related Notes then being prepaid, shall be made on the Early Purchase Date at the place of payment specified in Section 3.6 hereof in immediately available funds against delivery of a Bill of Sale transferring and assigning to Lessee all right, title and interest of Lessor in and to such Units on an "as-is" "where-is" basis and containing a warranty against Lessor's Liens. Lessor shall not be required to make any other representation or warranty as to the condition of such Units or any other matters, and may specifically disclaim any such representations or warranties. In the event of any such purchase and receipt by Lessor and the Indenture Trustee of all of the amounts provided in this Section 22.1 the obligation of Lessee to pay Basic Rent hereunder for such Units shall cease and the Lease Term for such Units shall end. In the event Lessee exercises its option to assume the Related Notes in accordance with Section 9 of the Participation Agreement, the principal amount of such Related Notes so assumed shall be deducted from the amounts payable by Lessee hereunder. If Lessee shall fail to pay all amounts required to be paid pursuant to this Section 22.1 on the Early Purchase Date, this Lease and the Indenture shall continue in full force and effect with respect to such Units and Lessee agrees to reimburse Lessor, the Participants and the Indenture Trustee for all reasonable costs, expenses and liabilities incurred by any thereof in connection therewith.

Section 22.2. Election to Retain or Return Equipment at End of Basic or Renewal Term. Not less than 240 days prior to the end of the Basic Term, the end of any Fixed Rate Renewal Term or the end of any Fair Market Renewal Term, Lessee shall give Lessor irrevocable written notice of its decision to return or retain the Units at the end of the Basic Term or such Renewal Term. If Lessee elects to retain the Units in one or more Lots, Lessee shall comply with Section 22.3 and/or 22.4 hereof, as it may elect in accordance with the provisions thereof including the notice requirements stated therein. If Lessee fails to give the 240 days' notice required by this Section 22.2 with respect to any Units, Lessee shall be deemed to have irrevocably elected to return all of such Units at the end of the Basic Term or the applicable Renewal Term, as the case may be, in accordance with Section 6.

Section 22.3. Purchase Options. Provided that no Lease Event of Default by Lessee under this Lease shall have occurred and be continuing either at the time of the notice described below or the expiration of the Lease Term (unless Lessor shall have waived such Lease Event of Default solely for the purpose of this Section 22.3) and Lessee shall have duly given the notice required by Section 22.2 and by the next succeeding sentence of this

Section 22.3, Lessee shall have the right and, upon the giving of such notice under this Section 22.3, the obligation to purchase all but not less than all of the Units in any Lot (as specified in such notice, together with the method of selecting such Lot, which method shall be reasonably acceptable to Lessor) at the expiration of the Basic Term or any Renewal Term at a price equal to the Fair Market Sales Value of such Units. Lessee shall give Lessor written notice not less than 90 days prior to the end of the Basic Term, the Fixed Rate Renewal Term or the Fair Market Renewal Term, as the case may be, of its election to exercise the purchase option provided for in this Section 22.3, which notice shall be irrevocable. Payment of the purchase price, together with all other amounts due and owing by Lessee under the Operative Agreements, shall be made at the place of payment specified in Section 3.6 hereof in immediately available funds against delivery of a Bill of Sale transferring and assigning to Lessee all right, title and interest of Lessor in and to such Units on an "as-is" "where-is" basis with a warranty against Lessor's Liens. Lessor shall not be required to make any other representation or warranty as to the condition of such Units or any other matters, and may specifically disclaim any such representations or warranties.

Section 22.4. Renewal Options. Provided no Lease Default shall have occurred and be continuing either at the time of the notice described below or the expiration of the Lease Term (unless Lessor shall have waived such Lease Default solely for the purpose of this Section 22.4) and Lessee shall have duly given the notice required by Section 22.2, Lessee shall have the right and, upon the giving of a notice under this Section 22.4 as below provided, the obligation to lease pursuant to this Lease all but not less than all of the Units in any Lot (as specified in such notice, together with the method of selecting such Lot, which method shall be reasonably acceptable to Lessor) at the expiration of the Basic Term or any applicable Renewal Term which Lessee has not elected to purchase pursuant to Section 22.3, which obligation may be fulfilled by Lessee electing to renew this Lease under either of the following Sections 22.4(a) or (b) as to any one Lot.

(a) *Fixed Rate.* Lessee may give Lessor written notice not less than 90 days prior to the end of the Basic Term that Lessee elects to renew this Lease under this Section 22.4(a) with respect to the Units in any Lot (as specified in such notice) then leased hereunder, which notice shall be irrevocable. In such event, promptly following such notice, a determination in accordance with Section 22.5 shall be made of the date such that (1) the period from the Closing Date to such date would not exceed 80% of the useful life of such Lot from and after the Closing Date, and (2) the Fair Market Sales Value (determined without regard to inflation or deflation) on such date would not be less than 20% of the Equipment Cost of such Lot. The earlier of such date or the third anniversary of the end of the Basic Term shall thereafter be the latest date to which this Lease may be renewed with respect to such Lot pursuant to this Section 22.4(a) (the "*Outside Fixed Renewal Date*"). Lessee shall promptly following the determination of the Outside Fixed Renewal Date give Lessor written notice of the term (the "*Fixed Rate Renewal Term*") which Lessee selects for its initial renewal under this Section 22.4(a), which shall be for one or more years as Lessee shall select, but in no event longer than the Outside Fixed Renewal Date. If Lessee selects a Fixed Rate Renewal Term such that the period following such term until the Outside Fixed Renewal Date is longer than one year, then Lessee may elect one or more further renewals of one or more years pursuant to this Section 22.4(a) so long as no such term extends

beyond the Outside Fixed Renewal Date. The Basic Rent for each Unit during any Fixed Rate Renewal Term shall be 50% of the average of the semiannual Basic Rent installments payable hereunder for such Unit during the Basic Term, payable semiannually in arrears. Each Fixed Rate Renewal Term shall commence immediately upon the expiration of the Basic Term or the preceding Fixed Rate Renewal Term, as the case may be.

(b) *Fair Market.* Lessee may give Lessor written notice not less than 90 days prior to the end of the Basic Term, a Fixed Rate Renewal Term or a Fair Market Renewal Term (subject to the limitations otherwise provided in this Sect ion 22.4(b)) that Lessee elects to renew this Lease under this Section 22.4(b) with respect to all but not less than all of the Units in a Lot (as specified in such notice) then leased hereunder for a term of one or more years as Lessee shall specify in such notice (the *"Fair Market Renewal Term"*), which notice shall be irrevocable. The Basic Rent for the Units leased during the Fair Market Renewal Term shall be the Fair Market Rental Value thereof, payable semiannually in arrears. The Fair Market Renewal Term shall commence immediately upon the expiration of the Base Term or the preceding Fixed Rate Renewal Term or Fair Market Renewal Term, as the case may be.

Section 22.5. Appraisal. Promptly following Lessee's written notice pursuant to Section 22.2 of its election to retain any Units at the end of the Basic Term or a Renewal Term, as the case may be, (i) Lessor and Lessee shall proceed as required to determine the useful life, Fair Market Sales Value and Fair Market Rental Value of the Units to be retained, in each case assuming the Units are in the condition required by this Lease.

Section 22.6. Stipulated Loss Value and Termination 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 and Termination Value of any Unit shall be determined on the basis of the Fair Market Sales Value of such Unit as of the first day of such Renewal Term, reduced in equal monthly increments to the Fair Market Sales Value of such Unit as of the last day of such Renewal Term; *provided* that in no event during any Fixed Rate Renewal Term shall the Stipulated Loss Value and Termination Value of any Unit be less than 20% of the Equipment Cost of such Unit.

SECTION 23. LIMITATION OF LESSOR'S LIABILITY.

It is expressly agreed and understood that all representations, warranties and undertakings of Lessor hereunder (except as expressly provided herein) shall be binding upon 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 Lessor hereunder, except that Lessor (or any successor Owner Trustee) shall be personally liable for its gross negligence or wilful misconduct and for its breach of its covenants, representations and warranties contained herein to the extent covenanted or made in its individual capacity.

SECTION 24. INVESTMENT OF SECURITY FUNDS.

Any moneys received by Lessor or the Indenture Trustee pursuant to Section 12.2 which are required to be paid to Lessee after completion of repairs to be made pursuant to Section 12.2 or pursuant to Section 11.4(a) or 11.5, as the case may be, until paid to Lessee as provided in Section 11.4(a), 11.5 or 12.2 or as otherwise applied as provided herein or in the Trust Agreement and Indenture, shall be invested in Specified Investments by Lessor (unless the Indenture shall not have been discharged, in which case, by the Indenture Trustee as provided in Section 5.04(b) of the Indenture) from time to time as directed by telephone (and promptly confirmed in writing thereafter) by Lessee if such investments are reasonably available for purchase. There shall be promptly remitted to 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) and Lessee will promptly pay to Lessor or the Indenture Trustee, as the case may be, on demand, the amount of any 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 disposed of in accordance with the terms of the Trust Agreement and the Indenture.

SECTION 25. MISCELLANEOUS.

Section 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 internal laws and decisions of the State of New York; *provided, however*, that the parties shall be entitled to all rights conferred by any applicable Federal statute, rule or regulation. Whenever possible, each provision of this Lease shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Lease shall be prohibited by or invalid under the laws of any jurisdiction, such provision, as to such jurisdiction, shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Lease in any other jurisdiction.

Section 25.2. Execution in Counterparts. This Lease may be executed in any number of counterparts, each executed counterpart constituting an original and in each case such counterparts shall constitute but one and the same instrument.

Section 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.

Section 25.4. Successors and Assigns. This Lease shall be binding upon and shall inure to the benefit of, and shall be enforceable by, the parties hereto and their respective permitted successors and assigns.

Section 25.5. True Lease. It is the intent of the parties to this Lease that it will be a true lease and not a "conditional sale," and that 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 Lessee no right, title or interest in any Unit except as lessee. Nothing contained in this Section 25.5 shall be construed to limit Lessee's use or operation of any Unit or constitute a representation, warranty or covenant by Lessee as to tax consequences.

Section 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.

Section 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.

Section 25.8. Business Days. If any payment is to be made hereunder or any action is to be taken hereunder on any date that is not a Business Day, such payment or action otherwise required to be made or taken on such date shall be made or taken on the immediately succeeding Business Day with the same force and effect as if made or taken on such scheduled date and as to any payment (provided any such payment is made on such succeeding Business Day) no interest shall accrue on the amount of such payment from and after such scheduled date to the time of such payment on such next succeeding Business Day.

Section 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.

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

IN WITNESS WHEREOF, Lessor and Lessee have caused this Lease to be duly executed and delivered 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_____
Its Vice President

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this 23rd day of September, 1993, before me personally appeared James P. Lawler, to me personally known, who being by me duly sworn, say that he is a Vice President of WILMINGTON TRUST COMPANY, that said instrument was signed on such date on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Joanne Bruen
Notary Public

[NOTARIAL SEAL]

My commission expires:

OFFICIAL SEAL
JOANNE BRUEN
NOTARY PUBLIC STATE OF ILLINOIS
MY COMMISSION EXP. OCT. 14,1996

LESSEE:

GATX CAPITAL CORPORATION

By _____
Its Vice President

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this 23rd day of September, 1993, before me personally appeared Catherine B. Shachat, to me personally known, who being by me duly sworn, say that she is a Vice President of GATX CAPITAL CORPORATION, that said instrument was signed on such date on behalf of said corporation by authority of its Board of Directors, and she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

_____
Notary Public

[NOTARIAL SEAL]

My commission expires:

OFFICIAL SEAL
JOANNE BRUEN
NOTARY PUBLIC STATE OF ILLINOIS
MY COMMISSION EXP. OCT. 14,1996

LEASE SUPPLEMENT NO. ___
(GATX TRUST NO. 93-A)

This LEASE SUPPLEMENT NO. ___, dated _____, between WILMINGTON TRUST COMPANY, a Delaware banking corporation, not in its individual capacity but solely as Owner Trustee under the Trust Agreement (*"Lessor"*), and GATX CAPITAL CORPORATION, a Delaware corporation (*"Lessee"*);

WITNESSETH:

Lessor and Lessee have heretofore entered into that certain Equipment Lease Agreement (GATX Trust No. 93-A) dated as of September 1, 1993 (the *"Lease"*). The terms used herein are used with the meanings specified in the Lease.

The Lease provides for the execution and delivery of a Lease Supplement substantially in the form hereof for, among other things, the purpose of particularly describing the Equipment to be leased to Lessee under the Lease.

NOW, THEREFORE, in consideration of the premises and other good and sufficient consideration, and pursuant to Section 2 of the Lease, Lessor and Lessee hereby agree as follows:

1. Lessor hereby delivers and leases to Lessee, and Lessee hereby accepts and leases from Lessor, under the Lease as herein supplemented, the Units described in Schedule 1 hereto.

2. All of the terms and provisions of the Lease are hereby incorporated by reference in this Lease Supplement to the same extent as if fully set forth herein.

3. This Lease Supplement shall be governed by and construed in accordance with the internal laws and decisions of the State of New York; *provided, however,* that the parties shall be entitled to all rights conferred by any applicable Federal statute, rule or regulation.

4. 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.

5. To the extent, if any, that this Lease Supplement constitutes chattel paper (as defined in the Uniform Commercial Code as in effect in any applicable jurisdiction) no security interest may be created through the transfer of any counterpart other than the "original" counterpart which is deemed to be the counterpart containing the receipt thereof executed by the Indenture Trustee on the signature page thereof.

EXHIBIT A
(to Equipment Lease Agreement)

IN WITNESS WHEREOF, Lessor and Lessee have caused this Lease Supplement to be duly executed as of the day and year first above written and to be delivered as of the date first above written.

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

By_____
Its

STATE OF _____)
) SS
COUNTY OF _____)

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

_____
Notary Public

[NOTARIAL SEAL]

My commission expires:

GATX CAPITAL CORPORATION

By_____
Its

STATE OF _____)
) SS
COUNTY OF _____)

On this _____ day of _____, 199__, before me personally appeared _____, to me personally known, who being by me duly sworn, say that he is _____ of GATX CAPITAL CORPORATION, that said instrument was signed on such date on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

_____
Notary Public

[NOTARIAL SEAL]

My commission expires:

ASSIGNMENT OF SUBLEASES AND SECURITY AGREEMENT

Dated as of _____

From

GATX CAPITAL CORPORATION,
as Debtor

To

WILMINGTON TRUST COMPANY,
as owner trustee under GATX Trust No. 93-A,
as Secured Party

(GATX Trust No. 93-A)

EXHIBIT B
(to Equipment Lease Agreement)

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ASSIGNMENT OF SUBLEASES AND SECURITY AGREEMENT

ASSIGNMENT OF SUBLEASE AND SECURITY AGREEMENT (this "*Security Agreement*") dated as of _____, from GATX CAPITAL CORPORATION, a Delaware corporation (the "*Debtor*"), as debtor, to WILMINGTON TRUST COMPANY, a Delaware banking corporation, as owner trustee (the "*Secured Party*"), as secured party. The post office addresses of the Debtor and the Secured Party are set forth in Section 5.3.

RECITALS:

A. The capitalized terms used in this Security Agreement shall have the respective meanings specified in the Equipment Lease Agreement (GATX Trust No. 93-A) dated as of September 1, 1993 (the "*Lease*") between Debtor and Secured Party unless otherwise herein defined or the context hereof shall otherwise require.

B. The Debtor and the Secured Party have entered into the Lease providing for the lease from Security Party to Debtor of the Units of Equipment.

C. The Lease provides that, upon the occurrence of certain events, the Debtor will assign all Prior Subleases to Security Party as security for Debtor's obligations hereunder and under the Lease, the Participation Agreement and the Tax Indemnity Agreement.

D. The Lease and all Rent and other sums at any time due and owing by the Debtor under the terms of the Lease, the Participation Agreement, this Security Agreement and the Tax Indemnity Agreement are hereinafter sometimes referred to as "*indebtedness hereby secured*".

E. All of the requirements of law have been fully complied with and all other acts and things necessary to make this Security Agreement a valid, binding and legal instrument to secure the indebtedness hereby secured have been done and performed.

SECTION 1. GRANTING CLAUSE.

The Debtor in consideration of the premises and other good and valuable consideration, receipt whereof is hereby acknowledged, and intending to be legally bound, and in order to secure the payment of the Advance, Basic Rent and Supplemental Rent under the Lease, and to secure the payment of all other indebtedness hereby secured and the performance and observance of all the covenants and conditions contained in the Lease, this Security Agreement, the Participation Agreement and the Tax Indemnity Agreement, does hereby mortgage, assign, pledge and hypothecate unto the Secured Party, its successors and assigns, forever, and grants to the Secured Party, its successors and assigns, forever, a security interest in, all and singular the following described properties, rights, interests and privileges (hereinafter sometimes referred to as the "*Collateral*"):

All right, title, interest, claims and demands of the Debtor as lessor in, to and under any Prior Sublease with respect to any of the Units of the Equipment (herein called a *"Sublease"*), including the interim term and basic term thereunder and any renewal term thereof, and any agreement with any Manager to manage and maintain the Units subject to such sublease on behalf of the Debtor (herein called a *"Management Agreement"*), together with all rights, powers, privileges, options and other benefits of the Debtor thereunder, including, without limitation, the immediate and continuing right to demand, receive and collect all rent thereunder, income, revenues, issues, profits, insurance proceeds, condemnation awards and other payments, tenders and security now or hereafter payable to or receivable by the Debtor thereunder, and the right to make all waivers and agreements, to give and receive duplicate copies of all notices and other instruments or communications, to take such action upon the occurrence of an event of default under any Sublease or Management Agreement, including the commencement, conduct and consummation of legal, administrative or other proceedings, as shall be permitted by any Sublease or Management Agreement or by law, and to do any and all other things whatsoever which the Debtor or any lessor is or may be entitled to do under any Sublease or Management Agreement.

PROVIDED, THAT, so long as no Event of Default under this Security Agreement shall have occurred and be continuing, the Debtor shall have all rights under any Sublease and Management Agreement, and, without limiting the foregoing shall be entitled to collect, receive and retain all rent and other payments under any Sublease or Management Agreement for its own account.

TO HAVE AND TO HOLD the Collateral unto the Secured Party, its successors and assigns, forever; upon the terms herein set forth; *provided always, however*, that these presents are upon the express condition that if the Debtor shall pay or cause to be paid all the indebtedness hereby secured and shall observe, keep and perform all the terms and conditions, covenants and agreements herein, in the Lease, in the Participation Agreement and the Tax Indemnity Agreement contained, then these presents and the estate hereby granted and conveyed shall cease and this Security Agreement shall become null and void; otherwise this Security Agreement shall remain in full force and effect.

SECTION 2. COVENANTS AND WARRANTIES OF THE DEBTOR.

The Debtor covenants, warrants and agrees for the benefit of the Secured Party:

Section 2.1. Further Assurances. The Debtor agrees that at any time and from time to time, upon the written request of the Secured Party, the Debtor will promptly and duly execute and deliver any and all such further instruments and documents as the Secured Party may deem desirable in obtaining the full benefit of the security intended to be afforded hereby and of the rights and powers herein granted. Without limiting the foregoing but in furtherance of the security interest herein granted in the Collateral, the Debtor covenants and agrees that it will promptly notify each sublessee under the Subleases and each Manager under the Management Agreements of the assignment hereunder and direct each such sublessee to make, upon notice by the Secured Party of an Event of Default under the Lease and direction by the Secured Party, all payments of all rents and other sums due and to

become due under such Sublease and Management Agreement directly to the Secured Party or as the Secured Party may direct in writing.

Section 2.2. Warranty. The Debtor has the corporate right, power and authority to grant a Lien on and a security interest in the Collateral to the Secured Party for the uses and purposes herein set forth; and the Debtor will warrant and defend such security interest in the Collateral against all claims and demands of Persons claiming by, through or under the Debtor, excepting only this Security Agreement. The Debtor warrants that it has made no previous assignment of any of its rights in, to or under the Collateral, there is no financing statement or other filed or recorded instrument in which the Debtor is named as debtor now on file in any public office covering any of the Collateral excepting the financing statements or other instruments filed or to be filed in respect of and for the security interest provided for herein.

Section 2.3. After-Acquired Property. Any and all property described or referred to in the granting clause hereof which is hereafter acquired by the Debtor shall *ipso facto*, and without any further conveyance, assignment or act on the part of the Debtor or the Secured Party, become and be subject to the Lien and security interest herein granted as fully and completely as though specifically described herein, but nothing in this Section 2.3 contained shall be deemed to modify or change the obligation of the Debtor under Section 2.1.

Section 2.4. Actions with Respect to Collateral. The Debtor will not without the written consent of the Secured Party:

(a) if an Event of Default shall have occurred and be continuing, declare a default or exercise any remedies under, or terminate, modify or accept a surrender of, or offer or agree to any termination, modification or surrender of, any Sublease or Management Agreement or by affirmative act consent to the creation or existence of any security interest or other Lien (other than the security interest and Lien of this Security Agreement) to secure the payment of indebtedness upon the Collateral; or

(b) receive or collect or permit the receipt or collection of any payment of rent or any other sum payable under any Sublease or Management Agreement prior to the date for the payment thereof provided for thereby or assign, transfer or hypothecate (other than to the Secured Party hereunder) any payment of rent or any other sum payable thereunder then due or to accrue in the future thereunder in respect of the Equipment.

Section 2.5. Power of Attorney in Respect of Subleases, Etc. The Debtor does hereby irrevocably constitute and appoint the Secured Party its true and lawful attorney with an interest and full power of substitution, for it and in its name, place and stead (i) during the continuation of any Event of Default under this Security Agreement, to ask, demand, collect, receive and receipt for any and all rents, income and other sums which are assigned under the granting clause hereof and to endorse the name of the Debtor on all commercial paper given in payment or in part payment thereof, and (ii) without limiting provisions of

the foregoing clause (i) hereof, during the continuance of any Event of Default under this Security Agreement, to sue for, compound and give acquittance for, to settle, adjust or compromise any claim for any and all such rents, income and other sums which are assigned under the granting clause hereof as fully as the Debtor could itself do, and to perform all other necessary or appropriate acts, and in its discretion to file any claim or take any other action or proceedings, either in its own name or in the name of the Debtor or otherwise, which the Secured Party may deem necessary or appropriate to protect and preserve the right, title and interest of the Secured Party in and to the Collateral, including without limitation, all such rents and other sums, in each case, intended to be afforded hereby.

SECTION 3. APPLICATION OF ASSIGNED RENTALS AND CERTAIN OTHER MONEYS RECEIVED BY THE SECURED PARTY.

If an Event of Default has occurred and is continuing to the knowledge of the Secured Party, all amounts received by the Secured Party pursuant to the granting clause shall be held by the Secured Party for application in the manner provided for in Section 4 in respect of proceeds and avails of the Collateral.

SECTION 4. DEFAULTS AND REMEDIES.

Section 4.1. Events of Default. Any of the following occurrences or acts shall constitute an "Event of Default" under this Security Agreement:

(a) An Event of Default under the Lease; or

(b) Default on the part of the Debtor in the due observance or performance of any covenant or agreement to be observed or performed by it hereunder, and any such default shall continue unremedied for 30 days after receipt by Debtor of written notice thereof.

Section 4.2. Secured Party's Rights. The Debtor agrees that when any Event of Default has occurred and is continuing, the Secured Party shall have the rights, options, duties and remedies of a secured party, and the Debtor shall have the rights and duties of a debtor, under the Uniform Commercial Code of the State of New York (regardless of whether such Code or a similar law has been enacted in a jurisdiction wherein the rights or remedies are asserted, and without limiting the foregoing) and may, without limitation of all other rights and remedies available at law or in equity in such event, exercise any one or more or all, and in any order, of the remedies hereinafter set forth, it being expressly understood that no remedy herein conferred is intended to be exclusive of any other remedy or remedies; but each and every remedy shall be cumulative and shall be in addition to every other remedy given herein or now or hereafter existing at law or in equity or by statute.

(a) The Secured Party may proceed to protect and enforce this Security Agreement by suit or suits or proceedings in equity, at law or in bankruptcy, and

whether for the specific performance of any covenant or agreement herein contained or in execution or aid of any power herein granted; or for foreclosure hereunder, or for the appointment of a receiver or receivers for the Collateral or any part thereof, or for the recovery of judgment for the indebtedness hereby secured or for the enforcement of any other proper, legal or equitable remedy available under applicable law.

(b) The Secured Party may proceed to exercise all rights, privileges and remedies of the Debtor under any Sublease or Management Agreement and may exercise all such rights and remedies either in the name of the Secured Party or in the name of the Debtor for the use and benefit of the Secured Party.

Section 4.3. Waiver by Debtor. To the extent now or at any time hereafter enforceable under Applicable Law, the Debtor covenants that it will not at any time insist upon or plead, or in any manner whatsoever claim or take any benefit or advantage of, any stay or extension law now or at any time hereafter in force, nor claim, take nor insist upon any benefit or advantage of or from any law now or hereafter in force providing for the valuation or appraisement of the Collateral or any part thereof, prior to any sale or sales thereof to be made pursuant to any provision herein contained, or to the decree, judgment or order of any court of competent jurisdiction; nor, after such sale or sales, claim or exercise any right under any statute now or hereafter made or enacted by any state or otherwise to redeem the property so sold or any part thereof, and hereby expressly waives for itself and on behalf of each and every Person, except decree or judgment creditors of the Debtor acquiring any interest in or title to the Collateral or any part thereof subsequent to the date of this Security Agreement, all benefit and advantage of any such law or laws, and covenants that it will not invoke or utilize any such law or laws or otherwise hinder, delay or impede the execution of any power herein granted and delegated to the Secured Party, but will suffer and permit the execution of every such power as though no such law or laws had been made or enacted.

Section 4.4. Effect of Sale. Any sale, whether under any power of sale hereby given or by virtue of judicial proceedings, shall operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of the Debtor in and to the property sold and shall be a perpetual bar, both at law and in equity, against the Debtor, its successors and assigns, and against any and all Persons claiming the property sold or any part thereof under, by or through the Debtor, its successors or assigns.

Section 4.5. Application of Sale and Other Proceeds. The purchase money proceeds and/or avails of any sale of the Collateral, or any part thereof, and the proceeds and the avails of any remedy hereunder shall be paid to and applied as follows:

First, to the payment of costs and expenses of foreclosure or suit, if any, and of such sale, and of all proper compensation, expenses, liability and advances, including legal expenses and attorneys' fees, owed to, incurred or made by the Secured Party hereunder, or the Indenture Trustee or the Participants and of all taxes, assessments or

Liens superior to the Lien of these presents, except any taxes, assessments or other superior Lien subject to which said sale may have been made;

Second, to the payment of the whole amount then due, owing and unpaid to the Secured Party under the Lease, the Participation Agreement and the Tax Indemnity Agreement, including without limitation any amounts owed in respect of remedies exercised by the Secured Party or the Indenture Trustee under the Lease, with such payment to be applied first, to the obligation of the Debtor to pay Advance or Basic Rent, second, to the obligation of the Debtor to pay Supplemental Rent (other than Supplemental Rent due in respect of the Tax Indemnity Agreement) and third, to the obligation of the Debtor to pay Supplemental Rent due respect of the Tax Indemnity Agreement; and

Third, to the payment of the surplus, if any, to the Debtor, its successors and assigns, or to whomsoever may be lawfully entitled to receive the same.

Section 4.6. Discontinuance of Remedies. In case the Secured Party shall have proceeded to enforce any right under this Security Agreement by foreclosure, sale, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely, then and in every such case the Debtor and the Secured Party shall be restored to their former positions and rights hereunder with respect to the Collateral intended to be subject to the Lien and security interest created under this Security Agreement.

Section 4.7. Cumulative Remedies. No delay or omission of the Secured Party to exercise any right or power arising from any Event of Default, shall exhaust or impair any such right or power or prevent its exercise during the continuance of such Event of Default. No waiver by the Secured Party of any such Event of Default, whether such waiver be full or partial, shall extend to or be taken to affect any subsequent Event of Default, or to impair the rights resulting therefrom except as may be otherwise provided therein. No remedy hereunder is intended to be exclusive of any other remedy but each and every remedy shall be cumulative and in addition to any and every other remedy given hereunder or otherwise existing; nor shall the giving, taking or enforcement of any other or additional security, collateral or guaranty for the payment of the indebtedness hereby secured operate to prejudice, waive or affect the security of this Security Agreement or any rights, powers or remedies hereunder, nor shall the Secured Party be required to first look to, enforce or exhaust such other or additional security, collateral or guaranties.

SECTION 5. MISCELLANEOUS.

Section 5.1. Successors and Assigns. Whenever any of the parties hereto is referred to such reference shall be deemed to include the successors and assigns of such party; and all the covenants, promises and agreements in this Security Agreement contained by or on behalf of the Debtor or by or on behalf of the Secured Party shall bind and inure to the benefit of the respective successors and assigns of such parties whether so expressed or not.

Section 5.2. Severability. Any provision of this Security Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 5.3. Notices. Unless otherwise expressly specified or permitted by the terms hereof, all communications and notices provided for herein shall be in writing or by facsimile, and any such notice shall become effective (i) upon personal delivery thereof, including, without limitation, by overnight mail or courier service, (ii) in the case of notice by United States mail, certified or registered, postage prepaid, return receipt requested, upon receipt thereof, or (iii) in the case of notice by facsimile, upon confirmation of receipt thereof, provided such transmission is promptly further confirmed in writing by either of the methods set forth in clause (i) or (ii), 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 Debtor:	GATX Capital Corporation Four Embarcadero Center Suite 2200 San Francisco, California 94111 Attention: Contract Administration Fax No.: (415) 955-3416 Confirmation No.: (415) 955-3200
If to the Secured Party:	Wilmington Trust Company 1100 North Market Street Wilmington, Delaware 19890 Attention: Corporate Trust Administration Fax No.: (302) 651-8882 Confirmation No.: (302) 651-1859
If to the Indenture Trustee:	State Street Bank and Trust Company of Connecticut, National Association 750 Main Street, Suite 1114 Hartford, Connecticut 06103 Attention: Corporate Trust Department Fax No.: (203) 244-1899 Confirmation No.: (203) 244-1800

Section 5.4. Release. The Secured Party shall release this Security Agreement and the Lien granted hereby by proper instrument or instruments upon presentation of satisfactory evidence that all indebtedness hereby secured has been fully paid or discharged, all at the cost and expense of Debtor.

Section 5.5. Counterparts. This Security Agreement may be executed, acknowledged and delivered in any number of counterparts, each of such counterparts constituting an original but all together only one Security Agreement.

Section 5.6. Governing Law. This Security Agreement shall be governed by and construed under the substantive law (as opposed to the conflict of laws provisions) and decisions of the State of New York.

Section 5.7. Headings. Any headings or captions preceding the text of the several sections hereof are intended solely for convenience of reference and shall not constitute a part of this Security Agreement nor shall they affect its meaning, construction or effect.

Section 5.8. Assignment by Secured Party. Notice is hereby given of the assignment by the Secured Party of this Security Agreement (and any Sublease and Management Agreement which is the subject matter thereof) to the Indenture Trustee under and pursuant to the Indenture. The Debtor acknowledges and consents to such assignment.

Section 5.9. Amendments and Waivers. No term, covenant, agreement or condition of this Security Agreement 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 consented to by the Indenture Trustee.

IN WITNESS WHEREOF, the Debtor and the Secured Party have caused this Security Agreement to be executed.

GATX CAPITAL CORPORATION

By_____
Its

AS DEBTOR

WILMINGTON TRUST COMPANY,
not in its individual capacity but solely as
owner trustee under GATX Trust
No. 93-A

By_____
Its

AS SECURED PARTY

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

DEFINITIONS

GENERAL PROVISIONS

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

Unless the context otherwise requires, (a) references 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 (b) references to parties to agreements shall be deemed to include the permitted successors and assigns of such parties.

DEFINED TERMS

"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 terms *"controlling"* and *"controlled"* shall have meanings correlative to the foregoing.

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

"Assignment of Subleases" shall mean each and every Assignment of Subleases and Security Agreement substantially in the form of Exhibit B to the Lease entered into by the Lessee and the Owner Trustee.

"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 in a Group, all 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 rent payable pursuant to Section 22.4 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 March 23, 1994.

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

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

"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 Anchorage, Alaska (to the extent and only to the extent such term is used in determining the date of payment of an Advance), Hartford, Connecticut or Wilmington, Delaware or Boston, Massachusetts or New York, New York.

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

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

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

"Debt Rate" with respect to any Notes shall mean as of the date of determination, a rate equal to the rate of interest per annum borne by such Notes then outstanding (computed on the basis of a 360-day year of twelve 30-day months).

"Deemed Last Utilized Taxes" shall have the meaning specified in Section 7.1(h) of the Participation Agreement.

"Determination Date" shall mean the 23rd day of any calendar month.

"Early Purchase Date" shall mean the date specified on Schedule 6 to the Participation Agreement.

"Early Purchase Price" shall mean, with respect to any Unit in any Group, the amount equal to the product of the percentage set forth in Schedule 6 to the Participation Agreement with respect to such Group and the Equipment Cost for such Unit.

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

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

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

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

"Excepted Property" shall mean (a) all indemnity payments (including, without limitation, payments pursuant to Section 7 of the Participation Agreement and payments under the Tax Indemnity Agreement) to which the Owner Participant, the Owner Trustee as trustee or in its individual capacity or any of their respective successors, permitted assigns, directors, officers, employees, servants and agents is entitled pursuant to the Operative Agreements, (b) any right, title or interest of the Owner Trustee as trustee or in its individual capacity or the Owner Participant to any payment which by the terms of Section 17 of the Lease or any corresponding payment under Section 3.3 of the Lease shall be payable to or on behalf of the Owner Trustee as trustee or in its individual capacity or to the Owner Participant, as the case may be, (c) any insurance proceeds payable under insurance maintained by the Owner Trustee as trustee or in its individual capacity or the Owner Participant pursuant to Section 12.5 of the Lease, (d) any insurance proceeds payable to or on behalf of the Owner Trustee as trustee or in its individual capacity or to the Owner Participant, under any public liability insurance maintained by Lessee pursuant to Section 12 of the Lease or by any other Person, (e) Transaction Costs paid or payable to, or for the benefit of Owner Trustee, as trustee or in its individual capacity, or Owner Participant pursuant to the Participation Agreement or the Trust Agreement, (f) all right, title and interest of the Owner Participant or the Owner Trustee, as trustee or in its individual capacity, in or relating to any portion of the Units or any other property (tangible or intangible), rights, titles or interests to the extent any of the foregoing has been released from the Lien of the Indenture pursuant to the terms thereof, (g) upon termination of the Indenture pursuant to the terms thereof with respect to any Unit, all remaining amounts which shall have been paid or are payable by the Lessee as calculated on the basis of Stipulated Loss Value, (h) any rights of the Owner Participant or the Owner Trustee as trustee and in its individual capacity to demand, collect, sue for, or otherwise receive and enforce payment of the foregoing amounts; *provided* such rights shall not include the exercise of any remedies under the Lease other than the right to proceed by appropriate court action or actions, either at law or in equity, to enforce performance by the Lessee of the applicable covenants of the Lease or to recover damages for the breach thereof, (i) any amount payable to the Owner Participant by any Transferee as the purchase price of the Owner Participant's interest in the Trust Estate in compliance with the terms of the

Participation Agreement and the Trust Agreement and (j) the respective rights of the Owner Trustee as trustee and in its individual capacity or the Owner Participant to the proceeds of the foregoing.

"Excess Amount" shall have the meaning specified in Section 10.13 of the Participation Agreement.

"Fair Market Renewal Term" shall have the meaning specified in Section 22.4 of the Lease.

"Fair Market Rental Value" or *"Fair Market Sales Value"* with respect to any Unit of Equipment shall mean the cash rent or cash price obtainable for such Unit in an arm's length lease or sale between an informed and willing lessee or purchaser 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, as the same shall be specified by agreement between the Lessor and the Lessee. If the parties are unable to agree upon a Fair Market Rental Value and/or a Fair Market Sales Value within 30 days after delivery of notice by the Lessee pursuant to Section 22.2 of the Lease, or otherwise where such determination is required, within a reasonable period of time, such value shall be determined by appraisal. The Lessee will within 15 days after such 30-day period provide the Lessor the name of an appraiser 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 or the Fair Market Sales Value, as the case may be, shall be determined by such appraiser and the Lessor and the Lessee shall each bear one half of the cost thereof. If the Lessee and the Lessor are unable to agree upon a single appraiser within such 15-day period, two independent qualified appraisers, one chosen by the Lessee and one chosen by the Lessor shall jointly determine such value and the Lessor shall bear the cost of the appraiser selected by the Lessor and the Lessee shall bear the cost of the appraiser selected by the Lessee. If such appraisers cannot agree on the amount of such value within 15 days of appointment, one independent qualified appraiser shall be chosen by the American Arbitration Association. All three appraisers shall make a determination within a period of 15 days following appointment, and shall promptly communicate such determination in writing to the Lessor and the Lessee. If there shall be a panel of three appraisers, the three appraisals shall be averaged and such average shall be the Fair Market Rental Value or Fair Market Sales Value, as the case may be. The determination made shall be conclusively binding on both the Lessor and the Lessee. If there shall be a panel of three appraisers, the Lessee shall bear the cost of the appraiser selected by the Lessee, the Lessor shall bear the cost of the appraiser selected by the Lessor and the Lessee and the Lessor shall equally share the cost of the third appraiser. If such appraisal is in connection with the exercise of remedies set forth in Section 15 of the Lease, the Lessee shall pay the costs 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 Sales Value, as the case may be, shall be zero with respect to any Unit if the Lessor is unable to recover possession of such Unit in accordance with the terms of paragraph (b) of Section 15.1 of the Lease.

"Fixed Rate Renewal Term" shall have the meaning specified in Section 22.4 of the Lease.

"Group" shall mean each and all of the various groups of Units so designated in Schedule 1 to the Participation Agreement.

"Hazardous Substances" shall mean any hazardous or toxic substances, materials or wastes, including, but not limited to, those substances, materials, and wastes listed in the United States Department of Transportation Hazardous Materials Table (49 CFR 172.101) or by the Environmental Protection Agency as hazardous substances (40 CFR part 302) and amendments thereto, or such substances, materials and wastes which are or become regulated under any applicable local, state, Federal or foreign law including, without limitation, any materials, waste or substance which is (a) petroleum, (b) asbestos, (c) polychlorinated biphenals, (d) defined as a *"hazardous material," "hazardous substance"* or *"hazardous waste"* under applicable local, state or Federal laws (or the equivalent thereof under any applicable foreign laws), (e) designated as a *"hazardous substance"* pursuant to Section 311 of the Clean Water Act, (f) defined as *"hazardous waste"* pursuant to Section 1004 of the Resource Conservation and Recovery Act, or (g) defined as *"hazardous substances"* pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act.

"ICC" shall mean the Interstate Commerce Commission.

"Income Taxes" shall have the meaning specified in Section 7.1(c)(1) of the Participation Agreement.

"Indemnified Foreign Income Taxes" shall have the meaning specified in Section 7.1(c)(2) of the Participation Agreement.

"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 (GATX Trust No. 93-A), dated as of September 1, 1993 between the Owner Trustee, in the capacities described therein, and the Indenture Trustee, as amended, supplemented or otherwise modified from time to time, including supplementation by each Indenture Supplement pursuant thereto.

"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 4.01 of the Indenture.

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

"Indenture Supplement" shall mean an indenture supplement dated the Closing Date or the date that any Replacement Unit is subjected to the Lien of the Indenture, substantially in the form of Exhibit A to the Indenture, between the Owner Trustee, in the capacities described therein, and the Indenture Trustee, covering the Units delivered on the Closing Date or such Replacement Unit, or entered into to reflect a reoptimization of the Notes pursuant to Section 2.6 of the Participation Agreement, as the case may be.

"Indenture Trustee" shall mean State Street Bank and Trust Company of Connecticut, National Association, a national banking association, as trustee under the Indenture and its successors thereunder.

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

"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.

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

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

"Late Rate" shall mean (a) with respect to the portion of any payment of Rent that would be required to be distributed to the holders of the Related Notes pursuant to the terms of the Indenture, the lesser of 2% over the respective Debt Rate applicable to the Notes and the maximum interest rate from time to time permitted by law, and (b) with respect to the portion of any payment of Rent that would be required to be distributed to Lessor pursuant to the terms of the Indenture or would be payable directly to Lessor, the Owner Participant or the Owner Trustee in its individual capacity, the greater of 2% over the Prime Rate and 2% over the Debt Rate, unless such rate would not then be permitted under applicable law, and in such event, at the maximum interest rate from time to time permitted by law.

"Lease" or *"Lease Agreement"* or *"Equipment Lease"* shall mean the Equipment Lease Agreement (GATX Trust No. 93-A), relating to the Equipment, dated as of September 1, 1993, between the Owner Trustee, in the capacities described therein, as Lessor, and the Lessee as amended, supplemented or otherwise modified from time to time. The term *"Lease"* shall include each Lease Supplement entered into pursuant to the terms of the Lease.

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

"Lease Supplement" shall mean a Lease Supplement dated the Closing Date or the date that any Replacement Unit is subjected to the Lease, substantially in the form of Exhibit A to the Lease, between the Lessor and the Lessee, covering the Units delivered on the Closing Date or such Replacement Unit, as the case may be.

"Lease Term" shall mean, with respect to any Unit, 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 GATX Capital Corporation, a Delaware corporation, and any corporation which succeeds thereto by merger or consolidation or which acquires all or substantially all of the assets thereof.

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

"Lessee Notice" shall have the meaning specified in Section 6.1(a) of the Lease.

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

"Lessor's Liens" means any Lien affecting, on or in respect of the Equipment, the Lease or the Trust Estate arising as a result of (a) claims against Lessor (in its individual capacity or as Owner Trustee) or the Owner Participant, not related to the transactions contemplated by the Operative Agreements, or (b) acts or omissions of the Lessor (in its individual capacity or as Owner Trustee) or the Owner Participant not related to the transactions contemplated by the Operative Agreements or in breach of any covenant or agreement of such Person set forth in any of the Operative Agreements, or (c) taxes imposed against the Lessor (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.

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

"Loan Participant" shall mean and include each registered holder from time to time of a Note issued under the Indenture.

"Lot" shall mean any lot of at least 20 Units of the same Group selected in a random, nondiscriminatory manner reasonably acceptable to the Lessor and designated by the Lessee.

"Majority In Interest" as of a particular date of determination shall mean with respect to any action or decision of the holders of the Notes, the holders of more than 50% in aggregate unpaid principal amount of the Notes then outstanding, excluding any Notes held

by the Owner Participant or the Lessee or an Affiliate of the Owner Participant or the Lessee unless all Notes are so held.

"Make-Whole Amount" shall mean an amount equal to the excess of (a) the aggregate present value as of the date of such prepayment of each dollar of principal being paid or prepaid and the amount of interest (exclusive of interest accrued to the date of prepayment) that would have been payable in respect of such dollar if such prepayment had not been made, all determined by discounting such payments and prepayments at a rate which is equal to the Treasury Rate over (b) the aggregate principal amount of such Notes then to be paid or prepaid. To the extent that the Treasury Rate at the time of such payment is equal to or higher than the rate of interest borne by the Notes being so prepaid, the Make Whole Amount is zero. For purposes of any determination of the Make-Whole Amount:

"Treasury Rate" shall mean at any time with respect to the Notes being prepaid (a) the sum of .50%, *plus* the yield reported on page 7677 of the Telerate Services Screen (or, if not available, any other nationally recognized trading screen reporting on-line intraday trading in the United States government Securities) at 11:00 A.M. (New York, New York time) for those actively traded *"On The Run"* United States government Securities having a maturity (rounded to the nearest month) corresponding to the remaining Weighted Average Life to Maturity of the principal being prepaid or paid or (b) in the event that no nationally recognized trading screen reporting on-line intraday trading in the United States government Securities is available, Treasury Rate shall mean the sum of .50%, *plus* the weekly average of the yield to maturity on the United States Treasury obligations with a constant maturity (as compiled by and published in the most recently published issue of the United States Federal Reserve Statistical Release designated H.15(519) or its successor publication) most nearly equal to (by rounding to the nearest month) the Weighted Average Life to Maturity of the Notes then being prepaid. If no maturity exactly corresponding to such Weighted Average Life to Maturity of such Notes shall appear therein, the weekly average yield for the two most closely corresponding published maturities shall be calculated pursuant to the foregoing sentence and the Treasury Rate shall be interpolated from such yields on a straight-line basis (rounding, in the case of relevant periods, to the nearest month).

"Weighted Average Life to Maturity" with respect to any Notes shall mean, as at the time of determination, the number of years obtained by dividing the then Remaining Dollar-years of such Notes by the sum of the remaining scheduled principal payments on such Notes. The term *"Remaining Dollar-years"* of the Notes means the product obtained by (a) multiplying (i) the amount of each then scheduled required principal payment (including payment at final maturity), by (ii) the number of years (calculated to the nearest one-twelfth) which will elapse between the date of determination of the Weighted Average Life to Maturity of the Notes and the date of such required payment is due, and (b) totaling all the products obtained in (a).

"Manager" shall have the meaning specified in Section 18.3 of the Lease.

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

"Net Economic Return" shall mean both the net after-tax return on assets and total after-tax cash flow and, with respect to any refinancing pursuant to Section 10.2 of the Participation Agreement, the timing thereof expected by the original Owner Participant with respect to the Equipment, utilizing the multiple investment sinking fund method of analysis while minimizing the net present value to Lessee and the same assumptions as used by such Owner Participant in making the computations of Basic Rent, Stipulated Loss Value, Termination Value and Early Purchase Price initially set forth in Schedules 3, 4, 5 and 6 to the Participation Agreement.

"Nonelection Units" shall have the meaning specified in Section 6.1(a) of the Lease.

"Non-Severable Modification" shall mean any Modification that is not readily removable without impairing the value, useful life or utility of the Equipment or any Unit other than in a *de minimus* manner.

"Non-U.S. Person" shall mean any individual who is not a citizen of the United States, or any partnership, corporation, joint venture, trust, unincorporated association or other entity that is not either a citizen of the United States or organized under the laws of the United States or any State thereof.

"Notes" shall mean collectively the Series I-A Notes, the Series I-B Notes, the Series II-A Notes and the Series II-B Notes issued and outstanding under the Indenture from time to time, and *"Note"* shall mean any one of them.

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

"Operative Agreements" shall mean the Participation Agreement, the Bill of Sale, the Trust Agreement, the Notes, the Lease, each Lease Supplement, the Indenture, each Indenture Supplement, the Tax Indemnity Agreement and each Assignment of Subleases.

"Outside Fixed Renewal Date" shall have the meaning specified in Section 22.4(a) of the Lease.

"Owner Participant" shall mean Key Bank of Alaska, an Alaska state chartered banking organization, and its permitted successors and assigns.

"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 or fiduciary capacity, is or will be a party.

"Participants" shall mean the Loan Participants and the Owner Participant.

"Participation Agreement" shall mean the Participation Agreement (GATX Trust No. 93-A) dated as of September 1, 1993, among the Lessee, the Loan Participants, the Owner Participant, the Owner Trustee and the Indenture Trustee.

"Permitted Liens" with respect to the Equipment and each Unit thereof shall mean: (a) the interests of the Lessee and the Owner Trustee under the Lease and the Lease Supplements; (b) the interest of the Lessee and any sublessee as provided in any sublease permitted pursuant to Section 8.3 of the Lease; (c) 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 there exists no material risk of sale, forfeiture, loss, or loss of or interference with use or possession of any Unit or any risk of interference with the payment of Rent or any risk of criminal liability to any Participant, the Owner Trustee or the Indenture Trustee; (d) any Liens of mechanics, suppliers, materialmen, laborers, employees, repairmen and other like Liens arising in the ordinary course of Lessee's (or if a sublease 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 there exists no material risk of sale, forfeiture, loss, or loss of or interference with use or possession of any Unit or any risk of interference with the payment of Rent; (e) the Lien and security interest granted to the Indenture Trustee under and pursuant to the Indenture, and the respective rights of the Loan Participants, the Indenture Trustee, the Owner Participant and the Owner Trustee under the Operative Agreements; (f) 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 presented in good faith and for the payment of which adequate reserves have been provided as required by generally accepted accounting principles or other appropriate provisions have been made and with respect to which there shall have been secured a stay of execution pending such appeal or proceeding for review and there exists no material risk of sale, forfeiture, loss, or loss of or interference with the use or possession of any Unit or any interest therein or any risk of interference with the payment of Rent; and (g) salvage rights of insurers under insurance policies maintained pursuant to Section 12 of the Lease.

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

"Prime Rate" shall mean the rate announced from time to time by Morgan Guaranty Trust Company of New York, New York, New York, or any successor thereto, as its prime commercial lending rate.

"Prior Sublease" shall have the meaning specified in Section 8.3(b) of the Lease.

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

"Related Notes" shall have the meaning specified in Section 3.02(a) of the Indenture.

"Related Portion" shall have the meaning specified in Section 3.02(a) of the Indenture.

"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 22.4 thereof, including any Fixed Rate Renewal Term or Fair Market Renewal Term.

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

"Rent Payment Date" or *"Payment Date"* shall mean each March 23 and September 23 of each year occurring during the Lease Term, commencing September 23, 1994 provided that if any such date shall not be a Business Day, then *"Rent Payment Date"* or *"Payment Date"* shall mean the next succeeding Business Day.

"Replacement Unit" shall mean a container car which shall 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, Assistant Vice President, Treasurer, Assistant Treasurer or other officer, who in the normal performance of his operational responsibility would have knowledge of such matters and the requirements with respect thereto.

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

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

"Series I-A Notes" shall mean the 6.47% Secured Notes, Series I-A due March 23, 2004 of the Owner Trustee, in an aggregate principal amount not to exceed $4,515,296.73, expressed to bear interest and to be payable in principal amounts in accordance with Annex A to the Indenture and substantially in the form of Exhibit B-1 to the Indenture.

"Series I-B Notes" shall mean the 7.15% Secured Notes, Series I-B due March 23, 2010 of the Owner Trustee, in an aggregate principal amount not to exceed $3,228,736.40 expressed to bear interest and to be payable in principal amounts in accordance with Annex A to the Indenture and substantially in the form of Exhibit B-2 to the Indenture.

"Series II-A Notes" shall mean the 6.47% Secured Notes, II-A due March 23, 2004 of the Owner Trustee, in an aggregate principal amount not to exceed $7,627,623.77 expressed to bear interest and to be payable in principal amounts in accordance with Annex A to the Indenture and substantially in the form of Exhibit B-3 to the Indenture.

"Series II-B Notes" shall mean the 7.15% Secured Notes, Series II-B due March 23, 2010 in an aggregate principal amount not to exceed $5,783,543.07 expressed to bear interest and be payable in principal amounts in accordance with Annex A to the Indenture and substantially in the form of Exhibit B-4 to the Indenture.

"Severable Modification" shall mean any Modification that is readily removable without impairing the value, useful life or utility of the Equipment or any Unit other than in a *de minimus* manner.

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

"Specified Investments" shall mean (a) direct obligations of the United States of America and agencies thereof for which the full faith and credit of the United States is pledged, (b) obligations fully guaranteed by the United States of America, (c) certificates of deposit issued by, or bankers' acceptances of, or time deposits with, any bank, trust company or national banking association 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 $500,000,000 (including the Indenture Trustee or Owner Trustee if such conditions are met), and (d) repurchase agreements with any financial institution having a combined capital and surplus of at least $650,000,000 fully collateralized by obligations of the type described in clauses (a) and (c) above; *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 (c) above; and *provided further* that no investment shall be eligible as a *"Specified Investment"* unless the final maturity or date of return of such investment is 91 days or less from the date of purchase thereof.

"Stipulated Loss Value" for any Unit in a Group as of any date of determination shall mean the amount determined by multiplying the Equipment Cost for such Unit by the percentage set forth for Units of such Group in Schedule 4 to the Participation Agreement opposite the Rent Payment Date or the Determination Date, as applicable, 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 22.6 of the Lease; and *provided further* that amounts applied to the prepayment of the Notes pursuant to the provisions of Section 3.02(b) of the Indenture with respect to any Unit as the result of an Event of Loss shall correspondingly reduce the Lessee's obligation to pay Stipulated Loss Value with respect to such Unit. 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) will, under any circumstances and in any event, be an amount which, together with any other amounts required to be paid by Lessee under the Lease in connection with an Event of Loss, will be at least sufficient to pay in full as of the date of payment thereof the Loan Value of the Related Notes issued in respect of such Unit, together with all unpaid interest and Make-Whole Amount, if any, thereon accrued to the date on which such amount is paid in accordance with the terms hereof and all other amounts then due to the holders of the Related Notes.

"Storage Commencement Date" shall have the meaning specified in Section 6.1(a) of the Lease.

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

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

"Supplemental Rent" shall mean all amounts, liabilities and obligations (other than Basic Rent) which the Lessee is obligated to pay under the Operative Agreements to or on behalf of any of the other parties thereto, including, but not limited to, Termination Value and Stipulated Loss Value payments.

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

"Tax Indemnity Agreement" shall mean the Tax Indemnity Agreement dated as of September 1, 1993 between the Lessee and the Owner Participant.

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

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

"Termination Value" for any Unit in a Group as of any date of determination shall mean the amount determined by multiplying the Equipment Cost for such Unit by the percentage set forth for Units of such Group in Schedule 5 to the Participation Agreement opposite the Rent Payment Date on which such Termination Value is being determined;

provided, however, that amounts applied to the prepayment of the Notes pursuant to the provisions of Section 3.02(b) of the Indenture with respect to any Unit as the result of an Event of Loss shall correspondingly reduce the Lessee's obligation to pay Termination Value with respect to such Unit. 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) will, under any circumstances and in any event, be an amount which, together with any other amounts required to be paid by Lessee under the Lease in connection with such termination, will be at least sufficient to pay in full as of the date of payment thereof the Loan Value of the Related Notes issued in respect of such Unit, together with all unpaid interest and Make-Whole Amount, if any, thereon accrued to the date on which such amount is paid in accordance with the terms thereof and all other amounts then due to the holders of the Notes.

"Tier One Return Group" shall have the meaning specified in Section 6.2 of the Lease.

"Tier Two Return Group" shall have the meaning specified in Section 6.2 of the Lease.

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

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

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

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

"Trust Agreement" shall mean that certain Trust Agreement (GATX Trust No. 93-A), dated as of September 1, 1993, between the Owner Participant and Wilmington Trust Company, as amended, supplemented or otherwise modified from time to time.

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

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