

2-10

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January 3, 1992

17656
REGISTRATION NO. _____ FILED 125

JAN 3 1992 - 10 55 AM

\$16
NEW NUMBER

Mr. Sidney L. Strickland, INTERSTATE COMMERCE COMMISSION
Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Dear Mr. Strickland:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are two (2) fully executed and acknowledged copies of a Railroad Equipment Lease dated as of December 31, 1991, a primary document as defined in the Commission's Rules for the Recordation of Documents under 49 C.F.R. Section 1177.

The names and addresses of the parties to the enclosed document are:

- Lessee: Trinity Industries Leasing Company
2705 State Street
Chicago Heights, Illinois 60411
- Lessor: Pitney Bowes Credit Corporation
201 Merritt Seven
Norwalk, Connecticut 06856

A description of the railroad equipment covered by the enclosed document is one hundred (100) 5,851 cubic foot covered quadruple hopper cars initially equipped with Sigma 7456 interior coating bearing running numbers, SCJX 891900 through 891999, both inclusive.

Also enclosed is a check in the amount of \$16 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

Kindly return a stamped copy of the enclosed document to Charles T. Kappler, Esq., Alvord and Alvord, 918 Sixteenth Street, N.W., Washington, D.C. 20006.

Counterparts - C.T. Kappler

MOTOR OPERATOR'S SIGNATURE
JAN 3 10 52 AM '92

Mr. Sidney L. Strickland, Jr.
January 3, 1992
Page Two

A short summary of the enclosed primary document to appear in the Commission's Index is:

Railroad Equipment Lease dated as of December 31, 1991 between Trinity Industries Leasing Company, as Lessee, and Pitney Bowes Credit Company, as Lessor, covering one hundred 5,851 cubic foot covered hopper cars bearing SCJX 891900 - SCJX 891999, both inclusive.

Very truly yours,

Charles T. Kappler

CTK/bg
Enclosures

Interstate Commerce Commission

Washington, D.C. 20423

1/3/92

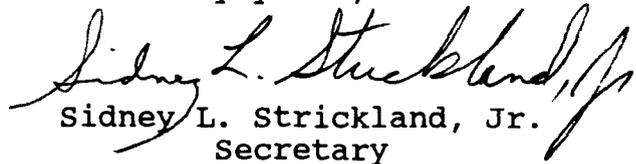
OFFICE OF THE SECRETARY

Charles T. Kappler
Alvord And Alvord
200 World Center Building
918 Sixteenth Street, NW
Washington, DC 20006-2973

Dear Sirs:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 1/3/92 at 10:55AM , and assigned recordation number(s). 17656.

Sincerely yours,


Sidney L. Strickland, Jr.
Secretary

NEW NUMBER

ICC Copy

RAILROAD EQUIPMENT LEASE

Dated as of December 31, 1991 ¹⁷⁶⁵⁶
~~RECORDED TO~~ _____ ~~FILED IN~~

JAN 3 1992 -10 55 AM

Between INTERSTATE COMMERCE COMMISSION

TRINITY INDUSTRIES LEASING COMPANY, as LESSEE

And

PITNEY BOWES CREDIT CORPORATION, as LESSOR

As further described in Section 27(h), to the extent, if any, that this Lease constitutes chattel paper (as such term is defined in the Uniform Commercial Code as in effect in any applicable jurisdiction), no security interest in this Lease may be created through the transfer or possession of any counterpart other than Counterpart Number 1. This is Counterpart Number 2.

Filed and Recorded with the
Interstate Commerce Commission
on _____, at
_____ and
given Recordation No. _____.

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RAILROAD EQUIPMENT LEASE

THIS RAILROAD EQUIPMENT LEASE, dated as of December 31, 1991 is entered into by and between Pitney Bowes Credit Corporation ("Lessor") with a place of business located at 201 Merritt Seven, Norwalk, Connecticut 06856-5151, and Trinity Industries Leasing Company ("Lessee"), a Delaware corporation having its principal place of business at 2705 State Street, Chicago Heights, Illinois 60411.

1. Lease.

(a) Lessor agrees to lease to Lessee and Lessee agrees to lease from Lessor hereunder, the rail cars described in Exhibit A hereto (the "Equipment"), which Equipment is manufactured by Trinity Industries, Inc. ("Trinity"), the owner of all the capital stock of Lessee, and which Equipment is described more specifically in the Certificate (as hereinafter defined) executed by the parties hereto. Each item of Equipment shall be subjected to this Lease by the execution by the parties hereto of an Acceptance Certificate in substantially the form of Exhibit B hereto (the "Certificate"). Lessee's execution and delivery to Lessor of the Certificate shall constitute Lessee's irrevocable acceptance of the items of Equipment listed on such Certificate for all purposes of this Lease. The Certificate shall incorporate therein all of the terms and conditions of this Lease and shall constitute a part of this Lease to the same extent as if the provisions thereof were set forth in full therein.

The Certificate shall be executed and all Equipment subjected to this Lease on December 31, 1991. Upon receipt of Five Million Five Hundred Sixteen Thousand Five Hundred Dollars (\$5,516,500) Lessor shall have no obligation after January 3, 1991 to accept the Certificate hereunder or to purchase or commence the lease of any Equipment.

(b) The total Lessor's Cost of all items of Equipment leased pursuant hereto shall not exceed the sum of Five Million Five Hundred Sixteen Thousand Five Hundred Dollars (\$5,516,500).

(c) Lessee shall arrange for delivery of each item of Equipment and Lessor shall have no responsibility or obligation whatsoever with respect to such arrangement.

(d) Lessor shall not be obligated to accept or execute the Certificate unless all of the conditions set forth in Section 24 hereof shall have been fulfilled to the satisfaction of Lessor.

2. Definitions.

(a) As used in this Lease, the following terms shall have the following meanings (such definitions to be equally applicable to both the singular and plural forms of the terms defined):

"Adverse Conditions" shall mean one of the following events:

1. The entry of a decree or order for relief by a court having jurisdiction in respect of Lessee, Trinity, or one of Trinity's wholly owned subsidiaries, adjudging any such entity a bankrupt or insolvent, or approving as properly filed a petition seeking a reorganization, arrangement, adjustment or composition of or in respect of any such entity in an involuntary proceeding or case

under the Federal bankruptcy laws as now constituted, or any other applicable Federal or state bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee or sequestrator (or similar official) of any such entity or of any substantial part of such entity's property, or ordering the winding-up or liquidation of any such entity's affairs, if any such decree or order continued unstayed and in effect for a period of thirty (30) days; or

2. The institution by Lessee, Trinity, or one of Trinity's wholly owned subsidiaries of proceedings to be adjudicated a bankrupt or insolvent, or the consent by any of them to the institution of bankruptcy or insolvency proceedings against any of them, or the commencement by Lessee, Trinity, or one of Trinity's wholly owned subsidiaries of a voluntary proceeding or case under the Federal bankruptcy laws, as now or hereafter constituted, or any other applicable Federal or state bankruptcy, insolvency or other similar law, or the consent by any of them to the filing of any such petition or to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian or sequestrator (or other similar official) of Lessee, Trinity, or one of Trinity's wholly owned subsidiaries or of any substantial part of any of their property, or the failure of Lessee, Trinity, or one of Trinity's wholly owned subsidiaries generally to pay debts as they become due or the taking of corporate action by Lessee, Trinity, or one of Trinity's wholly owned subsidiaries in furtherance of any of the foregoing; or

3. An adverse event, or combination of adverse events, which causes or may cause Trinity's (on a consolidated basis) or Lessee's independent external auditors to issue a qualified opinion; provided further that Trinity's or Lessee's compliance with new promulgations of the Financial Accounting Standards Board shall not be an adverse event; or

4. A sale of Trinity's Consolidated Assets, as such term is used in the Segment Information footnote to the 1990 Annual Report, which would reduce Trinity's Consolidated Assets by more than Two Hundred Fifty Million Dollars (\$250,000,000), provided that such sale of assets is for fair value and Lessee and Trinity remain in the leasing and metal fabrication businesses, respectively; or

5. Either Lessee or Trinity (on a consolidated basis) suffers a quarterly loss (excluding extraordinary gains but including extraordinary losses); or

6. Trinity reduces, or takes any action to reduce, the amount of the quarterly dividend paid by it to its Stockholders; or

7. Either Lessee or Trinity (on a consolidated basis) increases its total liabilities in excess of twenty-five percent (25%) over that set forth in Lessee's or Trinity's Quarterly Reports under Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal quarter ended 9/30/91; or

8. Any significant legal action, suit, investigation or proceeding is commenced against either Lessee, Trinity, or any of Trinity's wholly owned subsidiaries or any contingent liability is created by

or asserted against either Lessee, Trinity, or one of Trinity's wholly owned subsidiaries, and Lessee, Trinity, or any such subsidiary would be required to report to the Securities Exchange Commission on Form 8-K with respect to any of the foregoing; or

9. A tender for transfer of all of the common stock of Trinity, or if any individual or group owns or gains control of twenty percent (20%) or more of the aggregate common stock outstanding; or

10. The sale of a common stock ownership interest in Lessee in excess of twenty percent (20%) by Trinity; or

11. The existence of any default or any event of default by Lessee, Trinity, or one of Trinity's wholly owned subsidiaries which extends beyond any period of grace or cure provided for in the applicable document, if such default is with respect to any obligation for which the principal balance outstanding is Ten Million Dollars (\$10,000,000) or more, whether such obligation is for borrowed money, under any capitalized lease or for the deferred purchase price of property.

"AAR" shall mean the Association of American Railroads.

"Amortization Deductions" as defined in Section 10(b)(i) hereof.

"Appraisal Procedure" shall mean the following procedure for determining the Fair Market Sale Value or the Fair Market Rental Value of the Equipment. If either Lessor or Lessee shall request by notice ("Appraisal Request") to the other that either the Fair Market Sale Value or the Fair Market Rental Value (whichever is applicable) be determined by the Appraisal Procedure; (i) Lessor and Lessee shall, within fifteen (15) days after the Appraisal Request, appoint an independent appraiser mutually satisfactory to them; or (ii) if the parties are unable to agree on a mutually acceptable appraiser within such time, Lessor and Lessee shall each appoint one independent appraiser (provided, that if either party hereto fails to notify the other party hereto of the identity of the independent appraiser chosen by it within thirty (30) days after the Appraisal Request, the determination of such value shall be made by the independent appraiser chosen by such other party); and (iii) if such appraisers cannot agree on such value within twenty (20) days after their appointment, such appraisers shall appoint a third independent appraiser (or, if they fail to agree upon a third appraiser within twenty (20) days after their appointment, such third independent appraiser shall within twenty (20) days thereafter be appointed by the American Arbitration Association) and within twenty (20) days after his appointment, such third appraiser shall select, from the values proposed by the other two appraisers, the value closest to his own opinion of such value. In making such determinations, such appraiser or appraisers shall use their best efforts to timely and economically determine the Fair Market Sale Value or the Fair Market Rental Value, as the case may be. For purposes of Section 6(b) hereof, the Fair Market Sale Value of any item of Equipment will, in no event, exceed sixty-five percent (65%) of the Lessor's Cost of such item of Equipment. Reasonable expenses of the appraiser or appraisers shall be paid by Lessee.

"Assumptions" shall mean the assumptions set forth in clause (i)(II) of Subsection 10(b) hereof as adjusted pursuant to clause (vi) of Subsection 10(b) hereof.

"Business Day" shall mean a day other than a Saturday, Sunday or legal holiday under the laws of the State of Illinois or Texas.

"Certificate" as defined in Section 1(a) hereof.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and as it may be amended hereafter or any comparable successor law.

"Commencement Date" as defined in Section 3 hereof.

"Default" shall mean any event or condition which after the giving of notice or lapse of time or both would become an Event of Default.

"Depreciation Deductions" as defined in Section 10(b)(i)(A) hereof.

"DOT" shall mean the United States Department of Transportation.

"Effective Rate" as defined in Section 10(b)(v) hereof.

"Equipment" as defined in Section 1(a) hereof.

"Event of Default" as defined in Section 17 hereof.

"Event of Loss" shall mean, with respect to any item of Equipment, the actual or constructive total loss of such item of Equipment or the use thereof, due to theft, destruction, damage beyond repair or rendition thereof permanently unfit for normal use from any reason whatsoever, or the condemnation, confiscation, requisition or seizure of such item of Equipment.

"Fair Market Rental Value" shall, at any time with respect to any item of Equipment, be equal to the annual rental value of such item of Equipment for the appropriate Renewal Term which would be obtained in an arm's-length transaction between an informed and willing lessor under no compulsion to lease and an informed and willing lessee-user (other than a lessee currently in possession) under no compulsion to lease. Fair Market Rental Value shall be determined by the Appraisal Procedure provided that the request for appraisal is made at least thirty (30) days (but not more than three hundred sixty (360) days) prior to the expiration of the Primary Term or any Renewal Term, as the case may be, of the item of Equipment, which determination shall be made on the assumption that the item of Equipment is free and clear of all Liens and is in the condition and repair in which it is required to be returned pursuant to Section 6(a) hereof.

"Fair Market Sale Value" shall, at any time with respect to any item of Equipment, be equal to the sale value of such item of Equipment which would be obtained in an arm's-length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer-user (other than a lessee currently in possession or scrap dealer) under no compulsion to buy. For purposes of Sections 6(b) hereof, Fair Market Sale Value shall be determined by the Appraisal Procedure, which determination shall be made (a) without deduction for any costs or expenses of dismantling or removal; and (b)

on the assumption that such item of Equipment is free and clear of all Liens and is in the condition and repair in which it is required to be returned pursuant to Section 6(a) hereof. For purposes of Section 18(c) hereof, Fair Market Sale Value shall be determined (at Lessee's expense) by an independent appraiser selected by Lessor, on an "as-is, where-is" basis, without regard to the provisions of clauses (a) and (b) above; provided, that, if Lessor shall have sold any item of Equipment pursuant to Section 18(b) hereof prior to giving the notice referred to in Section 18(c) hereof, Fair Market Sale Value of such item of Equipment shall be the net proceeds of such sale after deduction of all reasonable costs and expenses incurred by Lessor in connection therewith; provided further, that if for any reason Lessor is not able to obtain possession of any item of Equipment pursuant to Section 18(a) hereof, the Fair Market Sale Value of such item of Equipment shall be zero.

"FRA" shall mean the Federal Railway Administration.

"Funded Indebtedness" shall mean and include, as of any date as of which the amount thereof is to be determined, all indebtedness of a person, whether secured or unsecured, which by its terms has a final maturity, duration or payment date more than one (1) year from the date on which Funded Indebtedness is to be determined, excluding that portion of the principal of such indebtedness which is due within one (1) year from such date of determination, but including, however, any indebtedness of such person having a final maturity, duration or payment date within one (1) year from such date, which pursuant to the terms of a revolving credit or similar agreement or otherwise, may be renewed or extended at the option of such person for more than one (1) year from such date, whether or not theretofore renewed or extended.

"Grace Period" shall mean the period beginning on the date of Lessee's failure to perform or observe any covenant, condition or agreement to be performed or observed by it with respect to this Lease (other than the failure to make a payment of any amount owing hereunder, the failure to maintain the insurance required by Section 9 hereof or the failure to perform or observe the covenant contained in Section 20(a) hereof) and ending thirty (30) days after written request that Lessee cure such failure has been given by Lessor to Lessee.

"ICC" shall mean the United States Interstate Commerce Commission.

"Imposition" as defined in Section 10(a) hereof.

"Indemnitee" as defined in Section 16 hereof.

"Indemnity Event" as defined in clause (ii) of Subsection 10(b) hereof.

"Interchange Rules" shall mean the rules of DOT, the ICC and the current Interchange Rules or supplements thereto of the Mechanical Division of the AAR as the same may be in effect from time to time, or rules then in effect in substitution therefor, with respect to the use and maintenance of each item of Equipment subject to this Lease.

"Late Charge Rate" shall mean an interest rate per annum equal to one percent (1%) over the Reference Rate, but not to exceed the highest rate permitted by applicable law.

"Lease" and the terms "hereof", "herein", "hereto" and "hereunder", when used in this Railroad Equipment Lease, shall mean and include this Railroad Equipment Lease and the Certificate hereto, as the same may from time to time be amended, modified or supplemented.

"Lease Term" shall mean, with respect to any item of Equipment, the Primary Term, and if renewed, each Renewal Term.

"Lessor's Cost" shall mean, with respect to any item of Equipment, the total amount paid by Lessor for such item of Equipment, which amount shall be set forth in the Certificate.

"Lessor's Economics" shall mean the after-tax yield and periodic after-tax cash flow anticipated by Lessor as of the date of this Lease, in connection with the transactions contemplated by this Lease, as determined by Lessor as of the date of this Lease.

"Lessor's Liens" shall mean any mortgage, pledge, lien, security interest, charge, encumbrance, financing statement, title retention or any other right or claim of any person claiming through or under Lessor.

"Liens" shall mean any mortgage, pledge, lien, security interest, charge, encumbrance, financing statement, title retention or any other right or claim of any person, other than any Lessor's Lien or Permitted Lien.

"Loss Payment Date" shall mean with respect to any item of Equipment the date on which payment, as described in Section 15(b) hereof, is made to the Lessor by the Lessee as the result of an Event of Loss with respect to such item.

"Permitted Liens" shall mean (a) Liens for taxes payable by or attributable to Lessee which are either not yet due or are being contested in good faith and by appropriate proceedings, so long as, in the reasonable opinion of Lessor, such proceedings do not involve any material danger of the sale, forfeiture or loss of any item of Equipment, title thereto or any interest therein and do not interfere with the use of any item of Equipment, (b) materialmen's, mechanics', workers', repairers', employees' or other like Liens arising in the ordinary course of business of Lessee for amounts either not yet overdue or being contested in a manner which complies with clause (a) above, (c) Liens arising out of judgments, awards or provisional remedies against Lessee with respect to which at the time an appeal or proceeding for review is being prosecuted in good faith and which have been either effectively stayed or bonded, and (d) Permitted Subleases.

"Permitted Sublease" as defined in Section 20(b) hereof.

"Permitted Sublessee" as defined in Section 20(b) hereof.

"Primary Term" as defined in Section 3(a) hereof.

"Reference Rate" shall mean the rate of interest publicly announced by Texas Commerce Bank Dallas ("TCB") in Dallas, Texas from time to time as its prime rate, or any rate of interest which is the successor or replacement for the rate designated as the "Reference Rate." The Reference Rate is not intended to be the lowest rate of interest

charged by TCB in connection with extensions of credit to debtors. The Reference Rate shall be determined at the close of business on the fifteenth (15th) day of each calendar month (if the fifteenth (15th) day is not a Business Day then on the first preceding Business Day) and shall become effective as of the first day of the calendar month succeeding such determination and shall continue in effect to, and including, the last day of said calendar month.

"Renewal Term" shall mean, with respect to any item of Equipment, each period during which the term of the lease of such item of Equipment is extended pursuant to Subsection 3(b) hereof.

"Rent Payment Date" shall mean each date on which an installment of rent is due and payable pursuant to Section 4 hereof during the Primary Term and pursuant to Subsection 3(b) hereof during each Renewal Term.

"Rent Payment Number" shall mean the sequential number of the rental installment corresponding to a Rent Payment Date.

"Specifications" means the specifications and drawings related to the Equipment that have been approved by the AAR and the DOT.

"Stipulated Loss Value" shall mean, with respect to any item of Equipment, the amount determined by multiplying the Lessor's Cost of such item of Equipment by the percentage set forth in Schedule 1 hereto opposite the applicable Rent Payment Number; provided, that for purposes of Sections 15(b) and 18(c) hereof, any determination of Stipulated Loss Value as of a date occurring after the final Rent Payment Date with respect to such item of Equipment shall be made as of such final Rent Payment Date.

"Subleases" shall mean the lease agreements described in Schedule 3 attached hereto and made a part hereof.

"Sublessees" shall mean the lessees under the Subleases.

"Tax Benefits" shall mean such deductions and other benefits as are provided by the Code or any state or local tax laws or regulations to an owner of property, including Depreciation Deductions and Amortization Deductions.

"Termination Date" as defined in Section 6(c) hereof.

"Termination Value" shall mean, with respect to any item of Equipment as of any Rent Payment Date with respect thereto, the amount determined by multiplying the Lessor's Cost of such item of Equipment by the percentage set forth in Schedule 2 hereto opposite the Rent Payment Number corresponding to such Rent Payment Date.

"Total Capitalization" shall mean all Funded Indebtedness plus stockholders equity.

(b) All accounting terms not specifically defined herein shall be construed in accordance with definitions utilized under generally accepted accounting principles.

3. Term.

(a) Primary Term. The Primary Term of the lease of each item of Equipment hereunder shall commence on the Commencement Date specified in the Certificate ("Commencement Date") and, unless earlier terminated pursuant to the provisions hereof, shall continue for a term of two hundred sixteen (216) months from such Commencement Date.

(b) Renewal Option. So long as no Default or Event of Default shall have occurred and be continuing, Lessee may, by written notice delivered to Lessor at least sixty (60) days (but not more than three hundred sixty (360) days) prior to the expiration of the Primary Term, extend the lease term of all items of Equipment for term and at such renewal rates to be agreed upon between Lessor and Lessee. All Provisions of this Lease shall be applicable during any Renewal Term, except that for the purposes of determining the Stipulated Loss Value of such item of Equipment after the determination of the Fair Market Rental Value, Lessor and Lessee shall substitute a new schedule for Schedule 1 attached hereto.

4. Rent; Unconditional Obligations.

(a) During the Primary Term, Lessee shall pay to Lessor rent for each item of Equipment then subject to this Lease as follows:

(i) On the last day of each month (each a "Rent Payment Date") beginning December 31, 1991 through and including December 31, 2009, a payment in advance in an amount equal to 0.80255 percent (0.0080255) of the Lessor's Cost of the Equipment, all as specified in the Certificate.

(ii) Each installment of rent payable hereunder shall be payable at an address specified by Lessor.

(b) Lessee shall also pay to Lessor, on demand, interest at the Late Charge Rate on any installment of rent and on any other amount owing hereunder which is not paid when due, for any period for which the same shall be overdue. Each payment made under this Lease shall be applied first to the payment of interest then owing and then to rent or other amounts owing hereunder. Interest shall be computed on the basis of a three hundred sixty-five day (365) year and actual days elapsed.

(c) This Lease is a net lease, and Lessee's obligation to pay all rent and all other amounts payable hereunder is ABSOLUTE AND UNCONDITIONAL under any and all circumstances and shall not be affected by any circumstances of any character whatsoever, including, without limitation, (i) any defect in the title, condition, design, or operation of, or lack of fitness for use of, or any damage to, or loss of, all or any part of the Equipment from any cause whatsoever; (ii) the existence of any Liens with respect to the Equipment; (iii) the invalidity, unenforceability or Lessee's disaffirmance of this Lease or any other document related hereto; or (iv) the prohibition of or interference with the use or possession by Lessee of all or any part of the Equipment, for any reason whatsoever, including without limitation, by reason of (1) claims for patent, trademark or copyright infringement; (2) present or future governmental laws, rules or orders; (3) the insolvency, bankruptcy or reorganization of any

person; and (4) any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, to the extent the foregoing is enforceable. Lessee hereby waives, to the extent permitted by applicable law, any and all rights which it may now have or which may at any time hereafter be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender the lease of any Equipment. If for any reason whatsoever this Lease or any Certificate, other than pursuant to Sections 6(b), 6(c) and 15(b) hereof, shall be terminated in whole or in part by operation of law or otherwise, Lessee will nonetheless pay to Lessor an amount equal to each installment of rent at the time such installment would have become due and payable in accordance with the terms hereof, or Lessor may exercise any other option provided herein or by applicable law. Each payment of rent or, except as may be provided in Section 10 hereof, other amount paid by Lessee hereunder shall be final and Lessee will not seek to recover all or any part of such payment from Lessor for any reason whatsoever.

5. Disclaimer; Assignment of Warranties.

(a) LESSOR NEITHER MAKES NOR SHALL BE DEEMED TO HAVE MADE AND LESSEE HEREBY EXPRESSLY WAIVES ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE EQUIPMENT, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OR REPRESENTATION AS TO THE DESIGN, QUALITY OR CONDITION OF THE EQUIPMENT; ANY WARRANTY OF MERCHANTABILITY OR FITNESS OF THE EQUIPMENT FOR ANY PARTICULAR PURPOSE; THE WORKMANSHIP IN THE EQUIPMENT; COMPLIANCE OF THE EQUIPMENT WITH THE REQUIREMENTS OF ANY LAW, RULE, SPECIFICATION OR CONTRACT PERTAINING THERETO; PATENT INFRINGEMENT OR LATENT DEFECTS; OR THE TITLE TO OR LESSOR'S OR LESSEE'S INTEREST IN THE EQUIPMENT (EXCEPT AS TO THE ABSENCE OF LESSOR'S LIENS) OR AS TO ANY OTHER MATTER RELATING TO THE EQUIPMENT OR ANY PART THEREOF.

LESSEE CONFIRMS THAT IT HAS SELECTED THE EQUIPMENT AND EACH PART THEREOF ON THE BASIS OF ITS OWN JUDGMENT AND EXPRESSLY DISCLAIMS RELIANCE UPON ANY STATEMENTS, REPRESENTATIONS OR WARRANTIES MADE BY LESSOR, AND LESSEE ACKNOWLEDGES THAT LESSOR IS NOT A MANUFACTURER OR VENDOR OF ANY PART OF THE EQUIPMENT.

LESSOR NEITHER MAKES NOR SHALL BE DEEMED TO HAVE MADE ANY REPRESENTATION OR WARRANTY AS TO THE ACCOUNTING TREATMENT TO BE ACCORDED TO THE TRANSACTIONS CONTEMPLATED BY THIS LEASE OR, EXCEPT AS PROVIDED IN SECTION 10 HEREOF, AS TO ANY TAX CONSEQUENCES AND/OR TAX TREATMENT THEREOF.

(b) Lessor hereby assigns to Lessee such rights as Lessor may have (to the extent Lessor may validly assign such rights) under all manufacturers' and suppliers' warranties, and any other warranties or rights of indemnity from third parties with respect to the Equipment; provided, however, that the foregoing rights shall automatically revert to Lessor upon the occurrence and during the continuance of any Default or Event of Default hereunder, or upon the return of the Equipment to Lessor, except to the extent that Lessee's indemnity obligations hereunder survive such return. Lessee agrees to settle all claims with respect to the Equipment directly with the manufacturers or suppliers thereof, and to give Lessor prompt notice of any such settlement and the details of such settlement.

6. Return; Purchase Option; Early Termination.

(a) Return and Storage. Lessee shall, upon the expiration of the Lease Term of each item of Equipment, return such item of Equipment to Lessor at such location or locations within the continental United States of America as Lessor shall designate in writing to Lessee. Lessee hereby further agrees that, if requested by Lessor, it shall store such items of Equipment for a period of up to thirty (30) days after the expiration of the Lease Term. During any such storage period Lessee will permit Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser or lessee of any such item of Equipment, to inspect the same. During any such storage period Lessee shall maintain the insurance required by Section 9 hereof and maintain such item of Equipment in such manner as Lessee normally maintains similar equipment owned or leased by it in similar storage circumstances. Each item of Equipment when delivered to Lessor (i) shall have installed all components, accessories, and parts installed thereon at the time of delivery thereof hereunder, or replacements therefor and alterations thereon made in accordance with the provisions of this Lease, none of which shall be broken or missing, (ii) shall be in as good condition and state of repair as at the time of delivery thereof hereunder, ordinary wear and tear and changes and alterations properly made by Lessee as permitted under this Lease excepted, conforming to all applicable FRA (or successor agency) safety rules and regulations, and meeting the Interchange Rules, and if no such Interchange Rules are then in effect, meeting the Interchange Rules as then last previously in effect; or if such previous Interchange Rules cannot be determined, conforming to service with Class 1 (as such classification is employed by the ICC) rail carriers; and Lessee shall pay for or perform any repairs necessary to restore the Equipment to such condition. For any item of Equipment not so returned by the date of expiration of this Lease, Lessee shall pay to Lessor a rent per day equal to the daily equivalent of the rent most previously paid for such item of Equipment by Lessee to Lessor, and any rent, per diem or similar charges earned by Lessee in excess of the rent per day paid therefor to Lessor as aforesaid in respect of the use, lease or rent of such item of Equipment after the date of expiration of this Lease shall, for the first thirty (30) days after the date of expiration of this Lease, belong to Lessee, and from the thirty-first (31st) day on belong to Lessor and shall be promptly turned over to Lessor. The assembling, delivery, storage and transporting of the Equipment as hereinbefore provided are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises Lessor shall be entitled to a decree against Lessee requiring specific performance of the covenants of Lessee to so assemble, deliver, store and transport the Leased Equipment. Until such item of Equipment is returned to Lessor pursuant to the provisions of this Section, all of the provisions of this Lease with respect thereto shall continue in full force and effect. Lessee shall pay its costs and expenses in connection with or incidental to the return of the Equipment, including, without limitation, Lessee's cost of assembling, insuring, delivering, transporting and storing the Equipment. At the time of such return the Equipment shall be free and clear of all Liens, other than Lessor's Liens.

(b) Purchase Option. So long as no Default or Event of Default shall have occurred and be continuing, Lessee may, by written notice given

to Lessor at least thirty (30) days (but not more than three hundred sixty (360) days) prior to the expiration date of the Lease Term of the Equipment (which notice shall be irrevocable), elect to purchase all the Equipment on such expiration date for a cash purchase price equal to the Fair Market Sale Value of the Equipment determined as of such expiration date pursuant to the Appraisal Procedure (but in no event to exceed sixty-five percent (65%) of the Lessor's Cost of the Equipment), plus an amount equal to all taxes (other than any taxes measured solely by the gain on such sale), costs and expenses (including out-of-pocket legal fees and expenses) reasonably incurred or paid by Lessor in connection with such sale. Upon payment by Lessee of such purchase price, and of all other amounts then due and payable by Lessee hereunder, Lessor shall transfer title to the Equipment to Lessee on an "as-is, where-is" basis, without recourse and without representation or warranty of any kind, express or implied, other than a representation and warranty that the Equipment is free and clear of any Lessor's Liens.

(c) Early Termination. So long as no Default or Event of Default shall have occurred and be continuing, Lessee shall have the right, at its option, to terminate the lease hereunder as follows:

(i) Tax Indemnity or Lessor Default. Upon at least thirty (30) days prior written notice to Lessor, Lessee shall have the right to terminate the lease hereunder of all items of Equipment on the next scheduled Rent Payment Date (such Rent Payment Date being called the "Termination Date"), provided that Lessee may only exercise such option (A) if Lessee is required to make, and has actually made to Lessor, an indemnity payment pursuant to the provisions of Subsection 10(b) hereof; or (B) if Lessor defaults in any of its material obligations to Lessee hereunder or if any of the representations and warranties made by Lessor to Lessee hereunder are untrue in any material respect, and, as a result of such default or misrepresentation or untrue warranty, Lessee suffers or reasonably could be expected to suffer a material loss. On the Termination Date, Lessor shall sell the Equipment to Lessee, and Lessee will pay to Lessor an amount equal to the higher of the Fair Market Sale Value of the Equipment or the Termination Value of the Equipment. Upon payment by Lessee of such sale price, and of all other amounts then due and payable by Lessee hereunder, Lessor shall transfer title to the Equipment to Lessee on an "as-is, where-is" basis, without recourse and without representation or warranty of any kind, express or implied, other than a representation and warranty that the Equipment is free and clear of any Lessor's Liens. If Lessee exercises its option to early terminate in accordance with (A) above, the Termination Value will be adjusted to reflect indemnity payments made, if any, on or prior to the Termination Date, which may effect Lessor's Economics.

(ii) Obsolete or Surplus Equipment. At any time on or after the expiration of three (3) years from the Commencement Date and upon no less than sixty (60) days prior written notice to Lessor (in this Section called "60 Day Notice Period"), Lessee shall have the right to terminate the lease hereunder with respect to all items of Equipment if the Equipment becomes economically obsolete or surplus to the Lessee's needs, provided that Lessee may only exercise such option if during the 60 Day Notice Period Lessee shall (x) use its best efforts to obtain bids for the cash purchase of the Equipment

at its Fair Market Sale Value, such bids to be on an "as is, where is" basis, without recourse or warranty to Lessor, (y) certify to Lessor in writing the amount of the highest bid received by Lessee and the name and address of the party submitting such bid (in this Subsection called "Lessee's Certificate"), (z) pay to Lessor in cash at the time of delivery of Lessee's Certificate required in clause (y) immediately above, the amount, if any by which the applicable Termination Value (as provided below) exceeds the amount of the highest bid as stated in such Lessee's Certificate, and such purchase shall have been consummated as set forth below in this Subsection. After Lessor's receipt of the Lessee's Certificate and payment required and provided the party identified as the highest bidder in Lessee's Certificate does not withdraw or modify its bid, Lessor, shall sell the Equipment WITHOUT RECOURSE OR WARRANTY, to the bidder identified in the Lessee's Certificate for cash in the amount of the full purchase price together with any taxes thereon without any representation or warranty other than a representation and warranty that the Equipment is free of Lessor's Liens; and thereupon Lessee shall deliver such Equipment to Lessor in accordance with the terms of this Lease. The total purchase price realized at such sale shall be retained by Lessor and in addition Lessee shall pay Lessor in cash upon demand all reasonable expenses incurred by Lessor in selling such Equipment (including all expenses, if any, incurred by Lessor in the transportation of the Equipment to the buyer).

(iii) Procedures for Termination Due to Obsolescence or Surplus. Lessee shall remain liable for all rental payments accruing hereunder through the date of Lessor's sale of such Equipment. Lessee thereafter shall be relieved of all obligations for rental payments accruing hereunder after the date of such sale and this Lease shall terminate except for such obligations which by the terms hereof expressly survive the termination. Notwithstanding the foregoing, upon written notice to Lessee within the 60 Day Notice Period Lessor may elect not to sell such Equipment to the highest bidder identified in Lessee's Certificate. If Lessor elects the option stated in this paragraph it shall notify Lessee in writing of such election. In such event Lessor shall require Lessee to deliver such Equipment to the Lessor in accordance with the terms of the Lease. Concurrently, Lessee will pay Lessor in cash the amount, if any, by which the applicable Termination Value (as provided below) exceeds the amount of the highest bid as stated in Lessee's Certificate. Thereafter, Lessee shall (x) be relieved of all obligations for rental payments accruing hereunder due and payable after the expiration of the 60 Day Notice Period, (y) remain liable for rental payments due and not paid prior to the expiration of the 60 Day Notice Period, and for all such obligations which, by the terms of this Lease, expressly survive the termination thereof and this Lease shall terminate. Notwithstanding the foregoing, Lessee may at its option, upon written notification given to Lessor prior to Lessor making commitment to sell or release the Equipment to a third party, elect to rescind Lessee's notice of termination with respect to such Equipment, whereupon the this Lease shall not terminate pursuant to this Section 6(c), but shall, continue in full force and effect as though no such notice of termination had been given by Lessee unless this Lease has been otherwise terminated in accordance with the terms hereof. Failure of Lessee to deliver Lessee's Certificate to Lessor prior to the expiration of the 60 Day

Notice Period will be deemed conclusive evidence of Lessee's election to rescind its notice of termination.

(iv) if at any time after this Lease has commenced as to one or more units of Equipment, Lessee, in its sole discretion, shall have the option to terminate this Lease with respect to all, but not less than all, of the units of Equipment by purchasing the units of Equipment on the date which is thirty days after notice equal to the higher of Fair Market Value or the amount set forth in the Stipulated Loss Value attached hereto. Notwithstanding the preceding sentence, Lessee shall not be entitled to exercise such option to terminate if an Event of Default, or an event or act, which, with notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing. Upon Lessor's receipt of payment of all sums due and payable to Lessor under this Lease, including such amount, Lessor shall immediately thereafter transfer title to the units of Equipment to Lessee.

7. Representations and Warranties of Lessee. In order to induce Lessor to enter into this Lease and to lease the Equipment to Lessee hereunder, Lessee represents and warrants that:

(a) Organization. Lessee is a duly organized, validly existing corporation in good standing under the laws of the State of Delaware and is duly qualified to do business in all jurisdictions in which qualification is required in order for it to carry out the transactions contemplated by this Lease.

(b) Power and Authority. Lessee has full corporate power, authority and legal right to execute, deliver and perform this Lease, and the execution, delivery and performance hereof has been duly authorized by all necessary corporate action of Lessee.

(c) Enforceability. This Lease has been duly executed and delivered by Lessee and, assuming the due authorization, execution and delivery hereof by Lessor, constitutes a legal, valid and binding obligation of Lessee enforceable in accordance with its terms.

(d) Consents and Permits. The execution, delivery and performance of this Lease does not require any stockholder approval or approval or consent of any trustee or holders of any indebtedness or obligations of Lessee, and will not contravene any law, regulation, judgment or decree applicable to Lessee, or the restated certificate of incorporation or by-laws of Lessee, or contravene the provisions of, or constitute a default under, or result in the creation of any Lien upon any property of Lessee under any mortgage, instrument or other agreement to which Lessee is a party or by which Lessee or its assets may be bound or affected (except Liens in favor of Lessor); and no authorization, approval, license, filing or registration with any court or governmental agency or instrumentality (including without limitation the ICC) is necessary in connection with the execution, delivery, performance, validity and enforceability of this Lease, except for filings of this Lease with the ICC, and filings of UCC financing statements.

(e) No Defaults. Lessee is not in material default, and no event or condition exists which after the giving of notice or lapse of time or both would constitute an event of default, under any mortgage,

indenture, contract, agreement, judgment or other undertaking to which Lessee is a party or is binding upon Lessee or upon any of its assets, except for any such default, event or condition which, individually or in the aggregate, would not affect Lessee's ability to perform its obligations under this Lease.

(f) Title to Equipment. On the Commencement Date, Lessor shall have good and marketable title to the items of Equipment being subjected to this Lease on such date, free and clear of all Liens, except Permitted Liens.

(g) No Litigation. To Lessee's actual knowledge, there is no action, suit, investigation or proceeding by or before any court, arbitrator, administrative agency or other governmental authority pending or affecting Lessee (A) which involves the Equipment or the transactions contemplated by this Lease; or (B) which, if adversely determined, could reasonably be expected to have a material adverse effect on the financial condition, business or operations of Lessee.

8. Prohibition Against Liens; Markings.

(a) Prohibition Against Liens. Lessee, at its own expense, will promptly pay or cause to be paid, or otherwise satisfy and discharge, any and all sums claimed by any party by, through or under Lessee or its successors or assigns which, if unpaid, might become a Lien upon any item of Equipment, but shall not be required to pay or discharge any such claim so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner and the nonpayment thereof does not adversely affect the title, property or rights of Lessor created or purported to be created hereunder.

(b) Markings.

(i) Duty to Number and Mark Equipment. Lessee will cause each item of Equipment to be kept numbered with the identifying number set forth in the Certificate, and will keep and maintain permanently and conspicuously marked on each side of each item of Equipment, in letters not less than one inch (1") in height, the words "OWNERSHIP SUBJECT TO A SECURITY AGREEMENT FILED UNDER THE INTERSTATE COMMERCE ACT, SECTION 11303," with applicable changes thereof and additions thereto as from time to time may be required by law in order to protect the title of Lessor to such item of Equipment. Lessee will not change the identifying number of any item of Equipment unless a statement of new numbers shall be delivered to Lessor and filed, recorded and deposited by Lessee in all public offices where this Lease shall have been filed, recorded and deposited.

(ii) Prohibition Against Certain Designations. The Equipment may be lettered with the names or initials or other insignia customarily used by Lessee or any Sublessee or their affiliates, but Lessee will not allow the name of any other person, association or corporation to be placed on any item of Equipment as a designation that might reasonably be interpreted as a claim of legal ownership.

9. Insurance. Lessee will, at its own expense, cause to be carried and maintained insurance against "all risks" of physical loss or damage in respect of the Equipment and public liability insurance (in a minimum

amount of Five Million Dollars (\$5,000,000) per occurrence) with financially sound and reputable insurers of recognized responsibility in amounts and against risks customarily insured against by companies of established reputation in the railcar leasing business and in any event in at least such amounts and against such risks as are customarily insured against by Lessee on railroad equipment owned by it. Such insurance on any Equipment shall be payable to Lessor and Lessee as their interests may appear and each property policy shall name Lessor as loss payee thereunder as their interest may appear. Each public liability insurance policy will name Lessor as an additional insured. Additionally, each insurance policy will, among other things, require that the insurer give Lessor, as certificate holder, at least thirty (30) days prior written notice of any material alteration in or cancellation of the terms of such policy and require that the interests of Lessor be continued insured regardless of any breach of or violation by Lessee of any warranties, declarations or conditions contained in such insurance policy. Lessee will give to Lessor a certificate reflecting the replacement of insurance required to be maintained pursuant to this Section. Lessee shall deliver to Lessor certificates of insurers in form and substance satisfactory to Lessor evidencing all insurance then required to be maintained by Lessee hereunder, and thereafter, within thirty (30) days of the issuance of any additional policies or amendments or supplements of any such policies, Lessee will deliver or cause to be delivered, the certificates of the insurers under such policies evidencing the same to Lessor, and Lessee shall, not later than thirty (30) days prior to the expiration of any policy, deliver certificates of the insurers evidencing the replacement thereof.

10. Taxes.

(a) General Tax Indemnity.

(i) Indemnity. Lessee hereby agrees to pay and indemnify and hold Lessor harmless from and against, all fees, taxes (whether sales, use, excise, personal property or other taxes), imposts, duties, withholdings, assessments and other governmental charges of whatever kind or character, however designated (together with any penalties, fines or interest thereon), all of the foregoing being herein collectively called "Impositions", which are at any time levied or imposed against Lessor, Lessee, this Lease, the Equipment or any part thereof by any federal, state or local government or taxing authority in the United States or by any foreign government or any subdivision or taxing authority thereof upon, with respect to, as a result of or measured by (i) the Equipment (or any part thereof), or this Lease or the interest of the Lessor therein; or (ii) the purchase, ownership, delivery, leasing, possession, maintenance, use, operation, return, sale or other disposition of the Equipment or any part thereof; or (iii) the rentals, receipts or earnings payable under this Lease or otherwise arising from the Equipment or any part thereof; excluding, however, taxes based on or measured by the net income of Lessor that are imposed by (1) the United States of America, or (2) any State of the United States of America or any political subdivision of any such State in which Lessor is subject to Impositions as the result (whether solely or in part) of business or transactions unrelated to this Lease. Any payment which Lessee shall be required to make with respect to any indemnified Imposition shall include an amount necessary to hold Lessor harmless on an after-tax basis and shall be reduced by the amount of any income

taxes saved by Lessor by reason of the payment or accrual of the indemnified Imposition. The obligations of Lessee under this Section 10(a) shall survive the expiration or earlier termination of this Lease. Lessee shall not be required to pay any Imposition if such Imposition results from the voluntary transfer or other voluntary disposition by Lessor of any interest in the Lease or any item of Equipment, but only if such voluntary transfer or other voluntary disposition shall occur at the time when Lessor is not exercising any remedy provided for in the Lease hereof.

(ii) Reports; Contest Rights. Lessee hereby covenants and agrees that with respect to the payment of Impositions and the preparation of related tax reports and returns, Lessee shall:

(A) to the extent permitted by law or regulation and unless otherwise notified by Lessor, properly prepare and timely file in the manner required by applicable law, all returns and reports pertaining to the Impositions, excluding, however, (i) income tax returns and all returns and reports for Impositions not indemnified pursuant to this Subsection 10(a) and (ii) sales and use tax returns;

(B) to the extent permitted by law or regulation, make payment directly to the appropriate taxing authorities of all amounts due with respect to the Impositions; and

(C) promptly notify Lessor in all cases in which law, regulation, or custom does not permit Lessee to file and make payment directly, provided, that Lessee shall nonetheless prepare and deliver such report or return to Lessor within a reasonable time prior to the time such report or return is to be filed.

Lessee further agrees that within thirty (30) days of receipt of Lessor's request, it shall furnish Lessor with evidence that all (i) such reports or returns have been filed, including, without limitation, the furnishing of photocopies of such reports or returns, and (ii) applicable Impositions have been paid.

Should any taxing authority formally propose in writing to require one or more adjustments with respect to any return or report filed by Lessee pursuant to this Subsection 10(a), then Lessee (provided it has in good faith determined that a reasonable basis exists for contesting such adjustment(s) and provided that Lessor has reasonably determined that the action to be taken will not result in any danger of sale, forfeiture, or loss of, or the creation of any Lien allowing the lienholder, without further action, to sell or foreclose (unless Lessee shall have adequately bonded such Lien in a manner reasonably satisfactory to Lessor) on any item of Equipment, or any part thereof, or any interest therein) may at its expense contest such adjustment(s) by appropriate administrative proceedings. Lessee shall notify Lessor at the inception of any such contest, shall promptly provide Lessor with such information with respect thereto as Lessor may from time to time reasonably request, and in any case, shall advise Lessor of the disposition of any such contest. Should any taxing authority formally propose in writing to require one or more adjustments which would create a liability for which Lessee has agreed to indemnify Lessor pursuant to this Subsection

10(a) and the contest is one which can only be maintained in the name of Lessor (or in the names of Lessee and Lessor), or through judicial proceedings, then Lessor shall contest, or shall cooperate with Lessee in a contest of, the adjustment(s) to the extent contemplated by, and subject to the following conditions:

(a) although Lessor will keep Lessee informed as to the progress of such contest and will, if requested, consult with Lessee's tax counsel, the conduct of such contest shall remain within the discretion of Lessor and its tax counsel, who shall determine the nature of all actions to be taken to contest such Impositions, including (A) whether the contest shall be initially by way of judicial or administrative proceedings, or both, (B) whether the Impositions shall be contested either by resisting payment and protesting such Impositions or by paying the Impositions and seeking a refund thereof and (C) if Lessor shall be required to undertake judicial action, the court of competent jurisdiction in which to contest such proposed adjustment; provided, however, that Lessor shall consider in good faith any request Lessee may make concerning such matters;

(b) Lessor may decline to contest any Imposition or terminate such contest at any time in its discretion, in which case Lessee's obligation to indemnify with respect to such Imposition shall, except in the cases set forth in clauses (d) and (e) below, terminate;

(c) Lessor shall not settle such contest without the written consent of Lessee, which shall not be unreasonably withheld;

(d) Lessor shall not be required to undertake any proceedings if the Imposition is in an amount of less than Five Thousand Dollars (\$5,000); and

(e) Lessor shall not be required to take any action to contest any such Imposition unless and until (A) Lessor shall have determined that the action to be taken will not result in the danger of sale, forfeiture or loss of, or the creation of a Lien allowing the lienholder, without further action, to sell or foreclose on, the item of Equipment or any interest therein, and (B) Lessee shall have acknowledged its liability to Lessor for an indemnity payment pursuant to this Subsection 10(a) with respect to such Imposition if and to the extent Lessor shall not prevail in the contest of such proposed adjustment and such indemnity payment is otherwise required under the terms of this Section 10(a), and (C) Lessee shall have delivered to Lessor a written undertaking reasonably satisfactory to Lessor by which Lessee agrees to indemnify Lessor for any liability or loss that Lessor may incur as a result of contesting the Imposition and to pay Lessor on demand all costs and expenses that Lessor may incur in connection with and reasonably allocable to a contest of such Imposition, including, without limitation, (x) reasonable attorneys, accountants', engineers' and like professional fees and expenses, and expenses (but not fees) of Lessor's in-house attorneys, and (z) the amount of any interest, penalties or additions to tax that may be payable as a result of contesting such Imposition.

Lessee further agrees to notify Lessor of any audits by any state or local taxing authority with respect to any of the Impositions, promptly to provide Lessor with such information with respect thereto as Lessor may from time to time reasonably request, and in any case to advise Lessor of the disposition of any such audit.

The agreement regarding filing and payment of state and local tax reports and returns by Lessee and the contest rights granted Lessee pursuant to this Subsection 10(a)(ii) shall remain in full force until and unless terminated by a writing executed by Lessor and Lessee; provided, however, that (i) the agreement with respect to the direct filing by Lessee of all returns and reports pertaining to the Impositions and (ii) Lessee's right to contest any proposed adjustment and Lessor's obligation to contest any proposed adjustment under this Subsection 10(a)(ii) may be unilaterally terminated, at Lessor's option, by notice given by Lessor to Lessee and expressly stating that such rights are being terminated, which notice may only be given should there have occurred and be continuing a Default or Event of Default under this Lease.

(b) Special Tax Indemnities.

(i) Calculation of Rentals, Stipulated Loss Values and Termination Values. Lessor has calculated the rentals, Stipulated Loss Values and Termination Values based in part on the following representations and warranties of Lessee and on the assumptions set forth below:

I. Representations and Warranties. Lessee represents and warrants that:

(A) No Action As Owner. Lessee has not and will not treat any item of Equipment as being owned by Lessee in connection with filing its Federal income tax returns.

(B) U.S. Use. The items of Equipment will not be used predominantly outside the United States within the meaning of Section 168(g)(1)(A) of the Code during any taxable year (or portion thereof) of Lessor beginning or ending within the Lease Term.

(C) Public Utility Property. At all times during the Lease Term, none of the Equipment will constitute "public utility property" within the meaning of Section 168 (i)(10) of the Code.

(D) Non-Permitted Use. Lessee will not permit any item of Equipment to be used by a tax-exempt organization, a governmental unit or a foreign person within the meaning of Section 168(h)(2) of the Code.

(E) No Improvements. On the Commencement Date of each item of Equipment, such item of Equipment will meet the specifications for 17,574 gallon insulated and exterior coiled tank cars set forth in the purchase order therefore and will be qualified for service under the Interchange Rules.

(F) Foreign Source Income. Not less than seventy-five percent (75%) of all amounts includible in the gross income of Lessor with respect to the Equipment and not less than seventy-five percent (75%) of all deductions or credits allowable to Lessor with respect to the Equipment will be treated as derived from or allocable to sources within the United States.

II. Assumptions. It is assumed by Lessee and Lessor that:

(A) Section 168 Property. For regular (i.e. not alternative minimum tax) income tax purposes, each item of Equipment is property to which Sections 168(b)(1), 168(c) and 168(d) of the Code apply and Lessor will be entitled to depreciation deductions ("Depreciation Deductions") under Section 168(a) of the Code for each item of Equipment in an amount determined, commencing with the taxable year in which such item is accepted hereunder, by using (i) the method described in Section 168(b)(1) of the Code, (ii) an applicable recovery period of seven (7) years, (iii) the half-year convention described in Section 168(d)(1) of the Code, and (iv) an initial adjusted basis not less than the Lessor's Cost of such item of Equipment;

(B) Deductions for Amortization. Lessor will be entitled to deductions for amortization with respect to all ordinary and necessary fees (not to include brokers fees), disbursements and other expenses (such fees, disbursements and expenses in the aggregate not to exceed Ten Thousand Dollars (\$10,000)) ("Amortization Deductions") paid or to be paid by Lessor in connection with this Lease at a rate no less rapid than straight line over the Primary Term;

(C) Federal Income Tax Rate. The rate of tax imposed on the Federal taxable income of Lessor will be thirty-four percent (34%); that the rate of state and local income taxes imposed on Lessor will be seven and one-half percent (7.5%); that the rate of state and local taxes imposed on or measured by the net income of Lessor (after benefit of the deduction for such state and local taxes for Federal income tax purposes) will be Four and ninety-five one hundredths percent (4.95%); and the net income upon which such state and local taxes will be imposed will equal Lessor's Federal taxable income, so that Lessor's Federal taxable income will be subject to an over-all effective rate of Thirty-Eight and ninety-five one hundredths percent (38.95%) (the "Effective Rate");

(D) Section 61(a) - Gross Income. Lessor will have sufficient gross income within the meaning of Section 61(a) of the Code to fully benefit from the Depreciation Deductions and the Amortization Deductions;

(E) Estimated Useful Life. The estimated useful life of the Equipment is equal to at least One Hundred and Twenty-Five percent (125%) of the Lease Term (assuming no renewal);

(F) Estimated Current Fair Market Value. As of the date hereof, Lessor and Lessee estimate that the current fair market value of each item of Equipment at the end of the Lease

Term (assuming no renewal) will be at least twenty percent (20%) of the Lessor's Cost thereof (without including in such value any increase or decrease for inflation or deflation, and after subtracting from such value any cost for removal and delivery of possession of such item of Equipment to Lessor at the end of the Lease Term);

(G) Limited Use Property. No item of Equipment is or will be "limited use property" within the meaning of IRS Revenue Procedure 76-30; and

(H) Cost of Equipment. On the Commencement Date, the fair market value of each item of Equipment will be equal to the sum of the cost reflected in the invoice of Trinity for such item of Equipment.

(ii) Calculation of Tax Indemnity. Except as set forth in Subsections (iii) and (viii) below, if on any one or more occasions, (1) if as a direct or indirect result in whole or in part of any act or failure to act by Lessee, the Sublessee, or any user or person in possession of any item of Equipment, or if as a direct or indirect result in whole or in part of (x) any breach, inaccuracy or incorrectness, of any representation, warranty, covenant or agreement of the Lessee hereunder, or (y) any bankruptcy of Lessee or other proceedings for the relief of debtors involving the Lessee or any foreclosure on or against Lessee or the Sublessee, Lessor shall lose, shall not have or shall lose the right to claim or shall not have substantial authority (within the meaning of Section 6662 of the Code and the regulations promulgated thereunder) for claiming, or there shall be disallowed, recalculated, or recaptured all or any portion of the Tax Benefits, or (2) Lessor is required to include in its gross income an amount of rent prior to the period(s) for which such amounts are payable in accordance with the terms of this Lease, hereinafter each of the events described in clauses (1) and (2) of this clause (ii) of this Subsection 10(b) shall be referred to individually as an "Indemnity Event"), then, in connection with each such occasion Lessee agrees to pay Lessor from time to time upon demand an amount which (after deduction of all taxes, if any, required to be paid by Lessor in respect of the receipt of said indemnity amount under the laws of any Federal, state or local government or taxing authority of the United States or of any taxing authority or government subsidiary of any foreign country, provided, that for purposes of determining the amount of taxes required to be paid by Lessor in respect of the receipt of said indemnity amount, it shall be assumed that Federal, state and local taxes are payable by Lessor at the highest marginal statutory rates in effect for the relevant period) shall be equal to the sum of (A) the amount of net additional income taxes paid or payable by Lessor (computed in accordance with Subsection 10(b)(v) hereof) in consequence of the occurrence of an Indemnity Event; and (B) any interest or penalty which may be assessed in connection with the foregoing, including, without limitation, any addition to tax due to the underpayment of estimated taxes assessed against Lessor in connection therewith. With each demand for payment with respect to this indemnity, Lessor shall deliver to Lessee a certificate setting forth the reason for such demand and the method of calculating (including pricing models and pro-formas analyzing Lessor's Economics as described in Subsection (v) hereof) the amount so

demanded. If requested by Lessee, such determination shall be verified at Lessee's expense by Ernst & Young or other firm of independent public accountants of recognized national standing selected by mutual agreement of Lessor and Lessee. If more than twenty five percent (25%) of any item of income credit or deduction with respect to the Equipment shall not be treated as derived from, or allocable to, sources within the United States for a given taxable year (any such event hereinafter referred to as "Foreign Loss"), then Lessee shall pay to Lessor as an indemnity, such amount as, after deduction of all taxes required to be paid by Lessor in respect of the receipt of such amounts under the laws of any Federal, state or local government or taxing authority of the United States, shall equal the sum of: (I) the excess of (x) the foreign tax credits which Lessor would have been entitled to for such year had no such Foreign Loss occurred over (y) the foreign tax credit to which Lessor was limited as a result of such Foreign Loss and (II) the amount of any interest, penalties or additions to tax payable as a result of such Foreign Loss.

(iii) Payment of Tax Indemnity. Lessee shall not be required to pay Lessor the amount provided for in Subsection (ii) above of this Subsection 10(b) if the Indemnity Event shall result because of the occurrence of any of the following events:

III. Indemnity Event Occurrences:

(A) Stipulated Loss Value Event. Lessee is required by the terms hereof to pay and shall have paid the Stipulated Loss Value for said item of Equipment;

(B) Lessor's Voluntary Disposition. A voluntary transfer or other voluntary disposition by Lessor of any interest in this Lease or any item of Equipment for Federal income tax purposes, but only if (1), such voluntary transfer or other voluntary disposition shall be the direct cause of the loss of the Tax Benefits, and (2), such voluntary transfer or other voluntary disposition shall occur at a time when Lessor is not exercising any remedy provided for in this Lease;

(C) Lessor's Failure to Claim Tax Benefits. The failure of Lessor to claim the Tax Benefits unless (1) Lessor for any reason shall lose, shall not have, or shall lose the right to claim, the Tax Benefits or (2) independent counsel for Lessor chosen by Lessor but reasonably acceptable to Lessee shall determine that Lessor does not have substantial authority (within the meaning of Section 6662 of the Code and the regulations promulgated thereunder) to claim the Tax Benefits;

(D) Lessor's Failure to Earn Sufficient Gross Income. The failure of Lessor to have sufficient gross income within the meaning of Section 61(a) of the Code to benefit from the Depreciation Deductions or the Amortization Deductions, as the case may be, or the applicability to Lessor of the alternative minimum tax; or

(E) Change in Tax Law. A modification, deletion, addition or change in any law or regulation governing federal, state or local taxes, or the interpretation of any such law or

regulation, resulting from an amendment, judicial decision, executive order, Revenue Ruling or Revenue Procedure or other written pronouncement or statement of policy or administrative interpretation by the Internal Revenue Service, the Department of the Treasury or any state or local agency.

(iv) Lessor's Inclusion of Taxes in Gross Income. If for any reason Lessor is required to include in its gross income for Federal, state or local income tax purposes at any time with respect to any item of Equipment (unless entitled to an equal deduction in the same taxable year) any part or all of the cost of (A) any repairs and maintenance of any item of Equipment, (B) any alterations, modifications, improvements or additions to any item of Equipment, or (C) any other expenditures by Lessee with respect to any item of Equipment, then Lessee shall pay Lessor, upon demand, the sum of (1) the amount of any increase in Lessor's Federal, state and local income taxes resulting from the inclusion of such costs in the gross income of Lessor, such amount to be decreased by any savings by Lessor in such taxes resulting from such costs, (2) the amount of any interest or penalties, including any addition to tax due to the underpayment of estimated taxes, assessed against Lessor in connection therewith, and (3) the amount of any taxes, if any, required to be paid by Lessor in respect of the receipt of amounts specified in clauses (1) and (2) above and this clause (3), provided, that for purposes of determining the amount of taxes required to be paid by Lessor in respect of the receipt of said indemnity amounts, it shall be assumed that Federal, state and local taxes are payable by Lessor at the highest marginal statutory rates in effect for the relevant period.

(v) Pro-forma Calculation. Calculation by Lessor of any indemnity amounts payable by Lessee under this Subsection 10(b) shall be made by Lessor on a pro-forma basis, holding constant Lessor's Economics and the Assumptions, except those Assumptions which are themselves affected by the Indemnity Event, or any previous Indemnity Event, and measuring the impact of those changed Assumptions on Lessor's Economics, and on the basis of the following additional assumptions: that in computing its Federal, state and local income tax liability (1) Lessor can concurrently fully utilize the Tax Benefits that are the subject of an Indemnity Event against Federal income taxes payable at the Effective Rate, (2) in the event Lessor is required to include in its gross income any amount described in Subsection (ii)(2) or (iv) of this Section 10(b), Lessor will be subject to Federal, state and local taxes on any such amount at the Effective Rate, and (3) each Indemnity Event will result in state and local income tax consequences to Lessor that mirror Lessor's Federal income tax consequences. At Lessor's option, indemnity payments with regard to a given Indemnity Event may take the form of a single payment or of an adjustment to rentals, either over the remainder of the Lease Term or retroactive to the Commencement Date or a combination of the foregoing. In any case, Stipulated Loss Values and Termination Values shall be adjusted by Lessor to those values determined by Lessor as necessary to maintain Lessor's Economics, and in a manner consistent with the calculation of indemnity payments. In no event will Lessee be entitled to inspect the tax returns of Lessor, or any other document which Lessor deems to be confidential. If Lessor, as the result of an Indemnity Event, shall actually realize, with respect to any subsequent year, tax savings

which it would not have realized but for such Indemnity Event, Lessor shall pay to Lessee an amount equal to the sum of such tax savings actually realized by Lessor plus any tax savings actually realized as the result of any payment made pursuant to this sentence when, as, if and to the extent such tax savings shall actually be realized.

(vi) Revision of Assumptions. If any indemnity payments shall be made by Lessee under this Subsection 10(b), then for purposes of calculating any indemnity payments required to be made by reason of any subsequent Indemnity Event, the Assumptions shall be revised, to reflect the occurrence of the prior Indemnity Event, but for such purposes the original Assumptions set forth in clause (i)(II) of Subsection 10(b) hereof (including, without limitation, clause (i)(II)(c)) shall otherwise remain applicable.

(vii) Common Parent. For the purposes of this Subsection 10(b) only, the term "Lessor" shall include the "common parent" and all other corporations included in the affiliated group, within the meaning of Section 1504 of the Code (or any other successor section thereto), of which Lessor is or becomes a member.

(viii) Proposed Adjustments by Taxing Authorities. If the Internal Revenue Service or other taxing authority shall propose an adjustment to the income taxes of Lessor for which Lessee may be required to indemnify Lessor pursuant to this Section 10(b), Lessor shall (I) notify Lessee promptly of such claim, (II) forbear payment of the tax claimed for at least sixty (60) days after giving such notice (if forbearance for such time is permitted by law), (III) advise Lessee of all action taken or proposed to be taken by the Internal Revenue Service, and (IV) if the Lessee shall within sixty (60) days after such notice request that such proposed adjustment be contested and furnish Lessor with an opinion of independent tax counsel reasonably satisfactory to Lessor to the effect that there exists a reasonable basis for contesting such proposed adjustment, then Lessor shall contest such proposed adjustment in good faith, subject, however, to the following additional conditions:

(a) although Lessor will keep Lessee informed as to the progress of such contest and will, if requested, consult with Lessee's tax counsel, the conduct of such contest shall remain within the discretion of Lessor and its tax counsel, who shall determine the nature of all actions to be taken to contest such proposed adjustment, including (A) whether the contest shall be initially by way of judicial or administrative proceedings, or both, (B) whether the proposed adjustment shall be contested either by resisting payment and protesting such proposed adjustment or by paying the tax and seeking a refund thereof and (C) if Lessor shall be required to undertake judicial action, the court of competent jurisdiction in which to contest such proposed adjustment; provided, however, that Lessor shall consider in good faith any request Lessee may make concerning such matters;

(b) Lessor may decline to contest any such proposed adjustment or terminate such contest at any time in its discretion, in which case Lessee's obligation to indemnify with respect to such proposed adjustment shall, except in the cases set forth in clauses (d) and (e) below, terminate;

(c) Lessor shall not settle any contest without the written consent of Lessee, which shall not be unreasonably withheld;

(d) Lessor shall not be required to undertake any proceedings if the proposed adjustment relates to tax payments of less than Twenty-five Thousand Dollars (\$25,000) (and for this purpose any proposed adjustment that relates to an issue that could affect more than one (1) taxable year shall be treated as involving the total potential undiscounted payments, taking into account all taxable years to which the proposed adjustment could relate) or if the proposed adjustment relates to (1) the allocation of basis among different items of depreciable property being depreciated over the same useful life or (2) the taxable year in which any credit or deduction is properly allowable if it is recognized that the credit or deduction is allowable for a prior taxable year that is still open and that the appropriate tax returns will be amended to claim such credit or deduction; and

(e) Lessor shall not be required to take any action to contest any such proposed adjustment unless and until (A) Lessor shall have determined that the action to be taken will not result in the danger of sale, forfeiture or loss of, or the creation of a Lien allowing the lienholder, without further action, to sell or foreclose on, the item of Equipment or any interest therein, and (B) Lessee shall have acknowledged its liability to Lessor for an indemnity payment pursuant to this Subsection 10(b) with respect to such proposed adjustment if and to the extent Lessor shall not prevail in the contest of such proposed adjustment and such indemnity payment is otherwise required under the terms of this Section 10(b), and (C) Lessee shall have delivered to Lessor a written undertaking reasonably satisfactory to Lessor by which Lessee agrees to indemnify Lessor for any liability or loss that Lessor may incur as a result of contesting the proposed adjustment and to pay Lessor on demand all costs and expenses that Lessor may incur in connection with and reasonably allocable to a contest of such proposed adjustment, including, without limitation, (x) reasonable attorneys', accountants', engineers' and like professional fees and expenses, and expenses (but not fees) of Lessor's in-house attorneys, and (z) the amount of any interest, penalties or additions to tax that may be payable as a result of contesting such proposed adjustment.

If Lessor shall elect to contest such proposed adjustment by paying the tax claimed (including such other amounts payable as interest, penalties or additions in respect of such tax) and seeking a refund, Lessee at its option either will lend to Lessor, interest free, sufficient funds to pay the tax (including such interest, penalties or additions to tax) which loan shall, subject to the set-off described below, be repaid in full by Lessor upon the conclusion of the contest (an "Advance"), or will pay to Lessor the amount payable by Lessee pursuant to Subsection 10(b)(ii), as if such tax (including such interest, penalties or additions to tax) were due and payable. Upon the final determination of any contest in respect of amounts for which Lessee shall have made an Advance, Lessee's obligations hereunder, if any, with respect to such contested amounts shall be determined as if such Advance had not been made. Such obligation of Lessee and Lessor's obligation to repay such Advance will be satisfied

first by set-off against each other. Any amount owing by Lessor to Lessee after set-off shall be treated as a payment due to Lessee payable as provided in Subsection 10(b)(ii). Upon receipt by Lessor of a refund of any tax and other amounts so paid by it and in respect of which Lessee has made an Advance, Lessor shall promptly pay to Lessee the amount of any interest paid or credited to Lessor in respect of such refund that is fairly attributable to an amount paid with such Advance after deducting from the amount of such interest any Federal, state and local income taxes payable by Lessor as a result of the receipt or accrual of such interest and after adding to the amount of such interest any Federal, state or local income taxes saved by reason of the deductibility of the payment or accrual by Lessor of such interest and taxes payable by Lessor as a result of the receipt or accrual of such interest. Notwithstanding the foregoing, Lessor shall not be required to make any payment hereunder (and no interest shall accrue) (i) to the extent that such payment (excluding interest received from a taxing authority other than any interest previously paid or reimbursed by Lessee that is included in such refund) would exceed the amount previously paid by Lessee to Lessor with respect to the event giving rise to such refund, (ii) before such time as Lessee shall have made all payments or indemnities then due pursuant to the Lease and (iii) if an Event of Default shall have occurred and be continuing.

(ix) Survival of Section 10(b). The provisions of this Subsection 10(b) shall survive the expiration or earlier termination of this Lease.

11. Compliance with Laws; Maintenance and Repairs.

(a) Compliance with Laws. Lessee agrees to comply with applicable DOT, ICC, FRA and other governmental laws, regulations, requirements and rules, and with the applicable rules of the AAR, with respect to the use and maintenance of each item of Equipment subject to this Lease. In case any equipment or appliance is required to be altered, added, replaced or modified on any item of Equipment in order to comply with such laws, regulations, requirements and rules (including, without limitation, the Interchange Rules), Lessee agrees to make such alterations, additions, replacements and/or modifications at its own expense and title thereto shall be immediately vested in Lessor.

(b) Maintenance and Repairs. Lessee shall use the Equipment only in accordance with the Specifications and so as to subject it only to ordinary wear and tear; provided that in no event shall the Lessee knowingly permit such item of Equipment to be exposed to or be used to carry, whether as consignments for common carrier shipment or otherwise, any toxic or explosive materials, without the prior written consent of Lessor, which consent shall not be unreasonably withheld. Lessee shall, at its own cost and expense, maintain and keep the leased Equipment in the condition required by the Interchange Rules, but in all cases usable in accordance with the Specifications and in compliance with the Interchange Rules for railcars operating on the railroads, and in any event at the same level of maintenance at which Lessee keeps equipment which it owns or leases similar in nature to the Equipment. Except as required by the provisions of Subsection (a) hereof, Lessee shall not modify any item of Equipment without the prior written authority and approval of Lessor, except for such

modifications that do not decrease the value of the Equipment. Any parts installed or replacements made by Lessee upon any item of Equipment pursuant to Subsection (a) hereof or pursuant to its obligation to maintain and keep such item of Equipment in good order, condition and repair under this Section 11 shall be considered accessions to such item of Equipment and title thereto shall be immediately vested in Lessor without cost or expense to Lessor. Lessee shall make no other additions or improvements to any item of Equipment unless the same are readily removable without causing damage to such item of Equipment. Title to any such readily removable additions or improvements shall remain with Lessee. If Lessee shall at its cost cause such readily removable additions or improvements to be made to any item of Equipment, Lessee agrees that, if requested by Lessor, it will, prior to the return of such item of Equipment to Lessor hereunder, remove the same at its own expense without causing damage to such item of Equipment and repair all damages, if any, resulting from such removal.

12. Inspection. Lessor or its authorized representatives may at any reasonable time or times and upon reasonable notice inspect (to the extent within Lessee's control) the Equipment and the books and records of Lessee with respect to the Equipment. Any such inspection shall be at Lessor's or its representative's sole risk of personal injury. Following the occurrence of a Default or an Event of Default hereunder, and for so long as such Default or Event of Default is continuing, Lessor or its authorized representative may at any reasonable time or times and upon reasonable notice inspect the financial books and records of Lessee. Lessor agrees that it will keep confidential any proprietary information obtained by it in any such inspection; provided, however, that this restriction shall not apply to information which 1. has at the time in question entered the public domain, 2. is required to be disclosed by law or by any order, rule or regulation of any court or governmental agency, or authority, or 3. is disclosed to Lessor's auditors; provided that Lessor shall require such auditors to agree to the provisions contained in this sentence before any such disclosure is made to them.

13. THIS SECTION INTENTIONALLY LEFT BLANK.

14. THIS SECTION INTENTIONALLY LEFT BLANK.

15. Loss or Damage.

(a) All risk of loss, theft, damage or destruction to the Equipment or any part thereof, however incurred or occasioned, shall be borne by Lessee and, unless such occurrence constitutes an Event of Loss pursuant to paragraph (b) of this Section, Lessee shall promptly cause the affected part or parts of the Equipment to be replaced or restored to the condition and repair required to be maintained by Section 11 hereof.

(b) If an Event of Loss with respect to any item of Equipment shall occur, Lessee shall promptly give Lessor written notice thereof, and Lessee shall pay to Lessor an amount equal to the sum of (i) the Stipulated Loss Value of such item of Equipment computed as of the Rent Payment Date with respect to such item of Equipment on or immediately preceding the date of the occurrence of such Event of Loss, unless the Loss Payment Date is also a Rent Payment Date, in which case the Stipulated Loss Value of such item of Equipment shall

be computed as of such Rent Payment Date plus (ii) all accrued and unpaid rent and any other amounts due and owing with respect to such item of Equipment. Such payment shall be made by Lessee to Lessor on the earlier of (i) the date which is one hundred twenty (120) days after the date on which such Event of Loss occurs (the "Loss Payment Date") or (ii) the date on which Lessee receives payment from the person responsible for the destruction of such item of Equipment; provided that Lessee may elect (but shall have no obligation to do so) to make such payment at any time within such one hundred twenty-day (120) period and provided further that Lessee's obligation to pay rent with respect to such item of Equipment shall continue until Lessor has received the payment required pursuant to this Subsection (b). Upon payment of any such amount to Lessor, the lease of such item of Equipment hereunder shall terminate, and Lessor will transfer to Lessee, Lessor's right, title and interest in and to such item of Equipment, on an "as-is, where-is" basis, without recourse and without representation or warranty, express or implied, other than a representation and warranty that such item of Equipment is free and clear of any Lessor's Liens.

(c) Any payments received at any time by Lessor or Lessee from any insurer with respect to loss or damage to the Equipment shall be applied as follows: (i) if such payments are received with respect to an Event of Loss they shall be paid to Lessor, but to the extent received by Lessor, they shall reduce or discharge, as the case may be, Lessee's obligation to pay the amounts due to Lessor under Section 15(b) hereof with respect to such Event of Loss; or (ii) if such payments are received with respect to any loss of or damage to the Equipment other than an Event of Loss, such payments shall, unless a Default or Event of Default shall have occurred and be continuing, be paid over to Lessee to reimburse Lessee for its payment of the costs and expenses incurred by Lessee in replacing or restoring pursuant to Section 15(a) hereof the part or parts of the Equipment which suffered such loss or damage.

16. General Indemnity. Lessee assumes liability for, and shall indemnify, protect, save and keep harmless Lessor and its agents, servants, successors and assigns (an "Indemnatee") from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs and expenses, on, incurred by or asserted against any Indemnatee, in any way relating to or arising out of this Lease or the enforcement hereof, or the manufacture, purchase, acceptance, rejection, ownership, possession, use, selection, delivery, lease, operation, condition, sale, return or other disposition of the Equipment or any part thereof (including, without limitation, latent or other defects, whether or not discoverable by Lessee or any other person, any claim in tort for strict liability and any claim for patent, trademark or copyright infringement); provided, however, that Lessee shall not be required to indemnify any Indemnatee for loss or liability arising from acts or events which occur after the Equipment has been returned to Lessor in accordance with this Lease, or for, loss or liability resulting from the willful misconduct or negligence of such Indemnatee. Each Indemnatee shall give prompt written notice to Lessee of any occurrence which would give rise to a claim of indemnity under this Section 16 but the failure to give such notice with reasonable promptness shall not relieve Lessee of its obligations under this Section 16 except to the extent that Lessee is damaged by its failure to receive such notice with reasonable promptness. In case of any claim for indemnification, Lessee shall conduct any

proceedings which Lessee deems necessary to defend an Indemnitee in respect of such matter. Lessee shall utilize the services of a nationally recognized law firm reasonably acceptable to such Indemnitee to conduct such proceedings. Such Indemnitee shall have the right to participate in those proceedings at its own expense but control of the defense, the litigation and any negotiations shall remain with Lessee; provided, however, that Lessee shall consider in good faith any request an Indemnitee may make concerning such matters, and provided further that such control shall remain with Lessee only for so long as no Event of Default shall have occurred and be continuing. If an Indemnitee takes control of the defense, such Indemnitee shall use its best efforts to settle the litigation in a timely and reasonable manner. So long as Lessee is in control of the defense, no settlement of any proceeding shall be made by Lessee without the prior written consent of the Indemnitee which consent shall not be unreasonably withheld. It shall not be unreasonable for the Indemnitee to withhold its consent to any settlement that would impose criminal liability or other liability for which adequate indemnification is not provided. If the Indemnitee withholds its consent to a settlement, the amount of Lessee's indemnity hereunder shall be limited to the amount Lessee offered in settlement of such matter, and such Indemnitee shall take over and assume control of the defense. This indemnity shall be void if an Indemnitee fails to provide reasonable cooperation in connection with such defense or shall take any action without the prior written consent of Lessee that materially prejudices the defense of any such matter. Notwithstanding the foregoing, an Indemnitee shall have the right at all times to take over and assume control of the defense, the litigation, the negotiation and any settlement upon written notice to Lessee, but upon doing so the amount of Lessee's indemnity shall be limited to the amount which Lessee has prior to such time offered in good faith in settlement of such matter, if any. In no event shall Lessee be required to retain more than one firm of attorneys in defense of any one matter but nothing herein shall prevent Lessee from retaining an additional firm or firms at its option and expense. Any payments made by Lessee under this Section 16 shall be made on a net after-tax basis. The provisions of this Section shall survive the expiration or earlier termination of this Lease.

17. Events of Default. The following events shall each constitute an event of default (herein called "Event of Default") under this Lease:

- (i) Lessee shall fail to make any payment of rent or other amount owing hereunder within ten (10) days after the same is due and Lessor has given Lessee written notice thereof; or
- (ii) Lessee shall fail to maintain the insurance required by Section 9 hereof or to perform or observe the covenant contained in Section 20(a) and Lessor has given Lessee written notice thereof; or
- (iii) Lessee shall fail to perform or observe any other covenant, condition or agreement to be performed or observed by it with respect to this Lease and such failure is not remedied within the applicable Grace Period; or
- (iv) any representation or warranty made by Lessee herein or in any document, certificate or financial or other statement now or hereafter furnished Lessor in connection with this Lease shall prove at any time to have been untrue or misleading in any material respect as of the time when made; or

(v) Lessee shall (A) default in the payment of any obligation for which the principal balance outstanding is One Million Dollars (\$1,000,000) or more, whether such obligation is for borrowed money, under any capitalized lease or for the deferred purchase price of property, including interest thereon, beyond the period of grace, if any, provided with respect thereto, or (B) default in the performance or observance of any other term, condition or agreement contained in any such obligation or in any agreement relating thereto, if the effect of such defaults referred to in clauses (A) and (B) is to cause, or permit the holder or holders of such obligation (or a trustee on behalf of such holder or holders) to cause such obligation to become due prior to its stated maturity or to realize upon any collateral given as security therefor; or

(vi) the entry of a decree or order for relief by a court having jurisdiction in respect of Lessee, adjudging Lessee a bankrupt or insolvent, or approving as properly filed a petition seeking a reorganization, arrangement, adjustment or composition of or in respect of Lessee in an involuntary proceeding or case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable Federal or state bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee or sequestrator (or similar official) of Lessee or of any substantial part of its property, or ordering the winding-up or liquidation of its affairs, if any such decree or order continues unstayed and in effect for a period of sixty (60) days; or

(vii) the institution by Lessee of proceedings to be adjudicated a bankrupt or insolvent, or the consent by it to the institution of bankruptcy or insolvency proceedings against it, or the commencement by Lessee of a voluntary proceeding or case under the Federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or the consent by it to the filing of any such petition or to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian or sequestrator (or other similar official) of Lessee or of any substantial part of its property, or the failure of Lessee generally to pay its debts as they become due or the taking of corporate action by Lessee in furtherance of any of the foregoing; or

(viii) Trinity shall fail to own at least eighty percent (80%) of the capital stock of Lessee.

18. Remedies. If an Event of Default specified in Subsections 17(vii) and (viii) above shall occur before delivery and acceptance of any item of Equipment, then Lessor shall not be obligated to purchase or lease any item of Equipment hereunder, and this Lease shall, without any declaration or other action by Lessor, be in default. If an Event of Default, other than an Event of Default specified in Subsection 17(vii) or (viii) above shall occur and be continuing, Lessor may, at its option, declare this Lease to be in default. At any time after this Lease is in default under the first sentence of this Section 18 or after Lessor has declared this Lease to be in default under the second sentence of this Section 18, Lessor may do any one or more of the following with respect to all of the Equipment or any part thereof as Lessor in its discretion shall elect, to the extent permitted by applicable law then in effect:

(a) demand that Lessee, and Lessee shall at its expense upon such demand, return the Equipment promptly to Lessor at such place in the continental United States of America as Lessor shall specify, or Lessor, at its option, and to the extent within Lessee's control, may enter upon the premises where the Equipment is located and take immediate possession of the Equipment and remove the same by summary proceedings or otherwise;

(b) sell the Equipment at public or private sale, with or without notice, advertisement or publication, as Lessor may determine, or otherwise dispose of, hold, use, operate, lease to others or keep idle the Equipment, all free and clear of any rights of Lessee; provided that Lessor shall take such steps, as are appropriate in the circumstances, to obtain value for such Equipment in a commercially reasonable manner;

(c) by written notice to Lessee specifying a payment date, 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, an amount including all accrued and unpaid rent for the Equipment due on all Rent Payment Dates up to and including the payment date specified in such notice and the Stipulated Loss Value of the Equipment as of the payment date specified in such notice (together with interest on such amount at the Late Charge Rate, from the payment date specified in such notice to the date of actual payment). Lessor, at Lessor's option, may sell, lease or otherwise dispose of the Equipment and the proceeds of such sale, lease or other disposition shall be applied (1) to all Lessor's costs, charges and expenses incurred in enforcing this Lease and in taking, removing, holding, repairing and selling, leasing or otherwise disposing of the Equipment; then, (2) to the extent not previously paid by Lessee, to pay Lessor the Stipulated Loss Value for the Equipment and all other sums including any unpaid rent and any indemnification then remaining unpaid thereon; then, (3) to reimburse to Lessee any Stipulated Loss Value previously paid directly by Lessee to Lessor as liquidated damages; (4) any surplus shall be retained by Lessor; Lessee shall pay any deficiency in (1) and (2) forthwith.

(d) Lessor may exercise any other right or remedy which may be available to it under applicable law or proceed by appropriate court action to enforce the terms hereof or to recover damages for the breach hereof or to rescind this Lease.

In addition, Lessee shall be liable for any and all unpaid rent and other amounts due hereunder before or during the exercise of any of the foregoing remedies and for reasonable legal fees and other costs and expenses incurred by reason of the occurrence of any Event of Default or the exercise of Lessor's remedies with respect thereto, including all costs and expenses incurred in connection with the placing of the Equipment in the condition required by Section 11 hereof.

No remedy referred to in this Section 18 is intended to be exclusive but each shall be cumulative and in addition to any other remedy referred to herein or otherwise available to Lessor at law or in equity; and the exercise or beginning of exercise by Lessor of any one or more of such remedies shall not preclude the simultaneous or later exercise by Lessor of any or all such other remedies. No express or

implied waiver by Lessor of an Event of Default shall in any way be, or be construed to be, a waiver of any future or subsequent Event of Default. To the extent permitted by applicable law, Lessee hereby waives any rights now or hereafter conferred by statute or otherwise which may require Lessor to sell, or lease or otherwise use the Equipment in mitigation of Lessor's damages or losses or which may otherwise limit or modify any of Lessor's rights or remedies under this Lease. Notwithstanding the foregoing or anything else contained in this Lease, any Permitted Sublessee shall be entitled to possession, use and quiet enjoyment of the Equipment pursuant to the terms of its Permitted Sublease so long as such Permitted Sublessee is not in default under its Permitted Sublease. Notwithstanding any other provision of this Section 18, in no event shall Lessor be entitled to recover from Lessee an amount greater than the sum of (a) the Stipulated Loss Value for the Equipment, plus (b) all of Lessor's costs, charges, and expenses incurred in taking, removing and selling, leasing or otherwise disposing of the Equipment, plus (c) unpaid rent that has accrued to the date of Lessor's declaring this Lease in default.

Notwithstanding any other provision of this Section 18, in no event shall Lessor be entitled to recover from Lessee an amount greater than the sum of (a) the Stipulated Loss Value for the Equipment, plus (b) all of Lessor's costs, charges, and expenses incurred in taking, removing and selling, leasing or otherwise disposing of the Equipment, plus (c) unpaid rent that has accrued to the date of Lessor's declaring this Lease in default.

19. 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 in a reasonable manner, and the amount of such payment and the amount 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 Charge Rate, shall be deemed to be additional rent, payable by Lessee on demand.

20. Possession; Subleasing; Assignment of Subleases.

(a) Except as permitted by Subsection (b) hereof, the Equipment shall at all times be in the possession and control of Lessee, and Lessee will not sell, transfer, assign or encumber this Lease or any interest herein or sublease, without the prior written consent of Lessor, or otherwise transfer its interest in the Equipment, and any attempted assignment, sublease or other transfer by Lessee in violation of this Section 20 shall be void.

(b) So long as no Default or Event of Default shall have occurred and be continuing, Lessee may, with the prior written consent of Lessor, which consent shall not be unreasonably withheld, sublease any item of Equipment provided that any such sublease or further sublease (a "Permitted Sublease") (the term "Permitted Sublease" shall include, but not be limited to, the Subleases) must satisfy the following conditions: (i) such Permitted Sublease shall be in compliance with all applicable laws and governmental regulations; (ii) such Permitted Sublease shall not affect or reduce any of the obligations of Lessee

hereunder and this Lease and all obligations of Lessee hereunder shall continue in full force and effect as the obligations of a principal and not the obligations of a surety; (iii) the rights of a sublessee (a "Permitted Sublessee") (the term "Permitted Sublessee" shall include, but not be limited to, the Sublessees) under a Permitted Sublease shall be, and the Permitted Subleases shall provide that it is, subject and subordinate to all the terms of, and all the rights of Lessor under, this Lease, except that such Permitted Sublessee shall have the right of possession, use and quiet enjoyment with respect to the subleased Equipment pursuant to the terms of such Permitted Sublease so long as such Permitted Sublessee is not in default under its Permitted Sublease; (iv) the insurance required to be maintained pursuant to Section 9 hereof shall continue in full force and effect irrespective of such Permitted Sublease; (v) unless otherwise agreed in writing between Lessor and Lessee, the term of any Permitted Leases shall be less than, or coterminous with, the remainder of the primary term of the Lease; (vi) Lessee shall do, execute and deliver such further acts and documents as Lessor may from time to time reasonably require for the assuring of Lessor's continuing perfection and priority with respect to the Lease, Permitted Sublease and the Equipment. Furthermore, notwithstanding anything set forth above, in the event a Permitted Sublessee defaults under a Permitted Sublease, and Lessee, as sublessor under such Permitted Sublease, exercises its remedies under such Permitted Sublease and retakes possession of the Equipment, then, provided no Default or Event of Default shall have occurred and is continuing, Lessee may, with the prior written consent of Lessor, which consent shall not be unreasonably withheld, sublease the Equipment to another Permitted Sublessee, under the conditions set forth above. Furthermore, notwithstanding anything set forth above, in the event a Permitted Sublessee exercises its purchase option with respect to any Subleased Equipment, and provided no Default or Event of Default shall have occurred and be continuing, Lessee may, with the prior written consent of Lessor, substitute Equipment under this Lease upon such terms and conditions as are mutually acceptable to Lessor and Lessee, including, without limitation, assurances that Lessor shall have full title to such Equipment free and clear of all liens, encumbrances and rights of others.

(c) To secure the payment and performance of Lessee's obligations under this Lease, Lessee does hereby assign and grant a security interest to Lessor in all of the right, title and interest of Lessee in, to, and under any and all Permitted Subleases for any item of Equipment, to the extent such Permitted Subleases relate to the Equipment, in effect from time to time including, without limitation, all right, title and interest of Lessee in and to all rents, issues, profits, revenues, and other income of the items of Equipment and other moneys due and to become due to Lessee under, all proceeds of, and all claims for damages arising out of, the breach of any such Permitted Sublease, to the extent such Permitted Subleases relate to the Equipment, the right of Lessee to terminate the same, to perform thereunder, and to compel performance of the terms thereof. Lessee covenants (i) that any and all Permitted Subleases described above shall contain a provision permitting the Lessee to assign the Permitted Sublease and a provision obligating the Permitted Sublessee, upon notice from the Lessor, to immediately make payment of all monies due and to become due under or arising out of said Permitted Sublease to Lessor; (ii) that Lessee shall stamp Lessee's record copy and each and every other copy, which Lessee has in its possession, of the

Permitted Sublease, to show that such Permitted Subleases have been assigned to Lessor; (iii) Lessee shall immediately cause any Permitted Sublease to be recorded with the ICC with a stamp referring to its assignment to Lessor, to the extent such Permitted Subleases relate to the Equipment under this Lease; (iv) that upon reasonable notice from Lessor, Lessee will provide Lessor with complete copies of such Permitted Subleases and any amendments thereto; (v) that upon the demand of Lessor, such demand to be made only upon the occurrence and continuance of a Default or an Event of Default, Lessee hereby authorizes and directs each person liable therefore to make payments of all monies due and to become due under or arising out of the Permitted Subleases, to the extent such Permitted Subleases relate to the Equipment, directly to Lessor and upon such demand irrevocably authorizes and empowers Lessor to ask, demand, receive, receipt, and give acquittance for any and all such amounts which are to become due or payable or remain unpaid at any time or times to Lessor by each such person under or arising out of any Permitted Sublease, to endorse any checks, drafts, or other orders for the payment of money payable to Lessee in payment therefor; and in its discretion to file any claims or take any action or proceeding either in its own name or in the name of Lessee or otherwise which Lessor may reasonably deem to be necessary or advisable in the premises; and (vi) that it will immediately and in any event within ten (10) days of its learning thereof notify Lessor of the existence of any default or event of default under any Permitted Sublease. Lessee hereby irrevocably authorizes Lessor after any such demand has been made, in its own name and in the name and on behalf of Lessee, to give notification to persons obligated under a Permitted Sublease of this Lease that payment is to be made to Lessor as provided above.

21. Change in Business; Consolidation or Merger. Neither Lessee nor Trinity will make any substantial change in the nature of the business of Lessee, or merge or consolidate with any other corporation, or in the case of Trinity, sell, lease, or otherwise dispose of all or any part of its assets aggregating Two Hundred Fifty Million Dollars (\$250,000,000) or more during the Lease Term (other than in the ordinary course of business), except that:

(i) Lessee may merge with any other corporation which is organized under the laws of the United States or any jurisdiction thereof, provided that (A) Lessee shall be the surviving or continuing corporation, and (B) immediately after such merger, Lessee shall not be in default under this Lease;

(ii) any wholly-owned subsidiary of Trinity or Lessee may merge into Lessee, and may sell, lease or otherwise dispose of any of its assets to Lessee; or

(iii) Lessee may consolidate with, or merge into, another corporation for the purpose of changing Lessee's domicile; provided, however, that (A) the successor corporation formed by such consolidation, or into which Lessee shall have been merged, shall be a corporation organized under the laws of the United States of America or of any State thereof, (B) immediately prior to any such consolidation or merger and immediately after giving effect thereto, no Event of Default and no event which, after notice or lapse of time, would become an Event of Default shall have occurred and be continuing, (C) upon any such consolidation or merger, the due and

punctual payment of rental payments under Section 4 of this Lease, and the due and punctual performance and observance of all of the terms, covenants and conditions of this Lease then and thereafter to be performed or observed by Lessee shall be expressly assumed by a supplement hereto, satisfactory in form to Lessor, executed and delivered to Lessor by such successor corporation, and (D) Lessee shall have delivered to Lessor an officers' certificate and an opinion of counsel, each stating such consolidation or merger comply with this Lease. In the event of any such consolidation or merger, the predecessor Lessee shall be discharged from all obligations and covenants under this Lease.

22. Further Assurances; Financial Information.

(a) Lessee will, at its expense, promptly and 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 in order to more effectively carry out the intent and purpose of this Lease and to establish and protect the rights, interests and remedies created or intended to be created in favor of Lessor hereunder, including, without limitation, the execution, delivery, recordation and filing of documents with the ICC, and the execution and filing of Uniform Commercial Code financing statements in the appropriate jurisdictions. To the extent permitted by applicable law, Lessee hereby authorizes Lessor to file any such financing statements without the signature of Lessee.

(b) Lessee will furnish to Lessor (a) as soon as available, but in any event not later than one hundred twenty (120) days after the end of each fiscal year of Lessee, Lessee's Annual Report under Section 13 or 15(d) of the Securities Exchange Act of 1934; (b) as soon as available, but in any event not later than ninety (90) days after the end of each of the first three quarterly periods of each fiscal year of Lessee, Lessee's Quarterly Report under Section 13 or 15(d) of the Securities Exchange Act of 1934, to include a consolidated balance sheet of Lessee as at the end of such quarterly period and consolidated statements of income and consolidated statements of cash flows of Lessee for such quarterly period and for the portion of the fiscal year then ended, together with equivalent information for the prior comparable quarterly period, all in reasonable detail, prepared in accordance with generally accepted accounting principles applied on a basis consistently maintained throughout the period involved and certified by a financial officer of Lessee; (c) as soon as available, but in any event not later than one hundred twenty (120) days after the end of each fiscal year of Trinity, (i) a consolidated balance sheet of Trinity as at the end of such fiscal year, and consolidated statements of income and consolidated statements of cash flows of Trinity for such fiscal year, together with equivalent information for the prior fiscal year, all in reasonable detail, prepared in accordance with generally accepted accounting principles applied on a basis consistently maintained throughout the period involved and audited by Ernst & Young or other certified public accountants acceptable to Lessor, and (ii) Trinity's Annual Report under Section 13 or 15(d) of the Securities exchange Act of 1934; (d) as soon as available, but in any event not later than ninety (90) days after the end of each of the first three quarterly periods of each fiscal year of Trinity, (i) a consolidated balance sheet of Trinity as at the end of such quarterly period and consolidated statements of income and

consolidated statements of cash flows of Trinity for such quarterly period and for the portion of the fiscal year then ended, together with equivalent information for the prior comparable quarterly period, all in reasonable detail, prepared in accordance with generally accepted accounting principles applied on a basis consistently maintained throughout the period involved and certified by a financial officer of Trinity, and (ii) and Trinity's Quarterly Report under Section 13 or 15(d) of the Securities Exchange Act of 1934; (e) at the same time it furnishes its financial statements, a covenant compliance letter from a financial officer of Lessee certifying that a review of the activities of Lessee during such quarterly period or fiscal year has been made under such officer's supervision with a view to determining whether Lessee has kept, observed, performed and fulfilled all financial covenants in this Lease and that Lessee during such quarterly period or fiscal year has kept, observed, performed and fulfilled each and every financial covenant contained in this Lease (the letter shall also set forth the actual calculations of any financial covenants and the details of any amendments or modifications of any financial covenants); and (f) promptly, such additional financial and other information as Lessor may from time to time reasonably request.

23. Notices. All notices, demands and other communications hereunder shall be in writing, and shall be deemed to have been given or made when deposited in the United States mail, first class postage prepaid, addressed as follows or to such other address as any of the following persons may from time to time designate in writing to the other persons listed below:

Lessor: Pitney Bowes Credit Corporation
201 Merritt Seven
Norwalk, CT 06856-5151
Attention: Vice President, Operations

Lessee: Trinity Industries Leasing Company
2705 State Street
Chicago Heights, Illinois 60411
Attention: Treasurer

with a copy to

Trinity Industries, Inc.
2525 Stemmons Freeway
Dallas, Texas 75207
Attention: F. Dean Phelps
Vice President

24. Conditions Precedent.

(a) Lessor shall not be obligated to accept and execute the Certificate or to lease any Equipment to Lessee hereunder unless:

(i) Lessor shall have received a copy of resolutions of the Board of Directors of Lessee, certified by the Secretary or an Assistant Secretary of Lessee as of the date of the Lease, authorizing the execution, delivery and performance by Lessee of this Lease and the Certificate;

(ii) Lessor shall have received an incumbency and signature certificate of Lessee, dated the date of the Lease and in form and substance reasonably satisfactory to Lessor, setting forth the names and signatures of each officer of Lessee authorized to sign this Lease, the Certificate and all other instruments and documents relating thereto, which certificate may be relied on by Lessor until it receives written notice to the contrary;

(iii) Lessor shall have received (A) an opinion of counsel for Lessee, dated the date of the Lease and in form and substance satisfactory to Lessor, to the same effect as clauses (a) through (d) and (g) of Section 7 hereof, and (B) an opinion of counsel for Trinity Industries, Inc., dated the date of the Lease, and in form and substance satisfactory to Lessor, with respect to such matters as Lessor may request;

(iv) Lessor shall have received evidence satisfactory to it as to the due compliance by Lessee with the provisions regarding insurance contained in Section 9 hereof;

(v) Lessor shall have received good and marketable title to such Equipment, free and clear of Liens, except Permitted Liens;

(vi) Lessor shall have received evidence satisfactory to it as to the proper calculation of the amount of Lessor's Cost of such items of Equipment and shall be satisfied that all amounts included in Lessor's Cost have been, or concurrently with Lessor's acceptance of the Certificate will be, paid in full;

(vii) Such Uniform Commercial Code financing statements with respect to the Equipment or other collateral covered by such Certificate as Lessor shall deem necessary or desirable in order to perfect and protect its interests therein shall have been duly executed and filed, at Lessee's expense, in such public offices as Lessor shall direct;

(viii) All representations and warranties of Lessee contained herein or in any document or certificate furnished Lessor in connection herewith shall be true and correct on and as of the date of the Certificate with the same force and effect as if made on and as of such date; no Event of Default or Default shall be in existence on such date or shall occur as a result of the lease by Lessee of the Equipment specified in such Certificate;

(ix) In the good faith judgment of Lessor, there shall not have occurred any Adverse Condition;

(x) Lessor shall have received from Lessee, in form and substance reasonably satisfactory to it, such other material documents and information as Lessor shall reasonably request;

(xi) All material legal matters in connection with the transactions contemplated by this Lease shall be reasonably satisfactory to Lessor's counsel;

(xii) An original of this Lease and the Certificate shall have been duly filed, recorded or deposited with the ICC in accordance with 49 U.S.C. Section 11303; and

(xiii) Lessor shall have received a copy of all Subleases.

25. Financial Covenant. Lessee hereby covenants and agrees that, so long as any item of Equipment is subject to this Lease, it will not permit its Funded Indebtedness to exceed eighty percent (80%) of its Total Capitalization.

26. Miscellaneous.

(a) Any provision of this Lease which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or enforceability without invalidating the remaining provisions hereof, and any such prohibition or enforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, Lessee hereby waives any Provision of law which renders any provision hereof prohibited or unenforceable in any respect.

(b) No term or provision of this Lease may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against which the enforcement of the change, waiver, discharge or termination is sought. No delay or failure on the part of Lessor to exercise any power or right hereunder shall operate as a waiver thereof, nor as an acquiescence in any default, nor shall any single or partial exercise of any power or right preclude any other or further exercise thereof, or the exercise of any other power or right. After the occurrence of any Event of Default, the acceptance by Lessor of any payment of rent or other sum owed by Lessee pursuant hereto shall not constitute a waiver by Lessor of such Event of Default, regardless of Lessor's knowledge or lack of knowledge thereof at the time of acceptance of any such payment, and shall not constitute a reinstatement of this Lease if this Lease shall have been declared in default by Lessor pursuant to Section 18 hereof or otherwise, unless Lessor shall have agreed in writing to reinstate the Lease and to waive the Default or Event of Default.

(c) In the event the transactions contemplated hereby shall not be consummated, Lessee agrees to pay all reasonable out-of-pocket expenses of Lessor in connection with the negotiation and preparation of this Lease, including, without limitation, the reasonable fees and disbursements of counsel for Lessor, in connection with the preparation, execution and delivery of this Lease and related documents, which shall not exceed Five Thousand Dollars (\$5,000).

(d) This Lease contains the full, final and exclusive statement of the agreement between Lessor and Lessee relating to the lease of the Equipment.

(e) This Lease shall constitute an agreement of lease, and nothing herein shall be construed as conveying to Lessee any right, title or interest in the Equipment except as lessee only.

(f) This Lease and the covenants and agreements contained herein shall be binding upon, and inure to the benefit of, Lessor and its successors and assigns and Lessee and, to the extent permitted by Section 20 hereof, its successors and assigns.

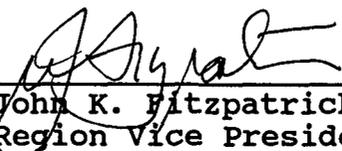
(g) The headings of the sections are for convenience of reference only, are not a part of this Lease and shall not be deemed to affect the meaning or construction of any of the provisions hereof.

(h) THIS LEASE MAY BE EXECUTED BY THE PARTIES HERETO ON ANY NUMBER OF SEPARATE COUNTERPARTS, EACH OF WHICH WHEN SO EXECUTED AND DELIVERED SHALL BE AN ORIGINAL, FULLY ENFORCEABLE COUNTERPART FOR ALL PURPOSES EXCEPT THAT ONLY THE COUNTERPART MARKED "COUNTERPART NUMBER 1" SHALL CONSTITUTE "CHATTEL PAPER" WITHIN THE MEANING OF THE UNIFORM COMMERCIAL CODE IN EFFECT IN ANY JURISDICTION.

(i) This Lease shall be governed by and construed in accordance with the laws of the State of Illinois.

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

PITNEY BOWES CREDIT CORPORATION

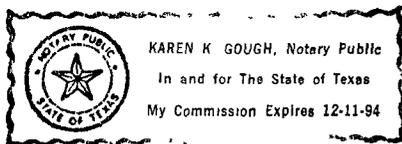
By: 
John K. Fitzpatrick
Region Vice President

TRINITY INDUSTRIES LEASING COMPANY

By: 
F. Dean Phelps
Vice President

STATE OF TEXAS §
§ ss.
COUNTY OF DALLAS §

On this 31st day of December, 1991, before me personally appeared F. Dean Phelps, to me personally known, who being by me duly sworn says that such person is Vice President of Trinity Industries Leasing Company, that the foregoing Railroad Equipment Lease was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.




Notary Public

STATE OF CALIFORNIA §
 § ss.
COUNTY OF ORANGE §

On this 31st day of December, 1991 before me personally appeared John K. Fitzpatrick, to me personally known, who being by me duly sworn says that such person is Region Vice President of Pitney Bowes Credit Corporation, that the foregoing Railroad Equipment Lease was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Notary Public

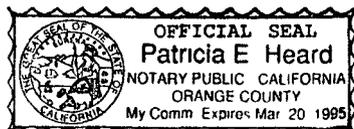


EXHIBIT A, attached to and forming a part of the Railroad Equipment Lease dated as of December 31, 1991 entered into by and between Trinity Industries Leasing Company, a Delaware corporation ("Lessee"), and Pitney Bowes Credit Corporation ("Lessor").

Equipment Description

One Hundred (100) 5,851 cubic foot covered quadruple hopper cars initially equipped with Sigma 7456 interior coating

Running Numbers: SCJX 891900 - 891999

ACCEPTANCE CERTIFICATE NO. 1

TO RAILROAD EQUIPMENT LEASE NO. 1

Commencement Date: December 31, 1991
Expiration Date: December 31, 2009
First Rent Payment Date: December 31, 1991
Last Rent Payment Date: November 30, 2009
No. of Consecutive Rent Payments: Two Hundred Sixteen (216)
Monthly Rental: Forty Four Thousand Two Hundred Seventy Two and
67/100 Dollars (\$44,272.67)
Total Rental: Nine Million Five Hundred Sixty Two Thousand Eight Hundred
Ninety Six and 88/100 Dollars (\$9,562,896.88)
Lessor's Cost of Equipment: Five Million Five Hundred Sixteen Thousand
Five Hundred Dollars (\$5,516,500)

THIS ACCEPTANCE CERTIFICATE is executed and delivered by Pitney Bowes Credit Corporation ("Lessor") and Trinity Industries Leasing Company ("Lessee") pursuant to and in accordance with the Railroad Equipment Lease dated as of December 31, 1991 between Lessor and Lessee (the "Lease"; the defined terms therein being used herein with their defined meanings).

1. The Equipment covered by this Certificate consists of the items described in the Schedule attached hereto.

2. Lessee hereby: (i) confirms that the items of Equipment covered hereby have been inspected by Lessee, have been delivered in good working order and condition and are of the size, design, capacity and manufacture selected by it; (ii) confirms that no Adverse Condition and no Default or Event of Default is in existence as of the Commencement Date set forth above, nor shall any Default or Event of Default occur as a result of the lease by Lessee of the Equipment specified herein; (iii) confirms that all representations and warranties of Lessee contained in the Lease or in any document or certificate furnished Lessor by Lessee in connection herewith on or before the date hereof, are true and correct in all material respects as of the Commencement Date set forth above with the same force and effect as if made on such date; (iv) irrevocably accepts said items of Equipment "as-is, where-is" for all purposes of the Lease as of the Commencement Date set forth above; and (v) confirms that each item of Equipment has been marked in accordance with the provisions of Section 8 of the Lease.

3. All of the terms, provisions and conditions of the Lease are hereby incorporated herein and made a part hereof as if such terms, provisions and conditions were set forth in full in this Certificate. By their execution and delivery of this Certificate, the parties hereto reaffirm all of the terms, provisions and conditions of the Lease.

IN WITNESS WHEREOF, Lessee has caused this Acceptance Certificate to be duly executed by its duly authorized officer as of the Commencement Date set forth above.

TRINITY INDUSTRIES LEASING COMPANY

By: 
F. Dean Phelps
Vice President

ACCEPTED AS OF THE COMMENCEMENT

DATE SET FORTH ABOVE.

PITNEY BOWES CREDIT CORPORATION

By: 
John K. Fitzpatrick
Regional Vice President

(Pitney5. 123191)

SCHEDULE NO. 1 TO ACCEPTANCE CERTIFICATE NO. 1
EQUIPMENT DESCRIPTION

One Hundred (100) 5,851 cubic foot covered quadruple hopper cars initially equipped with Sigma 7456 interior coating

Running Numbers: SCJX 891900 - 891999

Schedule 1
to Railroad Equipment Lease
dated as of December 31, 1991
between Trinity Industries Leasing Company as Lessee
and Pitney Bowes Credit Corporation as Lessor

<u>After Rent Payment Number</u>	<u>Stipulated Loss Value stated as a % of Lessor's Cost of the Equipment</u>	<u>After Rent Payment Number</u>	<u>Stipulated Loss Value stated as a % of Lessor's Cost of the Equipment</u>
1	101.989	41	100.521
2	102.073	42	100.382
3	102.155	43	100.240
4	102.233	44	100.094
5	102.301	45	99.944
6	102.358	46	99.791
7	102.408	47	99.634
8	102.448	48	99.474
9	102.485	49	99.310
10	102.514	50	99.142
11	102.534	51	98.970
12	102.550	52	98.795
13	102.559	53	98.617
14	102.558	54	98.434
15	102.554	55	98.249
16	102.545	56	98.058
17	102.527	57	97.864
18	102.502	58	97.667
19	102.471	59	97.465
20	102.434	60	97.259
21	102.393	61	97.050
22	102.346	62	96.837
23	102.293	63	96.619
24	102.235	64	96.398
25	102.173	65	96.173
26	102.103	66	95.944
27	102.029	67	95.711
28	101.952	68	95.474
29	101.869	69	95.232
30	101.780	70	94.987
31	101.688	71	94.737
32	101.590	72	94.483
33	101.488	73	94.225
34	101.383	74	93.963
35	101.272	75	93.696
36	101.157	76	93.426
37	101.039	77	93.153
38	100.915	78	92.877
39	100.787	79	92.600
40	100.656	80	92.319

<u>After Rent Payment Number</u>	<u>Stipulated Loss Value stated as a % of Lessor's Cost of the Equipment</u>	<u>After Rent Payment Number</u>	<u>Stipulated Loss Value stated as a % of Lessor's Cost of the Equipment</u>
81	92.034	131	75.040
82	91.747	132	74.646
83	91.457	133	74.251
84	91.163	134	73.854
85	90.866	135	73.453
86	90.567	136	73.048
87	90.263	137	72.644
88	89.955	138	72.238
89	89.648	139	71.831
90	89.340	140	71.423
91	89.031	141	71.009
92	88.721	142	70.594
93	88.406	143	70.178
94	88.092	144	69.756
95	87.775	145	69.333
96	87.454	146	68.908
97	87.133	147	68.478
98	86.810	148	68.045
99	86.483	149	67.612
100	86.153	150	67.177
101	85.824	151	66.741
102	85.494	152	66.304
103	85.163	153	65.860
104	84.831	154	65.416
105	84.494	155	64.970
106	84.157	156	64.518
107	83.818	157	64.065
108	83.474	158	63.610
109	83.130	159	63.150
110	82.785	160	62.686
111	82.434	161	62.223
112	82.081	162	61.757
113	81.729	163	61.290
114	81.375	164	60.821
115	81.020	165	60.346
116	80.665	166	59.870
117	80.304	167	59.392
118	79.942	168	58.909
119	79.579	169	58.424
120	79.211	170	57.936
121	78.843	171	57.443
122	78.473	172	56.947
123	78.097	173	56.450
124	77.719	174	55.952
125	77.342	175	55.451
126	76.963	176	54.949
127	76.583	177	54.440
128	76.202	178	53.931
129	75.816	179	53.419
130	75.429	180	52.901

<u>After Rent Payment Number</u>	<u>Stipulated Loss Value stated as a % of Lessor's Cost of the Equipment</u>
181	52.381
182	51.859
183	51.331
184	50.800
185	50.268
186	49.734
187	49.198
188	48.659
189	48.115
190	47.569
191	47.020
192	46.466
193	45.909
194	45.350
195	44.785
196	44.216
197	43.646
198	43.074
199	42.500
200	41.923
201	41.340
202	40.755
203	40.168
204	39.574
205	38.978
206	38.379
207	37.774
208	37.164
209	36.566
210	35.978
211	35.399
212	34.829
213	34.254
214	33.688
215	33.132
216	32.570
Thereafter	30.000

Schedule 2
to Railroad Equipment Lease
dated as of December 31, 1991
between Trinity Industries Leasing Company as Lessee
and Pitney Bowes Credit Corporation as Lessor

<u>After Rent Payment Number</u>	<u>Termination Value stated as a % of Lessor's Cost of the Equipment</u>	<u>After Rent Payment Number</u>	<u>Termination Value stated as a % of Lessor's Cost of the Equipment</u>
1	101.989	41	100.521
2	102.073	42	100.382
3	102.155	43	100.240
4	102.233	44	100.094
5	102.301	45	99.944
6	102.358	46	99.791
7	102.408	47	99.634
8	102.448	48	99.474
9	102.485	49	99.310
10	102.514	50	99.142
11	102.534	51	98.970
12	102.550	52	98.795
13	102.559	53	98.617
14	102.558	54	98.434
15	102.554	55	98.249
16	102.545	56	98.058
17	102.527	57	97.864
18	102.502	58	97.667
19	102.471	59	97.465
20	102.434	60	97.259
21	102.393	61	97.050
22	102.346	62	96.837
23	102.293	63	96.619
24	102.235	64	96.398
25	102.173	65	96.173
26	102.103	66	95.944
27	102.029	67	95.711
28	101.952	68	95.474
29	101.869	69	95.232
30	101.780	70	94.987
31	101.688	71	94.737
32	101.590	72	94.483
33	101.488	73	94.225
34	101.383	74	93.963
35	101.272	75	93.696
36	101.157	76	93.426
37	101.039	77	93.153
38	100.915	78	92.877
39	100.787	79	92.600
40	100.656	80	92.319

<u>After Rent Payment Number</u>	<u>Termination Value stated as a % of Lessor's Cost of the Equipment</u>	<u>After Rent Payment Number</u>	<u>Termination Value stated as a % of Lessor's Cost of the Equipment</u>
81	92.034	131	75.040
82	91.747	132	74.646
83	91.457	133	74.251
84	91.163	134	73.854
85	90.866	135	73.453
86	90.567	136	73.048
87	90.263	137	72.644
88	89.955	138	72.238
89	89.648	139	71.831
90	89.340	140	71.423
91	89.031	141	71.009
92	88.721	142	70.594
93	88.406	143	70.178
94	88.092	144	69.756
95	87.775	145	69.333
96	87.454	146	68.908
97	87.133	147	68.478
98	86.810	148	68.045
99	86.483	149	67.612
100	86.153	150	67.177
101	85.824	151	66.741
102	85.494	152	66.304
103	85.163	153	65.860
104	84.831	154	65.416
105	84.494	155	64.970
106	84.157	156	64.518
107	83.818	157	64.065
108	83.474	158	63.610
109	83.130	159	63.150
110	82.785	160	62.686
111	82.434	161	62.223
112	82.081	162	61.757
113	81.729	163	61.290
114	81.375	164	60.821
115	81.020	165	60.346
116	80.665	166	59.870
117	80.304	167	59.392
118	79.942	168	58.909
119	79.579	169	58.424
120	79.211	170	57.936
121	78.843	171	57.443
122	78.473	172	56.947
123	78.097	173	56.450
124	77.719	174	55.952
125	77.342	175	55.451
126	76.963	176	54.949
127	76.583	177	54.440
128	76.202	178	53.931
129	75.816	179	53.419
130	75.429	180	52.901

<u>After Rent Payment Number</u>	<u>Termination Value stated as a % of Lessor's Cost of the Equipment</u>
181	52.381
182	51.859
183	51.331
184	50.800
185	50.268
186	49.734
187	49.198
188	48.659
189	48.115
190	47.569
191	47.020
192	46.466
193	45.909
194	45.350
195	44.785
196	44.216
197	43.646
198	43.074
199	42.500
200	41.923
201	41.340
202	40.755
203	40.168
204	39.574
205	38.978
206	38.379
207	37.774
208	37.164
209	36.566
210	35.978
211	35.399
212	34.829
213	34.254
214	33.688
215	33.132
216	32.570