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RECORDATION NO. 25261 FILED

OCT 27 '04 3-45 PM

SURFACE TRANSPORTATION BOARD

October 27, 2004

Hon. Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, D.C. 20423-0001  
Attn: Equipment recordations

To Whom It May Concern:

I am enclosing for recordation pursuant to the provisions of 49 U.S.C. 11301 a Railcar Lease Agreement dated October 20, 2004, a primary document under the Board's recordation regulations.

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

Lessor: National Railway Equipment Co.  
1100 Shawnee  
Mt. Vernon, ILL 62864

Lessee: Trinity Industries Leasing Company  
2525 Stemmons Freeway  
Dallas, TX 75207

A description of the railroad equipment covered by Lease Agreement is:

Nineteen sulphuric acid rail tank cars  
bearing road numbers TLLX  
100046, 100050, 100053, 100055, 100067,  
100076-8, 100080, 100087-8, 100090,  
100092, 100097-8, 100101, 100105-6, 100107

A short summary of the document to appear in the index is:

"Railcar Lease Agreement"

Also enclosed is a check in the amount of \$30 payable to the Surface Transportation Board to cover the required recordation fee for the attached agreement.

RECORDATION NO. 25261 FILED

RAILCAR LEASE AGREEMENT

OCT 27 '04 3-45 PM

LESSOR: National Railway Equipment, Co. ("Lessor")

SURFACE TRANSPORTATION BOARD

LESSEE: Trinity Industries Leasing Company ("Lessee") at the address set forth on the signature page hereof.

1. LEASE. Subject to the terms of this Equipment Lease Agreement (together with the Supplements, Riders, Schedules and Exhibits hereto, the "Lease"), Lessor hereby leases to Lessee and Lessee hereby hires from Lessor the equipment (together with all attachments, replacements, parts, additions and repairs incorporated therein and affixed thereto, the "Unit(s)") initially described in each and all Supplements ("Supplements") and thereafter described in each and all Schedules ("Schedules") hereto signed by the parties and thereby made a part hereof.

2. TERM; RENTAL; AND PAYMENTS. (a) Lessee will pay as rental for use of the Units the payments, in the amounts designated as "Base Rental" (also known as the "Rental" or "Rentals"), and at such times during the entire lease as specified in the applicable Supplement to this Lease. The Rental and the Term with respect to each Unit shall commence on June 1, 2004 ("Acceptance Date") and end on December 31, 2008, with payments being made in arrears. The date the first Base Rental payment is due and payable for a Unit shall also be the date of the applicable Schedule therefor.

(b) Lessee intends the Rentals to be net to Lessor. Therefore Lessee shall pay when due all use, excise, gross receipts, value added, personal property, documentary and ad valorem taxes, license and registration fees, assessments, fines, penalties and similar charges ("Impositions") levied or imposed by any foreign, federal, state or local government or taxing authority, railroad or other agency on the ownership, possession, use, rental, or shipment of the Units during the Term and shall pay or shall reimburse Lessor upon demand for all taxes (except Federal or State net income taxes) imposed on Lessor or Lessee with respect to the Rentals. Lessee shall file all returns required therefor and furnish copies to Lessor. Lessee shall also pay any net increase to Lessor in income tax as a result of inclusion in income of Lessor of any amount required by this paragraph to be paid to or for Lessor. Lessee will keep at all times all and every part of each Unit free and clear of all Impositions which might in any way affect the title of Lessor thereto or result in a lien upon such Unit.

(c) In the event any Rental or any other payment due Lessor hereunder is not timely paid, such arrearage from 10 days following the due date thereof until paid shall be subject to a charge of interest at a per annum rate equal to 3% above the then current Prime computed on the basis of the actual number of days elapsed using a 360 day year, provided, however, in no event shall such interest rate be greater than the maximum rate permitted under the applicable usury law. Such interest shall be payable on demand. As used herein, "Prime" means the higher of (i) the rate of interest announced publicly by Citibank, N.A. in New York, New York, from time to time as Citibank, N.A.'s base rate; or (ii) 1/2 of one percent above the latest three-week moving

average of secondary market morning offering rates in the United States for three-month certificates of deposit of major United States money market banks as determined by Citibank, N.A. All payments due Lessor shall be paid at Lessor's office at the address set forth below, or as otherwise directed, and shall be paid without notice, demand, counterclaim, setoff, deduction, recoupment or defense.

3. UNIT ACCEPTED. Lessee acknowledges and agrees that (i) each Unit is of a size, design, capacity and manufacture selected by Lessee, (ii) it is satisfied that each Unit is suitable for its purposes, (iii) Lessor is not a manufacturer of the Units.

4. NO WARRANTIES BY LESSOR. (a) **LESSOR SHALL NOT BE LIABLE TO LESSEE FOR ANY LIABILITY, CLAIM, LOSS, DAMAGE (DIRECT OR CONSEQUENTIAL) OR EXPENSE OF ANY KIND OR NATURE CAUSED, DIRECTLY OR INDIRECTLY, BY ANY UNIT OR ANY INADEQUACY THEREOF FOR ANY PURPOSE, OR ANY DEFICIENCY OF DEFECT (LATENT OR PATENT) THERIN, OR THE USE OR MAINTENANCE THEREOF, OR ANY REPAIRS, SERVICING OR ADJUSTMENTS THERETO, OR ANY DELAY IN PROVIDING OR FAILURE TO PROVIDE ANY THEREOF OR ANY INTERRUPTION OR LOSS OF SERVICE OR USE THEREOF, OR ANY LOSS OF BUSINESS OR ANY DAMAGE WHATSOEVER AND HOWEVER CAUSED. LESSOR DOES NOT AND SHALL NOT, BY VIRTUE OF HAVING LEASED THE UNITS UNDER THIS LEASE, BE DEEMED TO HAVE MADE ANY REPRESENTATION OR WARRANTY, WHETHER WRITTEN OR ORAL OR EXPRESS OR IMPLIED, AS TO THE MERCHANTABILITY, FITNESS (FOR USE OR FOR ANY PARTICULAR PURPOSE), DESIGN OR CONDITION OF, OR AS TO THE QUALITY OF THE MATERIAL OR WORKMANSHIP IN, THE UNITS.**

(b) Inability of Lessee to use the Units due to any reason, including, without limitation, any defect in or unfitness of the Units, any action by any governmental authority (including, without limitation, legislative, executive, administrative or judicial bodies) or any action by an independent supervisory agency, shall not relieve Lessee of the obligation hereunder to pay Rentals for the full Term. Lessee shall be relieved of its obligation hereunder to pay Rentals with respect to a Unit if it is prevented from using such Unit as a result of Lessor's failure to keep the Unit free of liens and encumbrances created by Lessor's actions. Lessee shall look solely to the Vendor, which is not Lessor, for any claim based on the quality or condition of the Units, their performance merchantability or fitness for use and will not assert any such claim, offset or defense against Lessor. Lessor shall assign Lessor's right title and interest under any warranties for the Units to Lessee to the extent such warranties are assignable.

5. REPORTS. Lessee shall furnish to Lessor (a) within 120 days after the close of each fiscal year of Lessee, copies of Lessee's most recent financial reports, certified to by a recognized firm of certified public accountants, (b) on the date the annual financial reports are submitted to Lessor and at such other times as Lessor may reasonably request, an accurate report, certified to by a duly authorized officer of Lessee stating (A) that, as

of a recent date not earlier than the preceding December 31, the Units have been maintained and repaired in accordance herewith and that the legends placed on the Units as required herein have been preserved or repainted on each side of each of the Units, and the Lessee's identifying reporting mark and the appropriate unit number have been preserved or repainted on each side of each of the Units as required herein, (B) such other information regarding the location, condition and state of repair of the Units as, Lessor may reasonably request, , (c) without demand (1) notification immediately thereafter of accidents, claims or demands arising out of the ownership or alleged or apparent improper manufacture, functioning or operation of any Unit, details thereof, and copies of documents pertaining thereto (Lessee and its employees shall aid in the investigation and defense of all such claims and in the recovery of damages from third persons) and (2) written notice within 10 days after any day on which any tax lien shall attach to any Unit, of the location of such Unit on such day.

6. USE; OPERATION; AND SERVICE. (a) Lessee will (i) cause the units to be operated and maintained only in the ordinary course of Lessee's business and in accordance with applicable manufacturer's manuals or instructions and by regulatory rules and laws, including, without limitation, all laws of the jurisdictions in which its operations involving the Units may extend, the interchange rules of the Association of American Railroads ("AAR"), rules of the Department of Transportation ("DOT"), the Surface Transportation Board, the Federal Railroad Administration and any other or successor legislative, executive, administrative, or judicial body, and rules of any other association of carriers or shippers exercising any power or jurisdiction over Lessee or over the Units, to the extent that such laws and rules affect the title, operation, storage, maintenance or use of the Unit; in compliance with the terms and conditions of this Lease; and only in the continental limits of the United States and Canada (ii) except as otherwise specifically provided in Section 15 hereof not assign or otherwise transfer or sublet this lease the Units or any interest therein without the prior written consent of Lessor which consent shall not be unreasonably delayed or withheld, in each instance, nor permit the Units to be subject to any lien, encumbrance or charge whatsoever, (iii) maintain the Units at its sole expense, according to prudent industry practice and in all material respects in good working order, and in good physical condition for cars of similar age and usage, normal wear and tear excepted, and acceptable for use in unrestricted interchange, (iv) furnish at its sole expense all parts, supplies, service and utilities necessary for operation or maintenance of the Units, all of which shall immediately become the property of Lessor without cost or expense to Lessor except that this shall not apply to special equipment installed on the Units by Lessee with the consent of Lessor, provided that such equipment is removed by Lessee before the Units are returned to Lessor and all damage resulting from such installation and removal is repaired by Lessee, and further provided that removal of such equipment does not affect the Units' serviceability or use in unrestricted interchange. If the laws or rules referred to in Section above require the alteration of the Units during the term hereof, Lessee shall conform the Units in accordance therewith at Lessee's expense and shall maintain the same in proper condition for operation under such laws and rules. Lessee shall notify Lessor of any alterations of the Units required by such laws or rules, describing by identification number the Units affected and the nature of the alteration. Except for alterations or

changes required by law, Lessee shall not, without the prior written approval of Lessor, effect any change in the design, construction or body of Units.

(b) Lessee assumes all risks for the use, operation and storage of each Unit and for injuries and damages incident thereto, whether to agents, employees or property of Lessee, Lessor or of third parties and whether or not occasioned by Lessor's negligence. Lessee assumes all responsibility for, and shall indemnify and save and hold Lessor harmless from, all costs, expenses, taxes, duties, or other charges of every kind or nature whatsoever arising out of the use of any Unit outside of the continental United States, including, without limitation, costs incurred in returning such Unit to the continental United States. **LESSEE WILL SAVE AND HOLD LESSOR HARMLESS** from all losses, damages, claims, penalties, liabilities and expenses, including attorneys' fees, howsoever arising or incurred because of or incident to (i) any Unit or the actual or alleged, acquisition, delivery, management, control, leasing, condition, destruction, damage, return, use, operation or storage thereof or (ii) the assertion of any claim or demand based on any infringement or alleged infringement of any patent, trademark or other right by or in respect of any unit and/or on **STRICT OR ABSOLUTE LIABILITY IN TORT**. **Lessor shall be responsible for its negligence, with respect to each Unit, which occurs after a Unit is in the Lessor's possession after a repossession of such Unit.**

(c) Unless an Event of Default shall have occurred and be continuing Lessee shall be entitled to the possession and use of the Units in accordance with the terms of this Lease. Except as specifically provided in Section 15 hereof, Lessee shall not, without prior written consent of Lessor, part with the possession or control of, or suffer or allow to pass out of its possession or control the Units except that Lessee may permit the use thereof by railroad companies in the usual interchange of traffic agreements.

(d) All per diem payments, rentals and other charges payable for the use of the Units while being used by others and proceeds payable for the loss, destruction or damage of or to the Units under the current Code of Rules Governing the Settlement for Destroyed or Damaged Cars adopted by the Association of American Railroads shall be paid to Lessor's agent, care of Lessor, who, prior to Default and until a successor is designated by Lessor, may be the Lessee. Lessee shall cause appropriate instructions as to such payments to be published in each issue of the Official Railway Equipment Register. Prior to the occurrence of an Event of Default the amounts so paid shall be remitted by such agent to Lessee; provided, however, that if an Event of Default shall occur no such payments, sublease rentals or other charges shall be paid to Lessee from and after the occurrence of said Event of Default and Lessee hereby releases any claim thereto, and all such payments, Rentals and other charges shall be remitted to Lessor and may be applied by Lessor against any liability of Lessee to Lessor hereunder or any expense incurred by Lessor because of such Default.

(e) Lessee shall pay or satisfy and discharge any and all sums claimed by any party other than those which were created by act of Lessor which, if unpaid, might

become a lien or a charge upon the Units or entitled to priority over any of the rights of Lessor in and to the Units, but Lessee shall not be required to discharge any such claim so long as it shall in good faith and by appropriate legal proceedings contest the validity thereof in any reasonable manner which, in the opinion of Lessor, will not affect or endanger the title and interest of Lessor in and to the Units.

7. INSURANCE. Lessee shall provide and maintain at its own expense all risk replacement cost property insurance per policy terms and conditions on each Unit and comprehensive general liability insurance covering each Unit with and 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, and, in any event be of a type, form, in amounts and with companies, approved by Lessor in its reasonable discretion. The insurance shall (i) in the case of property insurance, provide that settlements for losses shall be paid jointly to insured and Lessor and/or its assignee as loss payee and insure Lessor's interests, including for such purpose any additional amounts owed to Lessor in accordance with the terms of this Lease, regardless of any breach or violation by Lessee of any warranty, declaration or condition contained in the policies, (ii) in the case of liability policies, name Lessor as additional insured and provide that all insurance, except the limits of liability operate as if there were a separate policy covering each insured, (iii) be primary and without right of contribution from other insurance which is carried by Lessor and (iv) provide for 30 days written notice to Lessor prior to the time any coverage is altered or cancelled. Certificates of insurance or other evidence satisfactory to Lessor showing the existence of insurance in accordance herewith and the terms, conditions, and payments therefor shall be delivered to Lessor forthwith and thereafter prior to each expiration. Upon Lessor's request, Lessee shall deliver to Lessor certified copies of the actual policies. Notwithstanding the above, Lessee shall have the right to self-insure for all or a portion of the casualty and liability insurance required hereunder; provided, however that Lessor may upon advance written notice withdraw Lessee's right to self-insure in the event of a material adverse change in Lessee's business or financial condition, or a material Lessee default under this Agreement.

8. DAMAGE TO EQUIPMENT. (a) Lessee assumes all risks of loss, theft or destruction of, and damage to, each Unit and will hold Lessor harmless from any thereof and from all claims and liens for storage labor and materials incurred other than by Lessor whether or not insured. If any Unit is destroyed, lost, or damaged beyond being capable of repair, Lessee shall pay to Lessor, upon demand in immediately available funds, the Depreciated Value which is prescribed by the AAR rule covering Settlement Value.

(b) If a Unit(s) is damaged but shall be capable of repair, this Lease shall remain in effect as to such Unit(s) and Lessee will repair such damage or replace such Unit at Lessee's sole cost, but Lessee may apply, if it is not in default under this Lease, any insurance proceeds received in respect of such damage to such repair or replacement.

9. RETURN OF EQUIPMENT. (a) At the expiration or sooner termination of the Term or any renewal thereof, each Unit shall be inspected at Lessor's expense by a person selected by Lessor and, after thoroughly cleaning each Unit, Lessee will return each Unit to Lessor (i) free of all advertising or insignia placed thereon by Lessee and (ii) in the same operating order, repair, condition as when received, reasonable wear and tear excepted, and in all events in a condition fit and suitable for operations in unrestricted interchange and otherwise meeting all interchange requirements of the Association of American Railroads, all then existing rules, regulations and requirements of the Department of Transportation, the Surface Transportation Board, the Federal Railroad Administration and any other or successor legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Units and, in addition, free of corrosive damage to the interior. Notwithstanding the above, with respect to any interior coatings, Lessee may at its sole discretion return the cars with either serviceable interior coatings, or with such coatings completely removed. Lessee, at its own cost and expense, shall forthwith assemble the Units and transport them or cause them to be transported, upon such tracks as Lessor may designate, to a place designated by Lessor.

10. REPRESENTATIONS AND WARRANTIES. Lessee hereby covenants, represents and warrants to Lessor that:

(a) it is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and is duly qualified to do business as a foreign corporation in every jurisdiction in which the nature of its business requires qualification.

(b) it has taken corporate action which may be required to authorize the execution, delivery and performance of this Lease, and such execution, delivery and performance will not conflict with or violate any provision of law, including, without limitation, any statute, rule, regulation, judgment, decree, order, franchise or permit applicable to Lessee or any provisions of its Articles of Incorporation, By-laws or any provisions of, or result in a default or acceleration of any material obligation under, any material agreement, order, decree or judgment to which it is a party or by which it is bound, nor is it now in default under any of the same;

(c) there is no litigation or administrative proceeding pending or threatened against it which may have a materially adverse effect on Lessee or which would prevent or hinder the performance by it of its obligation hereunder;

(d) this Lease and attendant documents constitute valid obligations of Lessee, binding the enforceable against it in accordance with their respective terms;

(e) except for Lessor's filing of this Lease with the Surface Transportation Board ("STB"), no governmental authorization, approvals or exemptions are required of Lessee and no registration by Lessee with any governmental agency or commission is necessary for the execution, delivery or performance of this Lease by Lessee or for the

validity and enforceability hereof or for the leasing of the Units hereunder, for the Rental or any of the other terms and conditions herein provided.

(f) all Lessee's financial statements that have heretofore been presented by or on behalf of it to Lessor in conjunction with this transaction, are true and correct and present fairly the financial condition and results of operations of the subject of such statements as of the date thereof or for the period reflected therein, do not contain any untrue statement or omit to state a material fact required to be stated therein or necessary in order to make such financial statements not misleading, and, except as disclosed in such financial statements, there is no fact, situation or event which materially adversely affects or will materially adversely affect the properties, business, assets, income, prospects or condition (financial or otherwise) of the subject thereof;

(g) it has the power to own its assets and to transact the business in which it is engaged;

(h) it is not currently in default of any obligation under any material agreement, instrument or undertaking, or decree or judgment to which it is a party or by which it is bound;

(i) it will give to Lessor prompt notice of any change in its name, identity and structure.; and

(j) all tax returns which are required to be filed by the Lessee under the laws of any jurisdiction in which its business and operations are conducted have been filed and all taxes shown on the returns have been paid, except such taxes that are being contested by Lessee in good faith on advice of Lessee's tax counsel.

(k) neither Lessee nor any other person has used or placed into use or service a Unit prior to May 20, 1986.

(l) Lessor or its assignee shall have the right, at its sole cost and expense, by its authorized agents, employees or representatives, to inspect the Units and Lessee's records with respect thereto, at such times and from time to time during the term of this Lease as may be reasonably necessary to confirm to the satisfaction of Lessor or its assignee the existence and proper maintenance of the Units.

11. DEFAULT. An event of default shall occur hereunder ("Events of Default") if Lessee:

(a) fails to pay any sum to be paid hereunder ten (10) business days after due;

(b) fails at any time to procure or maintain any insurance coverage prescribed herein; or

(c) fails to perform or observe any other duty, obligation or covenant contained herein or in any other document furnished in connection herewith and such failure shall continue for 10 days after receipt by Lessee of written or telegraphic notice thereof; or

(d) becomes insolvent (that is, unable to pay its debts as they mature) or commits an act of bankruptcy or becomes the subject of any proceeding under the Bankruptcy Act as amended or any other insolvency law or law providing for the relief of debtors (provided, however, that if the same is an involuntary proceeding which is stayed or dismissed within 60 days from the date of commencement the same shall not constitute default); or

(e) shall suffer any substantial part of Lessee's property to be subject to any levy, seizure, assignment, application or sale, not released or vacated within 60 days, for or by any creditor or governmental agency; or

(f) shall have a final judgment aggregating in excess of \$10,000,000.00 rendered against it which shall remain outstanding and undischarged for 30 days; or

(g) shall have made a materially untrue or incorrect representation or warranty herein or in any document delivered in connection herewith.

12. REMEDIES. (a) Upon the occurrence of an Event of Default, Lessor, at its option may, (i) proceed by appropriate court action(s) to enforce performance by Lessee or to recover from Lessee any and all damages and reasonable expenses which Lessor shall have sustained by reason of Lessee's default or on account of Lessor's enforcement or its remedies hereunder, (ii) terminate Lessee's rights hereunder, and/or (iii) take possession of all Units, and thereupon Lessee's right to the possession thereof shall terminate; provided, however, it is understood and agreed that Lessor's taking possession of the Units shall neither terminate this Lease nor discharge Lessee's obligations and duties hereunder and Lessee's obligation to pay Lessor its damages as hereinafter defined. In the event of any repossession, Lessor shall either lease the Units or any portion thereof for such period, at such rental and to such person as Lessor shall elect or sell the Units or any portion thereof at public or private sale without demand or notice of intention to sell or of sale to Lessee and with or without having the Units at the place of sale or retain the Unit(s) or any part thereof without leasing or otherwise disposing of the Unit(s). If any Unit is leased, sold or otherwise disposed of pursuant hereto, Lessee shall be liable to Lessor, as liquidated damages for the breach of this Lease (but not as penalty), for the amount by which the proceeds of such lease (all future rental payments thereof discounted to the specified payment date to their present value at the rate of 8% per annum), sale or other disposition is less than the sum of (i) all due unpaid and accrued Rentals for such Unit as of the date of the Event of Default, (ii) the Depreciated Value which is prescribed by the AAR rule covering Settlement Value as of the date of the Event of Default, (iii) an amount equal to accrued Impositions and other amounts payable hereunder by Lessee with respect to such Unit, (iv) all cost, expenses, losses and damages

incurred or sustained by Lessor by reason of such default, and (v) interest at the rate specified in paragraph 2 on each of the foregoing and on all sums not paid when due under any provision of this Lease. If on the date of such termination or repossession, any Unit be a Total Loss or be subject to any levy, seizure, assignment, application or sale for or by any creditor or governmental agency, Lessee shall also remain liable for the Depreciated Value which is prescribed by the AAR rule covering Settlement Value of such Unit, less the amount of any insurance recovery received by Lessor in connection therewith. All rights and remedies of Lessor conferred on Lessor by this Lease or by law shall be cumulative and in addition to every other right and remedy available to Lessor. No failure on the part of Lessor to exercise an no delay in exercising any right or remedy hereunder shall operate as a waiver thereof unless specifically waived by Lessor in writing, nor shall any single or partial exercise by Lessor of any right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right or remedy.

**(b) LESSEE HEREBY VOLUNTARILY AND KNOWINGLY WAIVES, TO THE EXTENT PERMITTED BY LAW, ANY AND ALL RIGHTS TO NOTICE AND/OR HEARING PRIOR TO ANY RETAKING OF POSSESSION OR REPLEVY OF THE UNITS BY LESSOR, ITS AGENTS OR ASSIGNS ON DEFAULT OF LESSEE, AND FOR THIS PURPOSE LESSOR MAY REQUIRE LESSEE TO DELIVER THE UNITS TO LESSOR AT ANY REASONABLE PLACE TO BE DESIGNATED BY LESSOR IN ACCORDANCE WITH THE PROVISIONS OF THIS LEASE.**

(c) If Lessor incurs any expenses including attorneys' fees, in the enforcement of any of it rights hereunder without having brought any action, proceeding or suit to enforce any such right, or if Lessor shall bring any action, proceeding or suit and shall be entitled to judgment, then Lessor may recover from Lessee such reasonable expenses so incurred. Should Lessor be in default hereunder as to any Unit, Lessee may not because of such default terminate this Lease as to any other Unit. Promptly after Lessee has notice thereof, Lessee shall give notice to Lessor of any Event of Default and any event that has occurred and is continuing which constitutes an Event of Default but for the requirement that notice be given or time elapse or both.

(d) Upon the occurrence of an Event of Default, if required by Lessor, Lessee shall (i) do all things and execute all documents necessary or desirable to assist Lessor in locating the Units, (ii) reletter the Units or cause them to be relettered in the manner directed by Lessor and at its sole risk and expense, assemble the Units and place them for storage upon suitable trackage space and store them on such tracks for up to 90 days.

13. TAX. The parties agree that Lessor shall be entitled to claim any tax benefits available on the purchase and ownership of the Units and Lessee will not claim the same.

14. ASSIGNMENT AND/OR SALE BY LESSOR. Lessee acknowledges and understands that the terms and conditions of this Lease have been fixed by Lessor in anticipation of its being able to assign and /or sell ("Transfer") its interest under this Lease and in and to the Units in whole or in part to a third party, which assignee and/or purchaser ("Transferee") will rely on and be entitled to the benefit of the provisions of this paragraph and upon any such Transfer. Lessee agrees with Lessor and with such potential Transferees to recognize any such Transfer, to accept the directions or reasonable demands of such Transferee in place of those of Lessor, to the extent so directed by Lessor to surrender Units only to such Transferee as so directed, to pay all Rentals and the sums payable hereunder and to do any and all thing required of Lessee hereunder and not to terminate this Lease notwithstanding any default by Lessor or the existence of any offset as between Lessor and Lessee or the existence of any other liability or obligation of any kind or character on the part of Lessor to Lessee whether or not arising hereunder, and not to require any such Transferee to perform any duty, covenant or condition required to be performed by Lessor hereunder, all rights of Lessee in any such instance being hereby waived as to any and all of such Transferees. However, upon any such Transfer, Lessor shall not be relieved of its obligations to Lessee hereunder. Any interest under this Lease acquired by a Transferee shall be subject to the rights of the Sublessee (or any other sublessee pursuant to Section 15 hereof) to the same extent it was prior to such Transfer.

15. SUBLEASE. (a) Notwithstanding any other provision of this Lease, Lessor hereby acknowledges and consents to the sublease of the Units during the term hereof to Chemtrade Logistics Inc., a Canadian corporation. ("Sublessee") on the following terms and conditions:

(ii) The Sublease may not be amended in any material way without Lessor's written consent which shall not be unreasonably delayed or withheld, except to effect any modification required due to changes mandated by the AAR, the DOT or any other governmental or regulatory body;

(iii) The Sublease shall in all respects be subject and subordinate to the terms and conditions of this Lease and Lessor's interest in the Units;

(iv) Nothing contained in the Sublease shall in any way diminish the rights of Lessor hereunder or increase any obligation or liability of Lessor hereunder, as this Lease may be amended and supplemented from time to time.

(v) Lessee shall at all times remain fully liable under this Lease, as amended and supplemented, for performance of each and every obligation of Lessee hereunder without diminution by virtue of the Sublease; and

16. ADDITIONAL COVENANTS OF LESSEE. (a) Lessee agrees to use the Units, upon each railroad over which Units shall move, in accordance with the then

prevailing tariffs to which each railroad shall be a party, and if the operation or movements of any of the Units during the term hereof shall result in any charges being against Lessor by any such railroad, Lessee shall pay to Lessor the amount of such charges within the period prescribed by and at the rate and under the conditions of the then prevailing tariffs. Lessee agrees to indemnify Lessor against any such charges and Lessee shall be liable for any charges associated with switching, demurrage, track storage, detention, or special handling charges imposed on any Unit during the term hereof.

(b) Lessor shall not be liable for any loss of or damage to commodities, or any part thereof, loaded or shipped in the Units, however such loss or damage shall be caused or shall result. Lessee agrees to assume responsibility for, to indemnify Lessor against, and to save it harmless from any such loss or damage or claim therefor.

(c) Notwithstanding any other provision of this Lease to the contrary, Lessee shall not use, or permit any other person to use any of the Units which do not have a protective lining or coating to carry sulphuric acid which is less than 98% pure.

17. IDENTIFICATION OF UNITS. (a) At the first opportunity when a Unit is to be maintained, repaired or serviced by Lessee or its designee, Lessee, at its sole cost and expense, agrees to (i) remove from each of the Units the following words: "Ownership subject to a security agreement filed under the Interstate Commerce Act, Section 20(c)" and (ii) cause to be plainly, distinctly, permanently and conspicuously placed, fastened or painted upon each side of each of the Units a legend in letters not less than one inch in height bearing the following words:

"Ownership and Equipment Lease Agreement  
filed under the Interstate Commerce Act,  
Section 11303"

At the request of Lessor or any chattel mortgagee, assignee, trustee or other holder of the legal title to the Units, the Units may be lettered or marked to identify the legal owner of the Units, if other than Lessor, at the first opportunity after receipt of such request, when a Unit is to be maintained, repaired or serviced by Lessee or its designee.

(b) In case any such legend at any time shall be painted over or otherwise made inconspicuous, removed, defaced or destroyed during the Term, Lessee shall immediately cause such legend to be restored or replaced. Lessee will not knowingly allow the name of any person, association or corporation to be placed on the Units as a designation which might be interpreted as indicating a claim of ownership thereof by anyone other than Lessor or its assignees; but the Units may be lettered with the names or initials or other insignia customarily used by Lessee on equipment of the same or a similar type for convenience of identification of the rights to use and operate the Units.

(c) On or prior to the Acceptance Date of a Unit, Lessee agrees to cause to be placed on each side thereof Lessee's assigned number. At all times thereafter,

during the Term, Lessee will cause the Unit to bear the number so assigned to it, and Lessee will not change or permit to be changed the number except in accordance with a statement of new number to be substituted therefore which previously shall have been filed, with Lessor by Lessee and filed, recorded or deposited in all public offices where this Lease will have been filed, recorded or deposited.

18. MISCELLANEOUS. Nothing herein contained shall give or convey to Lessee any right, title or interest in and to any Unit except as a lessee thereof. Lessor covenants that it is the owner of the Units. This Lease shall be binding on and shall inure to the benefits of the parties hereto and their respective successors and assigns, subject to Section 6. Time is of the essence. Each party shall be responsible for its own legal fees and expenses associated with this transaction. This Lease shall be governed by and construed in accordance with the laws of the State of Illinois. The invalidity of any portion of this Lease shall not offset the force and effect of any other portion hereof. Interest computations shall be made on the basis of a 360-day year of twelve 30-day months. Lessee agrees throughout the Term to execute and deliver such additional documents and to perform such further acts as may be reasonably requested by Lessor in order to carry out and effectuate the purposes hereof. This Lease contains the entire agreement between the parties and may not be modified, terminated or discharged except in writing, and this Lease supersedes any and all prior representations, warranties and/or inducement, written or oral, heretofore made by Lessor concerning this transaction, which prior representations, warranties and/or inducements, if any, are null and void and of no force or effect whatsoever.

Notwithstanding the foregoing, if under applicable law including, without limitation, the Uniform Commercial Code, this lease transaction is deemed to be other than a lease transaction, Lessee and Lessor agree for purposes of state law only that this Lease shall constitute a "security agreement" as contemplated under UCC Section 9-203 and Lessor's retention of title to the Units hereunder shall be as security for the full and faithful performance by Lessee of all of its obligations under this Lease.

19. SURVIVAL. Any other provisions contained in this Lease to the contrary notwithstanding, it is hereby agreed that the provisions of this Lease shall survive the expiration or termination hereof to the extent required thereby for their full observation and performance. Should Lessor permit the use of any Unit beyond the Term specified therefore, the obligations of Lessee hereunder shall continue. Any such permissive use shall not be construed as a renewal of the Term or as a waiver of any right or continuation of any obligation of Lessor hereunder, and Lessor may take possession of any such Unit at any time on demand after 30 days notice. Neither cancellation nor termination by Lessor of this Lease pursuant to the provisions hereof nor any termination of the Term by lapse of time shall release Lessee from any then outstanding obligations and/or duties to Lessor hereunder.

20. NOTICES. All demands, notices, consents, requests and other communications hereunder shall be, unless specifically provided otherwise in the Lease, in writing and shall be deemed to have been duly given when personally delivered to any

officer of Lessor or Lessee or when deposited in the mail, registered or certified, postage prepaid, addressed to the parties at their addresses shown on the signature page hereof. Copies of all such communications to Lessee shall be delivered in the manner provided in this Section to the parties and at the addresses shown on the signature page hereof.

21. COUNTERPARTS. This Lease may be executed in any number of counterparts all of which shall constitute one and the same instrument, and any of the parties or signatories hereto may execute this Lease by signing any such counterpart.

22. SUPPLEMENT. The first Supplement to this lease, designated as Supplement 1, is as follows:

A. Description of Units covered by the Supplement: Nineteen (19) tank railcars as more specifically described on Exhibit A attached hereto and incorporated herein.

B. Term: June 1, 2004 to December 31, 2008.

C. Base Rental, payable in arrears, at a Rental rate of \$360 per month per car for the Term.

**In Witness Whereof**, the parties hereto have executed this Lease, Exhibit A and Supplement 1 hereto as of ~~July 20~~ <sup>Oct</sup>, 2004.

Trinity Industries Leasing Company  
"Lessee"

By: Thomas C. Jandini  
Name  
Title Vice President

Address: 2525 Stemmons Freeway  
Dallas, Tx. 75207

National Railway Equipment Co.  
"Lessor"

By: J. J. Beal  
Name  
Title PRESIDENT

Address: 1100 Shawnee  
Mt. Vernon, IL 62864

STATE OF Texas )  
COUNTY OF Dallas ) SS.

On this 20<sup>th</sup> day of October, 2004, before me appeared Thomas C. Jardine the person who signed this instrument who acknowledged that (s)he is the Vice President of Trinity Industries Leasing Co. and that, being duly authorized, (s)he signed such instrument as a free act on behalf of said corporation.

Brandie Howard

[Seal]



Notary Public

My Commission Expires:

12-28-05

STATE OF ILLINOIS )  
COUNTY OF Jefferson ) SS.

On this 19 day of Oct., 2004, before me appeared Lawrence J. Beal, the person who signed this instrument who acknowledged that (s)he is the President of **NATIONAL RAILWAY EQUIPMENT CO.** and that, being duly authorized, (s)he signed such instrument as a free act on behalf of said corporation.

Jeanne E. Reinger

[Seal]



Notary Public

My Commission Expires:

2/24/06

Exhibit A  
From Supplement 1

19 each DOT 11A100W2 SULPHURIC ACID (93%)RAIL TANK CARS OF  
13,829 GAL. CAPACITY. 39' 3.5" LENGTH OVER STRIKERS: 28'  
4.5" LENGTH OVER TRUCK CENTERS: 14' 4.5" HEIGHT OVER  
RAILS: PLATE SPEC. A516/GR70: PLATE AND HEAD  
THICKNESS 9/16": TEST PSI 100: NOT INSULATED: NO COILS:  
100TON TRUCKS: PLASITE 3066 LINING: DOUBLE DRAFT GEAR  
CARRIERS: TRANSDYNE WEAR PLATES: ROLLER BEARING  
ADAPTORS WITH HARDENED CROWNS AND SHOULDERS  
BEARING THE FOLLOWING REPORTING MARKS AND SERIAL  
NUMBERS:

Reporting Marks	Serial Numbers
TLLX 100046	452548
100050	452559
100053	452537
100055	452571
100067	452568
100076	452513
100077	452527
100078	452590
100080	452564
100087	452529
100088	452586
100090	452560
100092	452587
100097	452540
100098	452579
100101	452524
100105	452574
100106	452557
100107	452556