

ALVORD AND ALVORD

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ELIAS C ALVORD (1942)
ELLSWORTH C ALVORD (1964)

OF COUNSEL
URBAN A LESTER

May 15, 2000

RECORDATION NO. 17024-C FILED

Mr. Vernon A Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

MAY 15 '00 2-29 PM
TS
SURFACE TRANSPORTATION BOARD

Dear Mr. Williams

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Lease and Indenture Supplement No. 2, dated as of May 15, 2000, a secondary document as defined in the Board's Rules for the Recordation of Documents

The enclosed document relates to the Lease Agreement No. 4 which was duly filed with the Commission under Recordation Number 17024

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

Lessor/Owner Trustee: Wilmington Trust Company
Rodney Square North
1100 North Market Street
Wilmington, Delaware 19890-0001

Lessee: CSX Transportation, Inc
500 Water Street
Jacksonville, Florida 32202

Indenture Trustee The Bank of New York
10161 Centurion Parkway
Jacksonville, Florida 32256

Mr. Vernon A. Williams
May 15, 2000
Page 2

A description of the railroad equipment covered by the enclosed documents is four (4) railcars bearing CSXT reporting marks and road numbers on Schedule A attached hereto

Also enclosed is a check in the amount of \$26 00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return one stamped copy of the enclosed documents to the undersigned.

Very truly yours,

A handwritten signature in cursive script that reads "Robert W. Alvord" followed by the initials "R.W." in a smaller font.

Robert W Alvord

RWA/bjg
Enclosures

SCHEDULE #
Casualtied Railcars and Substituted Railcars
Trust No. 4

Quantity of Units	CSX Casualty Car Number	Built Date	Rebuilt Date	Estimated Current FMV (Per Car)	CSX Substitute Car Number	Built Date	Rebuilt Date	Estimated Current FMV (Per Car)
1	CSXT 384905	1975	1990	\$14,000 - \$15,000	CSXT 384009	1976	1990	\$14,000 - \$15,000
1	CSXT 385086	1975	1990	\$14,000 - \$15,000	CSXT 384034	1976	1990	\$14,000 - \$15,000
1	CSXT 385268	1976	1990	\$14,000 - \$15,000	CSXT 384048	1976	1990	\$14,000 - \$15,000
1	CSXT 384959	1976	1990	\$14,000 - \$15,000	CSXT 384169	1976	1990	\$14,000 - \$15,000
4								

* Assuming railcars had not been destroyed

LEASE AND INDENTURE SUPPLEMENT NO. 2

Dated as of May 15, 2000

RECORDATION NO. 17024-C FILED
MAY 15 '00 2-29 PM

Among

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

CSX TRANSPORTATION, INC.
Lessee

and

THE BANK OF NEW YORK,
successor in interest to Mercantile-Safe Deposit and Trust Company,
not in its individual capacity but solely as trustee,
Indenture Trustee

ALL RIGHT, TITLE AND INTEREST IN AND TO THIS LEASE AND INDENTURE SUPPLEMENT NO. 2 AND TO THE RAILCARS COVERED HEREBY ON THE PART OF WILMINGTON TRUST COMPANY, AS OWNER TRUSTEE, HAS BEEN ASSIGNED TO AND IS SUBJECT TO A LIEN AND SECURITY INTEREST IN FAVOR OF THE BANK OF NEW YORK, SUCCESSOR IN INTEREST TO MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, AS INDENTURE TRUSTEE UNDER AN INDENTURE AND SECURITY AGREEMENT NO. 4 DATED AS OF SEPTEMBER 1, 1990. TO THE EXTENT, IF ANY, THAT THIS LEASE AND INDENTURE SUPPLEMENT NO. 2 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 AND INDENTURE SUPPLEMENT NO. 2 MAY BE CREATED THROUGH THE TRANSFER OR POSSESSION OF ANY COUNTERPART OTHER THAN THE ORIGINAL COUNTERPART THAT CONTAINS THE RECEIPT THEREFOR EXECUTED BY THE BANK OF NEW YORK, AS INDENTURE TRUSTEE, ON OR IMMEDIATELY FOLLOWING THE SIGNATURE PAGE THEREOF.

FILED WITH THE SURFACE TRANSPORTATION BOARD
PURSUANT TO 49 U.S.C. § 11303 ON _____, 2000
AT __:__ A.M. RECORDATION NUMBER _____.

TRUST NO. 4

THIS LEASE AND INDENTURE SUPPLEMENT NO. 2 (this "Supplement"), dated as of May 15, 2000, among WILMINGTON TRUST COMPANY, a Delaware banking corporation, not in its individual capacity but solely as Owner Trustee ("Lessor" or "Owner Trustee") under that certain Trust Agreement No. 4 dated as of September 1, 1990 (the "Trust Agreement") with Chase Manhattan Service Corporation, CSX TRANSPORTATION, INC., a Virginia corporation ("Lessee") and THE BANK OF NEW YORK, a New York banking corporation, successor to Mercantile-Safe Deposit and Trust Company, not in its individual capacity but solely as Indenture Trustee ("Indenture Trustee").

W I T N E S S E T H :

WHEREAS, Lessor, Lessee and Indenture Trustee have, with the other parties thereto, heretofore entered into a Participation Agreement No. 4 (the "Participation Agreement"), Lessor and Lessee have heretofore entered into a Lease Agreement No. 4 (the "Lease") dated as of September 1, 1990, and the Indenture Trustee and Owner Trustee have heretofore entered into an Indenture and Security Agreement No. 4 (the "Indenture"), each dated as of September 1, 1990 (capitalized terms used herein without definitions having the respective meanings set forth in Appendix X to the Lease);

WHEREAS, the Lease provides that Lessee may, in lieu of providing payment of Stipulated Loss Value for Railcars that have experienced an Event of Loss, provide Replacement Railcars, in accordance with the provisions of Section 11(c) of the Lease ;

WHEREAS, Lessee has advised Lessor and Indenture Trustee that certain Railcars have experienced an Event of Loss;

WHEREAS, Lessee has conveyed Replacement Railcars to Owner Trustee as substitutes for the casualtyed Railcars, and Owner Trustee has conveyed the casualtyed Railcars to Lessee, all in accordance with the provisions of Section 11(c) of the Lease;

WHEREAS, Lessee, Owner Trustee and Indenture Trustee desire to place such Replacement Railcars under the Lease and the lien of the Indenture and remove the casualtyed Railcars from the Lease and the lien of the Indenture; and

WHEREAS, the provisions of Sections 801(a) and 907(a) of the Indenture permit the Indenture and the Lease, respectively, to be supplemented as provided herein without the consent of any Holder;

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

1. Lessee hereby represents, warrants and certifies to Owner Trustee and Indenture Trustee that (i) no Default described in Section 14(f) of the Lease or Event of Default has occurred and is continuing; (ii) with respect to each Substituted Railcar being delivered by Lessee to Lessor pursuant to Paragraph 3 hereof, Lessee is conveying title to such Substituted Railcar free and clear of all liens other than Permitted Encumbrances and such Substituted Railcar has a value, utility and useful life at least equal to, and is in as good operating condition as, the related Casualtied Railcar (with respect to which an Event of Loss occurred) being delivered by Lessor to Lessee pursuant to Paragraph 4 hereof, assuming such Casualtied Railcar was in the condition and repair required by the terms of the Lease immediately prior to the occurrence of such Event of Loss (other than the last sentence of Section 5 of the Lease), (iii) Lessee has not elected pursuant to Section 11(c) of the Lease to replace more than 10%, in the aggregate, of the original numbers of Railcars delivered on the original Closing Date; and (iv) Lessee has requested Lessor to allow Lessee to substitute the Substituted Railcars for the Casualtied Railcars under the Lease and the lien of the Indenture as provided herein.

2. Owner Trustee hereby certifies to Indenture Trustee that the undersigned, is a Responsible Officer of Owner Trustee, and that the execution and delivery of this Supplement is permitted by Section 907 of the Indenture.

3. Lessor and Lessee hereby acknowledge and confirm that the railcars listed on Schedule 1 hereto as Substituted Railcars (the "Substituted Railcars") have been conveyed by Lessee to Lessor on the date hereof. Lessor hereby delivers and leases to Lessee, and Lessee hereby accepts and leases from Lessor, under the Lease as hereby supplemented, and for all purposes of the Lease, the Substituted Railcars.

4. Lessor and Lessee hereby acknowledge and confirm that the Railcars listed on Schedule 1 hereto as Casualtied Railcars (the "Casualtied Railcars") have been conveyed to Lessee and are no longer subject to the Lease.

5. The Substituted Railcars and the Casualtied Railcars shall be deemed to have been delivered to and received by the relevant parties hereto in the Commonwealth of Kentucky.

6. Lessee and Lessor expect that the substitutions and transfers under or relating to this Supplement shall qualify as one or more tax deferred like-kind exchanges to the extent provided under section 1031 of the Code. Lessor and Lessee agree that Schedule No. 1 specifies the property that Lessor and Lessee are transferring to and receiving from each other, including the fair market value thereof, and that such description is intended, in part, to satisfy the identification requirement of section

1031(a)(3)(A) of the Code. All such exchanges have been completed on the date hereof. Neither Lessor nor Lessee shall be liable to the other for any loss of tax benefits if the Internal Revenue Service successfully challenges the parties' position that the substitutions and transfers referred to herein qualify as one or more tax deferred like-kind exchanges to the extent provided under section 1031 of the Code; provided, however, that Lessee agrees to indemnify Lessor to the extent (i) of any reasonable third-party costs to Lessor in defending any challenge by the Internal Revenue Service to such position, whether or not successful, and (ii) any such successful challenge imposes any incremental cost, by way of interest, penalties or otherwise, on Lessor greater than Lessor would have sustained, assuming Lessor had reported such substitutions and transfers on the date hereof as involuntary conversions under section 1033 of the Code and such position was not challenged.

7. In order to secure the prompt payment of the principal of and Premium, if any, and interest on the Notes, Lessor hereby grants, conveys, pledges, sells, mortgages, assigns, transfers and sets over a security interest unto Indenture Trustee in (i) the Substituted Railcars and (ii) this Supplement, in each case excluding Excepted Property and Excepted Rights, to have and to hold unto Indenture Trustee and its successors and its assigns for its and their own use and benefit forever.

8. Indenture Trustee hereby terminates the security interest in the Casualtied Railcars granted to it pursuant to Lease and Indenture Supplement No. 1 dated September 27, 1990 among Owner Trustee, Lessee and Mercantile-Safe Deposit and Trust Company, predecessor to Indenture Trustee.

9. This Supplement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

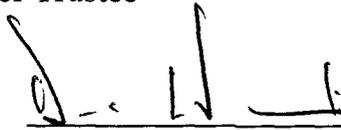
10. This Supplement is being delivered in the State of New York and shall in all respects be governed by, construed in accordance with, the laws of the State of New York, including all matters of construction, validity and performance.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, Lessor, Lessee and Indenture Trustee have caused this Supplement to be duly executed on the date and year set forth in the opening paragraph hereof.

Lessor/Owner Trustee

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

By:  _____
Title: Vice President

Lessee

CSX TRANSPORTATION, INC.

By: _____
Title: _____

Indenture Trustee

THE BANK OF NEW YORK,
successor in interest to Mercantile-Safe
Deposit and Trust Company, not in its
individual capacity but solely as Indenture
Trustee

By: _____
Title: _____

IN WITNESS WHEREOF, Lessor, Lessee and Indenture Trustee have caused this Supplement to be duly executed on the date and year set forth in the opening paragraph hereof.

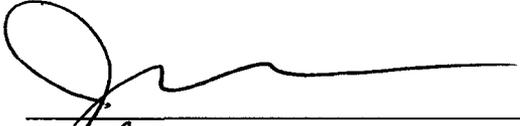
Lessor/Owner Trustee

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

By: _____
Title: _____

Lessee

CSX TRANSPORTATION, INC.

By:  _____
Title: Asst. Treas.

Indenture Trustee

THE BANK OF NEW YORK,
successor in interest to Mercantile-Safe
Deposit and Trust Company, not in its
individual capacity but solely as Indenture
Trustee

By: _____
Title: _____

IN WITNESS WHEREOF, Lessor, Lessee and Indenture Trustee have caused this Supplement to be duly executed on the date and year set forth in the opening paragraph hereof.

Lessor/Owner Trustee

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

By: _____
Title: _____

Lessee

CSX TRANSPORTATION, INC.

By: _____
Title: _____

Indenture Trustee

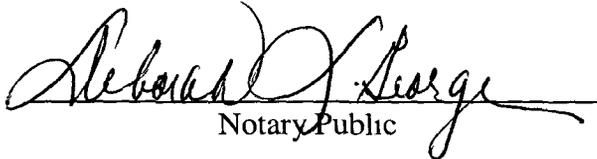
THE BANK OF NEW YORK,
successor in interest to Mercantile-Safe
Deposit and Trust Company, not in its
individual capacity but solely as Indenture
Trustee

By: Sharon A. Minner
Title: Agent

State of Delaware)
 : ss.:
County of New Castle)

On this 11 day of MAY, 2000 before me, Deborah L. George,
Notary Public, personally appeared DAVID A. VANASKEY, JR., personally known to
me, or proved to me on the basis of satisfactory evidence, to be the person whose name is
subscribed to the within instrument and acknowledged to me that he executed the same in
his authorized capacity, and that by his signature on the instrument the person, or the
entity upon behalf of which the person acted, executed the instrument.

Witness my hand and official seal.


Notary Public

My Commission Expires: NOV. 21, 2001
[Notary Seal]

DEBORAH L. GEORGE
NOTARY PUBLIC
STATE OF DELAWARE
My Commission Expires November 21, 2001

State of Florida)
: ss.:
County of Duval)

On this 11th day of May, 2000 before me, Howard Michael Lee,
Notary Public, personally appeared J. M. Jolley, personally known to
me, or proved to me on the basis of satisfactory evidence, to be the person whose name is
subscribed to the within instrument and acknowledged to me that he executed the same in
his authorized capacity, and that by his signature on the instrument the person, or the
entity upon behalf of which the person acted, executed the instrument.

Witness my hand and official seal.

Howard Michael Lee
Notary Public

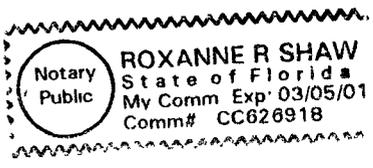
My Commission Expires:
[Notary Seal]



State of Florida)
)
County of Duval)

On this 11 day of May, 2000 before me, Roxanne R. Shaw,
Notary Public, personally appeared Sharon L. Atkins, personally known to
me, or proved to me on the basis of satisfactory evidence, to be the person whose name is
subscribed to the within instrument and acknowledged to me that ~~he~~ executed the same in
~~his~~ authorized capacity, and that by ~~his~~ signature on the instrument the person, or the
entity upon behalf of which the person acted, executed the instrument.

Witness my hand and official seal.



[Signature]
Notary Public

My Commission Expires: 3-5-01
[Notary Seal]

SCHEDULE 1
Casualtied Railcars and Substituted Railcars
Trust No. 4

Quantity of Units	CSX Casualty Car Number	Built Date	Rebuilt Date	Estimated Current FMV (Per Car)	CSX Substitute Car Number	Built Date	Rebuilt Date	Estimated Current FMV (Per Car)
1	CSXT 384905	1975	1990	\$14,000 - \$15,000	CSXT 384009	1976	1990	\$14,000 - \$15,000
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4								

* Assuming railcars had not been destroyed

tion by Federal or state authority. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section 710, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Indenture Trustee shall cease to be or have reason to believe that it shall cease to be eligible in accordance with the provisions of this Section 710, it shall resign immediately in the manner and with the effect hereinafter specified in this Article.

SECTION 711. Resignation and Removal; Appointment of Successor. (a) No resignation or removal of the Indenture Trustee and no appointment of a successor Indenture Trustee pursuant to this Article VII shall become effective until the acceptance of appointment by the successor Indenture Trustee under Section 712 hereof.

(b) The Indenture Trustee may resign at any time by giving written notice thereof to the Owner Trustee. If an instrument of acceptance by a successor Indenture Trustee shall not have been delivered to the Owner Trustee and the Indenture Trustee within 30 days after the giving of such notice of resignation, the resigning Indenture Trustee may petition any court of competent jurisdiction for the appointment of a successor Indenture Trustee.

(c) The Indenture Trustee may be removed at any time by Act of the Holders of a majority in aggregate principal amount of Notes Outstanding, delivered to the Indenture Trustee and to the Owner Trustee.

(d) If at any time:

(i) the Indenture Trustee shall cease to be eligible under Section 710 hereof and shall fail to resign after written request therefor by the Owner Trustee, acting after consultation with the Lessee, or by any Holder, or

(ii) the Indenture Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent, or a receiver of the Indenture Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Indenture Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (A) the Owner Trustee, acting after consultation with the Lessee, may remove the Indenture Trustee or (B) any Holder who has been a bona fide Holder for at least six months may, on behalf of itself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Indenture Trustee and the appointment of a successor Indenture Trustee.

(e) If the Indenture Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of the Indenture Trustee for any cause, the Owner Trustee, acting after consultation with the Lessee, shall promptly appoint a successor Indenture Trustee. If, within one year after such resignation or removal or the occurrence of such vacancy or incapability, a successor Indenture Trustee shall be appointed by Act of the Holders of a majority in principal amount of Notes Outstanding, delivered to the Owner Trustee and the retiring Indenture Trustee, the successor Indenture Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Indenture Trustee and supersede the successor Indenture Trustee appointed by the Owner Trustee. If no successor Indenture Trustee shall have been so appointed by the Owner Trustee or the Holders and accepted appointment in the manner hereinafter provided, any Holder who has been a bona fide Holder for at least six months may, on behalf of itself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Indenture Trustee.

(f) The Indenture Trustee shall give notice of each resignation and each removal of the Indenture Trustee and each appointment of a successor Indenture Trustee by mailing written notice of such event to all Holders. Each notice shall include the name of the successor Indenture Trustee and the address of its office for purposes of Section 103 hereof.

SECTION 712. Acceptance of Appointment by Successor. Every successor Indenture Trustee appointed hereunder shall execute, acknowledge and deliver to the Owner Trustee and the retiring Indenture Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Indenture Trustee shall become effective and such successor Indenture Trustee, without any further act, deed or conveyance, shall become vested with all the estates, properties, rights, powers, trusts and duties of the retiring Indenture Trustee; but, on request of the Owner Trustee, the Lessee or the successor Indenture Trustee, such

retiring Indenture Trustee shall upon payment of its charges (or the making of due provision satisfactory to it therefor) execute and deliver an instrument conveying and transferring to such successor Indenture Trustee upon the trusts herein expressed all the estates, properties, rights, powers and trusts of the retiring Indenture Trustee, and shall duly assign, transfer and deliver to such successor Indenture Trustee all property and money held by such retiring Indenture Trustee hereunder. Upon request of any such successor Indenture Trustee, such retiring Indenture Trustee and the Owner Trustee shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Indenture Trustee all such estates, properties, rights, powers and trusts.

No successor Indenture Trustee shall accept its appointment unless at the time of such acceptance such Indenture Trustee shall be eligible under this Article.

SECTION 713. Merger, Conversion, Consolidation or Succession to Business. Any corporation into which the Indenture Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Indenture Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Indenture Trustee, shall be the successor to the Indenture Trustee hereunder, provided such corporation shall be otherwise eligible under this Article, without the execution or filing of any paper or any further act on the part of any of the parties hereto.

SECTION 714. Appointment of Co-Indenture Trustees and Separate Indenture Trustees. Whenever the Indenture Trustee shall deem it necessary or prudent in order to conform to any law of any jurisdiction in which all or any part of the Indenture Estate shall be situated, or the Indenture Trustee shall be advised by counsel, satisfactory to it, that it is so necessary or prudent in the interest of the Holders or in the event that the Indenture Trustee shall have been requested to do so by the Holders of a majority in aggregate principal amount of Notes Outstanding, the Indenture Trustee and the Owner Trustee shall execute and deliver a supplemental indenture hereto and all other instruments and agreements necessary or proper to constitute another bank or trust company, or one or more Persons approved by the Indenture Trustee and the Owner Trustee, either to act as separate trustee or separate indenture trustees of all or any part of the Indenture Estate, jointly with the Indenture

Trustee, or to act as co-indenture trustee or co-indenture trustees of all or any part of the Indenture Estate, in any such case with such powers as may be provided in such indenture supplemental hereto, and to vest in such bank, trust company or Person as such co-indenture trustee or separate indenture trustee, as the case may be, any property, title, right or power of the Indenture Trustee deemed necessary or advisable by the Indenture Trustee, subject to the remaining provisions of this Section 714. In the event the Owner Trustee shall not have joined in the execution of such indenture supplemental hereto within 10 days after the receipt of a written request from the Indenture Trustee so to do, or in case an Indenture Event of Default shall occur and be continuing, the Indenture Trustee may act under the foregoing provisions of this Section 714 without the concurrence of the Owner Trustee; and the Owner Trustee hereby appoints the Indenture Trustee its agent and attorney to act for it under the foregoing provisions of this Section 714 in either of such contingencies. The Indenture Trustee may execute, deliver and perform any deed, conveyance, assignment or other instrument in writing as may be required by any co-indenture trustee or separate indenture trustee for more fully and certainly vesting in and confirming to it or him any property, title, right or powers which by the terms of such indenture supplemental hereto are expressed to be conveyed or conferred to or upon such co-indenture trustee or separate indenture trustee, and the Owner Trustee shall, upon the Indenture Trustee's request, join therein and execute, acknowledge and deliver the same; and the Owner Trustee hereby makes, constitutes and appoints the Indenture Trustee its agent and attorney-in-fact for it and in its name, place and stead to execute, acknowledge and deliver any such deed, conveyance, assignment or other instrument in the event that the Owner Trustee shall not execute and deliver the same within ten days after receipt by it of such request so to do.

Every co-indenture trustee and separate indenture trustee hereunder shall, to the extent permitted by law, be appointed and act, and the Indenture Trustee shall act, subject to the following provisions and conditions:

- (1) the Notes shall be authenticated by the Indenture Trustee and all powers, duties, obligations and rights conferred upon the Indenture Trustee in respect of the receipt, custody, investment and payment of moneys shall be exercised solely by the Indenture Trustee;

(2) all other rights, powers, duties and obligations conferred or imposed upon the Indenture Trustee shall be conferred or imposed upon and exercised or performed by the Indenture Trustee and such co-indenture trustee or co-indenture trustees and separate indenture trustee or separate indenture trustees jointly, except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed, the Indenture Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations (including the holding of title to the Indenture Estate in any such jurisdiction) shall be exercised and performed by such co-indenture trustee or co-indenture trustees or separate indenture trustee or separate indenture trustees;

(3) no power hereby given to, or with respect to which it is hereby provided may be exercised by, any such co-indenture trustee or separate indenture trustee shall be exercised hereunder by such co-indenture trustee or separate indenture trustee except jointly with, or with the consent of, the Indenture Trustee, anything herein to the contrary notwithstanding; and

(4) no indenture trustee hereunder shall be personally liable by reason of any act or omission of any other indenture trustee hereunder.

If at any time the Indenture Trustee shall deem it no longer necessary or prudent in order to conform to any such law or shall be advised by such counsel, satisfactory to it, that it is no longer so necessary or prudent in the interest of the Holders or in the event that the Indenture Trustee shall have been requested to do so in writing by the Holders of a majority in aggregate principal amount of Notes Outstanding, the Indenture Trustee and the Owner Trustee shall execute and deliver an indenture supplemental hereto and all other instruments and agreements necessary or proper to remove any co-indenture trustee or separate indenture trustee. In the event that the Owner Trustee shall not have joined in the execution of such indenture supplemental hereto, instruments and agreements, the Indenture Trustee may act on behalf of the Owner Trustee to the same extent provided above.

Any co-indenture trustee or separate indenture trustee may at any time by an instrument in writing constitute the Indenture Trustee its agent or attorney-in-fact,

with full power and authority, to the extent which may be authorized by law, to do all acts and things and exercise all discretions which it is authorized or permitted to do or exercise, for and on its behalf and in its name. In case any such co-indenture trustee or separate indenture trustee shall die, become incapable of acting, resign or be removed, all the assets, property, rights, powers, trusts, duties and obligations of such co-indenture trustee or separate indenture trustee, as the case may be, so far as permitted by law, shall vest in and be exercised by the Indenture Trustee, without the appointment of a new successor to such co-indenture trustee or separate indenture trustee unless and until a successor is appointed in the manner herein before provided.

Any request, approval or consent in writing by the Indenture Trustee to any co-indenture trustee or separate indenture trustee shall be sufficient to warrant to such co-indenture trustee or separate indenture trustee, as the case may be, to take such action as may be so requested, approved or consented to.

Each co-indenture trustee and separate indenture trustee appointed pursuant to this Section shall be subject to, and shall have the benefit of, Article VII hereof; provided, however, no resignation of an additional or separate indenture trustee pursuant to this Section 714 shall be conditioned in any sense whatever upon the appointment of a successor to such indenture trustee.

SECTION 715. Action Upon Release or Termination of Indenture. Upon any sale or transfer of any Railcar, either upon the expiration of the Lease in accordance with its terms or upon the termination of the Lease or otherwise pursuant to Section 2(e), 11 or 12 thereof, the Indenture Trustee shall, upon the written request of the Owner Trustee, execute and deliver to, or as directed in writing by, the Owner Trustee (a) a bill of sale for the Railcar so sold or transferred releasing and transferring title thereto and interest therein to the Owner Trustee or upon its order, free of all liens, security interests and other encumbrances created or retained hereby and (b) an appropriate instrument releasing the lien of this Indenture with respect to such Railcar, but only if the Indenture Trustee shall have received an amount in cash sufficient for the payment in full of the principal of, premium, if any, and interest on all Notes or pro rata portion thereof then outstanding and to be redeemed upon such sale or transfer.

SECTION 716. Taxes; Withholding. The Indenture Trustee agrees, to the extent required by applicable law, to withhold from each payment hereunder or under any Note, United States withholding taxes at the appropriate rate, and, on a timely basis, to deposit such amounts with an authorized depository and make such reports, filings and other reports in connection therewith, and in the manner, required under applicable law. The Indenture Trustee shall promptly furnish to each Holder (but in no event later than the date 30 days after the due date thereof) a U.S. Treasury Form 1042S and Form 8109-B (or similar forms as at any relevant time in effect), if applicable, indicating payment in full of any Taxes withheld from any payments by the Indenture Trustee to such Persons together with all such other information and documents reasonably requested by the Holder and necessary or appropriate to enable each Holder to substantiate a claim for credit or deduction with respect thereto for income tax purposes of the jurisdiction where each Holder is located. In the event that a Holder which is a Non-U.S. Person has furnished to the Indenture Trustee a properly completed and currently effective U.S. Treasury Form 1001 (or such successor form or forms as may be required by the United States Treasury Department) during the calendar year in which the payment is made, or in either of the two preceding calendar years, and has not notified the Indenture Trustee of the withdrawal or inaccuracy of such form at least 3 Business Days prior to the relevant interest payment date, only the reduced amount, if any, required by applicable law or treaty shall be withheld from payments under the Note(s) held by such Holder in respect of United States federal income tax. In the event that a Holder (x) which is a Non-U.S. Person has furnished to the Indenture Trustee a properly completed and currently effective (1) certificate in substantially the form of Exhibit A hereto and a U.S. Treasury Form W-8 or (2) U.S. Treasury Form 4224 in duplicate, as the case may be, required by the United States Treasury Department (as necessary in order to avoid withholding of United States federal income tax) during the calendar year in which the payment is made, or (in the case of the certificates referred to in clause (1)) in either of the two preceding calendar years, and has not notified the Indenture Trustee of the withdrawal or inaccuracy of such certificate or form at least 3 Business Days prior to the relevant interest payment date or (y) which is not a Non-U.S. Person has furnished to the Indenture Trustee a properly completed and currently effective U.S. Treasury Form W-9, no amount shall be withheld from payments under the Note(s) held by such Holder in respect of United States federal income tax. If any Holder has delivered to the

Indenture Trustee an Officer's Certificate stating that any of the foregoing forms or certificates is withdrawn or inaccurate, or if the Internal Revenue Code or the regulations thereunder or the administrative interpretation thereof are at any time after the date hereof amended to require such withholding of United States federal income taxes from payments under the Note(s) held by such Holder, or if such withholding is otherwise required, the Indenture Trustee agrees to withhold from each payment to the relevant Holder after the date 3 Business Days following the date on which the Indenture Trustee receives actual notice of such change withholding taxes at the appropriate rate under applicable law, and will, as more fully provided above, on a timely basis, deposit such amounts with an authorized depository and make such reports, filings and other reports in connection therewith, and in the manner required under applicable law. Each Holder shall indemnify and hold harmless the Indenture Trustee (on an after-tax basis) against any United States withholding tax which the Indenture Trustee improperly fails to withhold on payment to such Holder as a direct result of the failure by such Holder to provide the required certificate or form or the invalidity of any certificate or form provided by such Holder pursuant to this Section.

ARTICLE VIII

Supplemental Indentures .

SECTION 801. Supplemental Indentures Without Consent of Holders. The Owner Trustee and the Indenture Trustee, at any time and from time to time, without the consent of any Holder (but with notice to each Holder), may enter into one or more supplemental indentures hereto, in form satisfactory to the Indenture Trustee, for the following purposes:

(a) to correct or amplify the description of any property at any time subject to the lien of this Indenture (including, without limitation, upon compliance with Section 404 hereof, pursuant to an Assumption Event) or to subject additional property to the lien of this Indenture; or

(b) to add to the covenants of the Owner Trustee for the benefit of the Holders, or to surrender any right or power herein conferred upon the Owner Trustee; or

(c) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under this Indenture which shall not be inconsistent with the provisions of this Indenture, provided such action shall not adversely affect the interests of the Holders; or

(d) to create one or more series of Additional Notes hereunder in accordance with Article III hereof; or

(e) to evidence the succession of a successor Owner Trustee to the Owner Trustee in accordance with the Trust Agreement, and the assumption by such successor of the covenants of the Owner Trustee herein and in the Notes contained; or

(f) to provide for the appointment of any successor Indenture Trustee or co-indenture trustee or separate trustee hereunder, in accordance with Article VII hereof; or

(g) to modify, eliminate, and add to, the provisions of this Indenture to such extent as may be necessary to effect the qualification of this Indenture under the TIA; or

(h) to add record date and other customary provisions to this Indenture in connection with any public offering of the Notes, provided that such addition shall not adversely affect the interests of the Holders.

SECTION 802. Supplemental Indentures with Consent of Holders. With the consent of the Holders of at least a majority in aggregate principal amount of Notes Outstanding (or, if only one or more but not all series of Notes Outstanding would be affected by such amendment, of a majority in aggregate principal amount of the Notes Outstanding of the series so affected) by Act of said Holders delivered to the Owner Trustee and the Indenture Trustee, the Owner Trustee may, and the Indenture Trustee shall, enter into a supplemental indenture or indentures hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Holders under this Indenture; provided, however, that no such supplemental

indenture shall, without the consent of each Holder affected thereby:

(a) change any Stated Maturity of the principal of, or any installment of interest on, any Note, or reduce the principal amount thereof or the interest thereon or any premium payable upon the redemption thereof, or change the place of payment where, or the coin or currency in which, the principal of, or premium or interest on, any Note is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the Redemption Date), or

(b) create any security interest with respect to the Indenture Estate ranking prior to, or on a parity with, the security interest created by this Indenture, or deprive any Holder of any Notes Outstanding of the lien of this Indenture on the Indenture Estate, except as expressly permitted herein, or

(c) reduce the percentage in aggregate principal amount of the Notes Outstanding the consent of the Holders of which is required for any supplemental indenture, or the consent of the Holders of which is required for any waiver (of compliance with certain provisions of this Indenture or of certain defaults hereunder and their consequences) provided for in this Indenture, or

(d) modify any of the provisions of this Section or Section 612, except to increase any such percentage or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Note affected thereby.

It shall not be necessary for any Act of Holders under this Section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such Act shall approve the substance thereof.

SECTION 803. Execution of Supplemental Indentures. In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article or the modifications thereby of the trusts created by this Indenture, the Indenture Trustee shall be entitled to receive, and (subject to Section 702 hereof) shall be fully protected in relying upon, an Opinion of Counsel stat-

ing that the execution of such supplemental indenture is authorized or permitted by this Indenture. The Indenture Trustee may, but shall not (except to the extent required in the case of a supplemental indenture under Section 801(g)) be obligated to, enter into any such supplemental indenture which affects the Indenture Trustee's own rights, duties or immunities under this Indenture or otherwise.

Promptly after the execution by the Owner Trustee and the Indenture Trustee of any supplemental indenture under this Article, the Owner Trustee shall duly mail a conformed copy of such supplemental indenture to all Holders affected by such supplemental indenture. The validity of any such supplemental indenture, however, shall not be impaired or affected by failure to give such notice or by any defect therein.

SECTION 804. Effect of Supplemental Indentures. Upon the execution of any supplemental indenture under this Article, this Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Indenture for all purposes; and every Holder of Notes theretofore or thereafter issued and delivered hereunder shall be bound thereby.

SECTION 805. Conformity with Trust Indenture Act. Every supplemental indenture executed pursuant to this Article shall conform to the requirements of the TIA as then in effect if this Indenture shall then be qualified under the TIA.

SECTION 806. Reference in Notes to Supplemental Indentures. Notes authenticated and delivered after the execution of any supplemental indenture pursuant to this Article may, and if required by the Indenture Trustee shall, bear a notation in form approved by the Indenture Trustee as to any matter provided for in such supplemental indenture. If the Owner Trustee shall so determine, new Notes so modified as to conform, in the opinion of the Indenture Trustee and the Owner Trustee, to any such supplemental indenture may be prepared and executed by the Owner Trustee and authenticated and delivered by the Indenture Trustee in exchange for Notes Outstanding.

ARTICLE IX

Covenants

The Owner Trustee hereby covenants and warrants as follows:

SECTION 901. To Pay Principal Amount and Interest. Subject to Section 109 hereof, the Owner Trustee will duly and punctually pay or cause to be paid the principal amount of and premium, if any, and interest on all Notes Outstanding according to the terms thereof and hereof.

SECTION 902. To Take All Action in Further Assurance. The Owner Trustee will from time to time do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, all such further acts, deeds, conveyances, transfers and assurances, as the Indenture Trustee shall reasonably require for better assuring, conveying, transferring, assigning and confirming the Indenture Estate unto the Indenture Trustee or as in the opinion of counsel for the Indenture Trustee may be required more effectively to subject the Indenture Estate to the lien of this Indenture as security for, and for the benefit and protection of, the Notes.

SECTION 903. Notice to Indenture Trustee of Default. Immediately upon a Responsible Officer in the Corporate Trust Administration of the Owner Trustee having actual knowledge of the occurrence of an Indenture Default or an Indenture Event of Default, then, unless such Indenture Default or Indenture Event of Default shall have been cured or waived, the Owner Trustee shall notify the Indenture Trustee, the Owner Participant and each Holder of such occurrence in writing setting forth in reasonable detail the circumstances actually known to the Owner Trustee surrounding such Indenture Default or Indenture Event of Default and what action the Owner Trustee proposes to take with respect thereto.

SECTION 904. Restrictions on Transfer of Indenture Estate; Purchase by Lessee. The Owner Trustee shall not convey, transfer, assign or lease the Indenture Estate, or any part thereof, to any Person except as permitted by the Operative Documents. In addition, in the event that pursuant to Section 2(e) of the Lease the Lessee purchases all, but not less than all, of the Railcars then subject to the lien of this Indenture, upon compliance with the provisions of this Section and Section 404, the Owner Trustee

shall be released from all of its rights and liabilities hereunder and thereunder.

SECTION 905. Payments to Indenture Trustee. The Owner Trustee hereby directs the Lessee to make all payments to be made by it under the Lease, to the extent such payments do not constitute Excepted Property, to the Indenture Trustee until the Notes and all other amounts due hereunder have been paid or otherwise discharged in full. The Owner Trustee agrees that should it receive any such payments or any proceeds of the Indenture Estate (excluding, however, any payments or amounts which have been distributed to the Owner Trustee or the Owner Participant by the Indenture Trustee in accordance with the provisions of this Indenture), it shall promptly forward such payments or proceeds to the Indenture Trustee or in accordance with the Indenture Trustee's instructions. The Indenture Trustee agrees to apply such amounts in accordance with Article X.

SECTION 906. Indenture Trustee as the Attorney-In-Fact for Owner Trustee. The Owner Trustee hereby irrevocably appoints the Indenture Trustee its attorney-in-fact for it, and in its name, place and stead, to perform, or cause to be performed, any of its obligations under this Article IX.

SECTION 907. Amendments, Waivers, Etc. of Other Documents. (a) Without the consent of the Holders of a majority in aggregate principal amount of Notes Outstanding by Act of said Holders delivered to the Indenture Trustee, the Owner Trustee will not modify, amend, supplement or waive any provision of the Lease or the Trust Agreement, or give any consent, waiver or authorization thereunder, except to the extent provided in the definition of Excepted Rights; provided, however, that the Owner Trustee may modify, amend, supplement or waive or consent to the modification, amendment, supplement or waiver of any provision of any of the above named documents if the effect thereof is only

(i) to correct or supplement any defective or inconsistent provision therein in any manner which will not adversely affect the interest of the Holders; or

(ii) to protect or preserve the security interest created by this Indenture or the ownership interest of the Owner Trustee (subject to the lien of this Indenture), if in the reasonable judgment of the Indenture Trustee it would be unwise to delay the effectiveness

thereof for the period required to obtain the consent of the Holders; or

(iii) to cure any ambiguity or to add or modify any other provision in any of said documents in any manner which will not adversely affect the interests of the Holders.

Promptly after the execution and delivery thereof, the Owner Trustee will provide or cause to be provided to each Holder and the Indenture Trustee executed or true and correct copies of any modification, amendment, supplement, waiver, consent or authorization executed and delivered pursuant to this subsection (a) with the consent of the Holders of a majority in aggregate principal amount of Notes Outstanding.

(b) Notwithstanding any provision of this Indenture to the contrary, without the consent of each Holder affected thereby, the Owner Trustee will not modify, amend, supplement or waive any provision of, or give any consent, waiver or authorization under, and the Indenture Trustee will not, except to the extent provided in the definition of Excepted Rights, consent to the modification, amendment, supplement or waiver of

(i) the Lease, or

(ii) the Trust Agreement

if the effect thereof is to reduce the amount or extend the time of payment of Interim Rent, Basic Rent or Supplemental Rent payable under the Lease, except any adjustment pursuant to paragraphs (e), (f) and (g) of Section 9 of the Lease (subject to paragraph (h) of said Section 9).

(c) Upon receipt of a certificate of the Owner Trustee signed by a Responsible Officer thereof, and an Opinion of Counsel to the Owner Trustee, to the effect that a modification, amendment, supplement, consent, waiver or authorization is permitted by this Section 907, the Indenture Trustee shall evidence its consent thereto and the Indenture Trustee may conclusively rely, and shall be fully protected in relying, upon such certificate and Opinion of Counsel.

SECTION 908. Keeping of Books. The Owner Trustee will keep or cause to be kept proper books of record and account, in which full and correct entries shall be made of

all dealings or transactions of or in relation to the Notes, the Railcars, the Lease and the other Operative Documents and the properties, business and affairs of the Owner Trustee in accordance with generally accepted accounting principles. The Owner Trustee will furnish to the Indenture Trustee any and all information as the Indenture Trustee may reasonably request with respect to the performance by the Owner Trustee of its covenants in this Indenture.

SECTION 909. Disposition of Railcars; Assignment of Lease. Without the consent of the Holders of a majority in aggregate principal amount of Notes Outstanding by Act of said Holders delivered to the Indenture Trustee, but subject to the provisions of Section 10 of the Trust Agreement regarding successor Owner Trustees, the Owner Trustee will not sell, transfer, mortgage or lease any Railcar, or assign the Lease or otherwise encumber or dispose of the Lease, any Railcar or any interest in either thereof, except for a sale of such Railcar as expressly provided for in the Lease.

ARTICLE X

Receipt, Distribution and Application of Funds

SECTION 1001. Distribution of Interim Rent, Basic Rent and Certain Other Amounts in Absence of Indenture Event of Default. Except as otherwise provided in Sections 1003 and 1006 hereof, each installment of Interim Rent, Basic Rent and any payment of interest on any installment of Basic Rent which is not paid when due, received by the Indenture Trustee in respect of any Payment Date shall be distributed by the Indenture Trustee on the date payment thereof is due (or as soon thereafter as such payment shall be received by the Indenture Trustee) in the following order of priority:

First, to the payment of principal of and interest on the Notes (including any interest on overdue principal and, to the extent legally enforceable, on interest due on the Notes) due and payable on such Payment Date; and

Second, the balance, if any, of such payment remaining thereafter shall be distributed, concurrently with any distributions pursuant to clause First hereof, to the Owner Trustee; provided, however, that if the Lessee shall have delivered to the Indenture Trustee a certificate of a Responsible Officer certifying as to the Reimbursement Amount, the Indenture Trustee shall

distribute to the Lessee such portion of such balance as shall be necessary to reimburse the Lessee for the Reimbursement Amount.

SECTION 1002. Application of Stipulated Loss Value, Termination Value and Related Payments. Except as otherwise provided in Sections 1003 and 1006, (a) the Stipulated Loss Value, and other payments received by the Indenture Trustee pursuant to this Indenture upon the occurrence of an Event of Loss with respect to any Railcar, (b) the proceeds from the sale of any Railcar as surplus, obsolete or uneconomic to the Lessee, together with any Termination Value or other payments (including Supplemental Rent to the extent such Supplemental Rent constitutes premium on the Notes) in connection with any termination for obsolescence pursuant to Section 12 of the Lease, (c) the proceeds from a refinancing of the Notes received by the Indenture Trustee pursuant to this Indenture, together with any other payments (including Supplemental Rent to the extent such Supplemental Rent constitutes premium on the Notes) in connection therewith and (d) the proceeds from the purchase of any Railcars by the Lessee pursuant to Section 2(e) of the Lease received by the Indenture Trustee pursuant to this Indenture, together with any other payments (including Supplemental Rent to the extent such Supplemental Rent constitutes premium on the Notes) in connection therewith, shall in each case be distributed on the applicable Redemption Date upon receipt by the Indenture Trustee in the following order of priority:

First, to redeem in full that portion of the aggregate unpaid principal of all Notes Outstanding, equal to the product obtained by multiplying the amount received by the Indenture Trustee pursuant to clause (a), (b), (c) or (d) above by a fraction, the numerator of which shall be the aggregate Lessor's Cost for the Railcar or Railcars in respect of which a payment pursuant to clause (a), (b), (c) or (d) above is being made and the denominator of which, shall be the aggregate Lessor's Cost of all Railcars subject to the Lease immediately before the event giving rise to such payments under the Lease, plus the accrued and unpaid interest thereon (including any interest on overdue principal, premium and, to the extent legally enforceable, on interest due on the Notes) to the Redemption Date and premium, if any;

Second, to reimburse the Owner Trustee for any expenses not reimbursed by the Lessee in connection

with the collection or distribution of such payment;
and

Third, the balance, if any, of such payment remaining thereafter shall be distributed to the Owner Trustee.

SECTION 1003. Payments During Continuance of Indenture Event of Default. For so long as an Indenture Event of Default shall have occurred and be continuing, moneys held by the Indenture Trustee shall be distributed by the Indenture Trustee in the following order of priority:

First, to reimburse the Indenture Trustee for any fee, expense or other loss incurred by the Indenture Trustee in connection with its duties as Indenture Trustee (to the extent not previously reimbursed), and any compensation due and owing to the Indenture Trustee;

Second, to reimburse the Holders of the Notes for payments made by such Holders or their predecessors in interest to the Indenture Trustee pursuant to Sections 609(c) and 704(e) (to the extent not previously reimbursed) ratably, without priority of one over the other, and to pay to the Holders of the Notes all other amounts (other than principal and interest on the Notes) payable to them pursuant to the Participation Agreement, the Lease or any other Operative Document;

Third, to pay in full the aggregate unpaid principal amount of all Notes Outstanding then due (whether by declaration of acceleration or otherwise), plus the accrued and unpaid interest thereon (including any interest on overdue principal and, to the extent legally enforceable, on interest due on the Notes) to the date of payment, to the Holders of such Notes, ratably, without priority of one over the other;

Fourth, to reimburse the Owner Trustee for any expense or other loss incurred by the Owner Trustee in connection with its duties as Owner Trustee; and

Fifth, the balance, if any, shall be distributed to the Owner Trustee.

SECTION 1004. Application as Directed by Other Agreements. Except as otherwise provided in this Article, any payments received by the Indenture Trustee, provision

for the application of which is made in the Lease or any other Operative Document, shall be applied to the purpose for which such payment was made in accordance with the terms of the Lease or such other Operative Document, as the case may be.

SECTION 1005. Application in Absence of Direction. Except as otherwise provided in this Article:

(a) any payments received by the Indenture Trustee for which no provision as to the application thereof is made in the Lease or any other Operative Document, and

(b) any payments received by the Indenture Trustee under the Lease or any other Operative Document, or otherwise, with respect to any Railcar after payment and performance in full of the Notes, as well as any amounts or moneys then held or thereafter received by the Indenture Trustee,

shall be distributed by the Indenture Trustee in the following order of priority:

First, in the manner provided in clause First of Section 1003;

Second, in the manner provided in clause First of Section 1001;

Third, in the manner provided in clause Fourth of Section 1003; and

Fourth, in the manner provided in clause Fifth of Section 1003.

SECTION 1006. Application of Excepted Property. Notwithstanding anything to the contrary contained herein, Excepted Property is not a part of the Indenture Estate and any Excepted Property received by the Indenture Trustee shall be paid or delivered promptly by the Indenture Trustee to the Person to whom such Excepted Property is payable or deliverable, whether or not an Indenture Event of Default has occurred.

SECTION 1007. Distribution of Certain Funds. All amounts that are to be distributed by the Indenture Trustee to the Owner Trustee pursuant to this Article shall, unless otherwise directed by an Owner Trustee Request, be so dis-

tributed to the Owner Trustee as indicated in Schedule 2 to the Participation Agreement in funds of the type furnished to the Indenture Trustee. Notwithstanding the foregoing or any other provision in this Indenture to the contrary, the Indenture Trustee will pay, unless otherwise requested by the Owner Participant by written notice to the Indenture Trustee, all amounts payable to the Owner Trustee or a nominee thereof (including all amounts distributed pursuant to this Article) to the Owner Participant either (a) by crediting the amount to be distributed to the account maintained by the Owner Participant with the Indenture Trustee or by transferring by wire such amount to such other banks in the United States, including a Federal Reserve Bank, as shall have been specified in such written notice to the Indenture Trustee, to the extent such funds are so available for immediate credit to the account of the Owner Participant maintained at such bank, or (b) by mailing a check payable in funds which are clearing house funds to the Owner Participant at such address as the Owner Participant shall have specified in such written notice to the Indenture Trustee. For purposes of the preceding sentence, the payment instructions for the Owner Participant set forth in Schedule 2 to the Participation Agreement shall be deemed to constitute such written notice by the Owner Participant to the Indenture Trustee, unless and until the Owner Participant shall otherwise notify the Indenture Trustee. Distributions by the Indenture Trustee pursuant to this Section shall be made on the date that payment is received therefor to the extent such funds are available to do so by the Indenture Trustee, provided that if any such payment is received by the Indenture Trustee after 1:00 p.m. (New York City time), the Indenture Trustee shall, if it is impracticable to distribute such payment on the date of receipt, be permitted to distribute such payment on the next succeeding Business Day.

SECTION 1008. Priority of Applications with Respect to Principal, Premium and Interest. All payments in respect of principal of, and premium, if any, and interest on, the Notes shall be applied, first to the payment of interest and then the remainder, if any, to the payment of principal and any premium on such Notes.

SECTION 1009. Distributions Withheld from the Owner Trustee. Anything in this Article to the contrary notwithstanding, after the Indenture Trustee shall have knowledge of an Indenture Default (resulting from a failure to pay money due) or an Indenture Event of Default, all payments which, but for the provisions of this Section,

would otherwise be distributable to the Owner Trustee shall be held by the Indenture Trustee as part of the Indenture Estate, and may be distributed in accordance with clauses First, Second and Third of Section 1003 hereof; provided, however that (a) if such Indenture Default or Indenture Event of Default shall cease to be continuing prior to the time such amounts may become distributable pursuant to Section 1003 hereof or (b) if such amounts shall have been retained by the Indenture Trustee for more than six months and the Indenture Trustee shall neither (i) have declared the unpaid principal amount of all Notes to be immediately due and payable pursuant to Section 602 hereof nor (ii) have commenced the exercise of remedies under the Lease, such amounts shall be distributable as elsewhere in this Article provided; provided, however, that any such payments held by the Indenture Trustee for more than five days and not distributed pursuant to this Article X shall be invested in any Permitted Investment by the Indenture Trustee, as the Owner Participant may direct.

ARTICLE XI

Use of Indenture Estate

SECTION 1101. Possession, Etc. by Owner Trustee; Dispositions Without Release. Subject to the Granting Clauses and the provisions of this Article XI and of the Lease, the Owner Trustee shall be suffered and permitted to possess, lease, use, manage, operate and enjoy the Indenture Estate (other than any cash and securities constituting part of the Indenture Estate and deposited with the Indenture Trustee) and to collect, receive, use, invest and dispose of the rents, issues, tolls, profits, revenues and other income from the Indenture Estate and to deal with, exercise any and all rights under, receive and enforce performance under, and adjust and settle all matters relating to current performance of, choses in action, leases and contracts relating to the Indenture Estate. In addition to and notwithstanding the foregoing, the Owner Trustee and the Lessee shall be suffered and permitted, freely and without hindrance on the part of the Indenture Trustee or of the Holders, to maintain, improve, alter, repair and modify (and to permit any maintenance, improvement, alteration, repair or modification of) the Railcars or any part thereof and to replace (or permit the replacement of) any part of any Railcars, provided that such maintenance, improvement, alterations, repair, modification or replacement shall be made in accordance with the provisions of the Lease.

Notwithstanding the foregoing, nothing contained herein shall be deemed to affect the right, title and interest of the Lessee in and to any Severable Improvement, the title to which is in the Lessee and is therefore not a part of the Indenture Estate.

The Indenture Trustee shall, from time to time, execute a written instrument to confirm any action taken by the Owner Trustee or the Lessee under this Section, upon receipt by the Indenture Trustee of (i) an Owner Trustee Request requesting the same, (ii) an Officer's Certificate of the Owner Trustee or the Lessee stating that said action was duly taken in conformity with a designated subsection of this Section and (iii) an Opinion of Counsel of the Owner Trustee or the Lessee, as the case may be, stating that said action was duly taken by or on behalf of the Owner Trustee or the Lessee, as the case may be, in conformity with said subsection and that the execution of such written instrument is appropriate to confirm such action under this Section.

SECTION 1102. Powers Exercisable Notwithstanding Default. While in possession of the Indenture Estate (other than any cash and securities constituting part of the Indenture Estate deposited with the Indenture Trustee), the Owner Trustee may exercise the powers conferred upon it in the Sections of this Article even though it is prohibited from doing so while an Indenture Event of Default exists as provided herein, if the Indenture Trustee in its discretion, or the Holders of not less than a majority in principal amount of the Notes Outstanding by Act of such Holders, shall consent to such action, in which event none of the instruments required to be furnished to the Indenture Trustee under any of such Sections as a condition to the exercise of such powers need state that no Indenture Event of Default exists as provided therein.

SECTION 1103. Purchaser Protected. No purchaser in good faith of property purporting to be released herefrom shall be bound to ascertain the authority of the Indenture Trustee to execute a release or to inquire as to the existence of any conditions herein prescribed for the exercise of such authority; nor shall any purchaser or grantee of any property or rights permitted by this Article to be sold or otherwise disposed of by the Owner Trustee be under any obligation to ascertain or inquire into the authority of the Owner Trustee to make any such sale or other disposition. Any release executed by the Indenture Trustee under this Article shall be sufficient for the purpose of this Inden-

ture and shall constitute a good and valid release of the property therein described from the lien hereof.

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

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

By 
Title: **Financial Services Officer**

MERCANTILE-SAFE DEPOSIT AND
TRUST COMPANY, as Indenture
Trustee

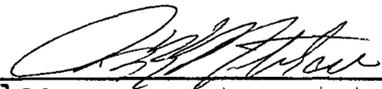
By _____
Title:

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

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

By _____
Title:

MERCANTILE-SAFE DEPOSIT AND
TRUST COMPANY, as Indenture
Trustee

By  _____
Title: VICE PRESIDENT

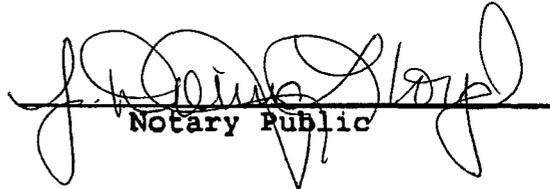
To the extent that this Indenture imposes any obligations on the Lessee, the Lessee agrees to perform such obligations and to make all payments due under the Lease which are assigned to the Indenture Trustee pursuant hereto directly to the Indenture Trustee.

CSX TRANSPORTATION, INC.

By P. J. Hochstadt
Title:

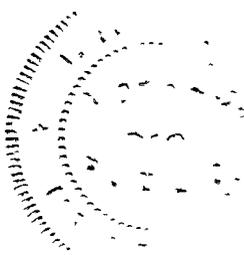
STATE OF Maryland)
CITY OF Baltimore) SS.:

On this 26th day of September, 1990, before me personally appeared John M. Mitchell, to me personally known, who, being by me duly sworn, says that he is Vice President, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


Notary Public

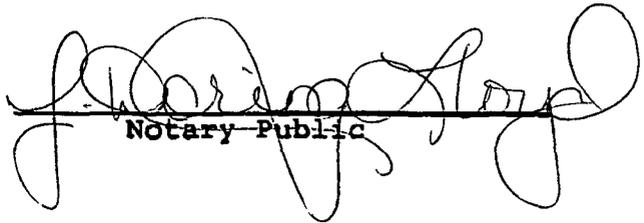
My Commission Expires:
[Notary Seal]

J. DORING LLOYD
NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires August 11, 1994



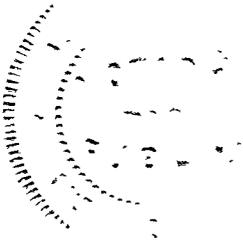
STATE OF Maryland)
CITY OF Baltimore) ss.:

On this 26th day of September, 1990, before me personally appeared R.F. Hochwitz, to me personally known, who, being by me duly sworn, says that he is ASSISTANT SECRETARY, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


Notary Public

My Commission Expires:
[Notary Seal]

J. DORING LLOYD
NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires August 11, 1994



DEFINITIONS

"Act" shall have the meaning assigned in Section 102 of the Indenture.

"Additional Notes" shall have the meaning assigned in Section 301 of the Indenture.

"ADR Method" shall have the meaning assigned in the Tax Indemnification Agreement.

"Affiliate" of any specified Person shall mean any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise (as satisfactorily demonstrated to the Indenture Trustee); and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"After-Tax Basis", for purposes of all of the Operative Documents other than the Tax Indemnification Agreement, shall have the meaning assigned in Section 13.3 of the Participation Agreement and, for purposes of the Tax Indemnification Agreement, shall have the meaning assigned in Section 11 thereof.

"Amortization Deductions" shall have the meaning assigned in the Tax Indemnification Agreement.

"Applicable Law" shall mean all applicable laws (foreign or domestic), treaties, judgments, decrees, injunctions, writs and orders of any court, governmental agency or authority and rules, regulations, orders, directives, licenses and permits of any governmental body, instrumentality, agency or authority, including without limitation, all rules and regulations of the United States Department of Transportation, the Federal Railroad Administration and the ICC and the current Interchange Rules or Supplements thereto

of the Mechanical Division, Association of American Railroads as the same may be in effect from time to time.

"Appraisal" shall have the meaning specified in Section 5(b) of the Participation Agreement.

"Appraisal Procedure" shall mean the procedure specified in the succeeding sentences for determining an amount or value. If either the Owner Trustee (or the Owner Participant) or the Lessee shall give written notice to the other requesting determination of such amount or value by appraisal, the Owner Participant and the Lessee shall consult for the purpose of appointing a mutually acceptable qualified Independent Appraiser. If such parties shall be unable to agree on an appraiser within 20 days of the first giving of such notice (the "Appraisal Request Date"), such amount or value shall be determined by a panel of three Independent Appraisers, one of whom shall be selected by the Lessee, another of whom shall be selected by the Owner Participant and the third of whom shall be selected by such other two Appraisers or, if such Appraisers shall be unable to agree upon a third Appraiser within 10 days of the selection date of the second of such two Appraisers, by the American Arbitration Association; provided, that if either party shall not select its Appraiser within 35 days after the Appraisal Request Date, such amount or value shall be determined solely by the Appraiser selected by the other party. The Appraiser or Appraisers appointed pursuant to the foregoing procedure shall be instructed to determine such amount or value within 45 days after the final appointment of any Appraiser pursuant hereto (but in no event may such determination be made more than 110 days following the Appraisal Request Date), and such determination shall be final and binding upon the parties. If three Appraisers shall be appointed, (a) if the median of the determinations of the Appraisers shall equal the mean of such determinations, such mean shall constitute the determination of the Appraisers, otherwise (b) the determination of the Appraiser that shall differ most from the other two Appraisers shall be excluded, the remaining two determinations shall be averaged and such average shall constitute the determination of the Appraisers. Fees and expenses relating to an Appraisal Procedure shall be payable as follows:

(i) if the Appraisal Procedure is utilized in connection with the exercise of remedies upon the occurrence of an Event of Default under the Lease or in connection with the possible exercise of a renewal

option pursuant to Section 2(b) of the Lease, all such fees and expenses shall be borne by the Lessee;

(ii) if the Appraisal Procedure is utilized in connection with the possible exercise of a purchase option pursuant to Section 2(f) of the Lease, then each party shall bear its respective fees and expenses, provided (A) if an appraisal under the Appraisal Procedure shall be conducted by one Appraiser only, the Lessee shall bear the fees and expenses of such Appraiser, or (B) if an appraisal under the Appraisal Procedure shall be conducted by more than one Appraiser, the Lessee shall bear the fees and expenses of the Appraiser appointed by the Lessee and of the Appraiser appointed jointly by the Appraiser of the Lessee and the Appraiser of the Owner Participant; and provided, further, that if after the utilization of such Appraisal Procedure the Lessee does not exercise such purchase option, then the Lessee shall reimburse the Owner Participant for all fees and expenses paid by the Owner Participant in respect of such Appraisal Procedure; and

(iii) in all other instances, each party shall bear (A) its respective fees and expenses with respect to any Appraisal Procedure and (B) one-half of the fees and expenses of the Appraisers participating in any Appraisal Procedure.

"Appraiser" shall mean Norman W. Seip & Associates in the case of the Appraisal delivered pursuant to Section 5(b) of the Participation Agreement and otherwise a Person engaged in the business of appraising property who may be employed by or affiliated with the Owner Trustee, the Owner Participant or the Lessee.

"Assumed Rate" shall have the meaning assigned in the Tax Indemnification Agreement.

"Assumption Event" shall mean the exercise by the Lessee of the purchase option referred to in clause (y) of Section 2(e) of the Lease pursuant to which the Lessee shall assume and become obligated on a recourse basis under all or a portion of the Notes Outstanding.

"Authorized Person" shall mean (i) with respect to the Owner Trustee, any Person authorized by or pursuant to the organizational documents, the by-laws or any Board Resolution of WTC (whether general or specific) to execute,

deliver and take all other actions on behalf of the Owner Trustee in respect of any of the Operative Documents and (ii) with respect to any other entity, any Person authorized by or pursuant to the charter documents, the by-laws or any Board Resolution (in the case of a corporation), partnership agreement (in the case of a partnership), or trust agreement (in the case of a trust) to execute, deliver and take all other actions on behalf of such entity in respect of any of the Operative Documents.

"Average Life" with respect to the Series A Notes issued on the Closing Date shall mean 10.77 years and with respect to the Series B Notes issued on the Closing Date shall mean 16.03 years.

"Average Rent" shall mean an amount equal to the quotient of (i) the actual amount of Basic Rent paid during the Basic Term in respect of the Railcars, divided by (ii) 36.

"Bankruptcy Code" shall mean the Bankruptcy Code of 1978, as amended, 11 U.S.C. §§ 101-1330.

"Basic Rent" shall mean the rent payable throughout the Lease Term pursuant to, and computed in accordance with, Section 9(b) of the Lease.

"Basic Term" with respect to any Railcar shall mean the period for which such Railcar is leased as provided in Section 2(a) of the Lease, beginning on the Basic Term Commencement Date and ending at 11:59 P.M. (New York City time) on the eighteenth anniversary of the Basic Term Commencement Date.

"Basic Term Commencement Date" shall mean March 26, 1991.

"Bathtub Gondola Car" shall mean a Bathtub Gondola Car as described in the Statement of Specifications for Remanufactured Cars attached as an Exhibit to the Appraisal for this type of Railcar.

"Bill of Sale" shall mean each warranty bill of sale of the Seller, dated the Closing Date, for the Railcars being delivered on the Closing Date.

"Board of Directors" shall mean, with respect to any Person, either the board of directors of such Person or any duly authorized committee of said board.

"Board Resolution" shall mean, with respect to any Person, a copy of a resolution certified by the secretary or an assistant secretary of such Person to have been duly adopted by the Board of Directors of such Person and to be in full force and effect on the date of such certification.

"Business Day" shall mean any day other than a Saturday or Sunday or other day on which the banks in New York, New York, Baltimore, Maryland or Wilmington, Delaware are authorized or obligated to remain closed.

"Business Taxes" shall have the meaning assigned in Section 13.2(b) of the Participation Agreement.

"Class I Railroad" shall have the meaning set forth in 49 C.F.R. Part 1201.

"Closing" with respect to any Railcar shall mean the delivery of such Railcar to and acceptance by or on behalf of the Owner Trustee from the Seller pursuant to the Participation Agreement and the delivery of such Railcar by the Owner Trustee to and acceptance by the Lessee pursuant to the Lease Supplement delivered in connection therewith as provided in the Participation Agreement and Section 2 of the Lease.

"Closing Date" shall mean the date, which shall be a Business Day, on which the Closing occurs, provided that in no event shall the Closing occur later than September 29, 1990.

"Closing Notice" shall have the meaning assigned in Section 4(a) of the Participation Agreement.

"Code" shall mean the Internal Revenue Code of 1986, as amended (or any successor federal income tax statute).

"Commitment" shall mean in the case of each Loan Participant, the amount of the loan to be made by such Loan Participant on the Closing Date pursuant to Section 2 of the Participation Agreement and, in the case of the Owner Participant, the amount of the investment to be made by the Owner Participant on the Closing Date pursuant to Section 3 of the Participation Agreement.

"Current Cost" shall have the meaning assigned in the Tax Indemnification Agreement.

"Deemed Last Utilized Credits" shall have the meaning assigned in Section 13.2(h) of the Participation Agreement.

"Default" shall mean an event or condition which, with the giving of notice or lapse of time, or both, would constitute an Event of Default.

"Depreciation Deductions" shall have the meaning assigned in the Tax Indemnification Agreement.

"Employee Benefit Plan" shall mean both an "employee benefit plan" as defined in ERISA and a "plan" as defined in the Code.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended, or any comparable successor law and the rules issued and regulations promulgated thereunder.

"Event of Default" shall mean any of the events referred to in Section 14 of the Lease.

"Event of Loss" shall mean with respect to any Railcar any of the following events occurring during the Lease Term: (i) such Railcar suffers an actual or constructive total loss, (ii) such Railcar becomes worn out or suffers destruction or damage or contamination beyond economic repair or such Railcar is rendered permanently unfit for commercial use by the Lessee and for the purpose for which it was designed, as determined in good faith by the Lessee and evidenced by a certificate of the Treasurer or Assistant Treasurer of the Lessee to such effect, (iii) such Railcar is taken, condemned or requisitioned for title by any governmental authority, (iv) such Railcar is taken, condemned or requisitioned for use by any governmental authority for a period extending beyond the Basic Term and any Renewal Term then in effect or (v) such Railcar is lost, stolen or otherwise disappears. The date of such Event of Loss shall be the date of such loss, damage, contamination, condemnation, taking, requisition or disappearance, except that for purposes of clause (iv) above, no Event of Loss shall be deemed to have occurred until the earlier of (1) the last day of the Basic Term or any Renewal Term then in effect (unless the Owner Participant shall elect in writing to accept return of such Railcar subject to government requisition) and (2) the Lessee's declaration of the occurrence of an Event of Loss at any time following twelve months after such taking or requisition.

"Excepted Property" shall have the meaning assigned in the Granting Clauses of the Indenture.

"Excepted Rights" shall have the meaning assigned in the Granting Clauses of the Indenture.

"Fair Market Renewal" shall have the meaning assigned in Section 2(b)(iv) of the Lease.

"Fair Market Renewal Rent" shall have the meaning assigned in Section 2(b)(iv) of the Lease.

"Fair Market Renewal Term" shall have the meaning assigned in Section 2(b)(iv)(A) of the Lease.

"Fair Market Rent" for any Railcar shall mean, for any period, the rent for such Railcar (excluding any Severable Improvements title to which has vested in the Lessee but assuming that such Railcar complies with Section 5 of the Lease (other than the last sentence of said Section 5)) for such period that would be obtained for a lease of such Railcar in an arm's-length transaction between an informed and willing owner under no compulsion to lease and an informed and willing lessee, which determination shall be made (i) without deduction for any costs of removal of such Railcar from the location of current use, (ii) on the assumption that such Railcar is free and clear of all liens and is in the condition and repair in which it is required to be returned pursuant to Sections 2 and 5 (other than the last sentence of said Section 5) of the Lease (but otherwise on an "as is" basis) and (iii) interchangeable under the rules of the Association of American Railroads and other Applicable Law; provided, however, that the determination of Fair Market Rent for the purposes of Section 15(c) of the Lease shall be based on the actual condition of such Railcar at the time of such determination and shall take into account all liens on such Railcar and any legal impediments to the prompt leasing and interchange of such Railcar by a person other than the Lessee, notwithstanding the provisions of clauses (ii) and (iii) of this sentence.

"Fair Market Sale Value" for any Railcar shall mean the sale value of such Railcar (excluding any Severable Improvements title to which has vested in the Lessee) that 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, which determination shall be made (i) without deduction for any costs of removal of such Railcar from the location of current uses, (ii) on

the assumption that such Railcar is free and clear of all liens and is in the condition and repair in which it is required to be returned pursuant to Sections 2 and 5 (other than the last sentence of said Section 5) of the Lease (but otherwise on an "as-is" basis) and (iii) interchangeable under the rules of the Association of American Railroads and other Applicable Law; provided, however, that the determination of Fair Market Sale Value for the purposes of Section 2(f) of the Lease shall be determined as if such Railcar were subject to the Lease; and, provided, further, that the determination of Fair Market Sale Value for purposes of Section 15(c) of the Lease shall be based on the actual condition of such Railcar at the time of such determination and shall take into account all liens on such Railcar (other than Owner Encumbrances), and any legal impediments to the prompt transfer of title to such Railcar and interchange of such Railcar by a Person other than the Lessee, notwithstanding the provisions of clauses (ii) and (iii) of this sentence.

"Final Determination" shall have the meaning assigned in the Tax Indemnification Agreement.

"Fixed Rate Renewal" shall have the meaning assigned in Section 2(b)(iii) of the Lease.

"Fixed Rate Renewal Rent" shall mean an amount equal to 50% of the quotient of (i) the aggregate amount of Basic Rent paid during the Basic Term in respect of the Railcars, divided by (ii) 36.

"Fixed Rate Renewal Term" shall have the meaning assigned in Section 2(b)(iii)(A) of the Lease.

"Future Benefits" shall have the meaning assigned in the Tax Indemnification Agreement.

"Holder" shall mean the Person in whose name any Note is registered on the Note Register.

"Home Jurisdiction" means the state and local jurisdiction in which a Tax Indemnitee has its principal place of business.

"ICC" shall mean the Interstate Commerce Commission and any agency or instrumentality of the United States government succeeding to its functions.

"Improvement" shall mean an improvement, structural change, modification or addition to any Railcar made after the relevant Closing Date.

"Inclusion" shall have the meaning assigned in the Tax Indemnification Agreement.

"Indemnification Event" shall mean an event which would cause an indemnification to be payable by Lessee under the Tax Indemnification Agreement.

"Indemnitee" shall have the meaning assigned in Section 13.1 of the Participation Agreement.

"Indemnity Loan" shall have the meaning assigned in the Tax Indemnification Agreement.

"Indemnity Loan Interest Rate" shall have the meaning assigned in the Tax Indemnification Agreement.

"Indemnity Loan Principal" shall have the meaning assigned in the Tax Indemnification Agreement.

"Indemnity Loan Repayment Amounts" shall have the meaning assigned in the Tax Indemnification Agreement.

"Indemnity Loan Repayment Date" shall have the meaning assigned in the Tax Indemnification Agreement.

"Indenture" shall mean the Indenture and Security Agreement No. 4 dated as of September 1, 1990 between the Owner Trustee and the Indenture Trustee and substantially in the form of Exhibit B to the Participation Agreement, as the same may be amended, modified or supplemented in accordance with the provisions thereof and of the Participation Agreement.

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

"Indenture Estate" shall have the meaning assigned in the Recital Clause of the Indenture.

"Indenture Event of Default" shall mean any of the events specified in Section 601 of the Indenture.

"Indenture Trustee" shall mean Mercantile-Safe Deposit and Trust Company, a Maryland Trust Company,

together with any successors, permitted assigns and separate trustees and co-trustees as Indenture Trustee under the Indenture.

"Independent" shall mean, when used with respect to any specified Person, such a Person who (1) is in fact independent, (2) does not have any direct financial interest or any material indirect financial interest in WTC, the Owner Trustee, the Owner Participant or the Lessee or in any Affiliate of any of them and (3) is not connected with any Loan Participant, the Owner Participant or the Lessee or any such Affiliate as an officer, employee, promoter, underwriter, trustee, partner, director or person performing similar functions. Whenever it is provided that any Independent Person's opinion or certificate shall be furnished to the Indenture Trustee, such Person shall be appointed by the Lessee and approved by the Indenture Trustee in the exercise of reasonable care and such opinion or certificate shall state that the signer has read this definition and that the signer is Independent within the meaning thereof.

"Interest Deductions" shall have the meaning assigned in the Tax Indemnification Agreement.

"Interim Amount" shall have the meaning assigned in Section 3(b)(i) of the Participation Agreement.

"Interim Rent" shall mean the rent payable during the Interim Term pursuant to, and computed in accordance with, Section 9(a) of the Lease.

"Interim Term" shall mean for any Railcar the period from the Closing Date to and including the day immediately preceding the Basic Term Commencement Date.

"Investment Grade" shall mean a rating of Baa3 (in the case of Moody's Investors Service, Inc.) or BBB- (in the case of Standard & Poor's Corporation).

"Lease" shall mean Lease Agreement No. 4 dated as of September 1, 1990 and substantially in the form of Exhibit C to the Participation Agreement between the Lessee and the Owner Trustee, as lessor, as the same may be amended, modified or supplemented from time to time in accordance with the provisions thereof and of the Indenture.

"Lessee Act or Omission" shall have the meaning assigned in the Tax Indemnification Agreement.

"Lease and Indenture Supplement" shall mean the Lease and Indenture Supplement among the Owner Trustee, the Lessee and the Indenture Trustee, dated the Closing Date, substantially in the form of Exhibit A to the Lease.

"Lease Term" shall mean the Interim Term plus the Basic Term, plus all Renewal Terms actually entered into.

"Lessee" shall mean CSX Transportation, Inc., a Virginia corporation, together with its successors and permitted assigns.

"Lessee Person" shall have the meaning assigned in the Tax Indemnification Agreement.

"Lessor's Cost" for a Bathtub Gondola Car shall be \$31,000.

"Liabilities" shall have the meaning assigned in Section 13.1 of the Participation Agreement.

"Loan Participant" shall mean each of the financial institutions listed in Schedule 1 to the Participation Agreement, so long as the Series A Notes and Series B Notes are Outstanding, and each other Holder of a Note from time to time, and their respective successors and assigns.

"Loss of Amortization Deductions" shall have the meaning assigned in the Tax Indemnification Agreement.

"Loss of Depreciation Deductions" shall have the meaning assigned in the Tax Indemnification Agreement.

"Loss of Interest Deductions" shall have the meaning assigned in the Tax Indemnification Agreement.

"Loss of Tax Benefits" shall have the meaning assigned in the Tax Indemnification Agreement.

"MACRS Method" shall have the meaning assigned in the Tax Indemnification Agreement.

"Maximum Fixed Rate Renewal Term" shall have the meaning assigned in Section 2(b)(iii)(A) of the Lease.

"Net Return" shall mean the Owner Participant's nominal after-tax book yield, total after-tax cash flows, internal rate-of-return as calculated by it and after-tax cash flows as a percentage of equity, all calculated using

the same assumptions and methods utilized by the Owner Participant in computing the schedules of Basic Rent, Stipulated Loss Values and Termination Values delivered on the Initial Closing Date (or if such schedules are adjusted pursuant to Section 9(e) or (f) of the Lease, in computing such adjusted schedules) and, when used in connection with an adjustment relating to a refinancing, shall also be calculated so as to preserve the timing of the Owner Participant's after-tax book earnings.

"Nonseverable Improvement" shall mean, at any time, an Improvement that shall not be "readily removable from a Railcar without causing material damage to such Unit" within the meaning of Revenue Procedure 75-21 promulgated by the Internal Revenue Service or other similar law, regulation or procedure then in effect or any Improvement required by law.

"Non-U.S. Person" shall mean any Person other than (i) a citizen or resident of the United States, as defined in section 7701(a)(9) of the Code (for purposes of this definition, the "United States"), (ii) a corporation, partnership or other entity created or organized under the laws of the United States or any political subdivision thereof or therein or (iii) any estate or trust that is subject to United States federal income taxation regardless of the source of its income.

"Note Register" shall have the meaning assigned in Section 204 of the Indenture.

"Notes" shall have the meaning specified in the Indenture and more particularly includes the Notes issued on the Closing Date and any other Notes authenticated and delivered under the Indenture.

"Notice" shall have the meaning assigned in Section 19 of the Participation Agreement.

"Obligations" shall have the meaning assigned in the recital clause of the Indenture.

"Offered Interest" shall have the meaning assigned in Section 26 of the Participation Agreement.

"Offered Interest Seller" shall have the meaning assigned in Section 26 of the Participation Agreement.

"Officer's Certificate" shall mean with respect to any Person, a certificate signed by the Chairman of the Board, the President or a Vice President of such Person or any Authorized Person of such Person.

"Operative Documents" shall mean the Participation Agreement, the Trust Agreement, the Indenture, the Notes, the Lease, each Lease and Indenture Supplement, each Bill of Sale and the Tax Indemnification Agreement.

"Opinion of Counsel" shall mean a written opinion of counsel, who shall be acceptable to the Indenture Trustee (or such other Person to whom such opinion is to be addressed pursuant to any of the Operative Documents).

"Original Syndication Transferee" shall mean any permitted transferee of the Owner Participant to whom a transfer is made prior to the Basic Term Commencement Date.

"Outstanding" when used with respect to the Notes shall mean, as of the date of determination, all the Notes theretofore authenticated and delivered under the Indenture, except:

(1) Notes theretofore cancelled by the Indenture Trustee or delivered to the Indenture Trustee for cancellation;

(2) Notes for whose payment or redemption money in the necessary amount has been theretofore deposited with the Indenture Trustee, provided, that, if such Notes are to be redeemed, notice of such redemption has been duly given pursuant to the Indenture or provision therefor satisfactory to the Indenture Trustee has been made;

(3) Notes in exchange for or in lieu of which other Notes have been authenticated and delivered under the Indenture; and

(4) Notes alleged to have been destroyed, lost or stolen which have been paid as provided in Section 205 of the Indenture;

provided, however, that in determining whether the Holders of the requisite principal amount of Notes Outstanding have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Notes owned by the Owner Participant, the Owner Trustee or the Lessee, or any Affiliate of

any of them, shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Indenture Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Notes that the Indenture Trustee knows to be so owned shall be so disregarded. Notes so owned that have been pledged in good faith may be regarded as Outstanding for such purposes if the pledgee establishes to the satisfaction of the Indenture Trustee the pledgee's right so to act with respect to such Notes and that the pledgee is not the Owner Participant, the Owner Trustee or the Lessee, or any Affiliate of any of them.

"Overdue Rate" shall mean with respect to (i) any amount required to be paid to a Holder of a Series A Note, a rate per annum equal to the higher of the Prime Rate plus 1% and 10.98%, (ii) any amount required to be paid to a Holder of a Series B Note, a rate per annum equal to the higher of the Prime Rate plus 1% and 11.23%, (iii) any amount required to be paid to a Holder of an Additional Note, a rate per annum equal to the higher of the Prime Rate plus 1% and one percentage point over the interest rate payable in respect of such Additional Note and (iv) any amount constituting Excepted Property or any other amount not otherwise specified in clauses (i) through (iv) hereof, the Prime Rate plus 2%, in each case computed on the basis of a 360-day year of twelve 30-day months.

"Owner Encumbrances" shall mean any liens, security interests or encumbrances against any part of the Indenture Estate or the Trust Estate that result from acts of, or any failure to act by, or as a result of claims (including any taxes) against, WTC, the Owner Trustee or the Owner Participant arising out of any event or condition unrelated to (x) the ownership of a Railcar, (y) the administration of the Trust Estate or (z) the transactions contemplated by the Operative Documents, excluding liens, security interests and encumbrances arising from any tax for which the Lessee is obligated to indemnify under the Tax Indemnification Agreement or the Participation Agreement, other than any such tax for which the Lessee has already made full indemnification pursuant to such agreements.

"Owner Participant" shall mean Chase Manhattan Service Corporation, a New York corporation, together with its successors and permitted assigns.

"Owner Trustee" shall mean Wilmington Trust Company, a Delaware banking corporation, in its capacity as

trustee under the Trust Agreement, together with its successors and permitted assigns as Owner Trustee under the Trust Agreement.

"Owner Trustee Request" shall mean a written request signed in the name of the Owner Trustee by an Authorized Person, consented to by the Lessee, and delivered to the Indenture Trustee together with a form of any writing to be executed by the Indenture Trustee pursuant to such request.

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

"Participation Agreement" shall mean the Participation Agreement No. 4 dated as of September 1, 1990 among the Lessee, the Owner Participant, the Loan Participants, the Owner Trustee and the Indenture Trustee, as the same may be amended, modified or supplemented from time to time in accordance with the provisions thereof and of the Indenture.

"Party in Interest" shall mean both a "party in interest" as defined in ERISA and a "disqualified person" as defined in the Code.

"Payment Date" shall initially mean each March 26 and September 26 of each year occurring during the Basic Term and any Renewal Term, provided that if any such date shall not be a Business Day, then "Payment Date" shall mean the next succeeding Business Day.

"Percentage Commitment" of each Loan Participant in respect of the Series A Notes or Series B Notes, as the case may be, shall mean the percentage set forth opposite such Loan Participant's name in Schedule 1 to the Participation Agreement.

"Permitted Encumbrances" shall mean (a) the rights of the Indenture Trustee under the Indenture, (b) the rights of the Lessee under the Lease, including, without limitation, subleases of and interchange agreements involving any Railcar in accordance with the terms of the Lease, (c) the rights of the Owner Trustee and the Owner Participant under the Trust Agreement, which rights are subject to the liens and security interests created by the Indenture, (d) liens for taxes either not yet due or being contested by the Lessee in good faith by appropriate proceedings, diligently prosecuted or appealed which do not involve a non-de minimis risk of a sale, forfeiture or loss of a Railcar and

(e) undetermined or inchoate materialmen's, mechanic's, workmen's, repairmen's or employees' liens or other like liens arising in the ordinary course of business and security obligations which are not delinquent or which shall have been bonded or the enforcement of which shall have been suspended or which do not involve a non-de minimis risk of sale, forfeiture or loss of a Railcar or which are being contested by the Lessee in good faith by appropriate proceedings diligently prosecuted or appealed.

"Permitted Investments" shall mean (i) direct obligations of the United States of America and agencies thereof, (ii) obligations fully guaranteed by the United States of America, certificates of deposit issued by, or bankers' acceptances of, or time deposits with, any bank, trust company or national banking association incorporated or doing business under the laws of the United States of America or one of the States thereof having combined capital and surplus and retained earnings of at least \$500,000,000 (including the Indenture Trustee and the Owner Trustee if such conditions are met), (iii) commercial paper of companies, banks, trust companies, or national banking associations incorporated or doing business under the laws of the United States of America or one of the States thereof and in each case having a rating assigned to such commercial paper by Standard & Poor's Corporation or Moody's Investors Service, Inc. (or, if neither such organization shall rate such commercial paper at any time, by any nationally recognized rating organization in the United States of America) equal to the highest rating assigned by such organization, and (iv) repurchase agreements with any financial institution having a combined capital and surplus of at least \$750,000,000 fully collateralized by obligations of the type described in clauses (i) through (iii) above. If all of the above investments are unavailable, the entire amount to be invested may be used to purchase Federal Funds from an entity described in (ii) of the preceding sentence.

"Person" shall mean any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Premium" shall mean, with respect to the Series A Notes and Series B Notes, an amount equal to the excess, if any, of (i) the present value of the payments of principal and interest which would have been due under such Series A Notes or Series B Notes, as the case may be, from the date of redemption thereof to the final maturity of such Series A

Notes or Series B Notes, as the case may be, had such redemption not occurred, discounted at a rate equal to the Treasury Yield plus 50 basis points (100 basis points in the case of a Premium payable pursuant to Section 403 of the Indenture) over (ii) the principal amount of such Series A Notes or Series B Notes, as the case may be, so prepaid; provided, however, that if, at the time of redemption, the Treasury Yield shall be equal to or greater than the rate applicable to the Series A Notes or the Series B Notes, as the case may be, no Premium shall be due.

"Prime Rate" shall mean the rate of interest publicly announced from time to time by Citibank, N.A., in New York as its "base rate".

"Railcar" shall mean a Bathtub Gondola Car.

"Railcar Return Notice" shall have the meaning assigned in Section 2(c) of the Lease.

"Reasonable Basis" for a position shall exist if tax counsel may properly advise reporting such position on a tax return in accordance with Formal Opinion 85-352 issued by the Standing Committee on Ethics and Professional Responsibility of the American Bar Association.

"Recapture" shall have the meaning assigned in the Tax Indemnification Agreement.

"Redelivery Locations" shall have the meaning assigned in Section 2(c) of the Lease.

"Redemption Date" when used with respect to any Note to be redeemed shall mean the date fixed for such redemption pursuant to the Indenture.

"Reimbursement Amount" shall have the meaning assigned in Section 3(b)(ii) of the Participation Agreement.

"Renewal Term" shall mean the period of any extension of the Basic Term (or a prior Renewal Period) as provided in Section 2(b) of the Lease.

"Renewal Term Commencement Date" shall have the meaning assigned in Section 2(b) of the Lease.

"Rent" shall mean the Interim Rent, Basic Rent, Fixed Rate Renewal Rent, Fair Market Renewal Rent and Supplemental Rent, collectively.

"Replacement Railcars" shall mean a railcar of the type and substantially similar in material and dimension to the Railcar with respect to which an Event of Loss has occurred and which is being replaced pursuant to Section 11(c) of the Lease.

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

"Scheduled Closing Date" shall have the meaning assigned in Section 4(a) of the Participation Agreement.

"Scheduled Debt Payments" shall mean, all regularly scheduled principal and interest payments on the Notes (together with any applicable overdue interest thereon).

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Seller" shall mean Raceland Car Corporation, a Delaware corporation, together with its successors and permitted assigns.

"Series" shall mean, collectively, the Series A Notes and the Series B Notes.

"Series A Notes" shall have the meaning specified in the Indenture and more particularly includes each of the Series A Notes issued on the Closing Date and any Series A Notes issued in substitution thereof.

"Series B Notes" shall have the meaning specified in the Indenture and more particularly includes each of the Series B Notes issued on the Closing Date and any Series B Notes issued in substitution thereof.

"Severable Improvement" shall mean any Improvement other than a Nonseverable Improvement.

"Stated Maturity" when used with respect to any Note or any installment of interest thereon shall mean the date specified in such Note as the fixed date on which the

principal of such Note or such installment of interest is due and payable.

"Stipulated Loss Value" with respect to any Railcar subjected to the terms of the Lease pursuant to the Lease and Indenture Supplement as of any Payment Date shall mean an amount determined by multiplying Lessor's Cost for such Railcar by the percentage specified in Schedule 2 to such Lease and Indenture Supplement, opposite such Payment Date; provided, however, that, notwithstanding any provision of the Lease (including but not limited to the adjustments to be made pursuant to Section 9 of the Lease), "Stipulated Loss Value" as of any Payment Date, plus the Basic Rent in respect of such Railcar payable on such Payment Date (if and to the extent Basic Rent is then being paid in "arrears", as provided in the applicable Lease and Indenture Supplement) shall in no event be less than a sum sufficient to pay a pro rata portion of the aggregate unpaid principal amount of the Notes Outstanding on such Payment Date together with interest thereon accrued to such Payment Date and the premium and breakage costs, if any, as determined pursuant to the Indenture.

"Supplemental Rent" shall mean any and all amounts (other than Interim Rent and Basic Rent), that the Lessee assumes the obligation to pay or agrees to pay under the Lease, the Tax Indemnification Agreement or the Participation Agreement to the Owner Trustee, the Owner Participant or others, including amounts payable as indemnity payments, payments of Stipulated Loss Value and Termination Value under the Lease, premium on the Notes (except in the case of Section 403 of the Indenture) and all amounts payable by the Lessee pursuant to Section 9(c) of the Lease.

"Tax" shall have the meaning assigned in Section 13.2(a) of the Participation Agreement.

"Tax Assumptions" shall have the meaning assigned in the Tax Indemnification Agreement.

"Tax Forms" shall have the meaning assigned in Section 13.2(b)(9) of the Participation Agreement.

"Tax Indemnification Agreement" shall mean the Tax Indemnification Agreement No. 4 dated as of September 1, 1990 between the Lessee and the Owner Participant and substantially in the form of Exhibit E to the Participation Agreement, as the same may be amended, modified or supplemented pursuant to the provisions thereof.

"Tax Indemnatee" shall have the meaning assigned in Section 13.2(a) of the Participation Agreement.

"Tax Representations" shall have the meaning assigned in the Tax Indemnification Agreement.

"Termination Date" shall have the meaning assigned in Section 12(a) of the Lease.

"Termination Value" with respect to any Railcar subjected to the terms of the Lease pursuant to the Lease and Indenture Supplement as of any Payment Date shall mean an amount determined by multiplying Lessor's Cost for such Railcar by the percentage specified in Schedule 3 to the Lease and Indenture Supplement, opposite such Payment Date; provided, however, that, notwithstanding any provision of the Lease (including but not limited to the adjustments to be made pursuant to Section 9 of the Lease), "Termination Value" as of any Payment Date, plus the Basic Rent in respect of such Railcar payable on such Payment Date (if and to the extent Basic Rent is then being paid in "arrears", as provided in the applicable Lease and Indenture Supplement) and plus the premium and breakage costs, if any, payable on such Payment Date shall in no event be less than a sum sufficient to pay a pro rata portion of the aggregate unpaid principal amount of the Notes Outstanding on such Payment Date together with interest thereon accrued to such Payment Date and the premium and breakage costs, if any, as determined pursuant to the Indenture.

"TIA" shall mean the Trust Indenture Act of 1939, as in effect from time to time.

"Transaction Costs" shall have the meaning assigned in Section 17 of the Participation Agreement.

"Transfer" shall have the meaning assigned in Section 22 of the Participation Agreement.

"Treasury Yield" shall mean the yield to maturity implied by the Treasury Constant Maturity Series Yields reported (for the latest day for which such yields shall have been so reported as of the Business Day next preceding the Redemption Date) in Federal Statistical Release H.15 (519) (or any comparable successor publication) for U.S. Treasury obligations having a maturity approximating the remaining Average Life of the Notes.

"Trust Agreement" shall mean the Trust Agreement No. 4 dated as of September 1, 1990 between WTC and the Owner Participant and substantially in the form of Exhibit A to the Participation Agreement as the same may be amended, modified or supplemented from time to time in accordance with the provisions thereof, of the Indenture and of the Participation Agreement.

"Trust Estate" shall have the meaning assigned to it in Section 1(d) of the Trust Agreement.

"Verifying Accountant" shall mean an accountant selected by the Owner Participant and reasonably acceptable to the Lessee (it being understood that the representation of, or a conflict in representing the Owner Participant or the Lessee is relevant in determining the reasonableness of such acceptance). Such accountant (i) shall not be permitted to review the documents, programs and procedures used to calculate the Owner Participant's internal rate of return but shall have access to all other relevant documents, programs and procedures of the Owner Participant and (ii) shall execute a confidentiality agreement with respect to the subject matter of its review and (iii) shall return to the Owner Participant any materials of the Owner Participant used by such Verifying Accountant in the course of such verification.

"WTC" shall mean Wilmington Trust Company, a Delaware banking corporation (or any successor as trustee under the Trust Agreement) in its individual capacity.

TAX CERTIFICATE

Reference is made to the Note(s) held by the undersigned pursuant to the Indenture and Security Agreement No. 4 dated as of September 1, 1990 between Wilmington Trust Company, not in its individual capacity except as expressly provided therein, but solely as Owner Trustee (the "Lessor"), and Mercantile Safe-Deposit and Trust Company, as Indenture Trustee (the "Indenture and Security Agreement"). Except as otherwise defined herein, the capitalized terms used herein shall have the respective meanings specified in Schedule X to the Indenture and Security Agreement. The undersigned hereby declares under the penalties of perjury that:

(1) the undersigned is the beneficial owner of the Note(s) registered in its name;

(2) the income from the Note(s) held by the undersigned is not effectively connected with the conduct of a trade or business within the United States;

(3) the undersigned is not a bank (as such term is used in section 881(c)(3)(A) of the United States Internal Revenue Code (the "Code"));

(4) the undersigned is not a controlled foreign corporation (as such term is used in section 881(c)(3)(C) of the Code) related (within the meaning of section 864(d)(4) of the Code) to the Lessor or the Owner Participant;

(5) the undersigned is not a 10% shareholder (within the meaning of section 871(h)(3)(B) of the Code) of the Lessor or the Owner Participant;

(6) the undersigned is a Person other than (i) a citizen or resident of the United States of America, its territories and possessions (including the Commonwealth of Puerto Rico and all other areas subject to its jurisdiction) (for purposes of this definition, the "United States"), (ii) a corporation, partnership or other entity created or organized under the laws of the United States or any political subdivision thereof or therein or (iii) an estate or