

# SECURITIES AND EXCHANGE COMMISSION

## FORM 424B2

Prospectus filed pursuant to Rule 424(b)(2)

Filing Date: **1996-08-26**  
SEC Accession No. 0000950137-96-001549

([HTML Version](#) on [secdatabase.com](http://secdatabase.com))

### FILER

---

**GENERAL AMERICAN TRANSPORTATION CORP /NY/**

CIK: **276478** | IRS No.: **362827991** | State of Incorporation: **NY** | Fiscal Year End: **1231**  
Type: **424B2** | Act: **33** | File No.: **033-64697** | Film No.: **96620577**  
SIC: **4700** Transportation services

Mailing Address  
500 WEST MONROE  
CHICAGO IL 60661-3676

Business Address  
500 WEST MONROE  
CHICAGO IL 60661-3676  
3126216200

## PROSPECTUS SUPPLEMENT

(To Prospectus dated December 7, 1995)

\$106,835,000

[LOGO]

( ) General American Transportation Corporation  
 1996-1 Pass Through Trusts  
 PASS THROUGH CERTIFICATES, SERIES 1996-1  
 -----

Each Pass Through Certificate offered hereby will represent a fractional undivided interest in one of the two General American Transportation Corporation 1996-1 Pass Through Trusts (the "Pass Through Trusts") to be formed pursuant to a pass through trust agreement and two separate trust supplements between General American Transportation Corporation ("GATC" or the "Company") and The First National Bank of Chicago (the "Pass Through Trustee"), as trustee under each Pass Through Trust. The property of the Pass Through Trusts will consist of equipment notes (the "Equipment Notes") issued on a nonrecourse basis by certain trustees of separate owner trusts (each an "Owner Trustee") pursuant to two separate leveraged lease transactions to finance not more than 80% of the equipment cost of certain railroad tank cars and covered hopper cars (each railcar an "Equipment Unit" or "Unit" and, collectively, the "Equipment") which will be leased to the Company. Although neither the Pass Through Certificates nor the Equipment Notes are direct obligations of, or guaranteed by, GATC, the amounts unconditionally payable by GATC for the lease of the Equipment will be at least sufficient to pay in full when due all payments of principal of, premium, if any, and interest on the Equipment Notes held in the Pass Through Trusts.

The Equipment Notes in respect of each leveraged lease transaction will be issued in two series. Each Pass Through Trust will purchase one series of the Equipment Notes issued with respect to each of the two leveraged lease transactions such that all of the Equipment Notes held in each Pass Through Trust will have an interest rate corresponding to the interest rate applicable to such Pass Through Trust. The Equipment Notes acquired by each Pass Through Trust will mature on or before the final distribution date of the Pass Through Certificates issued by such Pass Through Trust. Each Equipment Note will be issued under one of two indentures and will be secured by a security interest in the Equipment leased by the Company under the lease relating to such indenture and by an assignment of certain of the Owner Trustee's rights under such lease, including the right to receive rentals payable by the Company in respect of such Equipment pursuant to such lease.

Interest paid on the Equipment Notes held in each Pass Through Trust will be passed through to the Certificateholders of such Pass Through Trust on February 28 and August 28 of each year, commencing February 28, 1997, at the rate per annum set forth below for such Pass Through Trust until the final distribution date for such Pass Through Trust. Principal payments on the Equipment Notes held in each Pass Through Trust will be passed through to the Certificateholders of each such Pass Through Trust in scheduled amounts on February 28 or August 28, or both, of each year, commencing on the initial scheduled principal distribution date for such Pass Through Trust, and continuing until the final distribution date for such Pass Through Trust. The Equipment Notes may be prepaid under certain circumstances.

-----  
 THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS SUPPLEMENT OR THE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.  
 -----

<TABLE>  
 <CAPTION>

PASS THROUGH CERTIFICATES	PRINCIPAL AMOUNT	INTEREST RATE	INITIAL SCHEDULED PRINCIPAL DISTRIBUTION DATE	FINAL DISTRIBUTION DATE	PRICE TO PUBLIC (1) (2)
<S>	<C>	<C>	<C>	<C>	<C>
Series 1996-1A....	\$77,257,000	7.50%	February 28, 1997	February 28, 2015	100%
Series 1996-1B....	29,578,000	7.86	August 28, 2016	August 28, 2021	100

</TABLE>

-----  
 (1) Plus accrued interest, if any, at the applicable interest rate from August 28, 1996.

(2) The underwriting commission aggregates \$747,845, which constitutes .70% of the principal amount of the Pass Through Certificates. The underwriting commissions, and certain other expenses estimated at \$1,283,668, will be

payable by the Owner Trustees in the leveraged lease transactions (other than certain expenses to be paid directly by GATC). The proceeds from the sale of the Pass Through Certificates will be used to purchase the Equipment Notes from the Owner Trustees.

-----

The Pass Through Certificates are offered by the Underwriters, subject to prior sale, when, as and if accepted by the Underwriters and subject to approval of certain legal matters by Kirkland & Ellis, counsel for the Underwriters. It is expected that delivery of the Pass Through Certificates in book-entry form will be made on or about August 28, 1996 through the facilities of The Depository Trust Company, against payment therefor in immediately available funds.

-----

MORGAN STANLEY & CO. SALOMON BROTHERS INC  
 Incorporated

August 22, 1996

2

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS IN CONNECTION WITH THE OFFER CONTAINED IN THIS PROSPECTUS SUPPLEMENT, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY OR BY THE UNDERWRITERS. THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS DO NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY SECURITIES OTHER THAN THE SECURITIES TO WHICH THEY RELATE OR AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY SECURITIES IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION. NEITHER THE DELIVERY OF THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF OR THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO ITS DATE.

TABLE OF CONTENTS

<TABLE>  
 <CAPTION>

	PAGE
<S>	<C>
PROSPECTUS SUPPLEMENT	
Summary.....	S-3
Diagram of Payments.....	S-10
Use of Proceeds.....	S-11
Capitalization.....	S-12
Summary Financial Information.....	S-13
Description of Business.....	S-14
Formation of the Pass Through Trusts.....	S-19
Description of the Pass Through Certificates.....	S-19
Description of the Equipment Notes.....	S-22
ERISA Considerations.....	S-35
Certain Tax Aspects.....	S-35
Underwriting.....	S-36
Legal Opinions.....	S-36
PROSPECTUS	
Available Information.....	2
Documents Incorporated by Reference.....	2
The Company.....	3
Formation of the Trusts.....	4
Use of Proceeds.....	4
Description of the Pass Through Certificates.....	5
Description of the Equipment Notes.....	15
ERISA Considerations.....	19
Federal Income Tax Consequences.....	19
Certain Illinois Taxes.....	22
Plan of Distribution.....	22
Legal Opinions.....	23
Experts.....	23
Glossary of Certain Terms.....	Appendix I

</TABLE>

-----

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE PASS THROUGH CERTIFICATES OFFERED HEREBY AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH TRANSACTIONS MAY BE EFFECTED IN THE OVER-THE-COUNTER MARKET OR OTHERWISE. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

## SUMMARY

The following summary does not purport to be complete and is qualified in its entirety by reference to the detailed information appearing elsewhere in this Prospectus Supplement and the accompanying Prospectus.

## THE COMPANY

General American Transportation Corporation ("GATC" or the "Company"), a New York corporation, is principally engaged in railcar leasing and management. GATC, through its wholly owned subsidiary GATX Terminals Corporation ("Terminals"), is also engaged in the operation of public bulk liquid storage terminals and domestic pipeline systems. GATC's principal executive office is located at 500 West Monroe Street, Chicago, Illinois 60661 (telephone: 312-621-6200). GATC is a wholly owned subsidiary of GATX Corporation ("GATX").

## THE OFFERING

Glossary.....	Included at the end of the accompanying Prospectus as Appendix I is a Glossary of certain of the significant defined terms used herein and in the Prospectus.
Pass Through Trusts.....	Each of the two General American Transportation Corporation 1996-1 Pass Through Trusts (each a "Pass Through Trust"; collectively, the "Pass Through Trusts") is to be formed pursuant to one of the two separate trust supplements (each, a "Trust Supplement") to be entered into pursuant to the Pass Through Trust Agreement (the "Basic Agreement") between GATC and The First National Bank of Chicago (the "Pass Through Trustee"), as trustee under each Pass Through Trust. Each Pass Through Trust will be a separate entity.
Pass Through Trust Property...	The property of each Pass Through Trust will consist of equipment notes (the "Equipment Notes") issued on a nonrecourse basis by the two Owner Trustees pursuant to two separate leveraged lease transactions to finance not more than 80% of the equipment cost of certain railroad tank cars and covered hopper cars (each railcar an "Equipment Unit" or "Unit" and, collectively, the "Equipment") which will be leased to the Company. The Equipment securing the Equipment Notes is described in "Use of Proceeds" in this Prospectus Supplement. The Equipment Notes will be issued in two series with respect to each leveraged lease transaction. The Pass Through Certificates, Series 1996-1 (the "Pass Through Certificates") that will be issued by each Pass Through Trust will bear interest at the same rate as the rate on the Equipment Notes acquired by such Pass Through Trust. The final maturity date of the Equipment Notes to be acquired by each Pass Through Trust will occur on or before the final distribution date of the Pass Through Certificates issued by such Pass Through Trust. The aggregate principal amount of the Equipment Notes to be held in each Pass Through Trust will be the same as the aggregate principal amount of the Pass Through Certificates issued by such Pass Through Trust.
Pass Through Certificates Offered; Book-Entry Registration....	Each Pass Through Certificate will represent a fractional undivided interest in the related Pass Through Trust. The Pass Through Certificates will be issued in fully registered form and will be

registered in the name of Cede & Co. ("Cede"),

as the nominee of The Depository Trust Company ("DTC"). No person acquiring an interest in the Pass Through Certificates will be entitled to receive a definitive certificate (a "Definitive Certificate") representing such person's interest in the related Pass Through Trust, unless Definitive Certificates are issued, which only occur under limited circumstances. See "Description of the Pass Through Certificates -- General" and "-- Book-Entry Registration" in the accompanying Prospectus.

Regular Distribution Dates.... February 28 and August 28.

Special Distribution Dates.... The 28th day of any month, except in the case of a refinancing as to which the Special Distribution Date may be any Business Day.

Record Dates..... The fifteenth day preceding a Regular Distribution Date or a Special Distribution Date.

Initial Average Life Date.... The initial average life date of the Pass Through Certificates issued by Pass Through Trusts 1996-1A and 1996-1B are as follows:

<TABLE>  
<CAPTION>

PASS THROUGH TRUST	DATE
1996-1A	August 28, 2008
1996-1B	June 22, 2019

</TABLE>

Distributions..... Payments of interest on each of the Equipment Notes held in each Pass Through Trust are scheduled to be received by the Pass Through Trustee on February 28 and August 28 of each year, commencing February 28, 1997, and are to be distributed to the Certificateholders of such Pass Through Trust on such dates. Payments of principal on the Equipment Notes held in each Pass Through Trust are scheduled to be received in specified amounts by the Pass Through Trustee on February 28 or August 28, or both, of each year, commencing February 28, 1997 in the case of the Series 1996-1A Pass Through Certificates and August 28, 2016 in the case of the Series 1996-1B Pass Through Certificates, and are to be distributed to the Certificateholders of such Pass Through Trust on the corresponding Regular Distribution Dates. Payments of principal of, Make-Whole Amount, if any, and interest on each of the Equipment Notes held in the related Pass Through Trust resulting from prepayments thereof, if any, will be distributed on a Special Distribution Date after not less than 20 days' notice from the Pass Through Trustee to the Certificateholders of such Pass Through Trust. See "Description of the Pass Through Certificates -- Payments and Distributions" in this Prospectus Supplement. For a discussion of distributions upon an Event of Default, see "Description of the Pass Through Certificates -- Events of Default and Certain Rights Upon an Event of Default" in the accompanying Prospectus.

In the event that on the date of issuance of the Pass Through Certificates all the proceeds from the sale of the Pass Through Certificates are not used to purchase the Equipment Notes, the Pass Through Trustee will hold such unused proceeds in an escrow account. To the extent that the Equipment Notes are not purchased by the Pass Through Trustee on or prior to September 12,

1996, the unexpended proceeds, together with interest thereon at the rate applicable to each series of Pass Through Certificates, but without premium, will be distributed to Certificateholders as a Special Payment on September 28, 1996. See "Description of the Pass Through Certificates -- Delayed Purchase" in the accompanying Prospectus.

Same-Day Settlement..... The Pass Through Certificates will trade in DTC's Same Day Funds Settlement System until maturity, and secondary market trading activity in the Pass Through Certificates will therefore be required by DTC to settle in immediately available funds.

Method of Distributions..... So long as the Pass Through Certificates are registered in the name of Cede, as nominee of DTC, distributions by the Pass Through Trustee will be made in same-day funds to DTC, which will in turn make distributions to participants in DTC ("DTC Participants") in same-day funds. Responsibility for distributions by DTC Participants to beneficial owners of the Pass Through Certificates will be the responsibility of such DTC Participants and will be made in accordance with customary industry practices. See "Description of the Pass Through Certificates -- Book-Entry Registration" in the accompanying Prospectus. At such time, if any, as Definitive Certificates are issued representing the Pass Through Certificates and such Definitive Certificates are not registered in the name of Cede, as nominee for DTC, distributions by the Pass Through Trustee to Certificateholders, other than the final distribution, will be made by check mailed to each Certificateholder of record on the applicable record date at its address appearing on the register maintained with respect to each Pass Through Trust. The final distribution with respect to the Pass Through Certificates will be made only upon presentation and surrender thereof at the office or agency of the Pass Through Trustee. See "Description of the Pass Through Certificates -- Payments and Distributions" in the accompanying Prospectus.

Interest..... Interest on each series of Pass Through Certificates will be passed through to the Certificateholders of such series at the rate per annum indicated on the cover of this Prospectus Supplement with respect to such series, which is the interest rate borne by the Equipment Notes to be held in the Pass Through Trust issuing such series of Pass Through Certificates. Interest is calculated on the basis of a 360-day year of twelve 30-day months. See "Description of the Pass Through Certificates -- General" in the accompanying Prospectus.

Principal..... The principal of the Equipment Notes is payable in scheduled amounts on February 28 or August 28, or both, of each year, commencing February 28, 1997 in the case of the Series 1996-1A Pass Through Certificates and August 28, 2016 in the case of the Series 1996-1B Pass Through Certificates, and will be passed through to Certificateholders on such dates. See "Description of the Pass Through Certificates -- Payments and Distributions" and "Description of the Equipment Notes -- Principal Payments" in this Prospectus Supplement.

S-5

6

Equipment Notes: General..... Interest will be payable on each of the Equipment Notes on the unpaid principal amount thereof on February 28 and August 28 of each year, commencing February 28, 1997. The

principal amounts of the Equipment Notes are payable in accordance with the principal repayment schedule set forth herein under "Description of the Equipment Notes -- Principal Payments."

Equipment Notes: Prepayment... All or a portion of the Equipment Notes may be prepaid under the following circumstances:

(a) Upon the occurrence of an Event of Loss with respect to an Equipment Unit, if such Equipment Unit is not replaced, all or a portion of the Equipment Notes issued with respect to the Equipment Group in which such Equipment Unit was included is subject to prepayment on a Regular Distribution Date (or, if earlier, a Special Distribution Date if prepayment is then required due to Events of Loss as to fifteen or more Equipment Units within such Equipment Group) at a price equal to the sum of (i) as to principal, an amount equal to the product obtained by multiplying the unpaid principal amount of the Equipment Notes issued with respect to the same car type and Equipment Group in which such Equipment Unit was included as of such prepayment date by a fraction, the numerator of which shall be the Equipment Cost of such Equipment Unit and the denominator of which shall be the aggregate Equipment Cost of all Equipment Units in such Equipment Group of the same car type immediately prior to such prepayment date and (ii) as to interest, the aggregate amount of interest accrued and unpaid in respect of the principal amount to be prepaid pursuant to clause (i) above on such prepayment date, but without the payment of any Make-Whole Amount.

(b) In the event the Company elects to exercise its right to purchase an Equipment Group as a result of the related Owner Participant or any affiliate thereof engaging in a business that is in competition with the Company's full service railcar leasing business, unless the Company elects to assume the related Equipment Notes on a full recourse basis, all of the Equipment Notes issued by the applicable Owner Trustee will be prepaid on a Special Distribution Date. In the event of a refinancing of the Equipment Notes issued with respect to any Equipment Group, all of the Equipment Notes issued by the applicable Owner Trustee will be prepaid on the date of such refinancing, which may be any Business Day. In either such case the prepayment price shall be equal to the unpaid principal amount of such Equipment Notes, together with accrued interest thereon, plus, if such prepayment is made prior to August 28, 2008 in the case of the Series 1996-1A Pass Through Certificates and February 28, 2018 in the case of the Series 1996-1B Pass Through Certificates, the Make-Whole Amount (if any). See "Description of the Equipment Notes -- Prepayments" in this Prospectus Supplement for a

S-6

7

description of the manner of computing the Make-Whole Amount.

(c) If, at any time on or after August 28, 2003, the Company elects to exercise its right to terminate the Lease with respect to any Equipment Unit within any Equipment Group, or elects to exercise its right to

purchase on specified dates beginning August 28, 2015 any Equipment Unit within any Equipment Group (unless the Company elects to assume the related Equipment Notes on a full recourse basis), a portion of the Equipment Notes issued with respect to such Equipment Group, computed as provided in paragraph (a) above, will be prepaid on a Regular Distribution Date (or, in certain limited circumstances, a Special Distribution Date) at a price equal to the unpaid principal amount thereof, together with accrued interest thereon plus, if such prepayment is made prior to August 28, 2008 in the case of the Series 1996-1A Pass Through Certificates and February 28, 2018 in the case of the Series 1996-1B Pass Through Certificates, the Make-Whole Amount (if any) referred to in paragraph (b) above.

(d) If under any Indenture (i) one or more Lease Events of Default under the related Lease shall have occurred and be continuing for 180 days or more during which time the Equipment Notes issued under such Indenture could, but shall not, have been accelerated, (ii) such Equipment Notes shall have been accelerated or (iii) the applicable Indenture Trustee, as assignee of the related Lease, shall have declared such Lease to be in default and shall have commenced the exercise of any additional remedy in respect of the Equipment Units under such Lease, the applicable Owner Trustee may elect to purchase all of the then outstanding Equipment Notes issued under such Indenture at a price equal to the aggregate unpaid principal amount thereof, together with accrued interest thereon, but without the payment of any Make-Whole Amount.

See "Description of the Equipment Notes -- Prepayments" in this Prospectus Supplement.

Equipment Notes: Security..... The Equipment Notes issued under each Indenture will be equally and ratably secured by a perfected first priority security interest in the Equipment leased by the Company under the Lease relating to such Indenture and by an assignment to the Indenture Trustee of certain of the Owner Trustee's rights under the Lease covering such Equipment, including the right to receive rentals payable by the Company in respect of such Equipment pursuant to such Lease. See "Description of the Equipment Notes -- Security" in the accompanying Prospectus.

The Equipment Notes issued under the different Indentures are not cross-collateralized and, consequently, the Equipment Notes issued under any particular Indenture are not secured by any of the Equipment securing another Indenture or by the Lease related thereto. There are no cross-default provisions in the Indentures and

S-7

8

events resulting in an Indenture Event of Default under any particular Indenture (or a default under any other indebtedness of the Company) will not necessarily result in an Indenture Event of Default under any other Indenture.

In the event of the bankruptcy of an Owner Participant, it is possible that, notwithstanding that the related Equipment



Group is owned by an Owner Trustee in trust, such Equipment Group and the Lease and the Equipment Notes related thereto might become part of the bankruptcy proceeding. In such event, payments on such Equipment Notes might be interrupted and the ability of the Indenture Trustee to exercise its remedies under the applicable Indenture might be restricted, although the Indenture Trustee would retain its status as a secured creditor in respect of such Lease and the related Equipment Group. See "Description of the Equipment Notes -- Indenture Events of Default and Remedies" in the accompanying Prospectus.

If an Indenture Event of Default under an Indenture occurs and is continuing, the Pass Through Trustee will be entitled to exercise certain remedies, including selling all or part of the Equipment Notes issued under such Indenture. So long as the same institution acts as Pass Through Trustee of the Pass Through Trusts and any other Trust formed pursuant to the Basic Agreement it may be faced with a conflict in deciding from which Trust to sell Equipment Notes to any available buyers. If the Trustee sells any of the Equipment Notes for less than their outstanding principal amount, the Certificateholders will receive a smaller principal distribution than anticipated and will not have any claim for the shortfall against GATC, the related Owner Trustee, the related Owner Participant or the Pass Through Trustee. See "Description of the Pass Through Certificates -- Events of Default and Certain Rights Upon an Event of Default" in the accompanying Prospectus.

Although the Equipment Notes are not direct obligations of, or guaranteed by, the Company or any affiliate thereof, the amounts unconditionally payable by the Company under the Leases will be sufficient to pay in full when due all payments of principal of, Make-Whole Amount, if any, and interest on the Equipment Notes. See "Description of the Equipment Notes -- General" in the accompanying Prospectus.

Use of Proceeds..... The proceeds from the sale of the Pass Through Certificates will be used by the Pass Through Trustee to purchase the Equipment Notes from the Owner Trustees. The Owner Trustees will use such proceeds to finance not more than 80% of the equipment cost of the Equipment, representing in the aggregate the entire debt portion of two separate leveraged lease transactions. The net proceeds to the Company from the sale of the Equipment will be used by the Company for general corporate purposes. See "Use of Proceeds" in this Prospectus Supplement and in the accompanying Prospectus.

Pass Through Trustee..... The First National Bank of Chicago will act as Pass Through Trustee, and as paying agent and registrar for the Pass Through Certificates. The First National Bank of Chicago also will act as the Indenture Trustee under each Indenture.

S-8

9

Federal Income Tax  
Consequences..... Each Pass Through Trust will be classified as a grantor trust for federal income tax purposes, and each Certificateholder will be treated as the owner of a pro rata undivided interest in each of the Equipment Notes and any other property held in such Pass Through Trust and will be required to report on its federal income tax return its pro rata share of income from such Equipment Notes and such other

property in accordance with such Certificateholder's method of accounting. See "Certain Tax Aspects" in this Prospectus Supplement and "Federal Income Tax Consequences" in the accompanying Prospectus.

ERISA Considerations..... The Pass Through Certificates, with certain exceptions, are eligible for purchase by employee benefit plans. See "ERISA Considerations" in this Prospectus Supplement and in the accompanying Prospectus.

S-9

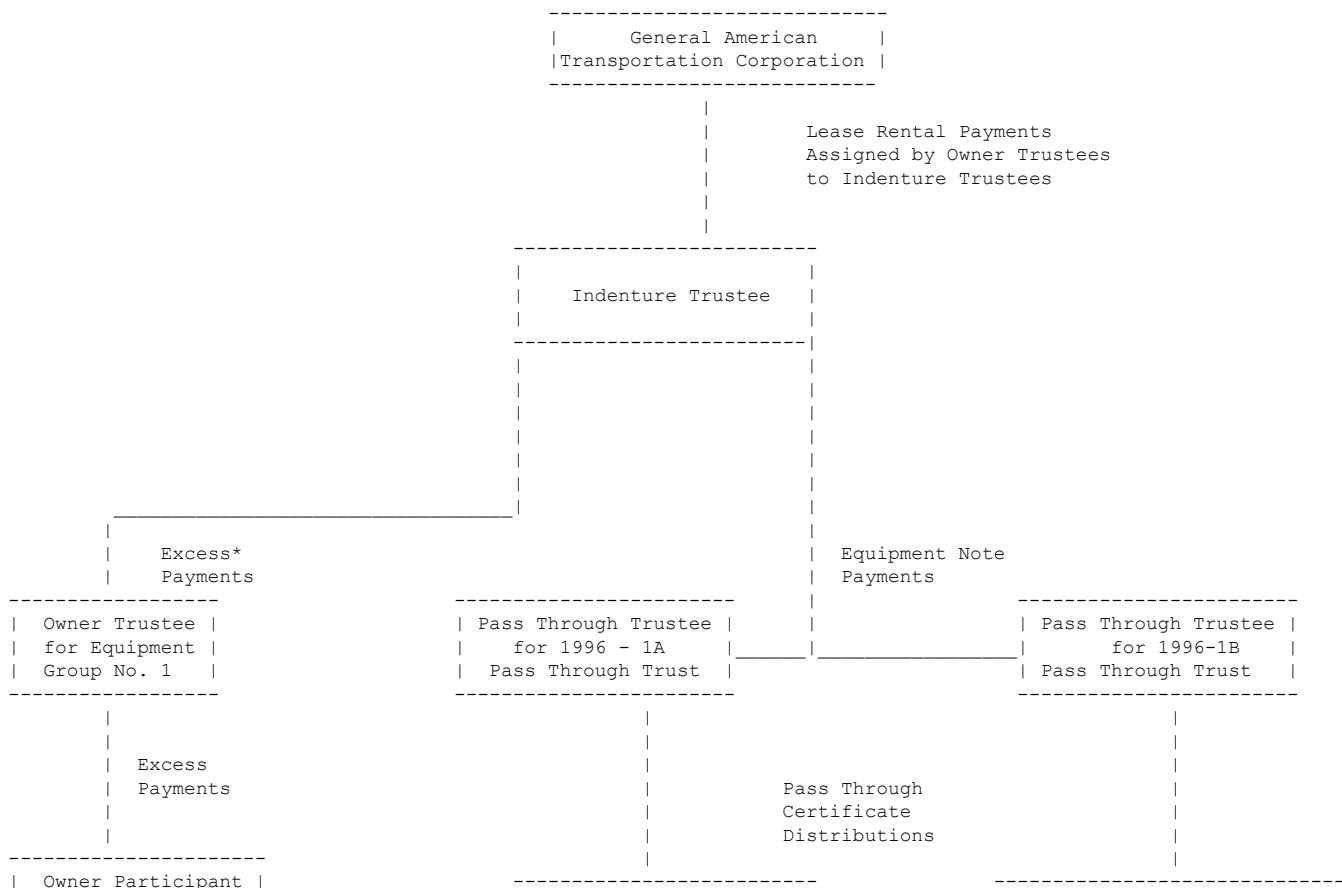
10

DIAGRAM OF PAYMENTS

The following diagram illustrates certain aspects of the payment flows in the leveraged lease transactions among the Company, the Owner Trustees, the Owner Participants, the Indenture Trustees, the Pass Through Trustee and the Certificateholders.

In each of the separate leveraged lease transactions, the Company will lease an Equipment Group from an Owner Trustee, as lessor for such Equipment Group under a Lease. Equipment Notes with respect to such Equipment Group will be issued under an Indenture by the related Owner Trustee and will be purchased by the Pass Through Trustee for the benefit of the Certificateholders. Rent is payable under the related Lease to such Owner Trustee, as lessor. However, as a result of the assignment of certain rights of such Owner Trustee under the related Lease to the related Indenture Trustee, the Company will make rental payments directly to such Indenture Trustee. From these rental payments such Indenture Trustee will, on behalf of such Owner Trustee, first make payments to the Pass Through Trustee as required to meet such Owner Trustee's obligations under the Equipment Notes and will pay the remaining balance to such Owner Trustee, for the benefit of the applicable Owner Participant. The Pass Through Trustee will distribute payments received in respect of the Equipment Notes relating to such Equipment Group (together with payments received in respect of the Equipment Notes relating to the other Equipment Group which is the subject of the other leveraged lease transaction) to the Certificateholders as required under the terms of the Pass Through Certificates. The First National Bank of Chicago will act initially both as Pass Through Trustee of each Pass Through Trust and as Indenture Trustee under each Indenture.

<TABLE>  
<S><C>





W	Tank Cars	20,000 Gallon	638,378
X	Tank Cars	33,500 Gallon	8,900,951
			-----
			\$ 50,009,475
			-----
Total Equipment Cost.....			\$150,030,687
			=====

</TABLE>

S-11

12

CAPITALIZATION

The following table summarizes the capitalization of the Company as of June 30, 1996:

<TABLE>		AT JUNE 30,
<CAPTION>		1996
		-----
		(IN MILLIONS)
<S>		<C>
Short-term debt.....		\$ 305.2
Long-term debt:		
Term debentures and notes, 5.75%-10.80%, due through 2015.....		922.9
Industrial revenue bonds, 6.625%-7.30%, due through 2024.....		87.9
Capital lease obligations.....		111.4
		-----
Total debt.....		1,427.4
Deferred income taxes.....		290.9
Shareholder's equity:		
Common Stock -- par value \$1 per share, 1,000 shares authorized, issued and outstanding (wholly-owned by GATX).....		--
Additional capital.....		335.0
Reinvested earnings.....		411.9
Cumulative unrealized equity adjustments.....		11.3
		-----
Total shareholder's equity.....		758.2
		-----
Total capitalization including short-term debt.....		\$ 2,476.5
		=====

</TABLE>

The Company has entered into a \$300 million revolving credit agreement with a group of banks. Debt issued under this credit agreement will be unsecured. The full amount of the facility can be used for general corporate purposes by the Company. While at June 30, 1996 no borrowings were outstanding under the agreement, the available line of credit was reduced by \$115.4 million of commercial paper outstanding. As of June 30, 1996, the Company also had borrowings of \$133.6 million under unsecured money market lines. Also, the Company has a revolving credit agreement in the United Kingdom of L28.0 million, of which L2.0 million was available at June 30, 1996.

S-12

13

SUMMARY FINANCIAL INFORMATION

The following table summarizes selected financial information of the Company and has been derived from the Company's reports on Form 10-K and Form 10-Q. Certain amounts in the financial statements of prior periods have been reclassified to conform to the current presentation.

<TABLE>							
<CAPTION>							
		SIX MONTHS ENDED JUNE 30,		YEAR ENDED DECEMBER 31,			
		1996	1995	1995	1994	1993	1992
		-----	-----	-----	-----	-----	-----
		(DOLLARS IN MILLIONS)					
<S>		<C>	<C>	<C>	<C>	<C>	<C>
OPERATING DATA:							
Gross income.....	\$	361.6	\$ 353.1	\$ 709.2	\$ 642.6	\$ 601.7	\$ 579.2
Costs and expenses:							
Operating expenses.....		160.6	152.7	312.2	293.0	271.9	255.8
Interest.....		54.9	50.3	99.4	78.3	78.8	96.0
Provision for depreciation and amortization.....		64.3	60.5	121.4	111.8	104.9	101.2
Selling, general and administrative.....		28.9	26.6	55.2	46.7	41.5	38.0
							41.0

Total costs and expenses.....	308.7	290.1	588.2	529.8	497.1	491.0	470.4
Income before income taxes, equity in net earnings of affiliated companies and cumulative effect of accounting changes.....	52.9	63.0	121.0	112.8	104.6	88.2	88.5
Income taxes.....	19.7	25.4	47.2	42.7	45.1	31.7	29.0
Income before equity in net earnings of affiliated companies and cumulative effect of accounting changes.....	33.2	37.6	73.8	70.1	59.5	56.5	59.5
Equity in net earnings of affiliated companies.....	8.9	10.0	20.1	16.9	14.6	16.3	14.7
Income before cumulative effect of accounting changes.....	42.1	47.6	93.9	87.0	74.1	72.8	74.2
Cumulative effect of accounting changes.....	--	--	--	--	--	(6.7)	--
Net Income.....	\$ 42.1	\$ 47.6	\$ 93.9	\$ 87.0	\$ 74.1*	\$ 66.1	\$ 74.2
Net cash provided by operating activities.....	\$ 99.1	\$ 94.1	\$ 211.2	\$ 200.8	\$ 206.5	\$ 190.2	\$ 177.1
Capital additions.....	257.0	214.9	541.2	439.8	273.1	192.8	187.5
BALANCE SHEET DATA (END OF PERIOD):							
Property, plant and equipment -- net.....	2,059.3	1,886.5	1,855.1	1,754.9	1,557.3	1,538.0	1,543.7
Due from GATX Corporation.....	390.4	373.8	373.9	362.4	361.5	358.7	338.8
Total Assets.....	2,852.5	2,609.9	2,631.0	2,466.6	2,215.6	2,164.1	2,136.2
Debt:							
Short-term debt.....	305.2	167.1	144.8	129.4	104.2	133.3	78.7
Long-term debt:							
Equipment trust certificates.....	--	--	--	--	--	--	108.6
Other.....	1,010.8	969.3	972.9	864.1	731.9	723.8	700.2
Capital lease obligations.....	111.4	117.9	115.1	121.8	126.8	135.0	139.0
Shareholder's equity.....	758.2	724.5	740.8	703.4	643.9	618.9	593.9
RATIO OF EARNINGS TO FIXED CHARGES**.....	1.76x	2.07x	1.99x	2.16x	2.13x	1.83x	1.81x

</TABLE>

\* Net income was reduced by \$7.7 million as a result of a change in the federal tax rate.

\*\* The ratio of earnings to fixed charges represents the number of times "fixed charges" are covered by "earnings." "Fixed charges" consist of interest on outstanding debt and capitalized interest, one-third (the proportion deemed representative of the interest factor) of rentals, amortization of debt discount and expenses. "Earnings" consist of consolidated income before income taxes, fixed charges, and in 1992 the cumulative effect of accounting changes, less equity in net earnings of affiliated companies, net of distributions received.

S-13

14

#### DESCRIPTION OF BUSINESS

The Company is a wholly owned subsidiary of GATX and is engaged in railcar leasing and management. Terminals is a wholly owned subsidiary of the Company and is engaged in the operation of public bulk liquid storage terminals and domestic pipeline systems. The Company is the largest lessor of railroad tank cars in the United States, and Terminals is one of the largest independent operators of public bulk liquid storage terminals in the world.

#### SUMMARY SEGMENT FINANCIAL INFORMATION

The table below sets forth gross income; income before income taxes, equity in net earnings of affiliated companies and the cumulative effect of accounting changes; net income; and identifiable assets for the Company's Railcar Leasing and Management segment and for the Terminals and Pipelines segment for each of the six months ended June 30, 1996 and 1995, and for each of the five years ended December 31, 1995, 1994, 1993, 1992, and 1991.

<TABLE>

<CAPTION>

<S>	SIX MONTHS ENDED		YEAR ENDED DECEMBER 31,				
	JUNE 30,						
	1996	1995	1995	1994	1993	1992	1991
	<C>	<C>	<C>	<C>	<C>	<C>	<C>
	(DOLLARS IN MILLIONS)						
GROSS INCOME:							
Railcar leasing and management.....	\$ 196.4	\$ 175.6	\$ 360.9	\$ 322.1	\$ 302.2	\$ 289.3	\$ 285.3
Terminals and pipelines.....	145.8	159.4	313.4	303.1	281.1	266.5	249.7

Subtotal.....	342.2	335.0	674.3	625.2	583.3	555.8	535.0
Interest from GATX.....	19.4	18.1	34.9	17.4	18.4	23.4	23.9
Total Gross Income.....	\$ 361.6	\$ 353.1	\$ 709.2	\$ 642.6	\$ 601.7	\$ 579.2	\$ 558.9
INCOME BEFORE INCOME TAXES, EQUITY IN NET EARNINGS OF AFFILIATED COMPANIES AND CUMULATIVE EFFECT OF ACCOUNTING CHANGES:							
Railcar leasing and management.....	\$ 47.5	\$ 45.0	\$ 90.7	\$ 79.6	\$ 74.4	\$ 68.4	\$ 73.6
Terminals and pipelines.....	5.4	18.0	30.3	33.2	30.2	19.8	14.9
Total Income Before Income Taxes, Equity in Net Earnings of Affiliated Companies and Cumulative Effect of Accounting Changes.....	\$ 52.9	\$ 63.0	\$ 121.0	\$ 112.8	\$ 104.6	\$ 88.2	\$ 88.5
NET INCOME:							
Railcar leasing and management.....	\$ 32.8	\$ 30.9	\$ 62.9	\$ 55.1	\$ 47.6	\$ 55.6	\$ 55.2
Terminals and pipelines.....	9.3	16.7	31.0	31.9	26.5	18.7	19.0
Other.....	--	--	--	--	--	(8.2)	--
Total Net Income.....	\$ 42.1	\$ 47.6	\$ 93.9	\$ 87.0	\$ 74.1*	\$ 66.1**	\$ 74.2
IDENTIFIABLE ASSETS:							
Railcar leasing and management.....	\$2,257.5	\$2,031.9	\$2,041.9	\$1,882.8	\$1,701.0	\$1,694.7	\$1,678.3
Terminals and pipelines.....	1,177.1	1,024.9	1,101.5	1,022.5	872.5	816.2	781.7
Other.....	0.7	(10.4)	1.0	0.6	1.0	0.9	0.7
Subtotal.....	3,435.3	3,046.4	3,144.4	2,905.9	2,574.5	2,511.8	2,460.7
Intersegment amounts.....	(582.8)	(436.6)	(513.4)	(439.3)	(358.9)	(347.7)	(324.5)
Total Identifiable Assets.....	\$2,852.5	\$2,609.8	\$2,631.0	\$2,466.6	\$2,215.6	\$2,164.1	\$2,136.2

</TABLE>

\* Net income was reduced by \$7.7 million as a result of a change in the federal tax rate.

\*\* Net income was reduced by \$6.7 million due to the Company's adoption of FAS 106 and FAS 109.

S-14

15

#### RAILCAR LEASING AND MANAGEMENT

The Company is principally engaged in leasing specialized railcars, primarily tank cars, under full service leases. As of June 30, 1996, its fleet consisted of approximately 66,600 railcars, including approximately 55,000 tank cars and 11,600 specialized freight cars, primarily Airlide(R) covered hopper cars and plastic pellet cars. In addition, the Company's Mexican fleet consists of approximately 1,600 railcars. The Company has upgraded its fleet over time by adding new larger capacity cars and retiring older smaller capacity cars. The Company's railcars have a useful life of approximately 30 to 33 years. The average age of the railcars in the Company's domestic fleet is approximately 15 years and the average age of the railcars in the Company's Mexican fleet is approximately 19 years.

The following table sets forth the approximate tank car fleet capacity of the Company as of the end of each of the periods indicated and the number of cars of all types added to the Company's fleet during such periods:

<TABLE>

<CAPTION>

	SIX MONTHS ENDED		YEAR ENDED DECEMBER 31,				
	JUNE 30, 1996	1995	1994	1993	1992	1991	
Tank car domestic fleet capacity (in millions of gallons).....	1,212	1,176	1,090	1,024	993	977	
Number of cars added to fleet.....	2,623	6,200	4,900	3,000	1,600	1,500	

The Company's customers use its railcars to ship over 700 different commodities, primarily chemicals, petroleum, food products and minerals. For

1995, approximately 54% of railcar leasing revenue was attributable to shipments of chemical products, 21% to petroleum products, 18% to food products and 7% to other products. Many of these products require cars with special features; the Company offers a wide variety of sizes and types of cars to meet these needs. The Company leases railcars to over 700 customers, including major chemical, oil, food and agricultural companies. No single customer accounted for more than 4% of total railcar leasing revenue in 1995.

The Company typically leases new equipment to its customers for a term of five years or longer, whereas renewals or leases of used cars are typically for periods ranging from less than a year to seven years with an average lease term of about three years. The utilization rate of the Company's domestic railcar fleet as of June 30, 1996 was approximately 94% and the utilization rate of the Company's Mexican railcar fleet was approximately 52%.

Under its full service leases, the Company maintains and services its railcars, pays ad valorem taxes and provides many ancillary services. Through its Car Status Service System, for example, the Company provides customers with timely information about the location and readiness of their leased cars to enhance and maximize the utilization of this equipment. The Company also maintains a network of major service centers which as of June 30, 1996 consisted of four domestic and one foreign service center, and 25 mobile trucks in 17 locations. The Company also utilizes independent third-party repair shops.

The Company purchases most of its new railcars from Trinity Industries, Inc. ("Trinity"), a Dallas-based metal products manufacturer, under a contract entered into in 1984 and extended from time to time thereafter, most recently in 1992. The Company anticipates that through this contract it will continue to be able to satisfy its customers' new car lease requirements. The Company's engineering staff provides Trinity with design criteria and equipment specifications, and works with Trinity's engineers to develop new technology where needed in order to upgrade or improve car performance or in response to regulatory requirements.

The full-service railcar leasing industry is comprised of the Company, Union Tank Car Company, General Electric Railcar Services Corporation, Shippers Car Line division of ACF Industries, Incorporated, and many smaller companies. Of the approximately 207,000 tank cars owned and leased in the United States at December 31, 1995, the Company had approximately 53,900. Principal competitive factors include price, service and availability.

Because the railcars covered by the Leases are of relatively recent manufacture, they have not had any significant operating history. For this reason, and because the Company's obligation under the Leases to make

S-15

16

payments sufficient to pay in full the Equipment Notes will be unconditional, and not affected by the financial performance of any of the railcars covered by the Leases, the Company believes that historical financial information with respect to the railcars covered by the Leases is not relevant to purchasers of the Pass Through Certificates.

#### TERMINALS AND PIPELINES

Terminals is engaged in the storage, handling and intermodal transfer of petroleum and chemical commodities at key points in the bulk liquid distribution chain. All of its terminals are located near major distribution and transportation points and most are capable of receiving and shipping bulk liquids by ship, rail, barge and truck. Many of the terminals are also linked with major interstate pipelines. In addition to storing, handling and transferring bulk liquids, Terminals provides blending and testing services at most of its facilities. Terminals owns and operates 28 terminals in the United States. Terminals also owns and operates eight terminals in the United Kingdom. Terminals also has joint venture interests in 14 international facilities. In addition, Terminals owns or holds interests in four refined products pipeline systems.

As of December 31, 1995, Terminals had a total storage capacity of 75 million barrels. This includes 55 million barrels of bulk liquid storage capacity in the United States, 7 million barrels in the United Kingdom and an equity interest in another 13 million barrels of storage capacity in Europe and the Far East. Terminals' smallest bulk liquid facility has a storage capacity of 95,000 barrels while its largest facility, located in Pasadena, Texas, has a capacity of over 12 million barrels. Capacity utilization at Terminals' wholly-owned facilities was 85% at the end of 1995; throughput for the year was 655 million barrels. During the first six months of 1996, throughput totaled 344 million barrels and capacity utilization was 86%.

For 1995, 75% of Terminals' revenue was derived from petroleum products and 23% from a variety of chemical products. Demand for Terminals' facilities is dependent in part upon the demand for petroleum and chemical products and is

also affected by refinery output, foreign imports, the availability of competitive storage facilities and the expansion of its customers into new geographical markets.

Terminals serves approximately 300 customers, including major oil and chemical companies as well as trading firms and larger independent refiners. No single customer accounted for more than 5% of Terminals' 1995 revenue. Customer service contracts are both short term and long term.

Terminals along with two Dutch companies, Paktank N.V. and Van Ommeren N.V., are the three major international public terminalling companies. The domestic public terminalling industry consists of Terminals, Paktank Corporation, International-Matex Tank Terminals, and many smaller independent terminalling companies. In addition to public terminalling companies, oil and chemical companies also have significant storage capacity in their own private facilities. Terminals' pipelines compete with rail, trucks and other pipelines for movement of liquid petroleum products. Principal competitive factors include price, location relative to distribution facilities, and service.

#### RELATIONSHIP WITH GATX

All of the Company's outstanding common stock is owned by GATX. GATX will not guarantee the Pass Through Certificates and does not guarantee any other indebtedness of the Company. The Company, in the normal course of business, declares dividends to GATX to provide for GATX's normal operating expenses. Additional amounts have been advanced to GATX from time to time for corporate purposes, the redemption of GATX preferred stock and the retirement of debt. In addition, GATX may make advances to subsidiaries of the Company in the normal course of business. Interest income on advances by the Company to GATX was \$34.8 million in 1995, \$17.4 million in 1994 and \$18.4 million in 1993. Interest expense on advances from GATX to the Company was \$6.2 million in 1995, \$1.8 million in 1994 and \$2.2 million in 1993. The interest rate, which is periodically adjusted in accordance with short-term commercial paper rates, averaged 7.45% in 1995, 4.09% in 1994 and 4.30% in 1993. These advances have no fixed maturity date.

The Company and its subsidiaries contribute to GATX pension plans which cover substantially all of the Company's employees. Costs are allocated to the Company on the basis of payroll costs with respect to normal

S-16

17

cost and on the basis of actuarial determinations for prior service cost. In addition to pension benefits, the Company's employees participate in life insurance and dental and medical programs sponsored by GATX.

The Company and GATX have policies allocating income tax liabilities. These policies provide generally for the filing of consolidated tax returns by GATX, but with payments to or from the Company as though the Company had filed a separate return, except that the Company might not benefit from its investment tax credits and foreign taxes paid to the same extent as if separate returns had been filed.

#### LEGAL PROCEEDINGS AND ENVIRONMENTAL MATTERS

The Company and its subsidiaries have been named as defendants in a number of pending lawsuits. These lawsuits include approximately 30 lawsuits (most involving multiple plaintiffs) that have been filed in the Superior Court for the State of California naming Terminals or Calnev Pipe Line Company as defendants and seeking an unspecified amount of damages arising out of a May 1989 explosion in San Bernardino, California, as well as a number of suits arising out of an incident in July 1991, when a Company-owned railcar was involved in a derailment near Dunsmuir, California that resulted in a spill of metam sodium into the Sacramento River. As a result of the latter incident the Company has also been named as a potentially responsible party by the State of California with respect to the assessment and remediation of possible damages to natural resources. The Company has entered into settlement agreements with the United States of America, the State of California, Southern Pacific and certain other defendants settling all material claims arising out of the above incident in an amount not material to the Company. On July 14, 1995, a judgement in the amount of \$9.7 million was entered against the Company in the U.S. District Court for the Northern District of Illinois in the matter of General American Transportation Corporation v. Cryo-Trans, Incorporated, a case involving an alleged patent infringement by the Company in the construction and use of its Arcticar(TM) cryogenically cooled railcar. The judgement was subsequently reduced to \$9 million. On August 14, 1996, the Federal Circuit Court of Appeals reversed the decision of the District Court. It is the opinion of management that if damages are assessed and taking into consideration the probable insurance recoveries, these lawsuits will not have a material effect on the Company's consolidated financial position or results of operations.

Certain of the Company's and Terminals' operations present potential



environmental risks principally through the transportation or storage of various commodities. Recognizing that some risk to the environment is intrinsic to its operations, the Company is committed to protecting the environment, as well as complying with applicable environmental protection laws and regulations. The Company, as well as its competitors, is subject to extensive regulation under federal, state and local environmental laws which have the effect of increasing the costs and liabilities associated with the conduct of its operations. In addition, the Company's foreign operations are subject to environmental regulations in effect in each respective jurisdiction.

The Company's policy is to monitor and actively address environmental concerns in a responsible manner. As of December 31, 1995, the Company had received notices from the U.S. Environmental Protection Agency ("EPA") that it is a potentially responsible party ("PRP") for study and clean-up costs at 11 sites under the requirements of the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("Superfund"). Under Superfund and comparable state laws, the Company may be required to share in the cost to clean-up various contaminated sites identified by the EPA and other agencies. In all but one instance, the Company is one of a number of financially responsible PRPs and has been identified as contributing only a small percentage of the contamination at each of the sites. Due to various factors such as the required level of remediation and participation in clean-up efforts by others, the Company's total clean-up costs at these sites cannot be predicted with certainty; however, the Company's best estimates for remediation and restoration of these sites have been determined and are included in its environmental reserves.

Future costs of environmental compliance are indeterminable due to unknowns such as the magnitude of possible contamination, the timing and extent of the corrective actions that may be required, the determination of the Company's liability in proportion to other responsible parties, and the extent to which such costs are recoverable from third parties including insurers. Also, the Company may incur additional costs relating to

S-17

18

facilities and sites where past operations followed practices and procedures that were considered acceptable at the time but in the future may require investigation and/or remedial work to ensure adequate protection to the environment under current or future standards. If future laws and regulations contain more stringent requirements than presently anticipated, expenditures may be higher than the estimates, forecasts, and assessments of potential environmental costs provided below. However, these costs are expected to be at least equal to the current level of expenditures. In addition, the Company has provided indemnities for environmental issues to the buyers of three divested companies for which the Company believes it has adequate reserves.

The Company's environmental reserve at the end of 1995 was \$78 million and reflects the Company's best estimate of the cost to remediate its environmental conditions. Additions to the reserve were \$14 million in 1995 and \$27 million in 1994; 1994 included \$13 million recorded in conjunction with terminal acquisitions. Expenditures charged to the reserve amounted to \$16 million and \$12 million in 1995 and 1994, respectively.

In 1995, the Company made capital expenditures of \$18 million for environmental and regulatory compliance compared to \$15 million in 1994. These projects included marine vapor recovery, discharge prevention compliance, waste water systems, impervious dikes, tank modifications for emissions control, and tank car cleaning systems. Environmental projects authorized or currently under consideration would require capital expenditures of approximately \$28 million in 1996. It is anticipated that the Company will make annual expenditures at a similar annual level over the next five years.

The foregoing does not purport to be a complete summary of legal proceedings involving the Company. For further information concerning such legal proceedings, reference is hereby made to Item 3 of Part I of the Company's Annual Report on Form 10-K for the year ending December 31, 1995 and to Item 1 of Part II of its Quarterly Report on Form 10-Q for the quarter ending June 30, 1996.

S-18

19

#### FORMATION OF THE PASS THROUGH TRUSTS

The Pass Through Trusts will be formed pursuant to two separate Trust Supplements between the Pass Through Trustee and GATC in accordance with the terms of the Pass Through Trust Agreement, dated as of August 1, 1992 between GATC and The First National Bank of Chicago (the "Basic Agreement"). All Pass Through Certificates issued with respect to each Pass Through Trust will represent fractional undivided interests in such Pass Through Trust and the

property held in such Pass Through Trust, and will have no rights, benefits or interest in respect of the other Pass Through Trust or the property held therein. Concurrently with the execution and delivery of each Trust Supplement, the Pass Through Trustee, on behalf of the Pass Through Trust formed thereby, will enter into a participation agreement with respect to the related Equipment Group (a "Participation Agreement"). Pursuant to such Participation Agreement, the Pass Through Trustee, on behalf of such Pass Through Trust, will purchase the Equipment Notes issued with respect to such Equipment Group so that all of the Equipment Notes held in such Pass Through Trust will have an interest rate equal to the interest rate applicable to the Pass Through Certificates issued by such Pass Through Trust. The maturity dates of the Equipment Notes acquired by each Pass Through Trust will occur on or before the final distribution date applicable to the Pass Through Certificates issued with respect to such Pass Through Trust. The Pass Through Trustee will distribute the amount of payments of principal, Make-Whole Amount, if any and interest received by it as holder of the Equipment Notes to the Certificateholders of the Pass Through Trust in which such Equipment Notes are held. See "Description of the Pass Through Certificates" and "Description of the Equipment Notes" in this Prospectus Supplement.

#### DESCRIPTION OF THE PASS THROUGH CERTIFICATES

The Pass Through Certificates offered hereby will be issued pursuant to two separate Trust Supplements, to be entered into between the Company and the Pass Through Trustee pursuant to the Basic Agreement. The following summary of the particular terms of the Pass Through Certificates offered hereby supplements, and to the extent inconsistent therewith replaces, the description of the general terms and provisions of the Pass Through Certificates set forth in the accompanying Prospectus under the heading "Description of the Pass Through Certificates," to which description reference is hereby made. The statements under this caption are a summary and do not purport to be complete. The summary makes use of terms defined in and is qualified in its entirety by reference to all of the provisions of the Basic Agreement, a copy of which has been filed as an exhibit to the Registration Statement of which the Prospectus is a part, and to all the provisions of the Trust Supplements which, together with the forms of the related Equipment Notes, Indentures, Leases, Trust Agreements and Participation Agreements, will be filed as exhibits to a Current Report on Form 8-K to be filed by the Company with the Commission.

#### GENERAL

Each Pass Through Certificate offered hereby will represent a fractional undivided interest in one of the two General American Transportation Corporation 1996-1 Pass Through Trusts (the "Pass Through Trusts"), each Pass Through Trust to be formed pursuant to a Trust Supplement. The property of each Pass Through Trust will consist of the Equipment Notes to be issued on a nonrecourse basis by each of the Owner Trustees in connection with two separate leveraged lease transactions to finance not more than 80% of the cost to such Owner Trustees of certain railroad tank cars and covered hopper cars to be purchased by such Owner Trustees from the Company and leased to the Company. See "Use of Proceeds" in this Prospectus Supplement. The Equipment Notes in respect of each leveraged lease transaction will be issued in two series. Each Pass Through Trust will purchase one series of the Equipment Notes issued with respect to each of the two leveraged lease transactions such that all of the Equipment Notes acquired by each Pass Through Trust will have an interest rate equal to the interest rate of the Pass Through Certificates to be issued by such Pass Through Trust and will mature on or before the final distribution date of the Pass Through Certificates to be issued by such Pass Through Trust. The aggregate principal amount of the Equipment Notes held in each Pass Through Trust will be the same as the aggregate principal amount of the Pass Through Certificates to be issued by such Pass Through Trust. For a description of the Equipment Notes and the Indentures, see "Description of the Equipment Notes" in this Prospectus Supplement and the accompanying Prospectus.

S-19

20

#### PAYMENTS AND DISTRIBUTIONS

Payments of interest on the Equipment Notes held in each Pass Through Trust are scheduled to be received by the Pass Through Trustee on February 28 and August 28 of each year, commencing February 28, 1997, until the final distribution date for such Pass Through Trust, and payments of principal on the Equipment Notes are scheduled to be received in specified amounts by the Pass Through Trustee on February 28 or August 28, or both, of each year commencing February 28, 1997 in the case of the Series 1996-1A Pass Through Certificates and August 28, 2016 in the case of the Series 1996-1B Pass Through Certificates (such February 28 and August 28 of each year are herein referred to as "Regular Distribution Dates").

Payments of principal, Make-Whole Amount, if any, and interest received by the Pass Through Trustee on account of a partial or full prepayment, if any, of the Equipment Notes held in a Pass Through Trust, and payments received by the

Pass Through Trustee following a default in respect of such Equipment Notes (including payments received by the Pass Through Trustee on account of the purchase by the related Owner Trustee of such Equipment Notes or payments received on account of the sale of such Equipment Notes by the Pass Through Trustee) ("Special Payments") will be distributed on the 28th day of a month (a "Special Distribution Date"), except in the case of a refinancing of such Equipment Notes which will be distributed on the date of such refinancing, which may occur on any Business Day. Not less than 20 days' notice of such Special Payments or refinancing shall be provided by the Pass Through Trustee to the holders of the Pass Through Certificates issued by such Pass Through Trust. See "Description of the Pass Through Certificates -- Payments and Distributions" in the accompanying Prospectus, "Description of the Equipment Notes -- Prepayments" in this Prospectus Supplement and "Description of the Equipment Notes -- Events of Default and Certain Rights Upon an Event of Default" in the accompanying Prospectus.

S-20

21

POOL FACTORS

As of the date of issuance of the Pass Through Certificates, and assuming that no prepayment, purchase or default in respect of any Equipment Notes shall occur, the scheduled repayments of principal of such Equipment Notes and the resulting Pool Factors for each Pass Through Trust after taking into account each such repayment are set forth below:

<TABLE>  
<CAPTION>

REGULAR DISTRIBUTION DATE	PASS THROUGH TRUST 1996-1A EQUIPMENT NOTES SCHEDULED PAYMENTS OF PRINCIPAL		PASS THROUGH TRUST 1996-1B EQUIPMENT NOTES SCHEDULED PAYMENTS OF PRINCIPAL		PASS THROUGH TRUST 1996-1B POOL FACTOR
	PASS THROUGH TRUST 1996-1A POOL FACTOR		PASS THROUGH TRUST 1996-1A POOL FACTOR		
<S>	<C>	<C>	<C>	<C>	<C>
February 28, 1997.....	\$ 932,336	0.9879320			
August 28, 1997.....	713,016	0.9787029			
February 28, 1998.....	1,366,156	0.9610196			
August 28, 1998.....	857,397	0.9499216			
February 28, 1999.....	1,179,905	0.9346492			
August 28, 1999.....	1,005,611	0.9216327			
February 28, 2000.....	1,281,717	0.9050424			
August 28, 2000.....	1,157,955	0.8900541			
February 28, 2001.....	1,266,587	0.8736596			
August 28, 2001.....	1,314,740	0.8566419			
February 28, 2002.....	1,316,407	0.8396025			
August 28, 2002.....	2,135,751	0.8119578			
February 28, 2003.....	410,548	0.8066437			
August 28, 2003.....	2,650,474	0.7723365			
February 28, 2004.....	391,598	0.7672677			
August 28, 2004.....	2,900,277	0.7297271			
February 28, 2005.....	378,396	0.7248292			
August 28, 2005.....	2,745,590	0.6892908			
February 28, 2006.....	28,861	0.6889172			
August 28, 2006.....	2,306,972	0.6590562			
February 28, 2007.....	2,595,602	0.6254592			
August 28, 2007.....	3,478,126	0.5804390			
February 28, 2008.....	5,158,968	0.5136623			
August 28, 2008.....	6,921,196	0.4240757			
February 28, 2009.....	7,567,175	0.3261276			
August 28, 2009.....	28,532	0.3257583			
February 28, 2010.....	8,112,446	0.2207523			
August 28, 2010.....	110,158	0.2193264			
February 28, 2011.....	8,650,051	0.1073618			
August 28, 2011.....	206,817	0.1046848			
February 28, 2012.....	8,021,856	0.0008514			
August 28, 2012.....	65,779	0.0000000			
February 28, 2013.....			\$2,953,866	0.9001330	
August 28, 2013.....			175,803	0.8941893	
February 28, 2014.....			3,100,301	0.7893715	
August 28, 2014.....			1,002,252	0.7554864	
February 28, 2015.....			3,799,957	0.6270140	
August 28, 2015.....			8,747,146	0.3312825	
February 28, 2016.....			167,958	0.3256041	
August 28, 2016.....			7,723,338	0.0644864	
February 28, 2017.....			344,056	0.0528542	
August 28, 2017.....			1,563,323	0.0000000	

</TABLE>

See "Description of the Pass Through Certificates -- Pool Factors" in the accompanying Prospectus for information regarding the computation of the Pool

## DESCRIPTION OF THE EQUIPMENT NOTES

The following summary of the particular terms and provisions of the Equipment Notes supplements, and to the extent inconsistent therewith replaces, the description of the general terms and provisions of the Equipment Notes set forth in the accompanying Prospectus under the heading "Description of the Equipment Notes" to which description reference is hereby made. The statements under this caption are summaries and do not purport to be complete. The summaries make use of terms defined in and are qualified in their entirety by reference to all of the provisions of the Equipment Notes, the Indentures, the Leases, the Participation Agreements and the Trust Agreements, the forms of which will be filed as exhibits to a Current Report on Form 8-K to be filed by the Company with the Commission. Except as otherwise indicated, the following summaries relate to the Equipment Notes, the Indenture, the Lease, the Participation Agreement and the Trust Agreement relating to each Equipment Group.

## GENERAL

The Equipment Notes will be issued in two series with respect to each Equipment Group and will be issued under one of two separate Indentures between First Security Bank, National Association, as Owner Trustee of a trust for the benefit of the Owner Participant who is the beneficial owner of such Equipment Group, and The First National Bank of Chicago, as Indenture Trustee.

The related Owner Trustee will lease each Equipment Group to GATC pursuant to a separate Lease between such Owner Trustee and GATC with respect to such Equipment Group. GATC is obligated to make or cause to be made rental and other payments to the related Indenture Trustee on behalf of the related Owner Trustee in amounts that will be at least sufficient to pay the principal of, Make-Whole Amount, if any, and interest on the Equipment Notes issued with respect to such Equipment Group when and as due and payable. The Equipment Notes are not, however, direct obligations of, or guaranteed by, GATC or any affiliate thereof. GATC's rental obligations under the Leases are general obligations of GATC.

## PRINCIPAL PAYMENTS

The aggregate principal amounts of the Equipment Notes issued with respect to each Equipment Group, as such Equipment Groups will be held in each of the Pass Through Trusts, are as follows:

	PASS THROUGH TRUST 1996-1A 7.50%	PASS THROUGH TRUST 1996-1B 7.86%	
	EQUIPMENT NOTES	EQUIPMENT NOTES	TOTAL
<S>	<C>	<C>	<C>
Equipment Group No. 1			
Covered Hopper Cars.....	\$ 11,385,000	\$ 4,938,000	\$ 16,323,000
Tank Cars.....	39,102,000	15,482,000	54,584,000
Equipment Group No. 2			
Covered Hopper Cars.....	9,867,000	3,850,000	13,717,000
Tank Cars.....	16,903,000	5,308,000	22,211,000
Total.....	\$ 77,257,000	\$ 29,578,000	\$106,835,000
	=====	=====	=====

&lt;/TABLE&gt;

Interest will be payable on each Equipment Note at the rate per annum applicable to such Equipment Note on the unpaid principal amount thereof on February 28 and August 28 of each year, commencing February 28, 1997. Such interest will be computed on the basis of a 360-day year of twelve 30-day months. The principal of the Equipment Notes held by the Pass Through Trusts will be payable as set forth below:

PASS THROUGH TRUST 1996-1A  
7.50% EQUIPMENT NOTES

<TABLE>  
<CAPTION>

EQUIPMENT GROUP NO. 1	EQUIPMENT GROUP NO. 2
--------------------------	--------------------------

PAYMENT DATES	COVERED		COVERED		TOTAL
	HOPPER CARS	TANK CARS	HOPPER CARS	TANK CARS	
<S>	<C>	<C>	<C>	<C>	<C>
February 28, 1997.....	\$ 139,260	\$ 484,783	\$ 113,461	\$ 194,832	\$ 932,336
August 28, 1997.....	158,978	554,038	0	0	713,016
February 28, 1998.....	129,230	448,993	289,983	497,950	1,366,156
August 28, 1998.....	190,999	666,398	0	0	857,397
February 28, 1999.....	120,025	416,074	236,940	406,866	1,179,905
August 28, 1999.....	223,875	781,736	0	0	1,005,611
February 28, 2000.....	111,708	386,246	288,448	495,315	1,281,717
August 28, 2000.....	257,673	900,282	0	0	1,157,955
February 28, 2001.....	104,347	359,745	295,342	507,153	1,266,587
August 28, 2001.....	292,462	1,022,278	0	0	1,314,740
February 28, 2002.....	98,014	336,825	324,443	557,125	1,316,407
August 28, 2002.....	328,318	1,147,991	242,694	416,748	2,135,751
February 28, 2003.....	92,788	317,760	0	0	410,548
August 28, 2003.....	365,323	1,277,702	370,771	636,678	2,650,474
February 28, 2004.....	88,754	302,844	0	0	391,598
August 28, 2004.....	403,564	1,411,718	399,310	685,685	2,900,277
February 28, 2005.....	86,002	292,394	0	0	378,396
August 28, 2005.....	443,136	1,527,950	285,107	489,397	2,745,590
February 28, 2006.....	28,861	0	0	0	28,861
August 28, 2006.....	356,321	1,199,431	276,553	474,667	2,306,972
August 28, 2007.....	353,700	1,205,167	443,976	592,759	2,595,602
August 28, 2008.....	361,438	1,254,338	606,268	1,256,082	3,478,126
August 28, 2009.....	662,755	2,225,281	843,335	1,427,597	5,158,968
August 28, 2010.....	1,038,954	3,436,510	908,249	1,537,483	6,921,196
August 28, 2011.....	1,116,876	3,816,314	978,159	1,655,826	7,567,175
February 28, 2012.....	11,874	16,658	0	0	28,532
August 28, 2012.....	1,189,213	4,086,504	1,053,450	1,783,279	8,112,446
February 28, 2013.....	30,987	79,171	0	0	110,158
August 28, 2013.....	1,260,898	4,334,073	1,134,537	1,920,543	8,650,051
February 28, 2014.....	53,506	153,311	0	0	206,817
August 28, 2014.....	1,285,161	4,593,706	775,974	1,367,015	8,021,856
February 28, 2015.....	0	65,779	0	0	65,779
Total.....	\$11,385,000	\$39,102,000	\$ 9,867,000	\$16,903,000	\$77,257,000

</TABLE>

S-23

24

PASS THROUGH TRUST 1996-1B  
7.86% EQUIPMENT NOTES

<TABLE>  
<CAPTION>

PAYMENT DATES	EQUIPMENT GROUP NO. 1		EQUIPMENT GROUP NO. 2		TOTAL
	COVERED HOPPER CARS	TANK CARS	COVERED HOPPER CARS	TANK CARS	
<S>	<C>	<C>	<C>	<C>	<C>
August 28, 2016.....	\$ 0	\$ 2,953,866	\$ 0	\$ 0	\$ 2,953,866
February 28, 2017.....	0	175,803	0	0	175,803
February 28, 2018.....	0	0	972,618	2,127,683	3,100,301
August 28, 2018.....	1,002,252	0	0	0	1,002,252
February 28, 2019.....	13,461	0	1,467,180	2,319,316	3,799,957
August 28, 2019.....	1,553,867	5,348,205	984,073	861,001	8,747,146
February 28, 2020.....	49,130	118,828	0	0	167,958
August 28, 2020.....	1,642,793	5,654,416	426,129	0	7,723,338
February 28, 2021.....	89,695	254,361	0	0	344,056
August 28, 2021.....	586,802	976,521	0	0	1,563,323
Total.....	\$ 4,938,000	\$15,482,000	\$ 3,850,000	\$5,308,000	\$29,578,000

</TABLE>

If any date scheduled for any payment of principal of, Make-Whole Amount, if any, or interest on the Equipment Notes is not a Business Day, such payment will be made on the next succeeding Business Day without any additional interest. (Indenture, Section 2.04(b))

PREPAYMENTS

Mandatory Prepayments. In the event of an Event of Loss with respect to an Equipment Unit which is not replaced within a 60-day period following notice of such Event of Loss, all or a portion of the Equipment Notes issued with respect to the Equipment Group in which such Equipment Unit was included are required to

be prepaid on the Regular Distribution Date next succeeding the date 25 days after GATC gives notice of its election to pay the Stipulated Loss Value of such Equipment Unit or fails to replace the same within such 60-day period (or, if payment of the Stipulated Loss Value is so required with respect to an aggregate of fifteen or more Equipment Units in such Equipment Group then on the Special Distribution Date next occurring not less than 25 days after such notice) at a price equal to the sum of (i) as to principal, an amount equal to the product obtained by multiplying the unpaid principal amount of the Equipment Notes issued with respect to the same car type and Equipment Group in which such Equipment Unit was included by a fraction, the numerator of which shall be the Equipment Cost of such Equipment Unit and the denominator of which shall be the aggregate Equipment Cost of all Equipment Units in such Equipment Group of the same car type immediately prior to such prepayment date and (ii) as to interest, the aggregate amount of interest accrued and unpaid in respect of the principal amount to be prepaid pursuant to clause (i) above on such prepayment date, but without the payment of any Make-Whole Amount or other premium. See "Description of the Equipment Notes -- The Leases -- Events of Loss" in this Prospectus Supplement. (Lease, Sections 11.1 and 11.2; Indenture, Section 2.10(b))

In the event of (i) a termination by GATC, at its option (which commences on August 28, 2003), of the Lease with respect to any Equipment Unit or (ii) the purchase by GATC, at its option, exercisable on specified dates beginning August 28, 2015, of any Equipment Unit (unless the Company elects to assume the related Equipment Notes on a full recourse basis), the applicable Owner Trustee is required to prepay a portion of the Equipment Notes issued with respect to the Equipment Group in which such Equipment Unit was included. Such prepayment will be made on a Regular Distribution Date (or, in certain limited circumstances, a Special Distribution Date) upon at least 25 days' prior notice from the applicable Owner Trustee to the applicable Indenture Trustee at a prepayment price equal to the unpaid principal amount thereof (computed as provided in the preceding paragraph) together with accrued interest thereon to the date of prepayment plus the applicable Make-Whole Amount, if any, if such prepayment is made prior to August 28, 2008 in the case of the Series 1996-1A Pass Through Certificates and February 28, 2018 in the

S-24

25

case of the Series 1996-1B Pass Through Certificates and thereafter without premium. Such prepayment is to be made with net proceeds of the sale of such Equipment Unit received by the applicable Owner Trustee and, to the extent such proceeds are insufficient, with a portion of certain payments received by the applicable Indenture Trustee from GATC, or to be made with moneys deposited with the applicable Indenture Trustee by such Owner Trustee. See "Description of the Equipment Notes -- The Leases -- Termination" and "-- Early Purchase Option" in this Prospectus Supplement. (Lease, Sections 10 and 22.1; Indenture, Section 2.10(a))

**Voluntary Prepayments.** In the event the Company elects to exercise its right to purchase an Equipment Group as a result of the related Owner Participant or any affiliate thereof becoming or acquiring, or being acquired by, merged or otherwise consolidated with any company or affiliate thereof engaged in full service railcar leasing, whether or not a direct competitor to the Company or any affiliate of the Company or any person that has a material interest (whether held directly or indirectly) in an enterprise that engages in a business that is competitive with the Company's full service railcar leasing business, unless the Company elects, in connection with such exercise of its right to purchase such Equipment Group, to assume on a full recourse basis all of the applicable Owner Trustee's obligations in respect of the related Equipment Notes, all of the related Equipment Notes issued by the applicable Owner Trustee will be prepaid on a Special Distribution Date. In the event of a refinancing of the Equipment Notes issued with respect to any Equipment Group, all of the related Equipment Notes issued by the applicable Owner Trustee will be prepaid on the date of such refinancing, which may be any Business Day. In either such case, the applicable Indenture Trustee shall receive at least 25 days' prior notice from the applicable Owner Trustee and the prepayment price shall be equal to the unpaid principal amount thereof, together with accrued interest thereon, plus, if such prepayment is made prior to August 28, 2008 in the case of the Series 1996-1A Pass Through Certificates and February 28, 2018 in the case of the Series 1996-1B Pass Through Certificates, the applicable Make-Whole Amount, if any. See "Description of the Equipment Notes -- The Participation Agreements" in this Prospectus Supplement. (Indenture, Section 2.10(c) and (d))

The Equipment Notes issued with respect to any Equipment Group are also subject to purchase in whole by the applicable Owner Trustee, upon 30 days' irrevocable notice on a Special Distribution Date, in the case of (i) any acceleration of such Equipment Notes, (ii) the applicable Indenture Trustee, as assignee of the related Lease, having declared such Lease to be in default and having commenced the exercise of any additional remedy in respect of the Equipment Units under such Lease or (iii) one or more Lease Events of Default having occurred under the related Lease and continued for a period of 180 days or more during which period such Equipment Notes could, but shall not, have been

accelerated by the applicable Indenture Trustee. Such prepayment would be at a price equal to the unpaid principal amount thereof and accrued interest on such Equipment Notes to the date of payment, but without the payment of any Make-Whole Amount. During such 30-day notice period, the applicable Indenture Trustee shall not exercise any of the rights, remedies or powers under the related Lease or the related Indenture so long as the applicable Owner Trustee (or any nominee of the Owner Trustee reasonably acceptable to the Indenture Trustee) has notified the Indenture Trustee that such notice constitutes a binding obligation of the Owner Trustee to purchase such Equipment Notes. (Indenture, Section 4.04(b))

The Make-Whole Amount, if any, payable with respect to the Equipment Notes will be determined by an independent investment banking institution of national standing (the "Investment Banker") selected by GATC or, if the applicable Indenture Trustee does not receive notice of such selection at least ten days prior to a scheduled prepayment date or if a Lease Event of Default under the applicable Lease shall have occurred and be continuing, selected by the applicable Indenture Trustee.

The term "Make-Whole Amount" means, with respect to the principal amount of any Equipment Note to be prepaid on any prepayment date, an amount to be determined by the Investment Banker as of the third Business Day prior to the applicable prepayment date, which amount shall equal the product obtained by multiplying (a) the excess, if any, of (i) the sum of the present values of all the remaining scheduled payments of principal and interest from the prepayment date to maturity of such Equipment Note, discounted semiannually on each February 28 and August 28 at a rate equal to the Treasury Rate, based on a 360-day year of twelve 30-day months, over (ii) the aggregate unpaid principal amount of such Equipment Note plus

S-25

26

any accrued but unpaid interest thereon by (b) a fraction, the numerator of which shall be the principal amount of such Equipment Note to be prepaid on such prepayment date and the denominator of which shall be the aggregate unpaid principal amount of such Equipment Note; provided, that the aggregate unpaid principal amount of such Equipment Note for the purpose of clause (a)(ii) and (b) above shall be determined after deducting the principal installment, if any, due on such prepayment date.

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

The "Average Life Date" of each Equipment Note shall be the date which follows the prepayment date or, in the case of an Equipment Note not being prepaid, the date of such determination, by a period equal to the Remaining Weighted Average Life of such Equipment Note. The "Remaining Weighted Average Life" of such Equipment Note, at the prepayment or determination date of such Equipment Note, shall be the number of days equal to the quotient obtained by dividing (a) the sum of the products obtained by multiplying (i) the amount of each then remaining principal payment on such Equipment Note by (ii) the number of days from and including the prepayment or determination date to but excluding the scheduled payment date of such principal payment, by (b) the unpaid principal amount of such Equipment Note.

#### SECURITY

The Equipment Notes issued with respect to each Equipment Group will be equally and ratably secured by (i) an assignment by the related Owner Trustee to the related Indenture Trustee of such Owner Trustee's rights (except for certain limited rights described below) under the Lease with respect to such Equipment Group, including the right to receive payments of rent thereunder, and (ii) a perfected first priority security interest to such Indenture Trustee in such Equipment Group, subject to the rights of GATC under such Lease. See "Description of the Equipment Notes -- Security" in the accompanying Prospectus. The assignment by such Owner Trustee to such related Indenture Trustee of its

rights under such Lease excludes rights of such Owner Trustee and the related Owner Participant relating to indemnification by GATC for certain matters, insurance proceeds payable to such Owner Trustee in its individual capacity and to such Owner Participant under liability insurance maintained by GATC under such Lease or by such Owner Trustee or such Owner Participant, insurance proceeds payable to such Owner Trustee in its individual capacity or to such Owner Participant under certain casualty insurance maintained by such Owner Trustee or such Owner Participant under such Lease and certain reimbursement payments made by GATC to such Owner Trustee. (Indenture, Granting Clause)

#### INDENTURE EVENTS OF DEFAULT, NOTICE AND WAIVER

Indenture Events of Default under each Indenture include: (a) a Lease Event of Default under the related Lease, (b) default by the related Owner Trustee in making payments when due of principal of, premium, if any, or interest on any Equipment Note and continuance of that default for 10 Business Days, (c) failure by the related Owner Trustee or the related Owner Participant to perform any covenant contained in the Indenture, the Equipment Notes issued thereunder or in the related Participation Agreement continued for a period of 30 days after written notice by the related Indenture Trustee or any holder of an Equipment

S-26

27

Note issued under the Indenture, (d) any representation or warranty made by the related Owner Trustee in the Indenture or made by such Owner Trustee (except to the extent made with respect to First Security Bank, National Association in its individual capacity) or the related Owner Participant in the related Participation Agreement or in any document or certificate furnished to the related Indenture Trustee being incorrect in any material respect as of the date made and remaining material and continuing unremedied for a period of 30 days after written notice to the related Owner Trustee and related Owner Participant, and (e) the occurrence of certain events of bankruptcy, reorganization or insolvency of the related Owner Participant or the related Owner Trustee. There are no cross-default provisions in the Indentures and events resulting in an Indenture Event of Default under any particular Indenture (or a default under any other indebtedness of the Company) will not necessarily result in an Indenture Event of Default under any other Indenture. (Indenture, Section 4.01)

In the event that (i) at any time one or more Lease Events of Default under the related Lease shall occur and shall have continued for a period of 180 days or more during which time the Equipment Notes issued under the related Indenture could, but shall not, have been accelerated, (ii) such Equipment Notes shall have been accelerated or (iii) the related Indenture Trustee, as assignee of the related Lease, shall have declared such Lease to be in default and shall have commenced the exercise of any additional remedy in respect of the Equipment Units under such Lease, upon 30 days' irrevocable notice the related Owner Trustee may elect to purchase all, but not less than all, of the Equipment Notes then outstanding under such Indenture from the holders thereof by paying to each such holder an amount equal to the aggregate unpaid principal amount of all such Equipment Notes then held by such holder, together with accrued and unpaid interest thereon to the date of payment, but without the payment of any Make-Whole Amount. During such 30-day notice period, the applicable Indenture Trustee shall not exercise any of the rights, remedies or powers under the related Lease or the related Indenture so long as the applicable Owner Trustee (or any nominee of the Owner Trustee reasonably acceptable to the Indenture Trustee) has notified the Indenture Trustee that such notice constitutes a binding obligation of the Owner Trustee to purchase such Equipment Notes. (Indenture, Section 4.04(b))

In the event GATC fails to make any semiannual basic rental payment within 10 Business Days after the date the same shall become due under a Lease, then and as long as no other Indenture Event of Default under the related Indenture (which is not being concurrently cured) shall have occurred and be continuing the applicable Owner Participant or the applicable Owner Trustee may, during the 10 Business Days after receiving written notice of such failure from the applicable Indenture Trustee, pay to the applicable Indenture Trustee the amount of such rental payment together with any interest thereon on account of the delayed payment thereof, in which event such payment by such Owner Participant or such Owner Trustee shall be deemed to cure any Indenture Event of Default which arose from such failure of GATC (but such cure shall not relieve GATC of any of its obligations); provided, that the applicable Owner Participant and the applicable Owner Trustee, collectively, shall not be entitled to cure more than three consecutive or six total failures to make semiannual basic rental payments. In the event there shall occur a Lease Event of Default under a Lease in respect of any other payment of rent, or which is curable by the payment of money, then and as long as no other Indenture Event of Default under the related Indenture (which is not being concurrently cured) shall have occurred and be continuing the applicable Owner Participant or the applicable Owner Trustee may, during the 30 days after receiving written notice of such Lease Event of Default from the applicable Indenture Trustee, pay to such Indenture Trustee the amount of such rental payment together with any interest thereon on account of the delayed payment thereof, or otherwise make such payment as shall effect such



cure, in which event such payment by such Owner Participant or such Owner Trustee shall be deemed to cure any Indenture Event of Default which arose as a result of such Lease Event of Default (but such cure shall not relieve GATC of any of its obligations); provided, that the applicable Owner Participant and the applicable Owner Trustee, collectively, shall not be entitled to cure such other Lease Events of Default if the unreimbursed amount of such payments shall exceed \$3 million. With respect to any amounts advanced by and owing to the applicable Owner Trustee and the applicable Owner Participant, such Owner Trustee and such Owner Participant shall be expressly subordinated to the rights of the holders of the Equipment Notes to receive any and all amounts then due and owing on the Equipment Notes prior to any payment from GATC to such Owner Participant or such Owner Trustee. (Indenture, Section 4.04(a))

S-27

28

Each Indenture provides that the applicable Indenture Trustee shall, upon the occurrence of any event known to it that is an Indenture Default or Indenture Event of Default thereunder, give notice thereof to the holders of the Equipment Notes issued thereunder, GATC, the applicable Owner Trustee and the applicable Owner Participant. (Indenture, Section 5.01)

The holders of a majority in aggregate principal amount of the outstanding Equipment Notes issued under an Indenture by notice to the related Indenture Trustee may on behalf of all holders thereof waive any past default under such Indenture except a default in the payment of the principal of, premium, if any, or interest on any Equipment Note issued thereunder or a default in respect of any covenant or provision of such Indenture that cannot be modified or amended without the consent of each holder of an Equipment Note affected thereby. (Indenture, Section 4.06)

#### REMEDIES

If an Indenture Event of Default shall occur and be continuing under an Indenture, the Indenture Trustee thereunder may, and when instructed by the holders of a majority in aggregate principal amount of the Equipment Notes outstanding under such Indenture shall, declare the unpaid principal of all such Equipment Notes issued thereunder to be due and payable, together with all accrued interest thereon. The holders of a majority in aggregate principal amount of Equipment Notes outstanding under such Indenture may annul any such declaration by the related Indenture Trustee at any time prior to the sale of the related Equipment Group after such an Indenture Event of Default if (i) there has been paid to or deposited with such Indenture Trustee an amount sufficient to pay all overdue installments of principal of and interest on the Equipment Notes outstanding under such Indenture that have become due otherwise than by such declaration of acceleration, (ii) the rescission would not conflict with any judgment or decree and (iii) all other Indenture Defaults and Indenture Events of Default under such Indenture, other than nonpayment of principal and interest on the Equipment Notes outstanding under such Indenture that have become due solely because of such acceleration, have been cured or waived. (Indenture, Section 4.02)

Each Indenture provides that, if an Indenture Event of Default thereunder has occurred and is continuing, the Indenture Trustee thereunder may exercise certain rights or remedies available to it under applicable law, including (if the related Lease has been declared in default) one or more of the remedies under such Indenture or such Lease with respect to the Equipment Group subject to such Lease. An Indenture Trustee's right to exercise remedies under an Indenture is subject in certain circumstances to its having proceeded to exercise one or more remedies under such Lease with respect to the related Equipment Group, unless at the time, such Indenture Trustee is stayed or otherwise prevented from doing so by operation of law, in which case such Indenture Trustee has agreed to refrain from exercising remedies under such Indenture for a period of 90 days. Further, an Indenture Trustee may not exercise remedies under an Indenture in those circumstances in which GATC, as the debtor in a bankruptcy proceeding, shall have assumed such Lease with the approval of the bankruptcy court having jurisdiction over such case, under Section 365 of the Bankruptcy Code or any amended or successor version thereof, and no Lease Event of Default (other than a Lease Event of Default arising from the bankruptcy of GATC) has occurred and is continuing under such Lease and no Indenture Event of Default unrelated to a Lease Event of Default occurring solely as a result of the bankruptcy of GATC shall have occurred and be continuing under such Indenture. See "Description of the Equipment Notes -- The Leases -- Lease Events of Default" in this Prospectus Supplement. Such remedies may be exercised by an Indenture Trustee to the exclusion of a related Owner Trustee and, subject to the terms of the related Lease, GATC. Any Equipment sold in the exercise of such remedies will be free and clear of any rights of those parties including the rights of GATC under such Lease with respect to such Equipment; provided that no exercise of any remedies by such Indenture Trustee may affect the rights of GATC under such Lease unless a Lease Event of Default under such Lease has occurred and is continuing. (Indenture, Sections 4.03(a) and (c), 4.04(c) and 4.05; Lease, Section 15)

The holders of a majority in aggregate principal amount of the Equipment Notes outstanding under an Indenture may instruct the Indenture Trustee thereunder to give such notice, direction or consent, or exercise such right, remedy or power under such Indenture or the related Lease or in respect of the Indenture Estate or take such other action as shall be specified in such instructions, but in such event such Indenture Trustee shall

S-28

29

not be required to take or refrain from taking any action in connection therewith if it shall have reasonable grounds for believing that adequate indemnity against such risk is not reasonably assured to it. (Indenture, Sections 5.02 and 5.03)

If an Indenture Event of Default occurs and is continuing under an Indenture and the Indenture Trustee thereunder (as security assignee) has declared the related Lease to be in default or the Equipment Notes outstanding under such Indenture have been accelerated or such Indenture Trustee has exercised any remedies under such Indenture, any sums held or received by such Indenture Trustee may be applied to reimburse such Indenture Trustee for any tax, expense or other loss incurred by it and to pay any other amounts then due such Indenture Trustee prior to any payments to holders of the Equipment Notes issued under such Indenture. (Indenture, Section 3.03)

#### MODIFICATION OF INDENTURES AND LEASES

Without the consent of holders of a majority in aggregate principal amount of the Equipment Notes outstanding under an Indenture, the provisions of such Indenture and the related Lease and the related Participation Agreement may not be amended or modified, except to the extent indicated below.

Certain provisions of each Lease and each Participation Agreement may be amended or modified by the parties thereto without the consent of any holders of the Equipment Notes outstanding under such Indenture so long as no Indenture Event of Default thereunder shall have occurred and be continuing. In the case of each Lease, such provisions include, among others, provisions relating to (i) rental payments and other payments, except to the extent indicated in clause (a) of the following paragraph, (ii) the maintenance of the Equipment Group covered by such Lease, modifications to the Equipment Units within such Equipment Group and the return to the related Owner Trustee of such Equipment Group at the end of the term of such Lease and (iii) the renewal of such Lease and the option of GATC at the end of the term of such Lease to purchase such Equipment Group. (Indenture, Section 9.05)

Without the consent of the holder of each Equipment Note outstanding under an Indenture, no amendment or modification of such Indenture may (a) change the final maturity of, or reduce the principal amount of, or premium, if any, or interest payable on any Equipment Notes issued under such Indenture or impair the right to institute suit for the enforcement of any such payment or change the date on which any principal or premium, if any, or interest is due and payable, (b) create any lien with respect to the property subject to the Lien of such Indenture ranking prior to or on a parity with the security interest created by such Indenture, except as permitted in such Indenture, or deprive any holder of an Equipment Note issued under such Indenture of the benefit of the Lien of such Indenture or (c) reduce the percentage in principal amount of outstanding Equipment Notes issued under such Indenture necessary to modify or amend any provision of such Indenture or to waive compliance therewith. (Indenture, Section 9.01)

#### ASSUMPTION OF EQUIPMENT NOTES UNDER CERTAIN CIRCUMSTANCES

In the event that GATC elects to purchase any or all of an Equipment Group prior to the maturity of the related Equipment Notes, either pursuant to the early purchase option described under " -- The Leases -- Early Purchase Option" or as a result of the related Owner Participant or any affiliate thereof engaging in a business in competition with the Company's full service railcar leasing business as described under " -- The Participation Agreements", GATC shall have the right to assume the related Equipment Notes on a full recourse basis. Such assumption shall be subject to certain terms and conditions, including, among other things, (i) delivery by GATC of an indenture supplement giving effect to such assumption reasonably satisfactory to the related Indenture Trustee and execution and delivery by GATC of Equipment Notes reflecting such assumption, (ii) delivery by GATC to the related Indenture Trustee and the related Owner Trustee of a certificate stating that GATC has paid to such Owner Trustee all amounts required to be paid to such Owner Trustee pursuant to the applicable Lease in connection with such purchase and assumption, (iii) no Indenture Event of Default or event which with notice or lapse of time or both would become an Indenture Event of Default having occurred and be continuing immediately subsequent to such assumption, and (iv) receipt by the related Indenture Trustee and the related Owner Trustee of an opinion of counsel to GATC to the effect that, after giving effect to the indenture supplement, (x) the related Indenture, the indenture supplement and the

obligation of GATC, enforceable against GATC in accordance with their respective terms (subject to customary exceptions), (y) all filings and recordings and other action necessary or appropriate to protect the interests of the related Indenture Trustee in the Equipment Units purchased by GATC have been accomplished, and (z) no holder of Equipment Notes will be required to recognize gain or loss for tax purposes in connection with such assumption. Following such assumption, the Equipment Units so purchased by GATC shall remain subject to the lien of the Indenture securing the related Equipment Notes but the related Owner Trustee shall be released from all obligations under such Equipment Notes and under the related Indenture in respect of such Equipment Notes. (Indenture, Section 3.06; Lease, Section 22.1; and Participation Agreement, Section 6.9)

#### THE LEASES

**Term and Rentals.** Each Equipment Group will be leased separately by the related Owner Trustee to GATC for a term commencing on the delivery date thereof to such Owner Trustee and expiring on August 28, 2021 with respect to Equipment Group No. 1, August 28, 2020 with respect to the Equipment Group No. 2 covered hopper cars and August 28, 2019 with respect to the Equipment Group No. 2 tank cars, unless previously terminated as permitted by the related Lease.

The basic rental payments by GATC under each Lease will be payable on each February 28 and August 28 (or, if such day is not a Business Day, on the next succeeding Business Day), commencing February 28, 1997, and will be used to make payments of principal of and interest due on the Equipment Notes issued under the related Indenture, which will in turn furnish the funds to be distributed by the Pass Through Trustee to the Certificateholders on February 28 and August 28 of each year, commencing February 28, 1997. (Lease, Section 3.2; Indenture, Section 3.01) Rental payments that GATC is obligated to make or cause to be made under each Lease will not be less than the scheduled payments of principal of and interest on the Equipment Notes issued under the Indenture relating to such Lease. In certain cases, the semiannual basic rent payments under each Lease may be adjusted, but under no circumstances will such rent payments be less than the scheduled payments of principal of and interest on the Equipment Notes issued under the Indenture relating to such Lease. The balance of any such semiannual basic rental payment under each Lease, after payment of the scheduled principal of and interest on the Equipment Notes issued under the Indenture relating to such Lease, will be paid over to or for the account of the related Owner Participant as the beneficial owner of the Equipment Group covered by such Lease. (Lease, Section 3)

**Sublease; Possession and Use.** GATC is in the business of leasing railcars to third parties under operating leases. These leases vary in nature based on the needs of the sublessee and GATC. GATC shall have the right to sublease the Equipment to any railroad company incorporated in the United States, Canada or Mexico or to any other responsible company which is not a railroad company for use in its business; provided that GATC may not sublease more than 15% of the Equipment Units within any Equipment Group to a sublessee formed under the laws of Mexico or any state thereof. Each Lease provides that the Equipment Units are to be used primarily on domestic routes in the United States and that at no time shall more than 25% of the Equipment Units within any Equipment Group (as determined by mileage records) be used outside the United States at the same time until December 31, 1998, in the case of Equipment Group No. 1, or until December 31, 2003, in the case of Equipment Group No. 2. Thereafter, no more than 49% of the Equipment Units within any Equipment Group (as determined by mileage records) may be used outside the continental United States (exclusive of Alaska) at the same time. Notwithstanding the foregoing, each Lease provides that no more than 15% of the Equipment Units within any Equipment Group may be used in Mexico so long as Mexican law does not afford protection to the applicable Owner Trustee and the applicable Indenture Trustee comparable to United States law. GATC may not sublease any Equipment Unit for a term which extends beyond the term of the related Lease unless no Lease Event of Default thereunder shall have occurred and be continuing and GATC replaces such Equipment Unit on or prior to the expiration of the related Lease term in accordance with the provisions of such Lease. No sublease will discharge GATC of its obligations under the related Lease. (Lease, Section 8.2 and 8.3) If any Equipment Unit is leased or the possession is otherwise transferred, such Equipment Unit will remain subject to the Lien of the related Indenture.

**Liens.** Each Equipment Group will be maintained free of any liens, other than the rights of the related Owner Participant, the related Owner Trustee, the related Indenture Trustee, the holders of the related Equipment Notes, GATC and any permitted sublessee arising under the related Lease, the related Indenture, the related Participation Agreement or the related Trust Agreement between such

Owner Trustee and such Owner Participant pursuant to which such Owner Trustee acts as trustee for the benefit of such Owner Participant, and other than, in the case of such Equipment Group, certain limited liens permitted under the related Lease and related Indenture, including liens for taxes either not yet due and payable or being contested (so long as there exists no material risk of sale, forfeiture, loss or loss of use of such Equipment Group or any interest therein), materialmen's, mechanics' and other similar liens arising in the ordinary course of business and either not yet due and payable or being contested (so long as there exists no material risk of sale, forfeiture, loss or loss of use of such Equipment Group), judgment liens that are being appealed and whose enforcement has been stayed pending such appeal, and salvage rights of insurers. (Lease, Section 7)

Termination. So long as no Lease Event of Default (or certain specified events which with notice or lapse of time or both would become a Lease Event of Default) thereunder shall have occurred and be continuing, GATC may terminate each Lease at its option any time on or after August 28, 2003 with respect to any or all of the Equipment Units within the related Equipment Group (provided that if such termination is for less than all of the Equipment Units in a Functional Group, GATC shall exercise such termination with respect to at least 25 Equipment Units within the related Equipment Group, no fewer than 25 Equipment Units shall remain in such Functional Group as a result of such termination and the determination as to which Equipment Units are subject to termination shall be made by GATC on a random or other basis (in each case reasonably acceptable to the related Owner Trustee) without regard to maintenance status, operating condition or otherwise) (the "Terminated Units") if GATC determines in good faith (as evidenced by a certified copy of a resolution adopted by its Board of Directors and a certificate executed by the Chief Financial Officer of GATC), that such Terminated Units have become obsolete or surplus to its requirements. GATC is required to give notice to the related Owner Trustee and the related Indenture Trustee of its intention to exercise its right of termination at least 120 days prior to the proposed date of termination, which date shall be a Regular Distribution Date. GATC will act as agent for the related Owner Trustee in obtaining bids for the Terminated Units and, if GATC succeeds in locating the eventual purchaser of the Terminated Units, the related Owner Trustee shall transfer on the termination date all of its right, title and interest in and to the Terminated Units to the bidder which has submitted the highest cash bid (who may not be GATC or any affiliate of GATC but who may be the related Owner Trustee or any affiliate of the related Owner Trustee). The net proceeds of such sale shall be paid to the related Owner Trustee. If the net proceeds received from such sale are less than the Termination Value for the Terminated Units, GATC shall pay to the related Owner Trustee an amount equal to the difference between such proceeds and such Termination Value, together with certain other amounts including the applicable Make-Whole Amount, if any. All funds to be paid to or deposited with the related Owner Trustee as described in this paragraph shall, so long as the related Indenture shall not have been discharged, be deposited directly with the related Indenture Trustee. Amounts in excess of the outstanding principal amount of the Equipment Notes issued in respect of such Terminated Units, any applicable premium thereon, and the then accrued and unpaid interest thereon will be distributed by the related Indenture Trustee in accordance with the terms of the related Indenture. The Lien of the related Indenture shall terminate with respect to the Terminated Units after the full Termination Value has been received by the related Indenture Trustee and, if all amounts due the related Owner Participant have also been paid, the related Lease shall terminate with respect to such Terminated Units and the obligation of GATC thereafter to make basic rental payments with respect thereto shall cease. In the event any Terminated Unit is not sold by its proposed termination date, the Lease relating thereto, including all GATC's obligations thereunder, shall continue in effect. (Lease, Sections 3.6, 10.1, 10.2 and 10.4; Indenture, Section 3.02)

The Owner Trustee with respect to the applicable Equipment Group shall have the option to retain the Terminated Units, but it may do so only if such Owner Trustee shall pay, or cause to be paid, to the related Indenture Trustee funds in an amount equal to the principal of and accrued interest on the outstanding Equipment Notes issued with respect to such Terminated Units and an amount equal to the Make-Whole Amount, if any. (Lease, Section 10.3)

S-31

32

Early Purchase Option. So long as no Lease Event of Default (or certain specified events which with notice or lapse of time or both would become a Lease Event of Default) shall have occurred and be continuing under the related Lease (subject to certain exceptions), GATC may purchase, at its option, exercisable on the dates specified below, any or all of the Equipment Units contained in the related Equipment Group at a price equal to the Early Purchase Price of such Equipment Units, provided that if GATC elects to purchase some but less than all of the Equipment Units in a Functional Group, GATC shall exercise such purchase option with respect to at least 25 Equipment Units within the related Equipment Group, no fewer than 25 Equipment Units shall remain in such Functional Group as a result of such purchase and the determination as to which Equipment Units are to be purchased shall be made on a random or other basis (in each case

reasonably acceptable to the related Owner Trustee) without regard to maintenance status, operating condition or otherwise. GATC's early purchase option shall be exercisable on February 28, 2017 with respect to the covered hopper cars in Equipment Group No. 1, February 28, 2018 with respect to the tank cars in Equipment Group No. 1, August 28, 2016 with respect to the covered hopper cars in Equipment Group No. 2 and August 28, 2015 with respect to the tank cars in Equipment Group No. 2. GATC is required to give irrevocable notice to the related Owner Trustee not less than 90 days prior to such date of its election to exercise the early purchase option described herein. So long as the related Indenture shall not have been discharged, the amount of the Early Purchase Price shall be deposited by GATC directly with the related Indenture Trustee unless GATC exercises its right to assume all obligations of the Owner Trustee under the Equipment Notes issued in respect of such Equipment Units. Amounts in excess of the outstanding principal amount of the Equipment Notes issued in respect of such Equipment Units and the then accrued and unpaid interest thereon will be distributed by the related Indenture Trustee in accordance with the terms of the related Indenture. The Lien of the related Indenture shall terminate with respect to such Equipment Units after the Early Purchase Price and all other amounts due and owing by GATC with respect to such Equipment Units have been paid. (Lease, Sections 3.6 and 22.1; Indenture, Sections 3.02 and 10.01)

Events of Loss. If an Event of Loss occurs with respect to an Equipment Unit, GATC shall give notice thereof to the related Owner Trustee and within 60 days after such notice make an election to either (i) pay to such Owner Trustee the Stipulated Loss Value of such Equipment Unit, together with certain additional amounts, or (ii) if no Lease Event of Default under the applicable Lease has occurred and is continuing, replace such Equipment Unit. In the event GATC elects to replace such Equipment Unit, it must do so within 60 days after GATC gives notice of such Event of Loss with equipment of the same car type of the same or newer model year (or otherwise approved by the related Owner Trustee, which approval shall not be unreasonably withheld), and having a fair market value, utility, capacity, remaining economic useful life and condition at least equal to the Equipment Unit so replaced (assuming such Equipment Unit was in the condition required to be maintained by the applicable Lease). If GATC elects to pay the Stipulated Loss Value of an Equipment Unit subject to an Event of Loss or fails to replace such Unit within such 60-day period, it must pay the Stipulated Loss Value with respect to such Unit on the Regular Distribution Date which next succeeds the 25th day following the date of notice of the Company's election to pay the Stipulated Loss Value (or if payment of the Stipulated Loss Value is so required with respect to an aggregate of fifteen or more Equipment Units in such Equipment Group, then on the Special Distribution Date which next succeeds the 25th day following the date such prepayment becomes required). Upon making such payment, together with certain additional amounts, which in all circumstances will be at least sufficient to pay in full as of the date of payment thereof that portion of the aggregate unpaid principal of the outstanding Equipment Notes issued with respect to such Equipment Unit, together with all unpaid interest thereon accrued to the date on which such amount is paid, but without the payment of any Make-Whole Amount, the Lien of the related Indenture and the related Lease shall terminate with respect to such Equipment Unit, title thereto shall be transferred to GATC or its designee and the obligation of GATC thereafter to make rental payments with respect thereto shall cease. The Stipulated Loss Value and other payments made by GATC shall be deposited with the related Indenture Trustee. Amounts in excess of the outstanding principal amount of the Equipment Notes issued under the related Indenture and the then accrued and unpaid interest thereon to be prepaid as a result of such Event of Loss will be distributed by the related Indenture Trustee in accordance with the terms of the related Indenture. (Lease, Sections 3.6 and 11.2; Indenture, Sections 3.0 and 10.01)

S-32

33

An Event of Loss with respect to any Equipment Unit shall mean any of the following events: (i) damage or contamination of such Equipment Unit which, in GATC's reasonable judgment (as evidenced by an Officers' Certificate to such effect), makes repair uneconomic or renders such Equipment Unit unfit for commercial use, (ii) destruction of such Equipment Unit or theft or disappearance thereof for a period exceeding twelve months, (iii) the permanent return of such Equipment Unit to the manufacturer pursuant to any patent indemnity provisions, (iv) the taking or appropriating of title to such Equipment Unit by any governmental authority under the power of eminent domain or otherwise, or (v) the taking or requisitioning of such Equipment Unit for use by any governmental authority or any agency or instrumentality thereof under the power of eminent domain or otherwise and such taking or requisition is for a period that exceeds the remaining Basic Term or any Renewal Term then in effect (unless such taking or requisition is by any governmental authority, agency or instrumentality other than the United States or Canada, in which case such period shall be the lesser of the period described above or 365 days). (Lease, Section 11.1)

Lease Events of Default. Events of default (each, a "Lease Event of Default") under each Lease include, among other things: (a) failure by GATC to

make any payment of Basic Rent, any purchase price to be paid by GATC for any Equipment Units pursuant to the Lease or the related Participation Agreement, Stipulated Loss Value or Termination Value, within 10 Business Days after the same shall have become due, (b) failure by GATC to make any payment of Supplemental Rent, including indemnity or tax indemnity payments, but not including Stipulated Loss Value or any purchase price to be paid by GATC for any Equipment Units pursuant to the Lease or the related Participation Agreement, after the same shall have become due and such failure shall continue unremedied for 10 Business Days after receipt by GATC of written notice of such failure from the related Owner Trustee or related Indenture Trustee, (c) failure to maintain in effect insurance as required by the Lease, such failure not having been waived, (d) GATC shall make or permit any possession of the Equipment Group or any portion thereof not permitted by the Lease, provided that such unauthorized possession shall not constitute a Lease Event of Default for a period of 45 days after the occurrence thereof so long as (i) such unauthorized possession is not the result of any willful action of GATC and (ii) such unauthorized possession is capable of being cured and GATC diligently pursues such cure throughout such 45-day period, or GATC shall make or permit an unauthorized assignment or transfer of the Lease, (e) failure by GATC to observe or perform any of the agreements or covenants relating to the merger, consolidation or transfer of assets of GATC and such failure continues unremedied for 30 days during which period GATC diligently pursues the cure of such failure, (f) failure by GATC to perform or observe any other covenant or agreement to be performed or observed by it under any Lessee Agreement (other than the Tax Indemnity Agreement) and such failure continues unremedied for 30 days after notice of such failure from the related Owner Trustee or the related Indenture Trustee, or, if such failure is capable of being remedied (and the remedy requires an action other than, or in addition to, the payment of money), for a period of 90 days after receipt of such notice so long as GATC is diligently proceeding to remedy such failure, (g) any representation or warranty made by GATC in any Lessee Agreement (other than the Tax Indemnity Agreement) being untrue or incorrect in any material respect at the time made and such untruth or incorrectness continues to be material and unremedied for a period of 30 days after notice thereof or, if such untruth or incorrectness is capable of being remedied, for a period of 60 days after receipt of such notice so long as GATC is diligently proceeding to remedy such untruth or incorrectness and any adverse effects thereof, and (h) the occurrence of certain events of bankruptcy, reorganization or insolvency of GATC. There are no cross-default provisions in the Leases and events resulting in a Lease Event of Default under any particular Lease will not necessarily result in a Lease Event of Default under any other Lease. (Lease, Section 14)

If a Lease Event of Default under any Lease has occurred and is continuing and such Lease has been declared to be in default (or deemed to have been declared in default), the related Indenture Trustee, as assignee of the related Owner Trustee's rights under such Lease, may, subject to a stay of such rights if GATC were to become a debtor in a bankruptcy or reorganization case under the Bankruptcy Code, exercise one or more of the remedies provided in such Lease with respect to the Equipment Units subject thereto. These remedies include the right to repossess the Equipment Units, to terminate the Lease and any sublease thereunder and to require GATC to pay as liquidated damages any unpaid rent plus, at the related Indenture Trustee's option, any one of the following amounts: (i) the excess of the present value of all rental payments

S-33

34

for such Equipment Unit for the remainder of the Basic Term or any Renewal Term then in effect over the present value of the then fair market rental value of such Equipment Unit, (ii) the excess of the Stipulated Loss Value of such Equipment Unit over the fair market sales value of such Equipment Unit or (iii) the higher of the Stipulated Loss Value for such Equipment Unit or the fair market sales value of such Unit. If payment is made pursuant to the foregoing clause (iii), such Equipment Unit shall be transferred to GATC. (Lease, Section 15)

#### THE PARTICIPATION AGREEMENTS

GATC is required to indemnify each Owner Participant, each Owner Trustee, each Indenture Trustee and the Pass Through Trustee for certain losses, fees and expenses and for certain other matters. (Participation Agreement, Section 7.2) In addition, GATC is required to indemnify each Owner Participant, each Owner Trustee and each Indenture Trustee for certain taxes in connection with the ownership, lease, sale or use of the Equipment. (Participation Agreement, Section 7.1)

Each Participation Agreement provides that if the related Owner Participant or any affiliate thereof is or acquires, is acquired by, merges or otherwise consolidates with any company or affiliate thereof engaged in full service railcar leasing, whether or not a direct competitor to GATC or any affiliate of GATC, or any person that has a material interest in an enterprise that engages in a business that is competitive with GATC's full service railcar leasing business, GATC may, on the Special Distribution Date which next succeeds the

25th day following the date of notice to the related Owner Trustee and the related Indenture Trustee, purchase the related Equipment Group for a purchase price equal to either (i) the Termination Value for such Equipment Group calculated as of such Special Distribution Date, together with all other amounts due and owing by GATC with respect to such Equipment Group, including, without limitation, all accrued and unpaid rental payments and any Make-Whole Amount or (ii) if GATC has elected to assume on a full recourse basis all of the related Owner Trustee's obligations in respect of the Equipment Notes issued with respect to such Equipment Group, the difference between the Termination Value for such Equipment Group and the outstanding principal amount of the Equipment Notes issued with respect to such Equipment Group. If GATC elects to exercise its right to purchase the Equipment Group, unless GATC elects to assume the related Equipment Notes on a full recourse basis, the purchase price shall be used to prepay the Equipment Notes issued with respect to such Equipment Group and if such prepayment is prior to August 28, 2008 in the case of the Series 1996-1A Pass Through Certificates and February 28, 2018 in the case of the Series 1996-1B Pass Through Certificates, the applicable Make-Whole Amount, if any, shall be paid. See "Description of the Equipment Notes--Prepayment" in this Prospectus Supplement. (Participation Agreement, Section 6.9)

Under each Participation Agreement, GATC will be prohibited from consolidating or merging with or into any other corporation or transferring all or substantially all of its assets to another corporation unless (a) the successor corporation, if other than GATC, shall be a corporation organized and existing under the laws of the United States or any state or the District of Columbia and shall expressly assume the due and punctual performance and observance of all the covenants and conditions of the Operative Agreements to be performed by GATC, (b) immediately prior to and immediately after giving effect to such transaction, no Lease Event of Default under the related Lease, or event which with notice or the passage of time or both would become a Lease Event of Default under the related Lease, shall have occurred, whether as a result of such transaction or otherwise, (c) GATC shall have made all filings necessary or appropriate in the reasonable opinion of the related Owner Trustee and the related Indenture Trustee in order to preserve and protect the rights of the related Owner Trustee under the related Lease and of the related Indenture Trustee under the related Indenture, and (d) if the person (x) formed by such consolidation or surviving such merger (if other than GATC) or the person which acquires all or substantially all of the assets of GATC is not an affiliate of GATC, the aggregate net worth of such surviving or acquiring person immediately after such merger, consolidation or acquisition (determined in accordance with generally accepted accounting principles) shall not be less than the consolidated net worth of GATC immediately prior to such merger, consolidation or acquisition, or (y) with which GATC consolidates or merges or which acquires all or substantially all of the assets of GATC is an affiliate of GATC, such person, immediately prior to such consolidation, merger or

S-34

35

acquisition, has a positive net worth (determined in accordance with generally accepted accounting principles). (Participation Agreement, Section 6.8)

#### ERISA CONSIDERATIONS

The United States Department of Labor has granted to each of Morgan Stanley & Co. Incorporated and Salomon Brothers Inc an administrative exemption (Prohibited Transaction Exemption 90-24, Exemption Application No. D-8019, 55 Fed. Reg. 20,548 (1990) and Prohibited Transaction Exemption 89-89, Exemption Application No. D-6446, 54 Fed. Reg. 42,589 (1989), respectively) (the "Exemptions") from certain of the prohibited transaction rules of ERISA and the Code with respect to the purchase, both upon their initial issuance and in the secondary market, the holding and the subsequent resale by an employee benefit plan of certificates in certain pass through trusts, the assets of which consist of secured credit instruments that bear interest, including qualified equipment notes secured by leases. A number of conditions must be satisfied in order for the Exemptions to apply, including the requirement that the certificates have, at the time of their purchase by an employee benefit plan, a specified credit rating. Under the Exemptions, an equipment note secured by a lease will be considered qualified only if it is a note (a) which is secured by equipment which is leased, (b) which is secured by the obligation of the lessee to pay rent under the equipment lease and (c) with respect to which the trust's security interest is at least as protective of the rights of the trust as the trust would have if the equipment note were secured only by the equipment and not by the lease. Any plan that purchases a Pass Through Certificate must be an "accredited investor" as defined in Rule 501(a)(1) of Regulation D promulgated under the Securities Act. The Exemptions from Section 406(b) or 407(a) of ERISA do not apply to the acquisition, holding or disposition of Pass Through Certificates by plans sponsored by the Company, the Underwriters, the Pass Through Trustee, the Owner Trustees, the Owner Participants or any of their affiliates.

It is not clear whether the Exemptions apply to participant directed plans described in Section 404(c) of ERISA or plans that are subject to Section 4975

of the Code but that are not subject to Title I of ERISA, such as certain Keogh plans and certain individual retirement accounts. In addition, there are various other terms and conditions to the applicability of the Exemptions. Accordingly, each fiduciary of a Plan should independently determine if its purchase of a Pass Through Certificate will require an exemption and, if so, whether the Exemptions apply to the purchase, or whether any other prohibited transaction exemption is available. See "ERISA Considerations" in the accompanying Prospectus.

CERTAIN TAX ASPECTS

The tax consequences set forth in the accompanying Prospectus under "Federal Income Tax Consequences" and "Certain Illinois Taxes" shall apply to the Pass Through Certificates offered hereby.

Under certain circumstances, GATC may assume the Equipment Notes on a full recourse basis. See "Description of the Equipment Notes -- Assumption of the Equipment Notes Under Certain Circumstances." A number of federal income tax considerations would be raised by such an assumption of the Equipment Notes including whether that event would give rise to a taxable event in which a Certificateholder would recognize gain or loss, the determination of the amount realized upon such event and whether any original issue discount could arise upon such event. Under certain regulations (which are generally effective beginning September 24, 1996) such an assumption by GATC should not be treated as a taxable event. However, that result is uncertain. Accordingly, each Certificateholder should consult its own tax advisor as to the potential tax consequences of such an assumption.

S-35

36

UNDERWRITING

Under the terms of and subject to the conditions contained in the Underwriting Agreement, Morgan Stanley & Co. Incorporated and Salomon Brothers Inc (the "Underwriters") have agreed to purchase from the Pass Through Trust the percentage of the Pass Through Certificates of each Pass Through Trust and the aggregate principal amount of Pass Through Certificates, in each such case as set forth opposite its name below:

<TABLE>  
<CAPTION>

UNDERWRITER	PERCENTAGE OF AGGREGATE PRINCIPAL AMOUNT OF EACH SERIES	TOTAL AGGREGATE PRINCIPAL AMOUNT OF CERTIFICATES
<S>	<C>	<C>
Morgan Stanley & Co. Incorporated.....	50%	\$ 53,418,000
Salomon Brothers Inc.....	50	53,417,000
	---	-----
Total.....	100%	\$106,835,000
	=====	=====

</TABLE>

The Underwriting Agreement provides that the obligation of the Underwriters to pay for and accept delivery of the Pass Through Certificates is subject to, among other things, the approval of certain legal matters by counsel and certain other conditions. The Underwriters are obligated to take and pay for all of the Pass Through Certificates to be purchased by them if any are taken.

The Underwriters initially propose to offer all or part of the Pass Through Certificates directly to the public at the public offering prices per Pass Through Certificate designation set forth on the cover page of this Prospectus Supplement and may offer a portion of the Pass Through Certificates to dealers at a price which represents a concession not in excess of .40% of the principal amount of the Pass Through Certificates. The Underwriters may allow, and such dealers may reallow, a concession not in excess of .25% of the principal amount of the Pass Through Certificates to certain other dealers. After the initial public offering, the public offering prices and such concessions may from time to time be varied by the Underwriters.

The Company has agreed to indemnify the Underwriters against certain civil liabilities, including liabilities under the Securities Act of 1933.

The Company does not intend to apply for listing of the Pass Through Certificates on a national securities exchange, but has been advised by the Underwriters that the Underwriters presently intend to make a market in the Pass Through Certificates, as permitted by applicable laws and regulations. No Underwriter is obligated, however, to make a market in the Pass Through Certificates and any such market making may be discontinued at any time at the sole discretion of such Underwriter. Accordingly, no assurance can be given as to the liquidity of, or trading markets for, the Pass Through Certificates.



The validity of the Pass Through Certificates is being passed upon for GATC by Mayer, Brown & Platt, 190 South LaSalle Street, Chicago, Illinois 60603, and for the Underwriters by Kirkland & Ellis, 200 East Randolph Drive, Chicago, Illinois 60601. Both Mayer, Brown & Platt and Kirkland & Ellis will rely on the opinion of the law department of The First National Bank of Chicago as to basic matters relating to the authorization, execution and delivery of the Pass Through Certificates under the Basic Agreement and the Trust Supplements.

S-36

37

PROSPECTUS

\$650,000,000

(LOGO)

General American Transportation Corporation  
PASS THROUGH CERTIFICATES  
-----

Up to \$650,000,000 aggregate principal amount of Pass Through Certificates may be offered for sale from time to time pursuant to this Prospectus and related Prospectus Supplements. Pass Through Certificates may be issued in one or more series in amounts, at prices and on terms to be determined at the time of the offering. In respect of each offering of Pass Through Certificates, a separate General American Transportation Corporation Pass Through Trust for each series of Pass Through Certificates being offered (each, a "Trust") will be formed pursuant to the Pass Through Trust Agreement (the "Basic Agreement") and a supplement thereto (a "Trust Supplement") relating to such Trust between General American Transportation Corporation ("GATC" or the "Company") and, unless otherwise specified in the Prospectus Supplement, The First National Bank of Chicago (the "Pass Through Trustee"), as pass through trustee under each Trust. Each Pass Through Certificate in a series will represent a fractional undivided interest in the related Trust and will have no rights, benefits or interest in respect of any other Trust. The property of each Trust will consist of equipment notes (the "Equipment Notes") (a) issued, with recourse to GATC, by GATC to finance all or a portion of the equipment cost of, or to purchase all or a portion of the outstanding debt with respect to, certain railcars (the "Equipment Units"), which have been or will be purchased by GATC (the "Owned Equipment") or (b) issued on a nonrecourse basis by one or more owner trustees pursuant to separate leveraged lease transactions to finance or refinance a portion of the equipment cost of Equipment Units which have been or will be leased to GATC (the "Leased Equipment"). The Prospectus Supplement relating to each offering of Pass Through Certificates will describe certain terms of the Pass Through Certificates being offered, the Trust or Trusts relating thereto, the Equipment Notes to be purchased by such Trust or Trusts, the Equipment Units relating to such Equipment Notes and the leveraged lease transactions, if any, relating thereto.

The Equipment Notes issued in respect of the Leased Equipment (the "Leased Equipment Notes") will not be direct obligations of, or guaranteed by, GATC, but the amounts unconditionally payable by GATC for the lease of such Leased Equipment will be sufficient to pay in full when due all payments required to be made on such Leased Equipment Notes. The Equipment Notes issued in respect of the Owned Equipment (the "Owned Equipment Notes") will be direct obligations of GATC, secured by a security interest in the Owned Equipment.

Equipment Notes may be issued in respect of Equipment Units in one or more series, each series having a different interest rate and final maturity date. A separate Trust will purchase one or more series of the Equipment Notes issued with respect to each group of Equipment Units (an "Equipment Group"). All of the Equipment Notes held in such Trust will have an interest rate equal to the interest rate applicable to the Pass Through Certificates issued by such Trust and maturity dates occurring on or before the final distribution date applicable to such Pass Through Certificates. The Equipment Notes issued with respect to each Equipment Group will be secured by a security interest in such Equipment Group and, in the case of the Leased Equipment, by the lease relating thereto (each, a "Lease"), including the right to receive rentals payable in respect of such Equipment Group by GATC.

Interest paid on the Equipment Notes held in each Trust will be passed through to the holders of the Pass Through Certificates relating to such Trust on the dates and at the rate per annum set forth in the Prospectus Supplement relating to such Pass Through Certificates until the final distribution date for such Trust. Principal paid on the Equipment Notes held in each Trust will be passed through to the holders of the Pass Through Certificates relating to such Trust in scheduled amounts on the dates set forth in the Prospectus Supplement relating to such Pass Through Certificates until the final distribution date for such Trust.

The Pass Through Certificates may be sold through underwriters, dealers or agents or directly to purchasers. See "Plan of Distribution." The Prospectus

Supplement will set forth the names of any underwriters, dealers or agents involved in the sale of the Pass Through Certificates in respect of which this Prospectus is being delivered and any applicable fee, commission or discount arrangements with them.

-----  
THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE DATE OF THIS PROSPECTUS IS DECEMBER 7, 1995

38

#### AVAILABLE INFORMATION

General American Transportation Corporation, a New York corporation ("GATC" or the "Company") is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith, files reports and other information with the Securities and Exchange Commission (the "Commission"). Such reports and other information filed by GATC with the Commission can be inspected and copied at the Public Reference Section of the Commission, Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the public reference facilities of the Commission's Regional Offices at 500 West Madison Street, Suite 1400, Chicago, Illinois 60661, and Seven World Trade Center, New York, New York 10048. Copies of such material can be obtained from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. GATC has filed with the Commission a registration statement on Form S-3 (herein, together with all amendments and exhibits, referred to as the "Registration Statement") under the Securities Act of 1933, as amended (the "Securities Act"). This Prospectus does not contain all of the information set forth in the Registration Statement, certain parts of which are omitted in accordance with the rules and regulations of the Commission. For further information, reference is hereby made to the Registration Statement.

#### DOCUMENTS INCORPORATED BY REFERENCE

GATC's Annual Report on Form 10-K for the year ended December 31, 1994, its Quarterly Reports on Form 10-Q for the quarters ended March 31, 1995, June 30, 1995, and September 30, 1995, respectively, and its Current Report on Form 8-K dated July 19, 1995 heretofore filed with the Commission pursuant to the Exchange Act, are hereby incorporated by reference.

All documents filed by GATC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of this Prospectus and prior to the termination of the offering of the securities offered hereby shall be deemed to be incorporated by reference in this Prospectus and to be a part hereof from the date of filing of such documents. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified and superseded, to constitute a part of this Prospectus.

GATC will provide without charge to each person, including any beneficial owner, to whom this Prospectus is delivered, upon the written or oral request of such person, a copy of any or all of the foregoing documents incorporated herein by reference (other than exhibits unless specifically incorporated therein). Requests for such documents should be directed to General American Transportation Corporation, 500 West Monroe Street, Chicago, Illinois 60661-3676, Attention: Secretary (telephone 312-621-6200).

#### THE COMPANY

GATC is a wholly owned subsidiary of GATX Corporation ("GATX") and is principally engaged in railcar leasing and management. GATX Terminals Corporation ("Terminals"), a wholly owned subsidiary of the Company, is engaged in the operation of public bulk liquid terminals and domestic pipeline systems. The Company is the largest lessor of railroad tank cars in the United States, and Terminals is one of the largest independent operators of public bulk liquid terminals in the world. The principal offices of the Company are located at 500 West Monroe Street, Chicago, Illinois 60661-3676 (telephone: (312) 621-6200).

The Company leases specialized railcars, primarily tank cars and to a lesser extent Airslide(R) covered hoppers and plastic pellet cars, under full service leases. The Company's railcars have a useful life of approximately 30 to 33 years. The average age of the railcars in the Company's fleet is approximately

15 years. The Company's customers typically lease new equipment for a term of five years or longer, whereas renewals or leases of used cars are typically for periods ranging from less than a year to seven years with an average lease term of about three years. Under its full service leases, the Company maintains and services its railcars, pays ad valorem taxes and provides many ancillary services.

Terminals is engaged in the storage, handling and intermodal transfer of petroleum and chemical commodities at key points in the bulk liquid distribution chain. Terminals owns and operates terminals in the United States and the United Kingdom; Terminals also has joint venture interests in facilities in Europe and the Pacific Rim. All of its terminals are located near major distribution and transportation points and most are capable of receiving and shipping bulk liquids by ship, rail, barge and truck. Many of the terminals are also linked with major interstate pipelines. In addition to storing, handling and transferring bulk liquids, Terminals also provides blending and testing services at most of its facilities.

#### RELATIONSHIP WITH GATX

All of the Company's outstanding common stock is owned by GATX. GATX is also the parent of American Steamship Company, a shipping company which operates self-unloading vessels on the Great Lakes, GATX Logistics, Inc., which provides distribution and logistics support services, warehousing facilities, and related real estate services throughout North America, and GATX Financial Services, which through its principal subsidiary, GATX Capital Corporation as well as its subsidiaries and joint ventures, arranges and services the financing of equipment and other capital assets on a worldwide basis.

GATX will not guarantee the Pass Through Certificates and does not guarantee any other indebtedness of the Company. The Company, in the normal course of business, pays dividends to GATX to provide for GATX's normal operating expenses. Additional amounts have been advanced to GATX from time to time for general corporate purposes, the redemption of GATX preferred stock and the retirement of debt. In addition, GATX may make advances to subsidiaries of the Company in the normal course of business. These advances have no fixed maturity date.

#### FORMATION OF THE TRUSTS

In respect of each offering of Pass Through Certificates, one or more Trusts will be formed, and the related Pass Through Certificates will be issued, pursuant to separate Trust Supplements to be entered into between the Pass Through Trustee and GATC in accordance with the terms of the Basic Agreement. All Pass Through Certificates with respect to each Trust will represent fractional undivided interests in such Trust and the property held in such Trust, and will have no rights, benefits or interest in respect of any other Trust or the property held therein. Concurrently with the execution and delivery of each Trust Supplement, the Pass Through Trustee, on behalf of the Trust formed thereby, will enter into one or more financing, refinancing, purchase or participation agreements (each such agreement being herein referred to as a "Participation Agreement") relating to one or more Equipment Groups described in the applicable Prospectus Supplement. Pursuant to the applicable Participation Agreement, the Pass Through Trustee, on behalf of such Trust, will purchase the Equipment Notes issued with respect to each such Equipment Group so that all of the Equipment Notes held in such Trust will have an interest rate equal to the interest rate applicable to the Pass Through Certificates issued by such Trust. The maturity dates of the Equipment Notes acquired by each Trust will occur on or before the final distribution date applicable to the Pass Through Certificates issued with respect to such Trust. The Pass Through Trustee will distribute the amount of payments of principal, premium, if any, and interest received by it as holder of the Equipment Notes to the Certificateholders of the Pass Through Certificates with respect to the Trust in which such Equipment Notes are held. See "Description of the Pass Through Certificates" and "Description of the Equipment Notes."

#### USE OF PROCEEDS

The Pass Through Certificates offered pursuant to any Prospectus Supplement will be issued in order to facilitate the financing of all or a portion of the cost of Owned Equipment described in such Prospectus Supplement or the financing or refinancing of the debt component of one or more separate leveraged lease transactions entered into by GATC, as lessee, with respect to Leased Equipment described therein. The proceeds from the sale of such Pass Through Certificates will be used by the Pass Through Trustee on behalf of the applicable Trust or

Trusts to purchase, at par, the Owned Equipment Notes issued by GATC to finance all or a portion of the cost of Owned Equipment purchased or to be purchased by GATC or the Leased Equipment Notes to be issued by the respective Owner Trustee or Owner Trustees to finance or refinance all or a portion of the equipment cost of Leased Equipment. Simultaneously with the acquisition of such Leased Equipment, the respective Owner Trustee leased or will lease such Leased Equipment to GATC. As described in the applicable Prospectus Supplement, a portion of the Equipment Notes issued with respect to one or more Equipment Groups may be purchased by investors other than the Pass Through Trustee. Unless otherwise specified in the applicable Prospectus Supplement, GATC will use the proceeds from each Owned Equipment Note issued by it and from each separate leveraged lease transaction for general corporate purposes.

The Equipment Notes with respect to each Equipment Group will be issued under a separate Trust Indenture and Security Agreement (each, an "Indenture") between a bank or trust company as trustee thereunder (each, an "Indenture Trustee") and (a) with respect to the Owned Equipment, GATC or (b) with respect to the Leased Equipment, an owner trustee, not in its individual capacity (except as expressly set forth therein) but solely as trustee (each, an "Owner Trustee"), of a separate trust for the benefit of one or more institutional or corporate investors (each, an "Owner Participant"). In the case of Leased Equipment, each Owner Participant will provide, from sources other than the Equipment Notes, the balance of the equipment cost of the related Equipment Group. No Owner Participant, however, will be personally liable for any amount payable under the related Indenture or the Leased Equipment Notes issued thereunder. Subject to certain restrictions, each Owner Participant may transfer its interest in the related Equipment Group.

Because GATC's obligation to make payments on the Owned Equipment Notes and to make payments under the Leases relating to the Leased Equipment Notes will be unconditional, and not

4

41

affected by the financial performance of the railcars within the related Equipment Groups, GATC believes that historical financial information with respect to the Equipment Groups will not be relevant to purchasers of the Pass Through Certificates.

#### DESCRIPTION OF THE PASS THROUGH CERTIFICATES

In connection with each offering of Pass Through Certificates, one or more separate Trusts will be formed and one or more series of Pass Through Certificates will be issued pursuant to the Basic Agreement and one or more Trust Supplements to be entered into between GATC and the Pass Through Trustee. The following summary relates to the Basic Agreement and each of the Trust Supplements, the Trusts to be formed thereby and the Pass Through Certificates to be issued by each Trust except to the extent, if any, described in the applicable Prospectus Supplement. Citations to the relevant sections of the Basic Agreement appear below in parentheses. The statements under this caption are a summary and do not purport to be complete. This summary makes use of terms defined in and is qualified in its entirety by reference to all of the provisions of the Basic Agreement, the form of which has been filed as an exhibit to the Registration Statement of which this Prospectus is a part. The form of the Trust Supplement relating to each series of Pass Through Certificates and the forms of the Leases, if any, Participation Agreements, Indentures and Equipment Notes relating thereto will be filed as exhibits to a report by the Company on Form 8-K, 10-Q, or 10-K, as applicable, to be filed with the Commission following the offering of such series of Pass Through Certificates.

#### GENERAL

The Pass Through Certificates of each Trust will be issued in fully registered form only. Each Pass Through Certificate will represent a fractional undivided interest in the separate Trust created by the Trust Supplement pursuant to which such Pass Through Certificate is issued. The property of each Trust will include the Equipment Notes held in such Trust, all monies at any time paid thereon and all monies due and to become due thereunder and funds from time to time deposited with the Pass Through Trustee in accounts relating to such Trust. Each Pass Through Certificate will correspond to a pro rata share of the outstanding principal amount of the Equipment Notes and other property held in the related Trust and will be issued in denominations of \$1,000 or any integral multiple of \$1,000. (Sections 2.01, 2.02 and 3.01)

Except as otherwise provided in the applicable Trust Supplement, Pass Through Certificates will be registered in the name of Cede & Co. ("Cede") as the nominee of The Depository Trust Company ("DTC") and no person acquiring an interest in Pass Through Certificates (a "Certificate Owner") will be entitled to receive a certificate representing such person's interest in the related Trust unless "Definitive Certificates" are issued as described below. Unless Definitive Certificates are issued, all references to actions by

Certificateholders shall refer to actions taken by DTC upon instructions from DTC Participants (as defined below), and all references herein to distributions, notices, reports and statements to Certificateholders shall refer, as the case may be, to distributions, notices, reports and statements to DTC or Cede, as the registered holder of the Pass Through Certificates, or to DTC Participants for distribution to Certificate Owners in accordance with DTC procedures. See "Description of the Pass Through Certificates -- Book-Entry Registration." (Section 3.09)

Interest will be passed through to Certificateholders of each Trust at the rate per annum set forth on the cover page of the applicable Prospectus Supplement and will be calculated on the basis of a 360-day year of twelve 30-day months.

The Pass Through Certificates of each series represent interests only in the related Trust and all payments and distributions shall be made only from the related Trust Property. (Section 3.08) The Pass Through Certificates do not represent an interest in or obligation of GATC, the Pass Through Trustee, the Owner Trustee, if any, in its individual capacity, the Owner Participant, if any, or any affiliate of any thereof.

5

42

The Basic Agreement does not and, except as otherwise described in the applicable Prospectus Supplement, the Indentures will not, include financial covenants or "event risk" provisions specifically designed to afford Certificateholders protection in the event of a highly leveraged transaction affecting GATC. However, the Certificateholders of each series will have the benefit of a lien on the specific Equipment Group securing the related Equipment Notes held in the related Trust, as discussed under the caption "Description of the Equipment Notes -- Security."

#### BOOK-ENTRY REGISTRATION

Except as otherwise described in the applicable Prospectus Supplement, Pass Through Certificates will be subject to the provisions described under this caption for book-entry registration with DTC.

DTC. DTC has advised GATC that it is a limited purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to Section 17A of the Exchange Act. DTC was created to hold securities for its participants ("DTC Participants") and to facilitate the clearance and settlement of securities transactions between DTC Participants through electronic book-entries, thereby eliminating the need for physical movement of certificates. DTC Participants include securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to the DTC system also is available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a DTC Participant either directly or indirectly ("Indirect Participants").

Certificate Owners that are not DTC Participants or Indirect Participants but desire to purchase, sell or otherwise transfer ownership of, or other interests in, Pass Through Certificates may do so only through DTC Participants and Indirect Participants. In addition, Certificate Owners will receive all distributions of principal, premium, if any, and interest from the Pass Through Trustee through DTC Participants or Indirect Participants, as the case may be. Under a book-entry format, Certificate Owners may experience some delay in their receipt of payments, because such payments will be forwarded by the Pass Through Trustee to Cede, as nominee for DTC. DTC will forward such payments to DTC Participants, which thereafter will forward them to Indirect Participants or Certificate Owners, as the case may be, in accordance with customary industry practices. The forwarding of such distributions to the Certificate Owners will be the responsibility of such DTC Participants. The only "Certificateholder" will be Cede, as nominee of DTC. Certificate Owners will not be recognized by the Pass Through Trustee as Certificateholders, as such term is used in the Basic Agreement, and Certificate Owners will be permitted to exercise the rights of Certificateholders only indirectly through DTC and DTC Participants.

Under the rules, regulations and procedures creating and affecting DTC and its operations (the "Rules"), DTC is required to make book-entry transfers of Pass Through Certificates among DTC Participants on whose behalf it acts with respect to the Pass Through Certificates and to receive and transmit distributions of principal of, premium, if any, and interest on the Pass Through Certificates. DTC Participants and Indirect Participants with which Certificate Owners have accounts with respect to the Pass Through Certificates similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Certificate Owners. Accordingly, although Certificate Owners will not possess Pass Through Certificates, the Rules provide a mechanism by which Certificate Owners will receive payments and will be able to transfer their interests.

Because DTC can only act on behalf of DTC Participants, who in turn act on behalf of Indirect Participants, the ability of a Certificate Owner to pledge Pass Through Certificates to persons or entities that do not participate in the DTC system, or to otherwise act with respect to such Pass Through Certificates, may be limited due to the lack of a physical certificate for such Pass Through Certificates.

GATC understands that DTC will take any action permitted to be taken by Certificateholders only at the direction of one or more DTC Participants to whose accounts with DTC the Pass Through Certificates are credited. Additionally, GATC understands that DTC will take such actions with respect to any specified percentage of the beneficial interest of Certificateholders held in each Trust only at the direction

6

43

of and on behalf of DTC Participants whose holders include undivided interests that satisfy any such percentage. DTC may take conflicting actions with respect to other undivided interests to the extent that such actions are taken on behalf of DTC Participants whose holders include such undivided interests.

Neither GATC nor the Pass Through Trustee will have any liability for any aspect of the records relating to or payments made on account of beneficial ownership interests of the Pass Through Certificates held by Cede, as nominee for DTC, or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

The information contained in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Company believes to be reliable, but the Company takes no responsibility for the accuracy thereof.

**DEFINITIVE CERTIFICATES.** With respect to each Trust, the related Pass Through Certificates will be issued in fully registered, certificated form ("Definitive Certificates") to Certificate Owners or their nominees, rather than to DTC or its nominee, only if (i) GATC advises the Pass Through Trustee in writing that DTC is no longer willing or able to properly discharge its responsibilities as depository with respect to such Pass Through Certificates and the Pass Through Trustee or GATC is unable to locate a qualified successor, (ii) GATC, at its option, elects to terminate the book-entry system through DTC or (iii) after the occurrence of an Event of Default (as defined below), Certificate Owners representing an aggregate percentage interest in such Trust of not less than a majority advise the Pass Through Trustee through DTC in writing that the continuation of a book-entry system through DTC (or a successor thereto) is no longer in the Certificate Owners' best interest. (Section 3.09)

Upon the occurrence of any event described in the immediately preceding paragraph, the Pass Through Trustee will be required to notify all affected Certificate Owners through DTC Participants of the availability of Definitive Certificates. Upon surrender by DTC of the certificates representing the Pass Through Certificates and receipt of instructions for re-registration, the Pass Through Trustee will reissue the Pass Through Certificates as Definitive Certificates to Certificate Owners. (Section 3.09)

Distributions of principal of, premium, if any, and interest on the Pass Through Certificates will thereafter be made by the Pass Through Trustee in accordance with the procedures set forth in the Basic Agreement and the applicable Trust Supplements, directly to holders of Definitive Certificates in whose names such Definitive Certificates were registered at the close of business on the applicable record date. Such distributions will be made by check mailed to the address of each such holder as it appears on the register maintained with respect to the applicable Trust. The final payment on any Pass Through Certificate, however, will be made only upon presentation and surrender of such Pass Through Certificate at the office or agency specified in the notice of final distribution to Certificateholders. (Section 4.02)

Definitive Certificates will be freely transferable and exchangeable at the office of the Pass Through Trustee upon compliance with the requirements set forth in the Basic Agreement and the applicable Trust Supplements. No service charge will be imposed for any registration of transfer or exchange, but payment of a sum sufficient to cover any tax or other governmental charge shall be required. (Section 3.04)

**SAME-DAY SETTLEMENT AND PAYMENT.** Settlement for the Pass Through Certificates will be required to be made in immediately available funds. So long as the Pass Through Certificates are registered in the name of Cede, all payments made by GATC to the Indenture Trustees, as assignees of the Owner Trustees' rights under the Leases, in the case of Leased Equipment Notes, or on the Owned Equipment Notes, in the case of Owned Equipment Notes, will be in immediately available funds and will be passed through by the Pass Through Trustee to DTC in immediately available funds.

Secondary trading in long-term notes and debentures of corporate issuers is generally settled in clearinghouse or next-day funds. In contrast, the Pass Through Certificates will trade in DTC's Same Day Funds Settlement System until maturity, and secondary market trading activity in the Pass Through Certificates will therefore be required by DTC to settle in immediately available funds. No assurance can

7

44

be given as to the effect, if any, of settlement in immediately available funds on trading activity in the Pass Through Certificates.

#### PAYMENTS AND DISTRIBUTIONS

Payments received by the Pass Through Trustee of principal of, premium, if any, and interest on the Equipment Notes held in each Trust will be distributed by the Pass Through Trustee to the Certificateholders of such Trust on the date such receipt is confirmed, except in certain cases when some or all of such Equipment Notes are in default. See "Description of the Pass Through Certificates -- Events of Default and Certain Rights Upon an Event of Default."

Payments of principal of, and interest on the unpaid principal amount of, the Equipment Notes held in each Trust will be scheduled to be received by the Pass Through Trustee on the dates specified in the applicable Prospectus Supplement (such scheduled payments of principal of, and interest on, the Equipment Notes are herein referred to as "Scheduled Payments," and the dates specified therefor in the applicable Prospectus Supplement are herein referred to as "Regular Distribution Dates"). The Pass Through Trustee of each Trust will distribute on each Regular Distribution Date to the Certificateholders of such Trust all Scheduled Payments, the receipt of which is confirmed by the Pass Through Trustee on such Regular Distribution Date. Each such distribution of Scheduled Payments will be made by the Pass Through Trustee to the holders of record of the Pass Through Certificates of such Trust on the fifteenth day immediately preceding such Regular Distribution Date, subject to certain exceptions. (Sections 4.01 and 4.02) If a Scheduled Payment is not received by the Pass Through Trustee on a Regular Distribution Date but is received within five days thereafter, it will be distributed on the date received to such holders of record. If it is received after such five-day period, it will be treated as a Special Payment and distributed as described below.

Each Certificateholder of each Trust will be entitled to receive a pro rata share of any distribution in respect of Scheduled Payments of principal and interest made on the Equipment Notes held in such Trust. Scheduled Payments of principal on the Equipment Notes held in each Trust will be set forth in the applicable Prospectus Supplement. After a partial or full prepayment or default in respect of some or all of such Equipment Notes, a Certificateholder should refer to the information with respect to the Pool Balance and the Pool Factor for such Trust reported periodically by the Pass Through Trustee. See "Description of the Pass Through Certificates -- Pool Factors" and "Description of the Pass Through Certificates -- Statements to Certificateholders."

Payments of principal, premium, if any, and interest received by the Pass Through Trustee on account of a partial or full prepayment, if any, of the Equipment Notes held in a Trust, and payments received by the Pass Through Trustee following a default in respect of the Equipment Notes held in a Trust (including, in the case of Leased Equipment Notes, payments received by the Pass Through Trustee on account of their purchase by the related Owner Trustee or payments received on account of the sale of such Equipment Notes by the Pass Through Trustee) ("Special Payments") will be distributed on the dates specified therefor in the applicable Prospectus Supplement (a "Special Distribution Date"). In general, the Pass Through Trustee will mail notice to the Certificateholders of record of any Trust not less than 20 days prior to the Special Distribution Date on which any Special Payment is scheduled to be distributed by the Pass Through Trustee stating such anticipated Special Distribution Date. (Section 4.02) Each distribution of a Special Payment, other than a final distribution, on a Special Distribution Date for any Trust will be made by the Pass Through Trustee to the holders of record of the Pass Through Certificates of such Trust on the fifteenth day preceding such Special Distribution Date. See "Description of the Equipment Notes -- Prepayments" and "Description of the Pass Through Certificates -- Events of Default and Certain Rights Upon an Event of Default."

The Basic Agreement requires that the Pass Through Trustee establish and maintain, for each Trust and for the benefit of the Certificateholders of such Trust, one or more non-interest bearing accounts (the "Certificate Account") for the deposit of payments representing Scheduled Payments on the Equipment Notes held in such Trust. (Section 4.01) The Basic Agreement also requires that the Pass Through Trustee establish and maintain, for each Trust and for the benefit of the Certificateholders of such Trust,

8

one or more accounts (the "Special Payments Account") for the deposit of payments representing Special Payments.

Pursuant to the terms of the Basic Agreement, the Pass Through Trustee is required to deposit any Scheduled Payments relating to the applicable Trust received by it in the Certificate Account of such Trust and to deposit any Special Payments so received by it in the Special Payments Account of such Trust. (Section 4.01) All amounts so deposited will be distributed by the Pass Through Trustee on a Regular Distribution Date or a Special Distribution Date as appropriate. (Section 4.02)

At such time, if any, as the Pass Through Certificates of any Trust are issued in the form of Definitive Certificates and not to Cede, as nominee for DTC, distributions by the Pass Through Trustee from the Certificate Account or the Special Payments Account of such Trust on a Regular Distribution Date or a Special Distribution Date, as appropriate, will be made by check mailed to each Certificateholder of such Trust of record on the applicable record date at its address appearing on the register maintained with respect to such Trust. (Section 4.02) The final distribution for each Trust, however, will be made only upon presentation and surrender of the Pass Through Certificates for such Trust at the office or agency of the Pass Through Trustee specified in the notice given by the Pass Through Trustee of such final distribution. The Pass Through Trustee will mail such notice of the final distribution to the Certificateholders of such Trust, specifying the date set for such final distribution and the amount of such distribution. (Section 11.01) See "Description of the Pass Through Certificates -- Termination of the Trusts."

If any Regular Distribution Date or Special Distribution Date is not a Business Day, distributions scheduled to be made on such Regular Distribution Date or Special Distribution Date may be made on the next succeeding Business Day without additional interest. (Section 12.10)

#### POOL FACTORS

Unless there has been a prepayment, or a default in respect of one or more issues of the Equipment Notes held in a Trust, as described in the applicable Prospectus Supplement or below in "Description of the Pass Through Certificates -- Events of Default and Certain Rights Upon an Event of Default," the Pool Factor for such Trust will decline in proportion to the scheduled repayments of principal on the Equipment Notes held in such Trust as described in the applicable Prospectus Supplement. In the event of a partial or full prepayment or default, the Pool Factor and the Pool Balance of each Trust so affected will be recomputed after giving effect thereto and notice thereof will be mailed to Certificateholders of such Trust. Each Trust will have a separate Pool Factor and Pool Balance.

Unless otherwise described in the applicable Prospectus Supplement, the "Pool Balance" for each Trust indicates, as of any date, the aggregate unpaid principal amount of the Equipment Notes held in such Trust on such date plus any amounts in respect of principal on such Equipment Notes held by the Pass Through Trustee and not yet distributed plus the amount of any moneys held in the related escrow account (other than earnings thereon). The Pool Balance for each Trust as of any Regular Distribution Date or Special Distribution Date shall be computed after giving effect to the payment of principal, if any, on the Equipment Notes held in such Trust and distribution thereof to be made on that date.

Unless otherwise described in the applicable Prospectus Supplement, the "Pool Factor" for each Trust, as of any date, is the quotient (rounded to the seventh decimal place) computed by dividing (i) the Pool Balance of such Trust, by (ii) the aggregate original principal amount of the Equipment Notes held in such Trust. The Pool Factor for each Trust as of any Regular Distribution Date or Special Distribution Date shall be computed after giving effect to the payment of principal, if any, on the Equipment Notes held in such Trust and distribution thereof to be made on that date. The Pool Factor for each Trust will initially be 1.0000000; thereafter, the Pool Factor for each Trust will decline as described above to reflect reductions in the Pool Balance of such Trust. The amount of a Certificateholder's pro rata share of the Pool Balance of a Trust can be determined by multiplying the original denomination of the Certificateholder's Pass Through Certificate of such Trust by the Pool Factor for such Trust as of the applicable Regular Distribution Date or Special Distribution Date. The Pool Factor and the Pool Balance

for each Trust will be mailed to Certificateholders of record of such Trust on each Regular Distribution Date and Special Distribution Date.

#### STATEMENTS TO CERTIFICATEHOLDERS



On each Regular Distribution Date and Special Distribution Date, if any, the Pass Through Trustee will include with each distribution of a Scheduled Payment or Special Payment to Certificateholders of record of the related Trust a statement, giving effect to such distribution to be made on such Regular Distribution Date or Special Distribution Date, if any, setting forth the following information (per \$1,000 in aggregate principal amount of Pass Through Certificates for such Trust, as to (i) and (ii) below):

- (i) the amount of such distribution allocable to principal and the amount allocable to premium, if any;
- (ii) the amount of such distribution allocable to interest; and
- (iii) the Pool Balance and the Pool Factor for such Trust. (Section 4.03)

So long as the Pass Through Certificates of any Trust are registered in the name of Cede, as nominee for DTC, on the applicable record date prior to each Regular Distribution Date and Special Distribution Date, the Pass Through Trustee will request from DTC a Securities Position Listing setting forth the names of all DTC Participants reflected on DTC's books as holding interests in the Pass Through Certificates of such Trust on such record date. On each Regular Distribution Date and Special Distribution Date, the Pass Through Trustee will mail to each such DTC Participant the statement described above, and will make available additional copies as requested by such DTC Participant, to be available for forwarding to Certificate Owners. (Section 3.09)

In addition, after the end of each calendar year, the Pass Through Trustee will prepare for each Certificateholder of record of each Trust at any time during the preceding calendar year a report containing the sum of the amounts determined pursuant to clauses (i) and (ii) above with respect to the Trust for such calendar year or, in the event such person was a Certificateholder of record during a portion of such calendar year, for the applicable portion of such calendar year, and such other items as are readily available to the Pass Through Trustee and which a Certificateholder shall reasonably request as necessary for the purpose of such Certificateholder's preparation of its federal income tax returns. (Section 4.03) Such report and such other items shall be prepared on the basis of information supplied to the Pass Through Trustee by the DTC Participants, and shall be delivered by the Pass Through Trustee to such DTC Participants to be available for forwarding by such DTC Participants to Certificate Owners in the manner described above.

At such time, if any, as the Pass Through Certificates of a Trust are issued in the form of Definitive Certificates, the Pass Through Trustee will prepare and deliver the information described above to each Certificateholder of record of such Trust as the name and period of record ownership of such Certificateholder appears on the records of the Registrar of the Pass Through Certificates.

#### VOTING OF EQUIPMENT NOTES

The Pass Through Trustee, as holder of the Equipment Notes held in each Trust, has the right to vote and give consents and waivers in respect of such Equipment Notes under the applicable Indenture. The Basic Agreement sets forth the circumstances in which the Pass Through Trustee shall direct any action or cast any vote as the holder of the Equipment Notes held in the applicable Trust at its own discretion and the circumstances in which the Pass Through Trustee shall seek instructions from the Certificateholders of such Trust. Prior to an Event of Default with respect to any Trust, the principal amount of the Equipment Notes held in such Trust directing any action or being voted for or against any proposal shall be in proportion to the principal amount of Pass Through Certificates held by the Certificateholders of such Trust taking the corresponding position. (Sections 6.01 and 10.01)

10

47

#### EVENTS OF DEFAULT AND CERTAIN RIGHTS UPON AN EVENT OF DEFAULT

The Basic Agreement defines an event of default with respect to a Trust (an "Event of Default") as the occurrence and continuance of an event of default under one or more of the related Indentures (an "Indenture Event of Default"). The Indenture Events of Default will be described in the applicable Prospectus Supplement and, in the case of Leased Equipment Notes, will include events of default under the related Lease. Because the Equipment Notes issued under an Indenture may be held in more than one Trust, a continuing Indenture Event of Default under such Indenture would result in an Event of Default with respect to each such Trust. There will be, however, no cross-default provisions in the Indentures and events resulting in an Indenture Event of Default under any particular Indenture (or a default under any other indebtedness of the Company) will not necessarily result in an Indenture Event of Default occurring under any other Indenture. If an Indenture Event of Default occurs in fewer than all of the Indentures related to a Trust, the Equipment Notes issued pursuant to the related Indentures with respect to which an Indenture Event of Default has not

occurred will continue to be held in such Trust and payments of principal and interest on such Equipment Notes will continue to be distributed to the holders of the Pass Through Certificates of such Trust as originally scheduled.

In the case of Leased Equipment, the Owner Trustee and the Owner Participant under each Indenture will each have the right under certain circumstances to cure an Indenture Event of Default that results from the occurrence of a Lease Event of Default under the related Lease. If the Owner Trustee or the Owner Participant chooses to exercise such cure right, the Indenture Event of Default and consequently the Event of Default with respect to the related Trust or Trusts will be deemed to be cured.

The Basic Agreement provides that, as long as an Indenture Event of Default under any Indenture relating to Equipment Notes held in a Trust shall have occurred and be continuing, the Pass Through Trustee of such Trust may vote all of the Equipment Notes issued under such Indenture that are held in such Trust, and upon the direction of the holders of Pass Through Certificates evidencing fractional undivided interests aggregating not less than a majority in interest of such Trust, shall vote not less than a corresponding majority of such Equipment Notes in favor of directing the related Indenture Trustee to declare the unpaid principal amount of all Equipment Notes issued under such Indenture and any accrued and unpaid interest thereon to be due and payable. The Basic Agreement also provides that, if an Indenture Event of Default under any Indenture relating to Equipment Notes held in a Trust shall have occurred and be continuing, the Pass Through Trustee of such Trust may, and upon the direction of the holders of Pass Through Certificates evidencing fractional undivided interests aggregating not less than a majority in interest of such Trust shall, subject to certain conditions, vote all of the Equipment Notes issued under such Indenture that are held in such Trust in favor of directing the related Indenture Trustee as to the time, method and place of conducting any proceeding for any remedy available to such Indenture Trustee or of exercising any trust or power conferred on such Indenture Trustee under such Indenture. (Sections 6.01 and 6.04)

The ability of the holders of the Pass Through Certificates issued with respect to any one Trust to cause the Indenture Trustee with respect to any Equipment Notes held in such Trust to accelerate the payment on such Equipment Notes under the related Indenture or to direct the exercise of remedies by such Indenture Trustee under the related Indenture will depend, in part, upon the percentage of the aggregate principal amount of all Equipment Notes outstanding under such Indenture that are represented by the Equipment Notes outstanding under such Indenture and held in such Trust. Each Trust will hold Equipment Notes with different terms from those of the Equipment Notes held in the other Trusts and therefore the Certificateholders of a Trust may have divergent or conflicting interests from those of the Certificateholders of the other Trusts holding Equipment Notes relating to the same Equipment Group. In addition, so long as the same institution acts as Pass Through Trustee of each Trust, in the absence of instructions from the Certificateholders of any such Trust, the Pass Through Trustee for such Trust could for the same reason be faced with a potential conflict of interest upon an Indenture Event of Default. In such event, the Pass Through Trustee has indicated that it would resign as trustee of one or all such Trusts, and a successor trustee for one or all of such Trusts would be appointed in accordance with the terms of the Basic Agreement.

11

48

As an additional remedy, if an Indenture Event of Default shall have occurred and be continuing, the Basic Agreement provides that the Pass Through Trustee of a Trust holding Equipment Notes issued under such Indenture may, and upon the direction of the holders of Pass Through Certificates evidencing fractional undivided interests aggregating not less than a majority in interest of such Trust shall, sell all or part of such Equipment Notes for cash to any person. (Sections 6.01 and 6.02) Any proceeds received by the Pass Through Trustee upon any such sale shall be deposited in the Special Payments Account for such Trust and shall be distributed to the Certificateholders of such Trust on a Special Distribution Date. (Sections 4.01 and 4.02) The market for Equipment Notes in default may be very limited and there can be no assurance that they could be sold for a reasonable price. Furthermore, so long as the same institution acts as Trustee of each Trust, it may be faced with a conflict in deciding from which Trust to sell Equipment Notes to available buyers. If the Pass Through Trustee sells any such Equipment Notes with respect to which an Indenture Event of Default exists for less than their outstanding principal amount, the Certificateholders of such Trust will receive a smaller amount of principal distributions than anticipated and will not have any claim for the shortfall against GATC, the related Owner Trustee or the related Owner Participant, in the case of any Leased Equipment, or the Pass Through Trustee. Furthermore, neither the Pass Through Trustee nor the Certificateholders of such Trust could take any action with respect to any remaining Equipment Notes held in such Trust so long as no Indenture Event of Default existed with respect thereto.

Any amount distributed to the Pass Through Trustee of any Trust by the

Indenture Trustee under any Indenture on account of the Equipment Notes held in such Trust following an Indenture Event of Default under such Indenture shall be deposited in the Special Payments Account for such Trust and shall be distributed to the Certificateholders of such Trust on a Special Distribution Date. In addition, if, following an Indenture Event of Default under any Indenture relating to Leased Equipment, the related Owner Trustee exercises its option, if any, to purchase the outstanding Leased Equipment Notes issued under such Indenture as described in the related Prospectus Supplement, the price paid by such Owner Trustee to the Pass Through Trustee of any Trust for the Leased Equipment Notes issued under such Indenture and held in such Trust shall be deposited in the Special Payments Account for such Trust and shall be distributed to the Certificateholders of such Trust on a Special Distribution Date. (Sections 4.01 and 4.02)

Any funds held by the Pass Through Trustee in the Special Payments Account for a Trust representing either payments received with respect to any Equipment Notes held in such Trust following an Indenture Event of Default or proceeds from the sale by the Pass Through Trustee of any such Equipment Notes, shall, to the extent practicable, be invested and reinvested by the Pass Through Trustee in Permitted Government Investments pending the distribution of such funds on a Special Distribution Date. Permitted Government Investments are defined as being obligations of the United States and agencies thereof maturing in not more than 60 days or such lesser time as is required for the distribution of any such funds on a Special Distribution Date. (Sections 4.01 and 4.04)

The Basic Agreement provides that the Pass Through Trustee of each Trust shall, within 90 days after the occurrence of a default (as defined below) in respect of such Trust, give to the Certificateholders of such Trust notice, transmitted by mail, of all uncured or unwaived defaults with respect to such Trust known to it; provided that, except in the case of default in the payment of principal of, premium, if any, or interest on any of the Equipment Notes held in such Trust, the Pass Through Trustee shall be protected in withholding such notice if it in good faith determines that the withholding of such notice is in the interest of such Certificateholders. The term "default," for the purpose of the provision described in this paragraph only, shall mean the occurrence of any Event of Default with respect to a Trust as specified above, except that in determining whether any such Event of Default has occurred any grace period or notice in connection therewith shall be disregarded. (Section 7.02)

The Basic Agreement contains a provision entitling the Pass Through Trustee of each Trust, subject to the duty of the Pass Through Trustee during a default to act with the required standard of care, to be indemnified by the holders of the Pass Through Certificates of such Trust before proceeding to exercise any right or power under the Basic Agreement at the request of such Certificateholders. (Section 7.03)

12

49

In certain cases, the holders of Pass Through Certificates of a Trust evidencing fractional undivided interests aggregating not less than a majority in interest of such Trust may on behalf of the holders of all Pass Through Certificates of such Trust waive any past default or Event of Default with respect to such Trust and thereby annul any direction given by the Pass Through Trustee on behalf of such holders to the related Indenture Trustee with respect thereto, except (i) a default in the deposit of any Scheduled Payment or Special Payment or in the distribution of any such payment, (ii) a default in payment of the principal of, premium, if any, or interest on any of the Equipment Notes held in such Trust, and (iii) a default in respect of any covenant or provision of the Basic Agreement or the related Trust Supplement that cannot be modified or amended without the consent of each Certificateholder of such Trust affected thereby. (Section 6.05) Each Indenture will provide that, with certain exceptions, the holders of a majority in aggregate unpaid principal amount of the Equipment Notes issued thereunder may on behalf of all such holders waive any past default or Indenture Event of Default thereunder. In the event of a waiver with respect to a Trust as described above, the principal amount of the Equipment Notes issued under the related Indenture held in such Trust shall be counted as waived in the determination of the majority in aggregate unpaid principal amount of Equipment Notes required to waive a default or an Indenture Event of Default under such Indenture. Therefore, if the Certificateholders of a Trust waive a past default or Event of Default such that the principal amount of the Equipment Notes held in such Trust constitutes the required majority in aggregate unpaid principal amount under the applicable Indenture, such past default or Indenture Event of Default under such Indenture shall be waived. For a discussion of waivers of Indenture Events of Default under the Indentures, see "Description of the Equipment Notes -- Indenture Events of Default and Remedies."

#### MODIFICATIONS OF THE BASIC AGREEMENT

The Basic Agreement contains provisions permitting GATC and the Pass Through Trustee of each Trust to enter into supplemental trust agreements, without the consent of the holders of any of the Pass Through Certificates of

such Trust, (i) to evidence the succession of another corporation to GATC and the assumption by such corporation of GATC's obligations under the Basic Agreement and the applicable Trust Supplement, (ii) to add to the covenants of GATC for the benefit of the holders of such Pass Through Certificates, (iii) to cure any ambiguity, to correct any manifest error or to correct or supplement any defective or inconsistent provision of such Basic Agreement, the applicable Trust Supplement or any supplemental trust agreement, or to make any other provisions with respect to matters or questions arising thereunder, provided such action shall not adversely affect the interest of the holders of such Pass Through Certificates, (iv) to evidence and provide for a successor Trustee for some or all of the Trusts, or (v) to make any other amendments or modifications which shall only apply to Pass Through Certificates of one or more series to be issued thereafter. (Section 9.01)

The Basic Agreement also contains provisions permitting GATC and the Pass Through Trustee of each Trust, with the consent of the Certificateholders of such Trust evidencing fractional undivided interests aggregating not less than a majority in interest of such Trust, to execute supplemental trust agreements adding any provisions to or changing or eliminating any of the provisions of the Basic Agreement, to the extent relating to such Trust, and the applicable Trust Supplement, or modifying the rights of such Certificateholders, except that no such supplemental trust agreement may, without the consent of the holder of each such Pass Through Certificate so affected, (a) reduce in any manner the amount of, or delay the timing of, any receipt by the Pass Through Trustee of payments on the Equipment Notes held in such Trust, or distributions in respect of any Pass Through Certificate of such Trust, or make distributions payable in coin or currency other than that provided for in such Pass Through Certificates, or impair the right of any Certificateholder of such Trust to institute suit for the enforcement of any such payment when due, (b) permit the disposition of any Equipment Note held in such Trust, except as provided in the Basic Agreement or the applicable Trust Supplement, or (c) reduce the percentage of the aggregate fractional undivided interests of the Trust provided for in the Basic Agreement or the applicable Trust Supplement, the consent of the holders of which is required for any such supplemental trust agreement or for any waiver provided for in the Basic Agreement or such Trust Supplement. (Section 9.02)

13

50

#### MODIFICATION AND CONSENTS AND WAIVERS UNDER THE INDENTURES AND RELATED AGREEMENTS

In the event that the Pass Through Trustee, as the holder of any Equipment Notes held in a Trust, receives a request for its consent to any amendment, modification or waiver under the Indenture, Lease, if any, or other document relating to such Equipment Notes, which requires the consent of the Certificateholders of such Trust, the Pass Through Trustee shall mail a notice of such proposed amendment, modification or waiver to each Certificateholder of such Trust as of the date of such notice. The Pass Through Trustee shall request instructions from the Certificateholders of such Trust as to whether or not to consent to such amendment, modification or waiver. The Pass Through Trustee shall vote or consent with respect to such Equipment Notes in such Trust in the same proportion as the Pass Through Certificates of such Trust were actually voted by the holders thereof by a certain date. Notwithstanding the foregoing, if an Event of Default in respect of such Trust shall have occurred and be continuing, the Pass Through Trustee, subject to the voting instructions referred to under "Description of the Pass Through Certificates -- Events of Default and Certain Rights Upon an Event of Default," may in its own discretion consent to such amendment, modification or waiver, and may so notify the Indenture Trustee to which such consent relates. (Section 10.01)

#### TERMINATION OF THE TRUSTS

The obligations of GATC and the Pass Through Trustee with respect to a Trust will terminate upon the distribution to Certificateholders of such Trust of all amounts required to be distributed to them pursuant to the Basic Agreement and the applicable Trust Supplement and the disposition of all property held in such Trust. The Pass Through Trustee will mail to each Certificateholder of record of such Trust notice of the termination of such Trust, the amount of the proposed final payment and the proposed date for the distribution of such final payment for such Trust. The final distribution to any Certificateholder of such Trust will be made only upon surrender of such Certificateholder's Pass Through Certificates at the office or agency of the Pass Through Trustee specified in such notice of termination. (Section 11.01)

#### DELAYED PURCHASE

In the event that, on the date of issuance of any Pass Through Certificates, all of the proceeds from the sale of such Pass Through Certificates are not used to purchase the Equipment Notes contemplated to be held in the related Trust, such Equipment Notes may be purchased by the Pass Through Trustee at any time on or prior to the date specified in the applicable Prospectus Supplement. In such event, the Pass Through Trustee will hold the

proceeds from the sale of such Pass Through Certificates not used to purchase Equipment Notes in an escrow account pending the purchase of the Equipment Notes not so purchased. Such proceeds will be invested in Specified Investments at the direction and risk of, and for the account of, GATC. Earnings on Specified Investments in the escrow account for each Trust will be paid to GATC periodically, and GATC will be responsible for any losses realized on such Specified Investments. (Section 2.02)

On the Regular Distribution Date occurring after the issuance of such Pass Through Certificates, GATC will pay to the Pass Through Trustee an amount equal to the interest that would have accrued on any Equipment Notes which are purchased after the date of the issuance of such Pass Through Certificates from the date of the issuance of such Pass Through Certificates to, but excluding, the date of the purchase of such Equipment Notes by the Pass Through Trustee. (Section 2.02)

To the extent that Equipment Notes are not purchased by the Pass Through Trustee on or prior to the date specified in the applicable Prospectus Supplement, the unexpended proceeds from the sale of such Pass Through Certificates, together with interest thereon at the rate applicable to such Pass Through Certificates, will be distributed to the holders of such Pass Through Certificates as a Special Payment.

14

51

#### MERGER, CONSOLIDATION AND TRANSFER OF ASSETS

GATC will be prohibited from consolidating with or merging into any other corporation or transferring substantially all of its assets as an entirety to any other corporation unless any successor or transferee corporation shall be a corporation organized and existing under the laws of the United States or any state or the District of Columbia and shall expressly assume all of the obligations of GATC contained in the Basic Agreement, and, in the case of Leased Equipment Notes held in a Trust, both immediately prior to and after giving effect to such consolidation, merger or transfer, no Lease Event of Default shall have occurred and be continuing. (Section 5.02)

#### THE PASS THROUGH TRUSTEE

Unless otherwise specified in the applicable Prospectus Supplement, The First National Bank of Chicago will be the Pass Through Trustee for each of the Trusts. The Pass Through Trustee and any of its affiliates may hold Pass Through Certificates in their own names. (Section 7.05) With certain exceptions, the Pass Through Trustee makes no representations as to the validity or sufficiency of the Basic Agreement, the Trust Supplements, the Pass Through Certificates, the Equipment Notes, the Indentures, the Leases, if any, or other related documents. (Section 7.04) Unless otherwise specified in a Prospectus Supplement, The First National Bank of Chicago will also be the Indenture Trustee of the Indentures under which the Equipment Notes are issued. The Company maintains banking relationships in the ordinary course of business with The First National Bank of Chicago.

The Pass Through Trustee may resign with respect to any or all of the Trusts at any time, in which event GATC will be obligated to appoint a successor trustee. If the Pass Through Trustee ceases to be eligible to continue as Trustee with respect to a Trust or becomes incapable of acting as Trustee or becomes insolvent, GATC may remove such Trustee. In addition, any holder of Pass Through Certificates of such Trust for at least six months may in such circumstances, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of such Trustee and the appointment of a successor trustee. Any resignation or removal of the Pass Through Trustee with respect to a Trust and appointment of the successor trustee for such Trust does not become effective until acceptance of the appointment by the successor trustee. (Section 7.09) Pursuant to such resignation and successor trustee provisions, it is possible that a different trustee could be appointed to act as the successor trustee with respect to each Trust. All references in this Prospectus to the Pass Through Trustee are to the trustee acting in such capacity under each of the Trusts and should be read to take into account the possibility that each of the Trusts could have a different successor trustee in the event of such a resignation or removal.

The Basic Agreement provides that GATC will pay the Pass Through Trustee's fees and expenses and will indemnify the Pass Through Trustee in accordance with the Participation Agreement with respect to certain taxes. To the extent not indemnified by GATC with respect to such taxes, the Pass Through Trustee may be entitled to be reimbursed by the applicable Trust. (Section 7.07)

#### DESCRIPTION OF THE EQUIPMENT NOTES

The statements under this caption are summaries and do not purport to be complete. Except as otherwise indicated below or as described in the applicable Prospectus Supplement, the following summaries will apply to the Equipment

Notes, the Indenture, the Lease, if any, and the Participation Agreement relating to each Equipment Group. Additional provisions with respect to the Equipment Notes, the Indentures, the Leases, if any, and the Participation Agreements relating to any particular Equipment Group will be described in the applicable Prospectus Supplement.

#### GENERAL

Each Equipment Note issued under the same Indenture will relate to a single Equipment Group. The Equipment Notes with respect to each Equipment Group will be issued under a separate Indenture

15

52

between the related Indenture Trustee and GATC (in the case of Owned Equipment Notes) or the related Indenture Trustee and the Owner Trustee of a trust for the benefit of the Owner Participant which is the beneficial owner of such Equipment Group (in the case of Leased Equipment Notes).

GATC's obligations under each Indenture relating to Owned Equipment and under the related Owned Equipment Notes will be direct obligations of GATC, secured by a security interest in such Owned Equipment. The Leased Equipment Notes will be nonrecourse obligations of the related Owner Trustee. Except in certain circumstances involving GATC's purchase of Leased Equipment and the assumption of the Leased Equipment Notes related thereto, the Leased Equipment Notes will not be direct obligations of, or guaranteed by, GATC; however, GATC will be obligated to make or cause to be made rental and other payments to the related Owner Trustee under the Lease of the related Equipment Group in amounts that will be at least sufficient to pay when due all payments required to be made on the Leased Equipment Notes issued with respect to such Equipment Group. GATC's rental obligations under each Lease will be general obligations of GATC.

#### PRINCIPAL AND INTEREST PAYMENTS

Interest paid on the Equipment Notes held in each Trust will be passed through to the Certificateholders of such Trust on the dates and at the rate per annum set forth in the applicable Prospectus Supplement until the final distribution date for such Trust. Principal paid on the Equipment Notes held in each Trust will be passed through to the Certificateholders of such Trust in scheduled amounts on the dates set forth in the applicable Prospectus Supplement until the final distribution date for such Trust.

If any date scheduled for any payment of principal of, premium, if any, or interest on the Equipment Notes is not a Business Day, such payment may be made on the next succeeding Business Day without any additional interest.

#### PREPAYMENTS

The applicable Prospectus Supplement will describe the circumstances, whether voluntary or involuntary, under which the related Equipment Notes may be prepaid or purchased, the premium (if any) related to certain prepayments or purchases and other terms applying to prepayments or purchases of such Equipment Notes.

#### SECURITY

The Leased Equipment Notes issued with respect to an Equipment Group will be secured by (i) an assignment by the related Owner Trustee to the related Indenture Trustee of such Owner Trustee's rights (except for certain limited rights described in the Prospectus Supplement) under the Lease with respect to such Equipment Group, including the right to receive payments of rent thereunder and (ii) a perfected security interest to such Indenture Trustee in such Equipment Group, subject to the rights of GATC under such Lease. Unless and until an Indenture Event of Default with respect to an Equipment Group has occurred and is continuing, the Indenture Trustee may not exercise the rights of the Owner Trustee under the related Lease, except the right to receive payments of rent due thereunder.

The Owned Equipment Notes issued with respect to an Equipment Group will be secured by a perfected security interest from GATC to the related Indenture Trustee in such Equipment Group.

The Equipment Notes issued under different Indentures will not be cross-collateralized and consequently the Equipment Notes issued in respect of any one Equipment Group will not be secured by any other Equipment Group or, in the case of Leased Equipment Notes, the Lease related to any other Equipment Group.

GATC will be required to file each Indenture, any indenture supplement, each Lease, if any, and any lease supplement with respect to each Equipment Group under the Interstate Commerce Act (or successor law) and will be further required to deposit such documents with the Registrar General of Canada under

Act. The filing under the Interstate Commerce Act (or successor law) will give the Indenture Trustee a perfected security interest in each Equipment Unit in such Equipment Group whenever it is located in the United States and in the Lease, if any. Such deposit and publication in Canada will be done in order to protect the lien of the Indenture Trustee in and to the Lease, if any, and the Equipment Units created by the Indenture in Canada or any province or territory thereof, to the extent provided for in the Railway Act of Canada.

Each Equipment Unit may be operated by GATC or, subject to certain limitations, under sublease or interchange arrangements in the United States, Canada or Mexico. The extent to which the Indenture Trustee's security interest would be recognized in an Equipment Unit located in countries other than the United States is uncertain.

Funds, if any, held from time to time by the Indenture Trustee with respect to any Equipment Units, including funds held as the result of the loss or destruction of such Equipment Units or termination of the Lease, if any, relating thereto, will be invested and reinvested by such Indenture Trustee, at the direction of GATC (except in the case of a Lease Event of Default under the applicable Lease, if any), in Specified Investments. GATC will pay the amount of any loss resulting from any such investment directed by it.

GATC will be obligated, at its cost and expense, to maintain, repair and keep each Equipment Unit in accordance with prudent industry maintenance practices and in compliance in all material respects with all laws and regulations.

#### LIMITATION OF LIABILITY

The Owned Equipment Notes will be direct obligations of GATC. Except in certain circumstances involving GATC's purchase of Leased Equipment and the assumption of the Leased Equipment Notes related thereto, the Leased Equipment Notes will not be direct obligations of, or guaranteed by, GATC or the Owner Trustees. None of the Owner Trustees, the Owner Participants or the Indenture Trustees, or any affiliates thereof, shall be personally liable to any holder of a Leased Equipment Note or, in the case of the Owner Trustees and the Owner Participants, to the Indenture Trustees for any amounts payable under the Leased Equipment Notes or, except as provided in each Indenture, for any liability under such Indenture. Except in the circumstances described above, all payments of principal of, premium, if any, and interest on Leased Equipment Notes issued with respect to any Equipment Group (other than payments made in connection with an optional prepayment or purchase by the related Owner Trustee) will be made only from the assets subject to the lien of the Indenture with respect to such Equipment Group or the income and proceeds received by the related Indenture Trustee therefrom (including rent payable by GATC under the Lease with respect to such Equipment Group).

Except as otherwise provided in the Indentures, each Owner Trustee in its individual capacity shall not be answerable or accountable under the Indentures or under the Leased Equipment Notes under any circumstances except for its own wilful misconduct or gross negligence. None of the Owner Participants will have any duty or responsibility under any of the Indentures or the Leased Equipment Notes to the Indenture Trustees or to any holder of any Leased Equipment Note.

#### INDENTURE EVENTS OF DEFAULT AND REMEDIES

The applicable Prospectus Supplement will describe the Indenture Events of Default under the related Indentures, the remedies that the Indenture Trustee may exercise with respect to the related Equipment Group, either at its own initiative or upon instruction from holders of the related Equipment Notes, and other provisions relating to the occurrence of an Indenture Event of Default and the exercise of remedies. There will be no cross-default provisions in the Indentures and events resulting in an Indenture Event of Default under any particular Indenture (or a default under any other indebtedness of the Company) will not necessarily result in an Indenture Event of Default under any other Indenture.

In the case of Leased Equipment Notes, in the event of the bankruptcy of an Owner Participant, it is possible that, notwithstanding that the related Equipment Group is owned by an Owner Trustee in trust,

such Equipment Group and the Lease and the Leased Equipment Notes related thereto might become part of the bankruptcy proceeding. In such event, payments

on such Leased Equipment Notes might be interrupted and the ability of the Indenture Trustee to exercise its remedies under the applicable Indenture might be restricted, although the Indenture Trustee would retain its status as a secured creditor in respect of such Lease and the related Equipment Group. In addition, in the event of an Owner Participant bankruptcy, the estate might seek court approval to reject the related Lease as an executory contract. Such a Lease rejection, if successful, would leave the Indenture Trustee as a secured creditor in respect of the related Equipment Group with a claim for damages against the estate.

#### THE LEASES

In the case of Leased Equipment Notes, the following provisions will be applicable unless otherwise disclosed in the Prospectus Supplement.

**TERM AND RENTALS.** In the case of Leased Equipment, each Equipment Group will be leased separately by the related Owner Trustee to GATC for a term commencing on the delivery date thereof to such Owner Trustee and expiring on a date not earlier than the latest maturity date of the Leased Equipment Notes issued with respect to such Equipment Group unless previously terminated as permitted by the related Lease. The basic rental payments by GATC under each Lease will be payable on the dates specified in the applicable Prospectus Supplement, and will be assigned by the Owner Trustee under the related Indenture to provide the funds necessary to make payments of principal and interest due from such Owner Trustee on the Leased Equipment Notes issued under such Indenture. Although in certain cases the basic rental payments under the Leases may be adjusted, under no circumstances will rental payments be less than the scheduled payments of principal and interest on the Leased Equipment Notes issued under the Indenture relating to such Lease. The balance of any basic rental payments under each Lease, after payment of the scheduled principal and interest on the Leased Equipment Notes issued under the Indenture relating to such Lease, will be paid over to the related Owner Trustee. GATC's obligation to pay rent and to cause other payments to be made under each Lease will be a general obligation of GATC.

**NET LEASE.** GATC's obligations in respect of each Equipment Group leased by an Owner Trustee will be those of a lessee under a "net lease." Accordingly, GATC will be obligated, at its cost and expense, to maintain, repair and keep each Equipment Unit in any such Equipment Group in accordance with prudent industry maintenance practices and in compliance in all material respects with all laws and regulations and consistent with maintenance practices used by GATC in respect of equipment owned or leased by GATC similar in type to such Equipment Unit. Subject to certain exceptions, GATC will, at its expense, make all alterations, replacements or modifications required to be made by the Association of American Railroads, the United States Department of Transportation, or any other United States, state or local governmental agency. GATC reserves the right to contest the validity or applicability of any required alterations, replacements or modifications. GATC shall have the right to make alterations, modifications and improvements with respect to each Equipment Unit in any such Equipment Group, provided that no such alteration, modification or improvement shall materially diminish the fair market value, utility or remaining economic useful life of such Unit.

**INSURANCE.** Unless waived or otherwise excused by the terms of any Lease, GATC will be required to procure from reputable insurance companies, property damage and public liability insurance, and, subject to certain limited exceptions, maintain such insurance in such amounts and for such risks and with such insurance companies and subject to such deductibles and self insurance no less comprehensive in amounts and against risks customarily insured against by GATC in respect of equipment owned or leased by it similar in type to the related Equipment Units and consistent with prudent industry standards for companies engaged in full service leasing of railcars, if any.

**LEASE EVENTS OF DEFAULT; REMEDIES.** The applicable Prospectus Supplement will describe the Lease Events of Default under the related Lease, the remedies that the Owner Trustee, or Indenture

Trustee as assignee of the Owner Trustee, may exercise with respect to an Equipment Group, and other provisions relating to the occurrence of a Lease Event of Default and the exercise of remedies.

Lease Events of Default under each Lease will include, among other things, (a) failure by GATC to make rental payments under the Lease, (b) failure to maintain insurance as required by the Lease, (c) use of the Equipment Group in contravention of the Lease, (d) breach of any representation or warranty made by GATC in the Lease or in the related Participation Agreement and (e) the occurrence of certain events of bankruptcy, reorganization or insolvency of GATC. Upon the occurrence of a Lease Event of Default under any Lease, the related Indenture Trustee, as assignee of the related Owner Trustee's rights under such Lease, will be entitled to repossess the Equipment Units and use or



sell such Equipment Units free and clear of GATC's rights therein.

If GATC were to become a debtor in a bankruptcy or reorganization case under the Bankruptcy Code, GATC or its bankruptcy trustee could reject any or all Leases to which it is a party. In such event, there could be no assurance that the amount of any claim for damages under such Leases that would be allowed in such bankruptcy case would be in an amount sufficient to provide for the repayment of the related Leased Equipment Notes. In any case, rejection of a Lease by GATC or its bankruptcy trustee would not deprive the related Indenture Trustee of its security interest in the related Equipment Group.

GATC is not a railroad, and the protections against the automatic stay in bankruptcy under Section 1168 of the Bankruptcy Code which are granted to lessors, conditional vendors and purchase money financiers of rolling stock to a common carrier by railroad will not be available to an Indenture Trustee upon the occurrence of a Lease Event of Default.

#### THE PARTICIPATION AGREEMENTS

GATC will be required to indemnify each Indenture Trustee and the Pass Through Trustee and, in the case of Leased Equipment, each Owner Participant and Owner Trustee for certain losses and claims and for certain other matters. Each Owner Participant will be required to discharge certain liens or claims on or against the assets subject to the lien of the related Indenture that arise out of any act of or failure to act by or claim against such Owner Participant. Subject to certain restrictions, each Owner Participant may transfer its interest in the related Equipment Group.

#### ERISA CONSIDERATIONS

Unless otherwise indicated in the applicable Prospectus Supplement, Pass Through Certificates may be purchased by an employee benefit plan (a "Plan") subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). A fiduciary of a Plan must determine that the purchase of a Pass Through Certificate is consistent with its fiduciary duties under ERISA and does not result in a non-exempt prohibited transaction as defined in Section 406 of ERISA or Section 4975 of the Code. Employee benefit plans which are governmental plans (as defined in Section 3(32) of ERISA) and certain church plans (as defined in Section 3(33) of ERISA) are not subject to the fiduciary responsibility provisions of ERISA.

#### FEDERAL INCOME TAX CONSEQUENCES

The following is a general discussion by GATC of the anticipated material federal income tax consequences of the purchase, ownership and disposition of Pass Through Certificates. The summary is based on laws, regulations, rulings and decisions now in effect, all of which are subject to change, possibly with retroactive effect, or different interpretation. The discussion below does not purport to address federal income tax consequences applicable to particular categories of investors, some of which (for example, insurance companies, dealers in securities, financial institutions or foreign investors) may be subject to special rules. In addition, this summary is generally limited to investors who will hold the Pass Through Certificates as "capital assets" (generally, property held for investment) within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the "Code"). Investors

19

56

should consult their own tax advisors in determining the federal, state, local, and any other tax consequences to them of the purchase, ownership and disposition of Pass Through Certificates, including the advisability of making any election discussed below. Prospective investors should note that no rulings have been or will be sought from the Internal Revenue Service (the "IRS") with respect to any of the federal income tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions. It is anticipated that the Trusts will not be indemnified for any federal income taxes that may be imposed upon them, and the imposition of any such taxes on any Trust could result in a reduction in the amounts available for distribution to the Certificateholders of such Trust.

Mayer, Brown & Platt, counsel to GATC, has advised GATC that, in its opinion, based upon its interpretation of analogous authorities under currently applicable law, the Trusts will not be classified as associations taxable as corporations, but, rather will be classified as grantor trusts under subpart E, Part I of Subchapter J of the Code, and that each Certificateholder of a Trust will be treated as the owner of a pro rata undivided interest in each of the Equipment Notes or any other property held in such Trust.

#### GENERAL

GATC believes that each Certificateholder in a Trust will be required to report on its federal income tax return its pro rata share of the entire income

from the Equipment Notes or any other property held in such Trust, in accordance with such Certificateholder's method of accounting. A Certificateholder using the cash method of accounting should take into account its pro rata share of income as and when received by the Pass Through Trustee of such Trust. A Certificateholder using an accrual method of accounting should take into account its pro rata share of income as it accrues or is received by such Trustee, whichever is earlier.

A purchaser of a Pass Through Certificate will be treated as purchasing an interest in each Equipment Note and any other property in a Trust at a price determined by allocating the purchase price paid for the Pass Through Certificate among such Equipment Notes and other property in proportion to their fair market values at the time of purchase of such Pass Through Certificate. GATC believes that at the time of formation of a particular Trust, the purchase price paid for a Pass Through Certificate with respect to such Trust by an original purchaser of a Pass Through Certificate will be allocated among the Equipment Notes in such Trust in proportion to their respective principal amounts. The portion of such Certificateholder's purchase price allocated to each Equipment Note will constitute such Certificateholder's initial tax basis in such Equipment Note.

#### SALES OF PASS THROUGH CERTIFICATES

A Certificateholder's tax basis in a Pass Through Certificate will equal its cost of such Pass Through Certificate, reduced by any amortized premium (as described below) and any payments other than interest made on such Pass Through Certificate and increased by any market discount or original issue discount included in the Certificateholder's income. A Certificateholder that sells a Pass Through Certificate will recognize gain or loss (in the aggregate) in an amount equal to the difference between its adjusted tax basis in the Pass Through Certificate and the amount realized on the sale (except to the extent attributable to accrued interest, which should be taxable as interest income) and, if an Equipment Note or other asset of the related Trust is disposed of, or an Equipment Note of the related Trust is prepaid, a Certificateholder will recognize gain or loss (in the aggregate) in an amount equal to the difference between such Certificateholder's adjusted tax basis in such Equipment Note or other asset and the Certificateholder's pro rata portion of the amount realized on the disposition by the Trust or upon such prepayment (except to the extent attributable to accrued interest, which should be taxable as interest income). Subject to the market discount provisions of the Code (described below), any such gain or loss will be capital gain or loss if the Pass Through Certificate was held as a capital asset and, if the Pass Through Certificate was held for more than one year, will be long-term capital gain or loss to the extent the Equipment Notes have been held by a Trust for more than one year. Any long-term capital gains realized will be taxable under current law to corporate taxpayers at the rates applicable to ordinary income, and to individual taxpayers at a maximum marginal rate of 28%. Any capital losses realized will

20

57

be deductible by a corporate taxpayer only to the extent of capital gains and by an individual taxpayer only to the extent of capital gains plus \$3,000 of other income.

#### MARKET DISCOUNT

A purchaser of a Pass Through Certificate will be considered to have acquired an interest in an Equipment Note held in a Trust at a "market discount" to the extent the remaining principal amount of such Equipment Note allocable to the Pass Through Certificate exceeds the Certificateholder's tax basis allocable to such Equipment Note, unless the excess does not exceed a prescribed de minimis amount. In the event such excess exceeds the de minimis amount, the Certificateholder will be subject to the market discount rules of Sections 1276 and 1278 of the Code with regard to its interest in the Equipment Note.

In the case of a sale or other disposition of a Certificateholder's interest in an Equipment Note subject to the market discount rules, Section 1276 of the Code requires that gain, if any, from such sale or disposition be treated as ordinary income to the extent such gain represents market discount that has accrued during the period in which the interest was held by such Certificateholder. In addition, a disposition of a Certificateholder's interest in an Equipment Note by gift (and in certain other circumstances), could result in the recognition of market discount income, computed as if such Note had been sold for its fair market value.

In the case of a partial principal payment on a Certificateholder's interest in an Equipment Note subject to the market discount rules, Section 1276 of the Code requires that such payment be included in gross income as ordinary income to the extent such payment does not exceed the market discount that has accrued during the period such interest was held by such Certificateholder. The amount of any accrued market discount later required to be included in income upon a disposition or subsequent partial principal payment, will be reduced by

the amount of accrued market discount previously included in income.

Generally, market discount accrues under a straight line method, or, at the election of the taxpayer, under a constant interest rate method. However, in the case of bonds the principal of which may be paid in two or more installments (such as the Equipment Notes), the manner in which market discount is to be accrued will be described in Treasury regulations that have yet to be issued. Until such Treasury regulations are issued, the explanatory Conference Committee Report to the Tax Reform Act of 1986 (the "Conference Report") indicates that holders of such obligations may elect to accrue market discount either on the basis of a constant interest rate or as follows: (1) for those obligations that have OID, market discount shall be deemed to accrue in proportion to the accrual of OID for any accrual period, and (2) for those obligations which do not have OID, the amount of market discount that is deemed to accrue is the amount of market discount that bears the same ratio to the total amount of remaining market discount that the amount of stated interest paid in the accrual period bears to the total amount of stated interest remaining to be paid on the obligation as of the beginning of such period.

Under Section 1277 of the Code, if in any taxable year interest paid or accrued by a Certificateholder on indebtedness incurred or continued to purchase or carry its interest in an Equipment Note subject to the market discount rules exceeds the interest (including OID) currently includible in income with respect to such interest in an Equipment Note, deduction of such interest must be deferred to the extent of the market discount allocable to the taxable year. The deferred portion of any interest expense will generally be deductible when such market discount is included in income upon the sale or other disposition (including repayment) of the indebtedness.

Section 1278 of the Code allows a taxpayer to make an election to include market discount in its gross income currently. If such election is made, the rules of Sections 1276 and 1277 (described above) will not apply to the taxpayer.

21

58

Due to the complexity of the market discount rules, prospective Certificateholders are advised to consult their tax advisors as to the applicability and operation of the market discount rules as they may apply to a Certificateholder's interest in the Equipment Notes held by a Trust.

#### PREMIUM

A Certificateholder will generally be considered to have acquired an interest in an Equipment Note at a premium to the extent the Certificateholder's tax basis allocable to such interest exceeds the remaining principal amount of the Equipment Note allocable to such interest. In that event, a Certificateholder who holds a Pass Through Certificate as a capital asset may amortize that premium as an offset to interest income under Section 171 of the Code, with corresponding reductions in the Certificateholder's tax basis in its interest in the Equipment Note if an election under Section 171 of the Code is or has been made with respect to all debt instruments held by the taxpayer (including the Pass Through Certificates). Generally, such amortization is on a constant yield basis. However, in the case of bonds the principal of which may be paid in two or more installments (such as the Equipment Notes), the Conference Report indicates a Congressional intent that amortization will be in accordance with the same rules that will apply to the accrual of market discount on such obligations (see the discussion of market discount above).

In the case of obligations which may be called at a premium prior to maturity, amortizable bond premium may be determined by reference to an early call date. Due to the complexities of the amortizable premium rules, particularly where there is more than one possible call date and the amount of any premium is uncertain, Certificateholders are urged to consult their own tax advisors as to the amount of any amortizable premium and the advisability of making the election.

#### BACKUP WITHHOLDING

Payments made on the Pass Through Certificates and proceeds from the sale of the Pass Through Certificates to or through certain brokers may be subject to a "backup" withholding tax of 31% unless the Certificateholder complies with certain reporting procedures or is an exempt recipient under Section 6049(b)(4) of the Code. Any such withheld amounts will be allowed as a credit against the Certificateholder's federal income tax.

#### CERTAIN ILLINOIS TAXES

Mayer, Brown & Platt has advised GATC that, in its opinion, under existing Illinois law as of the date hereof (i) the Trusts will not be classified as associations taxable as corporations for purposes of franchise and income taxation by the State of Illinois or any political subdivision thereof; (ii)

Certificateholders will be treated as the owners of undivided interests in the assets of the Trusts for purposes of franchise and income taxation by the State of Illinois and any political subdivision thereof; (iii) the Trusts will not be subject to taxation or any other governmental fee or charge by the State of Illinois or any political subdivision thereof; (iv) neither the Equipment Notes nor the Pass Through Certificates will be subject to ad valorem taxation or any other tax on intangible property by the State of Illinois or any political subdivision thereof; (v) neither the delivery of the Equipment Notes to the Trusts nor the acquisition, ownership or disposition of the interest of any Certificateholder in any Pass Through Certificate will be subject to any sales, use or transfer taxes imposed by the State of Illinois or any political subdivision thereof; and (vi) a Certificateholder will not be subject to taxation or any governmental fee or charge by the State of Illinois or any political subdivision thereof, if a Certificateholder (a) is not a resident of the State of Illinois, or otherwise subject to any tax, governmental charge or fee imposed by the State of Illinois or any political subdivision thereof, (b) does not otherwise have part of its receipt or income includible (either directly or indirectly) in a tax return filed by a Certificateholder (or an affiliate of the Certificateholder) in the State of Illinois, and (c) would not be subject to taxation or any governmental fee or charge by the State of Illinois if, instead of owning said Pass Through Certificates, the Certificateholder owned its share of the assets of a Trust directly.

22

59

Neither the Trusts nor the Certificateholders will be indemnified for any state or local taxes imposed on them, and the imposition of any such taxes on a Trust could result in a reduction in the amounts available for the distribution to the Certificateholders of such Trust. In general, should a Certificateholder or a Trust be subject to any state or local tax which would not be imposed if the Pass Through Trustee were located in a different jurisdiction in the United States, the Pass Through Trustee will resign and a new Trustee in such other jurisdiction will be appointed.

#### PLAN OF DISTRIBUTION

The Company may sell the Pass Through Certificates being offered hereby: (i) through agents, (ii) to or through underwriters, (iii) through dealers, (iv) directly to purchasers or (v) through a combination of any such methods of sale.

The distribution of the Pass Through Certificates may be effected from time to time in one or more transactions either (i) at a fixed price or prices, which may be changed, or (ii) at market prices prevailing at the time of sale, or (iii) at prices related to such prevailing market prices, or (iv) at negotiated prices.

Offers to purchase the Pass Through Certificates may be solicited directly by the Company or by agents designated by the Company from time to time. Any such agent, which may be deemed to be an underwriter as that term is defined in the Securities Act, involved in the offer or sale of the Pass Through Certificates in respect of which this Prospectus is delivered will be named, and any commissions payable by the Company to such agent will be set forth, in the applicable Prospectus Supplement. Unless otherwise indicated in the Prospectus Supplement, any such agent will be acting on a best efforts basis for the period of its appointment.

If an underwriter or underwriters are utilized in the sale, the Company will execute an underwriting agreement with such underwriters at the time of sale to them and the names of the underwriters and the terms of the transaction, including commissions, discounts and other compensation of the underwriters and dealers, if any, will be set forth in the Prospectus Supplement, which will be used by the underwriters to make resales of the Pass Through Certificates in respect of which this Prospectus is delivered to the public.

If a dealer is utilized in the sale of the Pass Through Certificates in respect of which this Prospectus is delivered, the Company or the Pass Through Trustee, as the case may be, will sell such Pass Through Certificates to the dealer, as principal. The dealer may then resell such Pass Through Certificates to the public at varying prices to be determined by such dealer at the time of resale.

Underwriters, dealers, agents and other persons may be entitled, under agreements which may be entered into with the Company, to indemnification against certain civil liabilities, including liabilities under the Securities Act.

Underwriters, dealers and agents may be customers of, engage in transactions with or perform services for the Company in the ordinary course of business.

#### LEGAL OPINIONS

The validity of the Pass Through Certificates will be passed upon for GATC by Mayer, Brown & Platt, Chicago, Illinois, and for any underwriters or agents, by Winston & Strawn, Chicago, Illinois. Both Mayer, Brown & Platt and Winston & Strawn will rely on the opinion of the Law Department of The First National Bank of Chicago, as to basic matters relating to the authorization, execution and delivery of the Pass Through Certificates under the Basic Agreement. From time to time, Winston & Strawn has acted as special counsel to GATX Capital Corporation, a wholly owned subsidiary of GATX.

23

60

#### EXPERTS

The consolidated financial statements and related schedules of GATC appearing in GATC's Annual Report (Form 10-K) for the year ended December 31, 1994, have been audited by Ernst & Young LLP, independent auditors, as set forth in their report thereon included therein and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such report given upon the authority of such firm as experts in accounting and auditing.

24

61

#### APPENDIX I

##### GLOSSARY OF CERTAIN TERMS

The following is a glossary of certain terms used in this Prospectus relating to the Pass Through Certificates. The definitions of terms used in this glossary that are also used in the Basic Agreement, Trust Supplements, Indentures, Leases or Participation Agreements are qualified in their entirety by reference to the definitions of such terms contained therein. Additional terms or changes in the terms defined below may appear in the applicable Prospectus Supplement.

"Basic Agreement" means the Pass Through Trust Agreement, dated as of August 1, 1992, between GATC and the Pass Through Trustee.

"Business Day," when used with respect to the Pass Through Certificates of any series, means any day other than a Saturday, a Sunday, or a day on which commercial banking institutions in New York, New York, Chicago, Illinois or a city and state in which the Pass Through Trustee or any related Indenture Trustee maintains its Corporate Trust Office are authorized or obligated by law, regulation or executive order to be closed.

"Certificate Account" means the one or more non-interest-bearing accounts established and maintained by the Pass Through Trustee pursuant to the Basic Agreement on behalf of the Certificateholders of each Trust for the deposit of payments representing Scheduled Payments on the Equipment Notes held in such Trust.

"Certificate Owner" means a person acquiring an interest in a Pass Through Certificate registered in the name of Cede & Co. as the nominee of The Depository Trust Company.

"Certificateholder" means the Person in whose name a Pass Through Certificate is registered.

"Code" means the United States Internal Revenue Code of 1986, as amended.

"Commission" means the Securities and Exchange Commission.

"Equipment Group" means all the railcars (which may include various types or categories of standard gauge rolling stock) in respect of which a particular series of Equipment Notes is issued.

"Equipment Notes" means the Owned Equipment Notes and the Leased Equipment Notes.

"Equipment Unit" or "Unit" means an individual railcar.

"Event of Default" means, with respect to the Equipment Notes held in any Trust, the occurrence and continuance of an Indenture Event of Default under one or more of the related Indentures.

"Indenture" means each of the separate trust indenture and security agreements entered into from time to time between (a) GATC and an Indenture Trustee with respect to the issuance of Owned Equipment Notes or (b) an Owner Trustee and an Indenture Trustee with respect to the issuance of Leased Equipment Notes, as each such agreement may be amended or supplemented in

accordance with its respective terms.

"Indenture Event of Default" means each of the events designated as an event of default in an Indenture, as described in the applicable Prospectus Supplement.

"Indenture Trustee," when used with respect to any Equipment Note or the Indenture applicable thereto, means the bank or trust company designated as indenture trustee under such Indenture, and any successor to such Indenture Trustee as such trustee.

"Lease" means each of the lease agreements entered into with respect to Leased Equipment between an Owner Trustee and GATC, as each such lease agreement may from time to time be amended or supplemented.

I-1

62

"Lease Event of Default" means each of the events designated as an event of default in a Lease, as described in the applicable Prospectus Supplement.

"Leased Equipment" means each Equipment Group leased by an Owner Trustee to GATC pursuant to a Lease.

"Leased Equipment Notes" means the equipment notes issued on a nonrecourse basis by the Owner Trustees pursuant to the Indentures relating to Leased Equipment.

"Owned Equipment" means each Equipment Group that is security for the obligations of GATC under the Owned Equipment Notes.

"Owned Equipment Notes" means the equipment notes issued, with recourse to GATC, by GATC pursuant to the Indentures relating to Owned Equipment.

"Owner Participant" means each of the owner participants for whose benefit an Owner Trustee owns an Equipment Group leased to GATC pursuant to a Lease and its permitted successors and assigns.

"Owner Trustee," when used with respect to any Leased Equipment Note or the Indenture applicable thereto or the Lease related thereto, means the "Owner Trustee" referred to in the applicable Indenture, not in its individual capacity but solely as trustee; and each other Person which may from time to time be acting as Owner Trustee in accordance with the provisions of the applicable Indenture, Lease or Participation Agreement.

"Participation Agreement" when used with respect to any Equipment Note, means the note purchase, participation, refinancing or similar agreement or agreements referred to in the related Indenture, providing for, among other things, the purchase of Equipment Notes by the Pass Through Trustee.

"Pass Through Certificate" means each of the Pass Through Certificates to be issued by each of the Trusts pursuant to the Basic Agreement and the related Trust Supplement.

"Pass Through Trustee" means, unless otherwise specified in a Prospectus Supplement, The First National Bank of Chicago, in its capacity as Pass Through Trustee under each Trust, and each other person which may from time to time act as successor Pass Through Trustee under such Trust.

"Pool Balance" means, for each Trust, as of any date, the aggregate unpaid principal amount of the Equipment Notes held in such Trust on such date plus any amounts in respect of principal on such Equipment Notes held by the Pass Through Trustee and not yet distributed plus the amount of any moneys held in the related escrow account (other than earnings thereon). The Pool Balance for each Trust as of any Regular Distribution Date or Special Distribution Date shall be computed after giving effect to the payment of principal, if any, on the Equipment Notes held in such Trust and distribution thereof to be made on that date.

"Pool Factor" means, for each Trust, as of any date, the quotient (rounded to the seventh decimal place) computed by dividing (i) the Pool Balance of such Trust by (ii) the aggregate original principal amount of the Equipment Notes held in such Trust. The Pool Factor for each Trust as of any Regular Distribution Date or Special Distribution Date shall be computed after giving effect to the payment of principal, if any, on the Equipment Notes held in such Trust and distribution thereof to be made on that date.

"Regular Distribution Date" means each date on which a Scheduled Payment will be distributed, as specified in the applicable Prospectus Supplement.

"Scheduled Payment" means each payment of interest or principal on an Equipment Note scheduled to be received by the Pass Through Trustee on the Regular Distribution Dates specified in the applicable Prospectus Supplement.

"Special Distribution Date" means each date on which a Special Payment will be distributed, as specified in the applicable Prospectus Supplement.

I-2

63

"Special Payment" means (i) any payment of principal, premium, if any, and interest resulting from the prepayment or purchase of an Equipment Note held in a Trust, (ii) any payment of principal and interest (including any interest accruing upon default) on or any other amount in respect of an Equipment Note held in a Trust upon an Indenture Event of Default in respect of, or upon acceleration relating to, such Equipment Note, (iii) any payment of principal, premium, if any, and interest on an Equipment Note which is not in fact paid within five days of a Regular Distribution Date, (iv) any proceeds from the sale of any Equipment Note upon an Event of Default, or (v) the amounts available for distribution from a Trust as a result of the failure to apply such amounts to the purchase of Equipment Notes on or prior to the date specified in the applicable Prospectus Supplement.

"Special Payments Account" means the one or more accounts established and maintained by the Pass Through Trustee pursuant to the Basic Agreement on behalf of the Certificateholders of each Trust for the deposit of payments representing Special Payments on the Equipment Notes held in such Trust.

"Specified Investments" when used with respect to any Trust, means, unless otherwise specified in the related Prospectus Supplement, (i) direct obligations of the United States of America and agencies thereof for which the full faith and credit of the United States of America is pledged, (ii) obligations fully guaranteed by the United States of America, (iii) certificates of deposit issued by, or bankers' acceptances of, or time deposits with, any bank, trust company or national banking association 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 any Indenture Trustee or Owner Trustee if such conditions are met) 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; provided that if all of the above investments are unavailable, the entire amounts to be invested may be used to purchase Federal funds from an entity described in clause (iii) above; and provided further that no investment shall be eligible as a "Specified Investment" unless the final maturity or date of return of such investment is 91 days or less from the date of purchase thereof.

"Trust" means each of the General American Transportation Corporation Pass Through Trusts to be formed pursuant to the Basic Agreement and a Trust Supplement.

"Trust Property" means the Equipment Notes held as the property of a Trust and all funds from time to time deposited in the related Certificate Account, the related Special Payments Account and any other account maintained as a part of such Trust, including any proceeds from the sale by the Pass Through Trustee of any such Equipment Note in connection with an Event of Default.

"Trust Supplement" means each of the Pass Through Trust Supplements between GATC and the Pass Through Trustee, pursuant to each of which a Trust is formed and a series of Pass Through Certificates is issued to evidence fractional undivided ownership interests in the Trust Property held in such Trust.

I-3