

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

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FILER

GENERAL AMERICAN TRANSPORTATION CORP /NY/

CIK: **276478** | IRS No.: **362827991** | State of Incorporation: **NY** | Fiscal Year End: **1231**
Type: **8-K** | Act: **34** | File No.: **002-54754** | Film No.: **96620818**
SIC: **4700** Transportation services

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) August 22, 1996

GENERAL AMERICAN TRANSPORTATION CORPORATION
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

<TABLE>

<S>	<C>	<C>
New York (State or other jurisdiction of incorporation)	2-54754 (Commission file number)	36-2827991 (I.R.S. employer identification no.)
500 West Monroe Street, Chicago, Illinois (Address of principal executive offices)		60661 (Zip Code)

</TABLE>

Registrant's telephone number, including area code (312) 621-6200

ITEM 7. (FINANCIAL STATEMENTS AND EXHIBITS)

The following documents are being filed in connection with, and incorporated by reference into, the Registration Statement on Form S-3 (File No. 33-64697) of General American Transportation Corporation ("GATC"), declared effective on December 7, 1995.

<TABLE>

<CAPTION>

EXHIBIT

NUMBER

<S>	<C>	<C>
1	--	Form of Underwriting Agreement between GATC and the Underwriters named therein.
4.1	--	Form of Pass Through Trust Supplement No. 6 between GATC and the Pass Through Trustee relating to the Series 1996-1A Pass Through Certificates.
4.2	--	Form of Pass Through Trust Supplement No. 7 between GATC and the Pass Through Trustee relating to the Series 1996-1B Pass Through Certificates.
4.3	--	Form of Trust Indenture and Security Agreement between the Owner Trustee and the Indenture Trustee relating to the Equipment Notes.
4.4	--	Form of Equipment Note to be issued by the Owner Trustee (included in Exhibit 4.3).
4.5	--	Form of Participation Agreement among GATC, the Owner Trustee, the Owner

- Participant, the Indenture Trustee and the Pass Through Trustee.
- 4.6 -- Form of Equipment Lease Agreement between GATC and the Owner Trustee relating to the Equipment Notes.
- 4.7 -- Form of Trust Agreement between the Owner Trustee and the Owner Participant.
- </TABLE>

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SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES EXCHANGE ACT OF 1934, THE REGISTRANT HAS DULY CAUSED THIS REPORT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED.

GENERAL AMERICAN
TRANSPORTATION CORPORATION

August 22, 1996

By: /S/ BRIAN A. KENNEY

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\$106,835,000

GENERAL AMERICAN TRANSPORTATION CORPORATION

7.50% PASS THROUGH CERTIFICATES, SERIES 1996-1A
7.86% PASS THROUGH CERTIFICATES, SERIES 1996-1B

UNDERWRITING AGREEMENT

AUGUST 22, 1996

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August 22, 1996

Morgan Stanley & Co.
Incorporated
Salomon Brothers Inc
c/o Morgan Stanley & Co.
Incorporated
1585 Broadway
New York, New York 10036

Dear Sirs:

General American Transportation Corporation, a New York corporation (the "Company"), in connection with the financing of certain rail equipment, proposes that The First National Bank of Chicago, as trustee (the "Pass Through Trustee") of the GATC 1996-1 Pass Through Trusts (the "Pass Through Trusts"), established pursuant to the Pass Through Trust Agreement, dated as of August 1, 1992 (the "Pass Through Trust Agreement"), and two separate Pass Through Trust Supplements, each dated as of August 28, 1996 (each a "Pass Through Trust Supplement" and collectively, the "Pass Through Trust Supplements"), each between the Pass Through Trustee and the Company, issue and sell \$106,835,000 aggregate principal amount of Pass Through Certificates, Series 1996-1 (the "Offered Certificates"), consisting of the aggregate principal amount of Offered Certificates with the interest rates and final distribution dates set forth on Schedule A hereto, to you, as Underwriters (the "Underwriters").

All capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings specified in the Pass Through Trust Agreement, or, if not so defined therein, the meanings specified in the Indentures referred to in such Pass Through Trust Agreement.

I.

The Company hereby agrees to cause the Pass Through Trustee to sell to the several Underwriters, and the Underwriters, upon the basis of the representations and warranties herein contained, but subject to the conditions

hereinafter stated, agree severally and not jointly, to purchase from the Pass Through Trustee, the respective principal amount of the Offered Certificates set forth in Schedule I hereto opposite their names at 100% of their principal amount (the "purchase price") plus accrued interest, if any, from August 28, 1996 to the date of payment and delivery.

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II.

The Company represents and warrants to and agrees with each of the Underwriters that:

(a) The Company meets the requirements for use of Form S-3 under the Securities Act of 1933, as amended (the "Securities Act"), and has prepared and filed on such Form with the Securities and Exchange Commission (the "Commission") a registration statement (File No. 33-64697) (as amended at the date hereof, including the exhibits thereto and the documents incorporated by reference therein, the "Registration Statement") relating to certain pass through certificates (including the Offered Certificates) and the offering thereof from time to time in accordance with Rule 415 under the Securities Act. The Registration Statement includes a basic prospectus referred to below which, as supplemented from time to time, will be used in connection with all offerings of such pass through certificates. The Registration Statement has been declared effective by the Commission. As provided in Article VI, a prospectus supplement reflecting the terms of the Offered Certificates, the terms of the offering thereof and the other matters set forth therein has been prepared and will be filed together with the basic prospectus referred to below pursuant to Rule 424 under the Securities Act (such prospectus supplement, in the form first filed on or after the date hereof pursuant to Rule 424, is herein referred to as the "Prospectus Supplement"). The basic prospectus included in the Registration Statement and relating to all offerings of pass through certificates under the Registration Statement, as supplemented by the Prospectus Supplement, is herein called the "Prospectus," except that, if such basic prospectus is amended on or prior to the date on which the Prospectus Supplement is first filed pursuant to Rule 424, the term "Prospectus" shall refer to such basic prospectus as so amended and as supplemented by the Prospectus Supplement, in either case including the documents filed by the Company with the Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that are incorporated by reference therein. Any reference herein to the terms "amendment" or "supplement" with respect to the Registration Statement, to the Prospectus or to any preliminary prospectus shall be deemed to refer to and include any documents filed with the Commission under the Exchange Act after the date hereof, the date the Prospectus is filed with the Commission, or the date of such preliminary prospectus, as the case may be, and incorporated therein by reference pursuant to Item 12 of Form S-3 under the Securities Act.

(b) On the original effective date of the Registration Statement, on the effective date of any post-effective amendment thereto, on the date of the filing by the Company of any Annual Report on Form 10-K after the original filing of

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such Registration Statement, on the date of the filing by the Company of any Quarterly Report on Form 10-Q after the original filing of such Registration Statement, and on the date hereof, such Registration Statement complied in all material respects with the applicable requirements of the Securities Act and the rules and regulations of the Commission thereunder (the "Securities Act Regulations"), and the

Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), and the applicable rules and regulations of the Commission thereunder (the "Trust Indenture Act Regulations") and did not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; the Registration Statement and any amendments thereof, on the date hereof, and the Prospectus, and any amendments thereof and supplements thereto, as of their respective filing or issue dates and at the Closing Date (as defined below), comply and will comply in all material respects with the requirements of the Securities Act, the Securities Act Regulations, the Trust Indenture Act and the Trust Indenture Act Regulations; and the Prospectus, and any amendments thereof and supplements thereto, as of their respective filing or issue dates, on the date hereof and at the Closing Date (as defined below), did not include or will not include an untrue statement of a material fact or omit or will omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; except that this representation and warranty does not apply to statements or omissions made in reliance upon and in conformity with information relating to any Underwriter furnished in writing to the Company in connection with the Registration Statement or the Prospectus or any amendment or supplement thereto by such Underwriter through you or on your behalf expressly for use in the Registration Statement or the Prospectus, or to statements or omissions in that part of the Registration Statement which constitutes the Statement of Eligibility under the Trust Indenture Act (Form T-1) of the Trustee.

(c) The statements in the Prospectus describing (i) the Offered Certificates, (ii) the Operative Agreements and (iii) the terms of the offering, insofar as such statements constitute a summary of the legal matters, documents or proceedings referred to therein, fairly summarize the information referred to therein.

(d) The Company has been duly incorporated, is validly existing as a corporation in good standing under the laws of the State of New York, it has the corporate power and authority under such laws to own, lease and operate its properties and conduct its business as described in the Prospectus and to enter into and perform its obligations under this Agreement, the Pass Through Trust Agreement and each of the Operative

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Agreements to which it is a party; and it is duly qualified to transact business as a foreign corporation and is in good standing in each jurisdiction in which the conduct of its business or the ownership or leasing of its property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not have a material adverse effect on the Company and its subsidiaries, taken as a whole, or on the power or ability of the Company to perform its obligations under this Agreement, the Pass Through Trust Agreement, the Pass Through Trust Supplements or the Operative Agreements to which it is a party or to consummate the transactions contemplated by the Prospectus.

(e) Each subsidiary of the Company has been duly incorporated, is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation, has the corporate power and authority to own its property and to conduct its business as described in the Prospectus, and is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or the ownership or leasing of its property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(f) This Agreement has been duly authorized, executed and

delivered by the Company.

(g) The Pass Through Trust Agreement has been duly qualified under the Trust Indenture Act.

(h) Assuming the truth of the representations and warranties in Section 3.5(a) of the Participation Agreements, the Offered Certificates have been duly authorized and, when duly executed and authenticated by the Pass Through Trustee and delivered to and paid for by you in accordance with the terms of this Agreement, will (x) be valid and binding obligations of the Pass Through Trustee enforceable in accordance with their terms, except as (i) the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and (ii) the availability of equitable remedies may be limited by equitable principles of general applicability and (y) be entitled to the benefits of the Pass Through Trust Agreement pursuant to which such Offered Certificates are to be issued.

(i) The Pass Through Trust Agreement, the Pass Through Trust Supplements and each of the other Operative Agreements to which the Company is a party has been duly authorized by the Company and will be executed and delivered by, and be a valid and binding agreement of, the Company on or before the Closing Date, enforceable in accordance with its respective terms, except as (x) the enforceability thereof may be limited

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by bankruptcy, insolvency or similar laws affecting creditors' rights generally, (y) the availability of equitable remedies may be limited by equitable principles of general applicability and (z) in the case of the Pass Through Trust Agreement and the Lease, the enforceability thereof may be limited by applicable law which may affect the remedies provided therein, which laws, however, do not make such remedies inadequate for the practical realization of the rights and benefits intended to be provided thereby.

(j) The execution and delivery by the Company of, and the performance by the Company of its obligations under, this Agreement, the Pass Through Trust Agreement, the Pass Through Trust Supplements and each of the other Operative Agreements to which the Company is a party will not contravene (w) any provision of applicable law, (x) the certificate of incorporation or by-laws of the Company, (y) any agreement or other instrument binding upon the Company or any of its subsidiaries that is material to the Company and its subsidiaries, taken as a whole, or (z) any judgment, order or decree of any governmental body, agency or court having jurisdiction over the Company or any subsidiary.

(k) Relying upon the representations and warranties in Sections 3.4(a), 3.4(c) (as to the Owner Trustee), 3.5(h), 3.5(i) and 3.6(g) of the Participation Agreements, no consent, approval, authorization or order of, or qualification with, any governmental body or agency is required for the valid authorization, issuance and delivery of the Offered Certificates, the valid authorization, execution, delivery of and performance by the Company of its obligations under this Agreement, the Pass Through Trust Agreement, the Pass Through Trust Supplements or any of the other Operative Agreements to which the Company is a party, or the consummation by the Company of the transactions contemplated by this Agreement or such other Operative Agreements, except such as may be required by the Securities Act, the Trust Indenture Act, the securities or Blue Sky laws of the various states in connection with the purchase and resale of such Offered Certificates by you, any filings or recordings with the Surface Transportation Board of the United States Department of Transportation (the "STB"), applicable filings of financing statements under the Uniform Commercial Code and any filings or recordings with the Registrar General of Canada.

(l) Since the respective dates as of which information is given in the Prospectus, (i) there has not been any material adverse change, or any event reasonably likely to result in a material adverse change, in the condition, financial or otherwise, or in the earnings, business or operations, of the Company and its subsidiaries, taken as a whole, from that set forth in the Prospectus, (ii) there have not been any transactions entered into by the Company or any of its subsidiaries

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other than in the ordinary course of business which are material to the Company and its subsidiaries, taken as a whole, and (iii) except for regular quarterly dividends, there has been no dividend or distribution of any kind declared, paid or made by the Company on its capital stock.

(m) There are no legal or governmental proceedings pending or to the knowledge of the Company threatened to which the Company or any of its subsidiaries is a party or to which any of the properties of the Company or any of its subsidiaries is subject other than proceedings described in the Prospectus and proceedings that if adversely determined would not have a material adverse effect on the Company and its subsidiaries, taken as a whole, or on the power or ability of the Company to perform its obligations under this Agreement, the Pass Through Trust Agreement, the Pass Through Trust Supplements or the other Operative Agreements to which the Company is a party or to consummate the offering of the Offered Certificates.

(n) Each of the Company and its subsidiaries has all necessary consents, authorizations, approvals, orders, certificates and permits of and from, and has made all declarations and filings with, all federal, state, local and other governmental authorities, all self-regulatory organizations and all courts and other tribunals, to own, lease, license and use its properties and assets and to conduct its business in the manner described in the Prospectus, except to the extent that the failure to obtain or file would not have a material adverse effect on the Company and its subsidiaries, taken as a whole, or on the power or ability of the Company to perform its obligations under this Agreement, the Pass Through Trust Agreement, the Pass Through Trust Supplements or the other Operative Agreements to which the Company is a party or to consummate the offering of the Offered Certificates.

(o) Relying upon the representations and warranties in Sections 3.4(a), 3.4(c) (as to the Owner Trustee), 3.5(h), 3.5(i) and 3.6(g) of the Participation Agreements, (i) the offer, sale and delivery of the interests of the Owner Participant in the Trust Estate is exempt from the registration and prospectus delivery requirements of the Securities Act by virtue of Section 4(2) thereof, and (ii) it is not necessary to qualify any indenture in respect of the interests of the Owner Participant in the Trust Estate under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act").

(p) Each preliminary prospectus filed as part of the registration statement as originally filed or as part of any amendment thereto, or filed pursuant to Rule 424 under the Securities Act, complied when so filed in all material respects with the Securities Act and the rules and regulations of the Commission thereunder.

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(q) The Company is not an "investment company" or a

company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(r) The Company has not taken and will not take, directly or indirectly, any actions prohibited by Rule 10b-6 under the Exchange Act.

(s) Ernst & Young LLP, who reported on the annual consolidated financial statements of the Company incorporated by reference in the Registration Statement and the Prospectus, are independent auditors as required by the Securities Act and the Securities Act Regulations.

(t) The Company has complied with all provisions of Section 517.075, Florida Statutes (Chapter 92-198, Laws of Florida).

III.

The Company is advised by you that the Underwriters propose to make a public offering of their respective portions of the Offered Certificates as soon after this Agreement has been entered into as in your judgment is advisable. The Company is further advised by you that the Offered Certificates are to be offered to the public initially at 100% of their principal amount (the "public offering price") plus accrued interest, if any, and to certain dealers selected by you at a price that represents a concession not in excess of 0.40% of the principal amount of the Series 1996-1A Pass Through Certificates and 0.40% of the principal amount of the Series 1996-1B Pass Through Certificates under the public offering price, and that any Underwriter may allow, and such dealers may reallow, a concession, not in excess of 0.25% of the principal amount of the Series 1996-1A Pass Through Certificates and 0.25% of the principal amount of the Series 1996-1B Pass Through Certificates, to any Underwriter or to certain other dealers. As compensation to the Underwriters for their commitments and obligations hereunder in respect of the Offered Certificates, the Company will pay or cause to be paid to the Underwriters by the Owner Trustee pursuant to the Participation Agreements an aggregate amount equal to \$747,845.00, which constitutes 0.70% of the aggregate principal amount of the Offered Certificates. Such payment shall be made simultaneously with the payment by you to the Pass Through Trustee of the purchase price of the Offered Certificates as specified in Article IV hereof. Payment of such compensation shall be made by Federal funds check or other immediately available funds to the order of Morgan Stanley & Co. Incorporated.

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IV.

Payment for the Offered Certificates shall be made by Federal funds check or other immediately available funds payable to or upon the order of the Pass Through Trustee at the offices of Mayer, Brown & Platt, 190 South LaSalle Street, Chicago, Illinois 60603, at 10:00 A.M., local time, on August 28, 1996, or at such other time on the same or such other date, not later than September 5, 1996, as shall be agreed in writing between you and the Company. Payment shall be made upon delivery to you of the Offered Certificates registered in such names and in such denominations as you shall request in writing not later than two full business days prior to the date of delivery, with any transfer taxes payable in connection with the transfer of the Offered Certificates to you duly paid. The time and date of such payment and delivery are hereinafter referred to as the "Closing Date."

V.

Your obligation hereunder to purchase the Offered Certificates is subject to the accuracy of the representations and warranties of the Company contained herein, to the performance and observance by the Company of all covenants and agreements contained herein on its part to be performed and observed and to the following conditions:

(a) Subsequent to the execution and delivery of this Agreement and prior to the Closing Date,

(i) no stop order suspending the effectiveness of the Registration Statement shall be in effect, and no proceedings for such purpose shall be pending before or threatened by the Commission;

(ii) there shall not have occurred any downgrading, nor shall any notice have been given of (A) any intended or potential downgrading or (B) any review or possible change that does not indicate the direction of a possible change in the rating accorded any of the Company's securities by any "nationally recognized statistical rating organization," as such term is defined for purposes of Rule 436(g) (2) under the Securities Act; and

(iii) there shall not have occurred any change, or any development involving a prospective change, in the condition, financial or otherwise, or in the earnings, business or operations, of the Company and its subsidiaries, taken as a whole, from that set forth in the Prospectus (exclusive of any amendments or supplements thereto subsequent to the filing of the Prospectus Supplement), that in your judgment, is material and adverse and that makes it impracticable to market the Offered Certificates on the terms and in the manner contemplated in the Prospectus.

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(b) You shall have received on the Closing Date a certificate, dated the Closing Date and signed on behalf of the Company by a Vice President and the Treasurer of the Company, to the effect set forth in paragraphs (a) (i) and (ii) above and to the effect that the representations and warranties of the Company contained herein are true and correct as of such Closing Date and that the Company has complied with all the agreements and satisfied all of the conditions on it its part to be performed or satisfied hereunder on or before the Closing Date.

(c) You shall have received on the Closing Date an opinion of Mayer, Brown & Platt, counsel for the Company, dated the Closing Date, to the effect set forth in Exhibit A.

(d) You shall have received on the Closing Date an opinion of Ronald J. Ciancio, Assistant General Counsel for the Company, dated the Closing Date, to the effect set forth in Exhibit B.

(e) You shall have received on the Closing Date an opinion of The Law Department of The First National Bank of Chicago, counsel for The First National Bank of Chicago, dated the Closing Date, to the effect set forth in Exhibit C.

(f) You shall have received on the Closing Date an opinion of Kirkland & Ellis, counsel for the Underwriters, dated the Closing Date, with respect to the issuance and sale of the Offered Certificates, the Prospectus and other related matters as you may reasonably require.

(g) You shall have received on the date of this Agreement a letter dated such date and also on the Closing Date a letter dated the Closing Date, in each case in form and substance satisfactory to you, from Ernst & Young LLP, independent public accountants, containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in or incorporated by reference into the Prospectus.

(h) All conditions specified in the Participation Agreements with respect to the Pass Through Trustee's purchase of the Equipment Notes on the closing date thereunder shall have been satisfied on the Closing Date; the representations and warranties of the Company contained in the Participation Agreements shall be

accurate as of the Closing Date and you shall have received a certificate of the Company from a Vice President or Treasurer of the Company, dated as of the Closing Date, to such effect; and you shall have received each opinion referred to in Section 4.1(e) of the Participation Agreements, in each case, addressed to you or accompanied by a letter from

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counsel rendering such opinion authorizing you to rely on such opinion as if it were addressed to you.

VI.

In further consideration of your agreements herein contained, the Company covenants as follows:

(a) If reasonably requested by you in connection with the offering of the Offered Certificates, the Company will prepare a preliminary prospectus supplement containing such information as you and the Company deem appropriate, and, immediately following the execution of this Agreement, the Company will prepare a Prospectus Supplement that complies with the Securities Act and the Securities Act Regulations and which sets forth the principal amount of the Offered Certificates and their terms not otherwise specified in the basic prospectus relating to all offerings of pass through certificates under the Registration Statement, the name of each Underwriter participating in the offering and the principal amount of the Offered Certificates that each severally has agreed to purchase, the name of each Underwriter, if any, acting as representative of the Underwriters in connection with the offering, the underwriting concession payable to the Underwriters, any initial public offering price, any selling concession and reallowance and any delayed delivery arrangements, and such other information as you and the Company deem appropriate in connection with the offering of the Offered Certificates. The Company will transmit copies of any preliminary prospectus supplement and the Prospectus Supplement to the Commission for filing pursuant to, and within the applicable period specified in, Rule 424(b) under the Securities Act and will furnish to the Underwriters as many copies of any preliminary prospectus supplement and the Prospectus as you shall reasonably request.

(b) During the period when a prospectus relating to the Offered Certificates is required to be delivered under the Securities Act, the Company will promptly advise you (i) of the effectiveness of any amendment to the Registration Statement, (ii) of the electronic submission to the Commission for filing of any supplement to the Prospectus or any document that would as a result thereof be incorporated by reference in the Prospectus, (iii) of any request by the Commission for any amendment of the Registration Statement or any amendment or supplement to the Prospectus or for any additional information, (iv) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or the institution or threatening of any proceeding for that purpose, and (v) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Offered Certificates for sale in any jurisdiction or the institution or threatening of any

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proceeding for such purpose. The Company will use its best efforts to prevent the issuance of any such stop order and, if issued, to obtain as soon as possible the withdrawal thereof.

(c) If, at any time when a prospectus relating to the Offered Certificates is required to be delivered under the Securities Act, any event occurs as a result of which the Prospectus as then amended or supplemented would include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, or if it shall be necessary to amend or supplement the Prospectus to comply with the Securities Act or the Securities Act Regulations, the Company promptly will prepare and file with the Commission, subject to paragraph (d) of this Article VI, an amendment or supplement which will correct such statement or omission or an amendment or supplement which will effect such compliance.

(d) At any time when a prospectus relating to the Offered Certificates is required to be delivered under the Securities Act or the Securities Act Regulations, the Company will give you notice of its intention to file any amendment to the Registration Statement or any amendment or supplement to the Prospectus, whether pursuant to the Exchange Act, the Securities Act or otherwise, will furnish you with copies of any such amendment or supplement to be filed within a reasonable time in advance of filing, and will not file any such amendment or supplement in a form to which you shall reasonably object.

(e) The Company has furnished or will furnish to you and your counsel, without charge, conformed copies of the Registration Statement as originally filed and of all amendments thereto, whether filed before or after such Registration Statement originally became effective (including exhibits thereto and the documents incorporated therein by reference) and, so long as delivery of a prospectus by an underwriter or dealer may be required by the Securities Act, as many copies of each preliminary prospectus, the Prospectus and any amendments thereof and supplements thereto as you may reasonably request.

(f) To endeavor, in cooperation with you, to qualify the Offered Certificates for offer and sale under the securities or Blue Sky laws of such jurisdictions as you shall reasonably request in connection with the distribution of the Offered Certificates and to maintain such qualifications for as long as you shall reasonably request; provided however, that the Company will not be required to file any general consent to service of process or to qualify to do business in any jurisdiction in order to effect such qualification.

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(g) Whether or not any sale of the Offered Certificates is consummated, to pay or cause to be paid all its expenses incident to the performance of its obligations under this Agreement, the Pass Through Trust Agreement and the Pass Through Trust Supplements, including: (i) the preparation, printing and distribution of this Agreement, the preliminary Prospectus and all amendments and supplements thereto, the Pass Through Trust Agreement, the Pass Through Trust Supplements and each of the other Operative Agreements, (ii) the preparation, issuance and delivery of the Offered Certificates, (iii) the reasonable fees and disbursements of the Company's counsel and accountants, (iv) the qualification of the Offered Certificates for offer and sale under the state securities or Blue Sky laws in accordance with the provisions of paragraph (f) of this Article VI, including filing fees and the fees and disbursements of your counsel in connection therewith and in connection with the preparation of any Blue Sky memorandum, (v) the reasonable fees and expenses of the Pass Through Trustee and the reasonable fees and disbursements of counsel for the Pass Through Trustee, (vi) certain fees and disbursements of your counsel as agreed in the Participation Agreements, and (vii) any fees charged by rating agencies for the rating of the Offered Certificates.

(h) The Company, during the period when a prospectus

relating to the Offered Certificates is required to be delivered under the Securities Act and the Securities Act Regulations, will file promptly all documents required to be filed with the Commission pursuant to Section 13 or 14 of the Exchange Act.

(i) The Company will make generally available to its security holders, in each case as soon as practicable, but not later than 45 days after the close of the period covered thereby (90 days in case the period covered corresponds to a fiscal year of the Company), earnings statements of the Company (in form complying with the provisions of Rule 158 under the Securities Act), covering (i) a period of 12 months beginning after the effective date of the Registration Statement (but beginning not later than the first day of the Company's fiscal quarter next following such effective date) and (ii) a period of 12 months beginning after the date of this Agreement (but beginning not later than the first day of the Company's fiscal quarter next following the date of this Agreement).

(j) Between the date of this Agreement and the Closing Date, the Company will not, without your prior consent, offer, sell, contract to sell or otherwise dispose of any securities of the Company which are substantially similar to the Offered Certificates.

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(k) For a period of five years after the Closing Date, to furnish to you copies of all annual reports, quarterly reports and current reports filed with the Commission on Forms 10-K, 10-Q and 8-K, or such other similar forms as may be designated by the Commission, and such other documents, reports and information as shall be furnished by the Company to its public securityholders generally.

VII.

The Company agrees to indemnify and hold harmless each Underwriter and each person, if any, who controls any Underwriter within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act, or is under common control with, or is controlled by, such Underwriter from and against any and all losses, claims, damages or liabilities (including, without limitation, any legal or other expenses reasonably incurred by any Underwriter or any such controlling or affiliated person in connection with defending or investigating any such action or claim) caused by any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any amendment thereof, any preliminary prospectus or the Prospectus (as amended or supplemented if the Company shall have furnished any amendments or supplements thereto) used during the period set forth in paragraph (c) of Article VI above, or caused by any omission or alleged omission to state therein a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, except insofar as such losses, claims, damages or liabilities are caused by any such untrue statement or omission or alleged untrue statement or alleged omission based upon information relating to any Underwriter furnished to the Company in writing by such Underwriter through you expressly for use therein; provided, however, that such indemnity with respect to any preliminary prospectus shall not inure to the benefit of any Underwriter from whom the person asserting such losses, claims, damages or liabilities purchased the Offered Certificates if it is established that such person was not sent or given a copy of the Prospectus, if required by law so to have been delivered, at or prior to the confirmation of the sale of Offered Certificates to such person and the untrue statement or omission of a material fact contained in such preliminary prospectus was corrected in the Prospectus, unless such failure to deliver the Prospectus was a result of noncompliance by the Company with paragraph (a) of Article VI.

Each Underwriter agrees, severally and not jointly, to indemnify and hold harmless the Company, its directors, its officers who signed the Registration Statement and each person, if any, who controls the Company within the meaning of either Section 15 of the Securities Act or Section 20 of

the Exchange Act to the same extent as the foregoing indemnity from the Company to the Underwriters, but only with reference to information relating

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to any Underwriter furnished to the Company in writing by such Underwriter through you expressly for use in the preliminary prospectus or the Prospectus or any amendment or supplement thereto. The Company acknowledges that the statements with respect to stabilization on page S-2 of, and the statements set forth in the third paragraph under the heading "Underwriting" on page S-35 of the preliminary prospectus and the Prospectus or any amendment or supplement thereto constitute the only information furnished in writing by any of you or on any of your behalf expressly for use in such documents.

In case any proceeding (including any governmental investigation) shall be instituted involving any person in respect of which indemnity may be sought pursuant to either of the two preceding paragraphs, such person (the "indemnified party") shall promptly notify the person against whom such indemnity may be sought (the "indemnifying party") in writing and the indemnifying party, upon request of the indemnified party, shall retain counsel reasonably satisfactory to the indemnified party to represent the indemnified party and any others the indemnifying party may designate in such proceeding and shall pay the fees and disbursements of such counsel related to such proceeding. In any such proceeding, any indemnified party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the indemnifying party and the indemnified party shall have mutually agreed to the retention of such counsel or (ii) the named parties to any such proceeding (including any impleaded parties) include both the indemnifying party and the indemnified party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that the indemnifying party shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all such indemnified parties and that all such fees and expenses shall be reimbursed as they are incurred. Such firm shall be designated in writing by you in the case of parties indemnified pursuant to the second preceding paragraph and by the Company in the case of parties indemnified pursuant to the first preceding paragraph. The indemnifying party shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel as contemplated by the third sentence of this paragraph, the indemnifying party agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by such indemnifying party of the aforesaid request and (ii) such indemnifying party

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shall not have reimbursed the indemnified party in accordance with such request prior to the date of such settlement. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding.

If the indemnification provided for in the first or second

paragraph of this Article VII is unavailable to an indemnified party or insufficient in respect of any losses, claims, damages or liabilities referred to therein in connection with any offering of Offered Certificates, then each indemnifying party under such paragraph, in lieu of indemnifying such indemnified party thereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Company and you from the offering of Offered Certificates or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company and you in connection with the matters that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company and you in connection with the offering of Offered Certificates shall be deemed to be in the same respective proportions as the net proceeds from the offering of such Offered Certificates (before deducting expenses) received directly or indirectly by the Company and the total discounts and commissions received by you in respect thereof, in each case as set forth on the cover of the Prospectus, bear to the aggregate offering price of such Offered Certificates. In the case of an untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact, the relative fault of the Company and of you shall be determined by reference to, among other things, whether the untrue or alleged untrue statement or the omission or alleged omission relates to information supplied by the Company or by you and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Underwriters' respective obligations to contribute pursuant to this Article VII are several in proportion to the respective principal amounts of Offered Certificates they have purchased hereunder, and not joint.

The Company and you agree that it would not be just or equitable if contribution pursuant to this Article VII were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in the immediately preceding paragraph. The amount

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paid or payable by an indemnified party as a result of the losses, claims, damages and liabilities referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigation or defending any such action or claim. Notwithstanding the provisions of this Article VII, no Underwriter shall be required to contribute any amount in excess of the amount of which the total price at which the Offered Certificates underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages that such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The remedies provided for in this Article VII are not exclusive and shall not limit any rights or remedies which may otherwise be available to any indemnified party at law or in equity.

The indemnity and contribution agreements contained in this Article VII and the representations and warranties of the Company contained in this Agreement shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of you or any person controlling you or by or on behalf of the Company, its officers or directors or any other person controlling the Company and (iii) acceptance of and payment for any of the Offered Certificates.

VIII.

This Agreement shall be subject to termination in your absolute discretion, by notice given to the Company, if (a) after the execution

and delivery of this Agreement and prior to the Closing Date (i) trading generally shall have been suspended or materially limited on or by, as the case may be, any of the New York Stock Exchange, the American Stock Exchange, the National Association of Securities Dealers, Inc., the Chicago Board of Options Exchange, the Chicago Mercantile Exchange or the Chicago Board of Trade, (ii) trading of any securities of the Company shall have been suspended on any exchange or in any over-the-counter market, (iii) a general moratorium on commercial banking activities in New York shall have been declared by either Federal or New York State authorities or (iv) there shall have occurred any outbreak or escalation of hostilities or any change in financial markets or any calamity or crisis that is material and adverse and (b) in the case of any of the events specified in clauses (a) (i) through (iv), such event singly or together with any other such event makes it, in your judgment, impracticable to market the Offered Certificates on the terms and in the manner contemplated in the Prospectus.

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If this Agreement shall be terminated by you because of any failure or refusal on the part of the Company to comply with the terms or to fulfill any of the conditions of this Agreement, or if for any reason the Company shall be unable to perform its obligations under this Agreement, the Company will reimburse you for all out-of-pocket expenses (including the fees and disbursements of your counsel) reasonably incurred by you in connection with this Agreement or the offering contemplated hereunder.

IX.

If, on the Closing Date, any one or more of the Underwriters shall fail or refuse to purchase Offered Certificates that it or they have agreed to purchase hereunder on such date, and the aggregate principal amount of Offered Certificates which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase is not more than one-tenth of the aggregate principal amount of the Offered Certificates to be purchased on such date, the other Underwriters shall be obligated severally in the proportions that the principal amount of Offered Certificates set forth opposite their respective names in Schedule I bears to the principal amount of Offered Certificates set forth opposite the names of all such non-defaulting Underwriters, or in such other proportions as you may specify, to purchase the securities which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase on such date; provided that in no event shall the principal amount of Offered Certificates that any Underwriter has agreed to purchase pursuant to Article I be increased pursuant to this Article IX by an amount in excess of one-ninth of such principal amount of certificates without the written consent of such Underwriter. If, on the Closing Date, any Underwriter or Underwriters shall fail or refuse to purchase Offered Certificates and the aggregate principal amount of Offered Certificates with respect to which such default occurs is more than one-tenth of the aggregate principal amount of Offered Certificates to be purchased on such date, and arrangements satisfactory to you and the Company for the purchase of such certificates are not made within 36 hours after such default, this Agreement shall terminate without liability on the part of any non-defaulting Underwriter or the Company. In any such case either you or the Company shall have the right to postpone the Closing Date but in no event for longer than seven days, in order that the required changes, if any, in the Registration Statement and in the Prospectus or in any other documents or arrangements may be effected. Any action taken under this paragraph shall not relieve any defaulting Underwriter from liability in respect of any default of such Underwriter under this Agreement.

This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

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This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York.

All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to you shall be directed to you at the address shown above; notices to the Company shall be directed to it at 500 West Monroe, Chicago, Illinois 60661, Attention: Treasurer.

This Agreement shall inure to the benefit of and be binding upon you and the Company and the respective successors thereof. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any person, firm or corporation, other than the parties hereto and their respective successors and the controlling persons and officers and directors referred to in Article VII and their heirs and legal representatives, any legal or equitable right, remedy or claim under or in respect of this Agreement.

The headings of the sections of this document have been inserted for convenience of reference only and shall not be deemed a part of this Agreement.

* * * * *

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If the foregoing is in accordance with your understanding of our agreement, please sign and return to us a counterpart hereof, whereupon this instrument will become a binding agreement between you and the Company in accordance with its terms.

Very truly yours,

GENERAL AMERICAN
TRANSPORTATION CORPORATION

By: _____
Name:
Title:

Accepted, August 22, 1996

MORGAN STANLEY & CO.
INCORPORATED

SALOMON BROTHERS INC

Acting severally on behalf
of themselves and the several
Underwriters named herein.

By: Morgan Stanley & Co.
Incorporated

By: _____
Name:
Title:

SCHEDULE A

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PASS THROUGH CERTIFICATE DESIGNATION	AGGREGATE PRINCIPAL AMOUNT	INTEREST RATE	FINAL DISTRIBUTION DATE
<S> Series 1996-1A	<C> \$ 77,257,000	<C> 7.50%	<C> February 28, 2015
Series 1996-1B	\$ 29,578,000	7.86%	August 28, 2021
Total	\$106,835,000		

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SCHEDULE I

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Underwriter	PRINCIPAL AMOUNT OF OFFERED CERTIFICATES TO BE PURCHASED		
	SERIES 1996-1A	SERIES 1996-1B	TOTAL
<S> Morgan Stanley & Co. Incorporated	<C> \$38,629,000	<C> \$14,789,000	<C> \$ 53,418,000
Salomon Brothers Inc.	38,628,000	14,789,000	53,417,000
Total	\$77,257,000	\$29,578,000	\$106,835,000

</TABLE>

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EXHIBIT A

OPINION OF MAYER, BROWN & PLATT
COUNSEL FOR THE COMPANY

The opinion of Mayer, Brown & Platt, counsel for the Company, to be delivered pursuant to paragraph (c) of Article V of the Underwriting Agreement shall be to the effect that:

(A) the Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of New York;

(B) the Underwriting Agreement has been duly authorized, executed and delivered by the Company;

(C) the Offered Certificates have been duly authorized and validly executed, authenticated, issued and delivered by the Pass Through Trustee pursuant to the Pass Through Trust Agreement, as supplemented by the Pass Through Trust Supplements and, when paid for in accordance with the terms of the Underwriting Agreement, will (x) be valid and binding obligations of the Pass Through Trustee enforceable in accordance with their terms except as may be limited by bankruptcy, insolvency, moratorium, reorganization or similar laws affecting creditors' rights generally and by general principles of equity and (y) be entitled to the benefits of the Pass Through Trust Agreement;

(D) the Offered Certificates conform in all material respects as to legal matters to the description thereof contained in the Prospectus;

(E) relying upon the representations and warranties in Sections 3.4(a), 3.4(c), 3.5(h), 3.5(i) and 3.6(g) of the Participation Agreements, (i) the offering and sale of the interests of the Owner Participant in the Trust Estate is exempt from the registration and prospectus delivery requirements of the Securities Act by virtue of Section 4(2) thereof and (ii) it is not necessary to qualify any indenture in respect of the interests of the Owner Participant in the Trust Estate under the Trust Indenture Act of 1939, as amended.

(F) The Pass Through Trust Agreement, as supplemented by the Pass Through Trust Supplements, pursuant to which the Offered Certificates are to be issued has been duly authorized, executed and delivered by the Company and is a valid and binding agreement of the Company, enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency, moratorium, reorganization or similar laws affecting creditors' rights generally, by general principles of equity and by applicable law which may affect

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the remedies provided therein, which laws, however, do not, in the opinion of such counsel, make such remedies inadequate for the practical realization of the rights and benefits intended to be provided thereby;

(G) each of the Operative Agreements to which the Company is a party has been duly authorized, executed and delivered by the Company and is a valid and binding agreement of the Company enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency, moratorium, reorganization or similar laws affecting creditors' rights generally, by general principles of equity and, in the case of the Lease, by applicable laws which may affect the remedies provided therein, which laws, however, do not, in the opinion of such counsel, make such remedies inadequate for the practical realization of the rights and benefits intended to be provided thereby;

(H) the Pass Through Trust Agreement, the Pass Through Trust Supplements and the Operative Agreements conform in all material respects as to legal matters to the descriptions thereof contained in the Prospectus;

(I) the Company is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended;

(J) the execution and delivery by the Company of, and the performance by the Company of its obligations under, the Underwriting Agreement will not contravene any provision of New York, Illinois or United States law known to such counsel or the certificate of incorporation or by-laws of the Company or, to the knowledge of such counsel, any agreement or other instrument binding upon the Company,

and no consent, approval or authorization of any governmental body or agency is required for the performance by the Company of its obligations under the Underwriting Agreement, except such as are specified and have been obtained and such as may be required by the securities or blue sky laws of the various jurisdictions in connection with the purchase and distribution of the Offered Certificates and any filings with the STB;

(K) each document incorporated by reference in the Prospectus (except for financial statements and other financial data included therein, as to which such counsel need not express any opinion) complied as to form when filed with the Commission in all material respects with the Exchange Act and the rules and regulations of the Commission thereunder;

(L) such counsel is of the opinion ascribed to it in the Prospectus under the caption "Federal Income Tax Consequences" and "Certain Illinois Taxes";

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(M) the Registration Statement, the Prospectus and each amendment thereof or supplement thereto (except for the financial statements and other financial data included or incorporated by reference therein, as to which such counsel need express no opinion) comply as to form in all material respects with the requirements of the Securities Act and the Securities Act Regulations;

(N) the Equipment Notes, the Indentures, the Participation Agreements, and the Leases and other Operative Documents to which the Company is a party (to the extent described therein) conform in all material respects to the descriptions thereof contained in the Prospectus;

(O) there are no taxes, fees or other governmental charges payable under the laws of the State of Illinois or any political subdivision thereof in connection with the execution and delivery by the Pass Through Trustee, in its individual capacity or as Pass Through Trustee, as the case may be, of the Pass Through Trust Agreement or the Participation Agreements or in connection with the issuance, execution and delivery of the Offered Certificates by the Pass Through Trustee, pursuant to the Pass Through Trust Agreement; and

(P) assuming that, for Federal income tax purposes, each trust created by the Pass Through Trust Agreement is not classified as an association taxable as a corporation, but rather, as a grantor trust under subpart E, Part I of Subchapter J of the Internal Revenue Code of 1986, as amended, neither the trusts created by the Pass Through Trust Agreement, the Trust Properties, nor the Pass Through Trustee will be subject to any tax (including, without limitation, net or gross income, tangible or intangible property, net worth, capital, franchise or doing business tax), fee or other governmental charge under the laws of the State of Illinois or any political subdivision thereof. Certificateholders who are not residents of or otherwise subject to any tax in Illinois will not be subject to any tax (including, without limitation, net or gross income, tangible or intangible property, net worth, capital, franchise or doing business tax), fee or other governmental charge under the laws of the State of Illinois or any political subdivision thereof as a result of purchasing, holding (including receiving payments with respect to) or selling a Certificate.

Such counsel shall also state that while such counsel has not checked the accuracy or completeness of, or otherwise verified, and is not passing upon and assumes no responsibility for the accuracy or completeness of the statements contained in the Registration Statement or the Prospectus, in the course of such counsel's review and discussion of the contents of the Prospectus with certain officers and employees of the Company, the Underwriters

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accountants, but without independent check or verification, no facts have come to such counsel's attention which have caused such counsel to believe that (A) that the Registration Statement or any amendment thereto, on the original effective date thereof, on the effective date of any post-effective amendment thereto, or on the date of the filing by the Company of its most recent Annual Report on Form 10-K after the filing of the Registration Statement (except, in each case, for the financial statements and other financial and statistical data included or incorporated by reference therein, as to which such counsel need express no belief), contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or (B) that the Prospectus (other than the financial statements and other financial and statistical information included therein, as to which no belief need be expressed), when issued did not, and as of the date hereof does not, contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

In giving the opinion set forth in paragraph (C) above, such counsel may rely on the opinion given by counsel to the Pass Through Trustee.

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EXHIBIT B

OPINION OF
RONALD J. CIANCIO
ASSISTANT GENERAL COUNSEL FOR THE COMPANY

The opinion of Ronald J. Ciancio, Assistant General Counsel for the Company, to be delivered pursuant to paragraph (d) of Article V of the Underwriting Agreement shall be to the effect that:

(A) The Company has been duly incorporated, is validly existing as a corporation in good standing under the laws of the State of New York and has the corporate power and authority under such laws to own, lease and operate its properties and conduct its business as described in the Prospectus; and it is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or the ownership or leasing of its property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not have a material adverse effect on the Company and its subsidiaries, taken as a whole;

(B) Each of the Company's Significant Subsidiaries (as defined under Regulation S-X) has been duly incorporated, is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation, has the corporate power and authority to own its property and to conduct its business as described in the Prospectus, as amended or supplemented, and is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not have a

material adverse effect on the Company and its subsidiaries, taken as a whole;

(C) Each of the Company and its Significant Subsidiaries has all necessary consents, authorizations, approvals, orders, certificates and permits of and from, and has made all declarations and filings with, all federal, state, local and other governmental authorities, all self-regulatory organizations and all courts and other tribunals, to own, lease, license and use its properties and assets and to conduct its business in the manner described in the Prospectus, except to the extent that the failure to obtain or file would not have a material adverse effect on the Company and its subsidiaries, taken as a whole;

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(D) The execution and delivery by the Company of, and the performance by the Company of its obligations under, the Underwriting Agreement, the Pass Through Trust Agreement or any of the other Operative Agreements to which the Company is a party will not contravene (i) any provision of applicable law known to such counsel, (ii) the certificate of incorporation or by-laws of the Company, (iii) to the best of such counsel's knowledge, any agreement or other instrument binding upon the Company or any of its subsidiaries that is material to the Company and its subsidiaries, taken as a whole, or (iv) to the best of such counsel's knowledge, any judgment, order or decree of any governmental body, agency or court having jurisdiction over the Company or any subsidiary;

(E) No consent, approval, authorization or order of, or qualification with, any Federal or State governmental body or agency is required for the valid authorization, issuance and delivery of the Offered Certificates, the valid authorization, execution, delivery of and performance by the Company of its obligations under the Underwriting Agreement, the Pass Through Trust Agreement or any of the Operative Agreements to which the Company is a party, or the consummation by the Company of the transactions contemplated by this Agreement or such Operative Agreements, except such as are specified and have been obtained and may be required by the securities or Blue Sky laws of the various jurisdictions in connection with the offering of such Offered Certificates and except for any filings or recordings with the STB;

(F) Such counsel does not know of any legal or governmental proceedings pending or threatened to which the Company or any of its subsidiaries is a party or to which any of the properties of the Company or any of its subsidiaries is subject other than any proceeding that is required to be described in the Incorporated Documents and is not so described;

(G) The statements in "Item 3 - Legal Proceedings" of the Company's most recent annual report on Form 10-K, "Item 1 - Legal Proceedings" of any quarterly report on Form 10-Q and in "Item 5 - Other Events" of any current report on Form 8-K incorporated by reference in the Prospectus, insofar as such statements constitute a summary of the legal matters, documents or proceedings referred to therein, fairly present the information called for with respect to such legal matters, documents and proceedings and fairly summarize the matters referred to therein; and

(H) Such counsel is of the opinion that each document incorporated by reference in the preliminary prospectus, the

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Prospectus and the Registration Statement (except for financial statements and schedules included therein, as to which such counsel need not express any opinion), complied as to form when filed with the Commission in all material respects with the Exchange Act and the rules and regulations of the Commission thereunder.

Such counsel shall also state that while such counsel has not checked the accuracy or completeness of, or otherwise verified, and is not passing upon and assumes no responsibility for the accuracy or completeness of the statements contained in the Registration Statement and Prospectus, in the course of such counsel's review and discussion of the contents of the Prospectus with certain officers and employees of the Company, the Underwriters and their counsel and the Company's independent accountants, but without independent check or verification, no facts have come to such counsel's attention which have caused such counsel to believe that (A) the Registration Statement or any amendment thereto, on the original effective date thereof, on the effective date of any post-effective amendment thereto, or on the date of the filing by the Company of its most recent Annual Report on Form 10-K after the filing of the Registration Statement (except, in each case, for the financial statements and other financial and statistical data included or incorporated by reference therein, as to which such counsel need express no belief), contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or (B) that the Prospectus (other than the financial statements and other financial and statistical information included therein, as to which no belief need be expressed), when issued did not, and as of the date hereof does not, contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

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EXHIBIT C

OPINION OF
COUNSEL FOR THE PASS THROUGH TRUSTEE

The opinion of The Law Department of The First National Bank of Chicago, counsel to The First National Bank of Chicago to be delivered pursuant to paragraph (c) of Article V of the Underwriting Agreement shall be collectively to the effect that:

(A) The Pass Through Trustee is a national banking association duly organized and validly existing in good standing under the laws of the United States of America and has full corporate power and authority to execute, deliver and carry out the terms of the Pass Through Trust Agreement and the Participation Agreement;

(B) The Pass Through Trustee has duly authorized, executed and delivered the Pass Through Trust Agreement and each Participation Agreement and the Pass Through Trust Agreement and each Participation Agreement constitute valid and binding obligations of the Pass Through Trustee enforceable against the Pass Through Trustee in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting enforcement of creditors' rights generally, and except as enforcement thereof is subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law);

(C) The Offered Certificates issued today have been duly authorized and validly executed, authenticated, issued and delivered by the Pass Through Trustee pursuant to the Pass Through Trust Agreement; and the holders of the Offered Certificates are entitled to the benefits of the Pass Through Trust Agreement;

(D) The authorization, execution, delivery and performance by the Pass Through Trustee of the Pass Through Trust Agreement and the Participation Agreements and the consummation of the transactions therein contemplated and compliance with the terms thereof and issuance of the Offered Certificates thereunder do not and

will not result in the violation of the provisions of the Articles of Association or By-Laws of the Pass Through Trustee and do not and will not conflict with, or result in a breach of any terms or provisions of, or constitute a default under, or result in the creation or the imposition of any lien, charge or encumbrance upon any property or assets of the Pass Through Trustee under any indenture, mortgage or other agreement or instrument to which the Pass Through Trustee is a party or by which it or

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any of its property is bound, or any Illinois or federal law, rule or regulation governing the trustee's banking or trust powers, or of any judgment, order or decree known to such counsel to be applicable to the Pass Through Trustee of any court, regulatory body, administrative agency, government or governmental body having jurisdiction over the Pass Through Trustee or its properties; and

(E) No authorization, approval, consent, license or order of, giving of notice to, registration with, or taking of any other action in respect of, any federal or state governmental authority or agency pursuant to any federal or Illinois law governing the banking or trust powers of the Pass Through Trustee is required for the authorization, execution, delivery and performance by the Pass Through Trustee of the Pass Through Trust Agreement or the Participation Agreements or the consummation of any of the transactions by the Pass Through Trustee contemplated thereby or the issuance of the Offered Certificates under the Pass Through Trust Agreement (except as shall have been duly obtained, given or taken); and such authorization, execution, delivery, performance, consummation and issuance do not conflict with or result in a breach of the provisions of any such law.

TRUST SUPPLEMENT NO. 6
 DATED AS OF AUGUST 28, 1996
 TO
 PASS THROUGH TRUST
 AGREEMENT
 DATED AS OF AUGUST 1, 1992

 GENERAL AMERICAN TRANSPORTATION CORPORATION
 AND
 THE FIRST NATIONAL BANK OF CHICAGO, AS TRUSTEE

GENERAL AMERICAN TRANSPORTATION CORPORATION
 1996-1A PASS THROUGH TRUST
 7.50% PASS THROUGH CERTIFICATES, SERIES 1996-1A

TRUST SUPPLEMENT
 DATED AS OF AUGUST 28, 1996

PASS THROUGH CERTIFICATES, SERIES 1996-1A

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TRUST SUPPLEMENT
PASS THROUGH CERTIFICATES, SERIES 1996-1A

This Trust Supplement No. 6, dated as of August 28, 1996 (herein called the "Trust Supplement") between General American Transportation Corporation, a New York corporation (the "Company"), and The First National Bank of Chicago, a national banking association, as trustee (the "Trustee"), to the Pass Through Trust Agreement dated as of August 1, 1992, as supplemented, between the Company and the Trustee (the "Basic Agreement").

W I T N E S S E T H:

WHEREAS, the Company and the Trustee have heretofore executed and delivered the Basic Agreement, unlimited as to the aggregate principal amount of Certificates (unless specified herein capitalized terms used herein without definition have the respective meanings specified heretofore in the Basic Agreement) which may be issued thereunder;

WHEREAS, each of two Owner Trustees, each acting on behalf of an Owner Participant, will issue, on a non-recourse basis, Equipment Notes, among other things, to finance a portion of the purchase price of Equipment purchased by such Owner Trustee and leased to the Company pursuant to the related Lease;

WHEREAS, pursuant to the terms and conditions of the Basic Agreement as supplemented by this Trust Supplement (the "Agreement"), the Trustee shall purchase such Equipment Notes issued by such Owner Trustees of the same tenor as the Certificates issued thereunder and shall hold such Equipment Notes in trust for the benefit of the Certificateholders;

WHEREAS, the Trustee hereby declares the creation of this Trust for the benefit of the Certificateholders, and the initial Certificateholders as the grantors of the Trust, by their respective acceptances of the Certificates, join in the creation of this Trust with the Trustee;

WHEREAS, all of the conditions and requirements necessary to make this Trust Supplement, when duly executed and delivered, a valid, binding and legal instrument in accordance with its terms and for the purposes herein expressed, have been done, performed and fulfilled, and the execution and delivery of this Trust Supplement in the form and with the terms hereof have been in all respects duly authorized;

WHEREAS, this Trust Supplement is subject to the provisions of the Trust Indenture Act of 1939, as amended, and shall, to the extent applicable, be governed by such provisions;

NOW THEREFORE, in consideration of the premises herein, it is agreed between the Company and the Trustee as follows:

ARTICLE I
THE CERTIFICATES

Section 1.01. The Certificates. There is hereby created a series of Certificates to be issued under the Agreement to be distinguished and known as "Pass Through Certificates, Series 1996-1A" (hereinafter defined as the "Series 1996-1A Certificates"). Each Certificate represents a Fractional Undivided Interest in the Trust created hereby. The terms and conditions applicable to the Series 1996-1A Certificates are as follows:

1. The aggregate principal amount of the Series 1996-1A Certificates that shall be authenticated under the Agreement (except for Series 1996-1A Certificates authenticated and delivered pursuant to Sections 3.03, 3.04 and 3.05 of the Basic Agreement) upon their initial issuance is \$77,257,000.

2. The Cut-Off Date shall be September 12, 1996.

3. The Regular Distribution Dates with respect to any payment of Scheduled Payments means each February 28 and August 28 commencing February 28, 1997 until payment of all of the Scheduled Payments to be made under the Equipment Notes has been made.

4. The Scheduled Payments shall be as set forth in Exhibit C hereto.

5. The Special Distribution Dates are as follows: with respect to the prepayment of any Equipment Note, other than pursuant to a refinancing in accordance with Section 10.2 of the related Participation Agreement, the 28th day of the month on which such prepayment is scheduled to occur pursuant to the terms of the related Indenture; with respect to the prepayment of any Equipment Note pursuant to a refinancing in accordance with Section 10.2 of the related Participation Agreement, the Refunding Date (as defined in such related Participation Agreement); and with respect to any other Special Payment relating to an Equipment Note, the earliest 28th day of a month for which it is practicable for the Trustee to give the applicable notice pursuant to Section 4.02(c) of the Basic Agreement.

6. The Series 1996-1A Certificates shall be in the form attached hereto as Exhibit A. The Series 1996-1A Certificates shall be Book-Entry Certificates and shall be subject to the conditions set forth in the Letter of Representations between the Company and the Clearing Agency attached hereto as Exhibit B.

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7. The proceeds of the Series 1996-1A Certificates shall be used to purchase the Equipment Notes at the Original Issue Prices specified below:

<TABLE>
<CAPTION>

EQUIPMENT NOTE	ORIGINAL ISSUE PRICE	PRINCIPAL AMOUNT	MATURITY
<S>	<C>	<C>	<C>
96-1, I-A	100%	\$11,385,000	August 28, 2014
96-1, II-A	100%	\$39,102,000	February 28, 2015
96-2, I-A	100%	\$ 9,867,000	August 28, 2014
96-2, II-A	100%	\$16,903,000	August 28, 2014

</TABLE>

8. Each of the two Owner Trustees, acting on behalf of an Owner Participant, will issue on a non-recourse basis, the Equipment Notes, the proceeds of which shall be used, among other things, to finance a portion of the purchase price of the Equipment as set forth on Schedule 1 to the related Participation Agreement.

9. The related Note Documents are as follows:

(a) With respect to GATC Trust No. 96-1:

(i) Trust Indenture and Security Agreement (GATC Trust No. 96-1), dated as of August 28, 1996;

(ii) Equipment Lease Agreement (GATC Trust No. 96-1), dated as of August 28, 1996;

(iii) Participation Agreement (GATC Trust No. 96-1), dated as of August 28, 1996;

(iv) Indenture Supplement No. I (GATC Trust No. 96-1), dated as of August 28, 1996;

(v) Indenture Supplement No. II (GATC Trust No. 96-1), dated as of August 28, 1996;

(vi) Lease Supplement No. I (GATC Trust No. 96-1), dated as of August 28, 1996; and

(vii) Lease Supplement No. II (GATC Trust No. 96-1), dated as of August 28, 1996.

(b) With respect to GATC Trust No. 96-2:

(i) Trust Indenture and Security Agreement (GATC

Trust No. 96-2), dated as of August 28, 1996;

(ii) Equipment Lease Agreement (GATC Trust No. 96-2), dated as of August 28, 1996;

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(iii) Participation Agreement (GATC Trust No. 96-2), dated as of August 28, 1996;

(iv) Indenture Supplement No. I (GATC Trust No. 96-2), dated as of August 28, 1996;

(v) Indenture Supplement No. II (GATC Trust No. 96-2), dated as of August 28, 1996;

(vi) Lease Supplement No. I (GATC Trust No. 96-2), dated as of August 28, 1996; and

(vii) Lease Supplement No. II (GATC Trust No. 96-2), dated as of August 28, 1996.

ARTICLE II DEFINITIONS

Section 2.01. Definitions. The following terms, notwithstanding the definitions therefor in the Basic Agreement, shall have the following meanings for all purposes relating to the Series 1996-1A Certificates (including hereunder and under the Basic Agreement):

NONE.

ARTICLE III THE TRUSTEE

Section 3.01. The Trustee. Subject to Section 7.04 of the Basic Agreement, the Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Trust Supplement or the due execution hereof by the Company, or for or in respect of the recitals and statements contained herein, all of which recitals and statements are made solely by the Company.

Except as herein otherwise provided, no duties, responsibilities or liabilities are assumed, or shall be construed to be assumed by the Trustee by reason of this Trust Supplement other than as set forth in the Basic Agreement, and this Trust Supplement is executed and accepted on behalf of the Trustee, subject to all the terms and conditions set forth in the Basic Agreement, upon the effectiveness thereof, as fully to all intents as if the same were herein set forth at length.

Section 3.02. Acceptance by Trustee. The Trustee, upon execution and delivery of this Trust Supplement, acknowledges its acceptance of all right, title, and interest in and to the Equipment Notes described herein and acquired pursuant to Section

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2.02 of the Basic Agreement and the Participation Agreements and declares that the Trustee holds and will hold such right, title, and interest, together with all other property constituting the Trust Property of the Trust created hereby, for the benefit of all present and future holders of the Series 1996-1A Certificates, upon the trusts set forth herein and in the Basic Agreement. By its payment for and acceptance of each Certificate issued to it hereunder, each initial holder of the Series 1996-1A Certificates as grantor of the Trust thereby joins in the creation and declaration of the Trust created hereby.

ARTICLE IV MISCELLANEOUS PROVISIONS

Section 4.01. Basic Agreement Ratified. Except and so far as

herein expressly provided, all of the provisions, terms and conditions of the Basic Agreement are in all respects ratified and confirmed; and the Basic Agreement and this Trust Supplement shall be taken, read and construed as one and the same instrument.

Section 4.02. Termination of Trust. The Trust created hereby shall terminate upon the distribution to all holders of the Series 1996-1A Certificates all amounts required to be distributed to them pursuant to the Basic Agreement and this Trust Supplement and the disposition of all property held as part of the Trust Property of the Trust created hereby; provided, however, that in no event shall the Trust created hereby continue beyond the expiration of 21 years from the death of the last survivor of all of the descendants of Joseph P. Kennedy, the late ambassador of the United States to Great Britain, living on the date of this Trust Supplement.

Section 4.03. Governing Law. THIS TRUST SUPPLEMENT AND THE SERIES 1996-1A CERTIFICATES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

Section 4.04. Execution in Counterparts. This Trust Supplement may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute but one instrument.

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IN WITNESS WHEREOF, the Company and the Trustee have caused this Trust Supplement to be duly executed by their respective officers thereto duly authorized, as of the day and year first written above.

GENERAL AMERICAN TRANSPORTATION CORPORATION

By: _____
Name: _____
Title: _____

THE FIRST NATIONAL BANK OF CHICAGO, AS TRUSTEE

By: _____
Name: _____
Title: _____

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EXHIBIT A

FORM OF CERTIFICATE

Unless this certificate is presented by an authorized representative of DTC, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE or OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

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Agreement. The Trustee shall mail notice of each Special Payment and the Special Distribution Date therefor to the Holders of the Certificates.

Distributions on this Certificate will be made by the Trustee (i) by check mailed to the person entitled thereto or (ii) prior to the time Definitive Certificates are issued by wire transfer of same-day funds to the account designated by the Certificateholder to the Trustee on or prior to the applicable Record Date, without the presentation or surrender of this Certificate or the making of any notation hereon. Except as otherwise provided in the Agreement and notwithstanding the above, the final distribution on this Certificate will be made after notice mailed by the Trustee of the pendency of such distribution and only upon presentation and surrender of this Certificate at the office or agency of the Trustee specified in such notice.

This Certificate shall be governed by and construed in accordance with the laws of the State of New York.

Reference is hereby made to the further provisions of this Certificate set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee, by manual signature, this Certificate shall not be entitled to any benefit under the Agreement or be valid for any purpose.

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IN WITNESS WHEREOF, the Trustee has caused this Certificate to be duly executed.

General American Transportation Corporation 1996-1A Pass Through Trust

By: The First National Bank of Chicago, as Trustee

By: _____
Title

[FORM OF THE TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

Dated: August 28, 1996

This is one of the Certificates referred to in the within-mentioned Agreement.

The First National Bank of Chicago, as Trustee

By: _____
Authorized Officer

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[REVERSE OF CERTIFICATE]

The Certificates do not represent a direct obligation of, or an obligation guaranteed by, or an interest in, the Company or the Trustee or any affiliate thereof. The Certificates are limited in right of payment, all as more specifically set forth on the face hereof and in the Agreement. All payments or distributions made to Certificateholders under the Agreement shall be made only from the Trust Property and only to the extent that the Trustee shall have sufficient income or proceeds from the Trust Property to make such payments in accordance with the terms of the Agreement. Each Holder of this Certificate, by its acceptance hereof, agrees that it will look solely to the income and proceeds from the Trust Property to the extent available for distribution to such Holder as provided in the Agreement. This Certificate does not purport to summarize the Agreement and reference is made to the Agreement for information with respect to the interests, rights, benefits, obligations, proceeds, and duties evidenced hereby. A copy of the Agreement may be examined during normal business hours at the principal office of the Trustee, and at such other places, if any, designated by the Trustee, by any Certificateholder upon request.

The Agreement permits, with certain exceptions therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Certificateholders under the Agreement at any time by the Company and the Trustee with the consent of the Holders of Certificates evidencing Fractional Undivided Interests aggregating not less than a majority in interest in the Trust. Any such consent by the Holder of this Certificate shall be conclusive and binding on such Holder and upon all future Holders of this Certificate and of any Certificate issued upon the transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent is made upon this Certificate. The Agreement also permits the amendment thereof, in certain limited circumstances, without the consent of the Holders of any of the Certificates.

As provided in the Agreement and subject to certain limitations therein set forth, the transfer of this Certificate is registrable in the Register upon surrender of this Certificate for registration of transfer at the offices or agencies maintained by the Trustee in its capacity as Registrar, or by any successor Registrar, in the Borough of Manhattan, the City of New York, duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Trustee and the Registrar duly executed by the Holder hereof or such Holder's attorney duly authorized in writing, and thereupon one or more new Certificates of authorized denominations evidencing the same aggregate Fractional Undivided Interest in the Trust will be issued to the designated transferee or transferees.

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The Certificates are issuable only as registered Certificates without coupons in denominations of \$1,000 Fractional Undivided Interest and any integral multiples of \$1,000 in excess thereof except that one Certificate may be in a denomination of less than \$1,000. As provided in the Agreement and subject to certain limitations therein set forth, Certificates are exchangeable for new Certificates of authorized denominations and like series evidencing the same aggregate Fractional Undivided Interest in the Trust, as requested by the Holder surrendering the same.

No service charge will be made for any such registration of transfer or exchange, but the Trustee shall require payment of a sum sufficient to cover any tax or governmental charge payable in connection therewith.

The Trustee, the Registrar, and any agent of the Trustee or the Registrar may treat the person in whose name this Certificate is registered as the owner hereof for all purposes, and neither the Trustee, the Registrar, nor any such agent shall be affected by any notice to the contrary.

The obligations and responsibilities created by the Agreement and the Trust created thereby shall terminate upon the distribution to Certificateholders of all amounts required to be distributed to them pursuant to the Agreement and the disposition of all property held as part of the Trust Property.

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[FORM OF TRANSFER NOTICE]

FOR VALUE RECEIVED the undersigned registered holder hereby sell(s),
assign(s) and transfer(s) unto

Insert Taxpayer Identification No.

Please print or typewrite name and address including postal zip code
of assignee

the within Certificate and all rights thereunder, hereby irrevocably
constituting and appointing

attorney to transfer said Certificate on the books of the Trust with
full power of substitution in the premises.

Date: _____

NOTICE: The signature to this assignment must correspond with the name
as written upon the face of the within-mentioned instrument in
every particular, without alteration or any change whatever.

TRUST SUPPLEMENT NO. 7
 DATED AS OF AUGUST 28, 1996
 TO
 PASS THROUGH TRUST
 AGREEMENT
 DATED AS OF AUGUST 1, 1992

 GENERAL AMERICAN TRANSPORTATION CORPORATION
 AND
 THE FIRST NATIONAL BANK OF CHICAGO, AS TRUSTEE

 GENERAL AMERICAN TRANSPORTATION CORPORATION
 1996-1B PASS THROUGH TRUST
 7.86% PASS THROUGH CERTIFICATES, SERIES 1996-1B

TRUST SUPPLEMENT
 DATED AS OF AUGUST 28, 1996

PASS THROUGH CERTIFICATES, SERIES 1996-1B

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TRUST SUPPLEMENT
PASS THROUGH CERTIFICATES, SERIES 1996-1B

This Trust Supplement No. 7, dated as of August 28, 1996 (herein called the "Trust Supplement") between General American Transportation Corporation, a New York corporation (the "Company"), and The First National Bank of Chicago, a national banking association, as trustee (the "Trustee"), to the Pass Through Trust Agreement dated as of August 1, 1992, as supplemented, between the Company and the Trustee (the "Basic Agreement").

W I T N E S S E T H:

WHEREAS, the Company and the Trustee have heretofore executed and delivered the Basic Agreement, unlimited as to the aggregate principal amount of Certificates (unless specified herein capitalized terms used herein without definition have the respective meanings specified heretofore in the Basic Agreement) which may be issued thereunder;

WHEREAS, each of two Owner Trustees, each acting on behalf of an Owner Participant, will issue, on a non-recourse basis, Equipment Notes, among other things, to finance a portion of the purchase price of Equipment purchased by such Owner Trustee and leased to the Company pursuant to the related Lease;

WHEREAS, pursuant to the terms and conditions of the Basic Agreement as supplemented by this Trust Supplement (the "Agreement"), the Trustee shall purchase such Equipment Notes issued by such Owner Trustees of the same tenor as the Certificates issued thereunder and shall hold such Equipment Notes in trust for the benefit of the Certificateholders;

WHEREAS, the Trustee hereby declares the creation of this Trust for the benefit of the Certificateholders, and the initial Certificateholders as the grantors of the Trust, by their respective acceptances of the Certificates, join in the creation of this Trust with the Trustee;

WHEREAS, all of the conditions and requirements necessary to make this Trust Supplement, when duly executed and delivered, a valid, binding and legal instrument in accordance with its terms and for the purposes herein expressed, have been done, performed and fulfilled, and the execution and delivery of this Trust Supplement in the form and with the terms hereof have been in all respects duly authorized;

WHEREAS, this Trust Supplement is subject to the provisions of the Trust Indenture Act of 1939, as amended, and shall, to the extent applicable, be governed by such provisions;

NOW THEREFORE, in consideration of the premises herein, it is agreed between the Company and the Trustee as follows:

ARTICLE I
THE CERTIFICATES

Section 1.01. The Certificates. There is hereby created a series of Certificates to be issued under the Agreement to be distinguished and known as "Pass Through Certificates, Series 1996-1B" (hereinafter defined as the "Series 1996-1B Certificates"). Each Certificate represents a Fractional Undivided Interest in the Trust created hereby. The terms and conditions applicable to the Series 1996-1B Certificates are as follows:

1. The aggregate principal amount of the Series 1996-1B Certificates that shall be authenticated under the Agreement (except for Series 1996-1B Certificates authenticated and delivered pursuant to Sections 3.03, 3.04 and 3.05 of the Basic Agreement) upon their initial issuance is \$29,578,000.

2. The Cut-Off Date shall be September 12, 1996.

3. The Regular Distribution Dates with respect to any payment of Scheduled Payments means each February 28 and August 28 commencing February 28, 1997 until payment of all of the Scheduled Payments to be made under the Equipment Notes has been made.

4. The Scheduled Payments shall be as set forth in Exhibit C hereto.

5. The Special Distribution Dates are as follows: with respect to the prepayment of any Equipment Note, other than pursuant to a refinancing in accordance with Section 10.2 of the related Participation Agreement, the 28th day of the month on which such prepayment is scheduled to occur pursuant to the terms of the related Indenture; with respect to the prepayment of any Equipment Note pursuant to a refinancing in accordance with Section 10.2 of the related Participation Agreement, the Refunding Date (as defined in such related Participation Agreement); and with respect to any other Special Payment relating to an Equipment Note, the earliest 28th day of a month for which it is practicable for the Trustee to give the applicable notice pursuant to Section 4.02(c) of the Basic Agreement.

6. The Series 1996-1B Certificates shall be in the form attached hereto as Exhibit A. The Series 1996-1B Certificates shall be Book-Entry Certificates and shall be subject to the conditions set forth in the Letter of Representations between the Company and the Clearing Agency attached hereto as Exhibit B.

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7. The proceeds of the Series 1996-1B Certificates shall be used to purchase the Equipment Notes at the Original Issue Prices specified below:

<TABLE>
<CAPTION>

EQUIPMENT NOTE	ORIGINAL ISSUE PRICE	PRINCIPAL AMOUNT	MATURITY
<S>	<C>	<C>	<C>
96-1, I-B	100%	\$ 4,938,000	August 28, 2021
96-1, II-B	100%	\$ 15,482,000	August 28, 2021
96-2, I-B	100%	\$ 3,850,000	August 28, 2020
96-2, II-B	100%	\$ 5,308,000	August 28, 2019

</TABLE>

8. Each of the two Owner Trustees, acting on behalf of an Owner Participant, will issue on a non-recourse basis, the Equipment Notes, the proceeds of which shall be used, among other things, to finance a portion of the purchase price of the Equipment as set forth on Schedule 1 to the related Participation Agreement.

9. The related Note Documents are as follows:

- (a) With respect to GATC Trust No. 96-1:
 - (i) Trust Indenture and Security Agreement (GATC Trust No. 96-1), dated as of August 28, 1996;
 - (ii) Equipment Lease Agreement (GATC Trust No. 96-1), dated as of August 28, 1996;
 - (iii) Participation Agreement (GATC Trust No. 96-1), dated as of August 28, 1996;
 - (iv) Indenture Supplement No. I (GATC Trust No. 96-1), dated as of August 28, 1996;
 - (v) Indenture Supplement No. II (GATC Trust No. 96-1), dated as of August 28, 1996;
 - (vi) Lease Supplement No. I (GATC Trust No. 96-1), dated as of August 28, 1996; and
 - (vii) Lease Supplement No. II (GATC Trust No. 96-1), dated as of August 28, 1996.
- (b) With respect to GATC Trust No. 96-2:
 - (i) Trust Indenture and Security Agreement (GATC

Trust No. 96-2), dated as of August 28, 1996;

(ii) Equipment Lease Agreement (GATC Trust No. 96-2), dated as of August 28, 1996;

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(iii) Participation Agreement (GATC Trust No. 96-2), dated as of August 28, 1996;

(iv) Indenture Supplement No. I (GATC Trust No. 96-2), dated as of August 28, 1996;

(v) Indenture Supplement No. II (GATC Trust No. 96-2), dated as of August 28, 1996;

(vi) Lease Supplement No. I (GATC Trust No. 96-2), dated as of August 28, 1996; and

(vii) Lease Supplement No. II (GATC Trust No. 96-2), dated as of August 28, 1996.

ARTICLE II DEFINITIONS

Section 2.01. Definitions. The following terms, notwithstanding the definitions therefor in the Basic Agreement, shall have the following meanings for all purposes relating to the Series 1996-1B Certificates (including hereunder and under the Basic Agreement):

NONE.

ARTICLE III THE TRUSTEE

Section 3.01. The Trustee. Subject to Section 7.04 of the Basic Agreement, the Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Trust Supplement or the due execution hereof by the Company, or for or in respect of the recitals and statements contained herein, all of which recitals and statements are made solely by the Company.

Except as herein otherwise provided, no duties, responsibilities or liabilities are assumed, or shall be construed to be assumed by the Trustee by reason of this Trust Supplement other than as set forth in the Basic Agreement, and this Trust Supplement is executed and accepted on behalf of the Trustee, subject to all the terms and conditions set forth in the Basic Agreement, upon the effectiveness thereof, as fully to all intents as if the same were herein set forth at length.

Section 3.02. Acceptance by Trustee. The Trustee, upon execution and delivery of this Trust Supplement, acknowledges its acceptance of all right, title, and interest in and to the Equipment Notes described herein and acquired pursuant to Section

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2.02 of the Basic Agreement and the Participation Agreements and declares that the Trustee holds and will hold such right, title, and interest, together with all other property constituting the Trust Property of the Trust created hereby, for the benefit of all present and future holders of the Series 1996-1B Certificates, upon the trusts set forth herein and in the Basic Agreement. By its payment for and acceptance of each Certificate issued to it hereunder, each initial holder of the Series 1996-1B Certificates as grantor of the Trust thereby joins in the creation and declaration of the Trust created hereby.

ARTICLE IV MISCELLANEOUS PROVISIONS

Section 4.01. Basic Agreement Ratified. Except and so far as

herein expressly provided, all of the provisions, terms and conditions of the Basic Agreement are in all respects ratified and confirmed; and the Basic Agreement and this Trust Supplement shall be taken, read and construed as one and the same instrument.

Section 4.02. Termination of Trust. The Trust created hereby shall terminate upon the distribution to all holders of the Series 1996-1B Certificates all amounts required to be distributed to them pursuant to the Basic Agreement and this Trust Supplement and the disposition of all property held as part of the Trust Property of the Trust created hereby; provided, however, that in no event shall the Trust created hereby continue beyond the expiration of 21 years from the death of the last survivor of all of the descendants of Joseph P. Kennedy, the late ambassador of the United States to Great Britain, living on the date of this Trust Supplement.

Section 4.03. Governing Law. THIS TRUST SUPPLEMENT AND THE SERIES 1996-1B CERTIFICATES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

Section 4.04. Execution in Counterparts. This Trust Supplement may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute but one instrument.

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IN WITNESS WHEREOF, the Company and the Trustee have caused this Trust Supplement to be duly executed by their respective officers thereto duly authorized, as of the day and year first written above.

GENERAL AMERICAN TRANSPORTATION CORPORATION

By: _____
Name: _____
Title: _____

THE FIRST NATIONAL BANK OF CHICAGO, AS TRUSTEE

By: _____
Name: _____
Title: _____

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EXHIBIT A

FORM OF CERTIFICATE

Unless this certificate is presented by an authorized representative of DTC, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE or OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

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Agreement. The Trustee shall mail notice of each Special Payment and the Special Distribution Date therefor to the Holders of the Certificates.

Distributions on this Certificate will be made by the Trustee (i) by check mailed to the person entitled thereto or (ii) prior to the time Definitive Certificates are issued by wire transfer of same-day funds to the account designated by the Certificateholder to the Trustee on or prior to the applicable Record Date, without the presentation or surrender of this Certificate or the making of any notation hereon. Except as otherwise provided in the Agreement and notwithstanding the above, the final distribution on this Certificate will be made after notice mailed by the Trustee of the pendency of such distribution and only upon presentation and surrender of this Certificate at the office or agency of the Trustee specified in such notice.

This Certificate shall be governed by and construed in accordance with the laws of the State of New York.

Reference is hereby made to the further provisions of this Certificate set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee, by manual signature, this Certificate shall not be entitled to any benefit under the Agreement or be valid for any purpose.

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IN WITNESS WHEREOF, the Trustee has caused this Certificate to be duly executed.

General American Transportation
Corporation 1996-1B Pass
Through Trust

By: The First National Bank of
Chicago, as Trustee

By: _____
Title

[FORM OF THE TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

Dated: August 28, 1996

This is one of the Certificates referred
to in the within-mentioned Agreement.

The First National Bank of
Chicago, as Trustee

By: _____
Authorized Officer

The Certificates do not represent a direct obligation of, or an obligation guaranteed by, or an interest in, the Company or the Trustee or any affiliate thereof. The Certificates are limited in right of payment, all as more specifically set forth on the face hereof and in the Agreement. All payments or distributions made to Certificateholders under the Agreement shall be made only from the Trust Property and only to the extent that the Trustee shall have sufficient income or proceeds from the Trust Property to make such payments in accordance with the terms of the Agreement. Each Holder of this Certificate, by its acceptance hereof, agrees that it will look solely to the income and proceeds from the Trust Property to the extent available for distribution to such Holder as provided in the Agreement. This Certificate does not purport to summarize the Agreement and reference is made to the Agreement for information with respect to the interests, rights, benefits, obligations, proceeds, and duties evidenced hereby. A copy of the Agreement may be examined during normal business hours at the principal office of the Trustee, and at such other places, if any, designated by the Trustee, by any Certificateholder upon request.

The Agreement permits, with certain exceptions therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Certificateholders under the Agreement at any time by the Company and the Trustee with the consent of the Holders of Certificates evidencing Fractional Undivided Interests aggregating not less than a majority in interest in the Trust. Any such consent by the Holder of this Certificate shall be conclusive and binding on such Holder and upon all future Holders of this Certificate and of any Certificate issued upon the transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent is made upon this Certificate. The Agreement also permits the amendment thereof, in certain limited circumstances, without the consent of the Holders of any of the Certificates.

As provided in the Agreement and subject to certain limitations therein set forth, the transfer of this Certificate is registrable in the Register upon surrender of this Certificate for registration of transfer at the offices or agencies maintained by the Trustee in its capacity as Registrar, or by any successor Registrar, in the Borough of Manhattan, the City of New York, duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Trustee and the Registrar duly executed by the Holder hereof or such Holder's attorney duly authorized in writing, and thereupon one or more new Certificates of authorized denominations evidencing the same aggregate Fractional Undivided Interest in the Trust will be issued to the designated transferee or transferees.

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The Certificates are issuable only as registered Certificates without coupons in denominations of \$1,000 Fractional Undivided Interest and any integral multiples of \$1,000 in excess thereof except that one Certificate may be in a denomination of less than \$1,000. As provided in the Agreement and subject to certain limitations therein set forth, Certificates are exchangeable for new Certificates of authorized denominations and like series evidencing the same aggregate Fractional Undivided Interest in the Trust, as requested by the Holder surrendering the same.

No service charge will be made for any such registration of transfer or exchange, but the Trustee shall require payment of a sum sufficient to cover any tax or governmental charge payable in connection therewith.

The Trustee, the Registrar, and any agent of the Trustee or the Registrar may treat the person in whose name this Certificate is registered as the owner hereof for all purposes, and neither the Trustee, the Registrar, nor any such agent shall be affected by any notice to the contrary.

The obligations and responsibilities created by the Agreement and the Trust created thereby shall terminate upon the distribution to Certificateholders of all amounts required to be distributed to them pursuant to the Agreement and the disposition of all property held as part of the Trust Property.

FOR VALUE RECEIVED the undersigned registered holder hereby sell(s),
assign(s) and transfer(s) unto

Insert Taxpayer Identification No.

Please print or typewrite name and address including postal zip code
of assignee

the within Certificate and all rights thereunder, hereby irrevocably
constituting and appointing

attorney to transfer said Certificate on the books of the Trust with
full power of substitution in the premises.

Date: _____

NOTICE: The signature to this assignment must correspond with the name
as written upon the face of the within-mentioned instrument in
every particular, without alteration or any change whatever.

EXHIBIT 4.3

TRUST INDENTURE AND SECURITY AGREEMENT
(GATC TRUST NO. 96-1)

DATED AS OF AUGUST 28, 1996

BETWEEN

FIRST SECURITY BANK, N.A.,

AS OWNER TRUSTEE

AND

THE FIRST NATIONAL BANK OF CHICAGO,

AS INDENTURE TRUSTEE

COVERED HOPPERS AND TANK CARS

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TRUST INDENTURE AND SECURITY AGREEMENT
(GATC TRUST NO. 96-1)

This TRUST INDENTURE AND SECURITY AGREEMENT (GATC Trust No. 96-1) dated as of August 28, 1996 (this "Indenture"), between First Security Bank, N.A., a national banking association, not in its individual capacity, except as otherwise expressly set forth in Section 6.03 hereof, but solely as trustee under the Trust Agreement referred to below and any successor appointed in accordance with the terms hereof and of the Trust Agreement (herein in such trustee capacity called the "Owner Trustee"), and The First National Bank of Chicago, a national banking association, as Indenture Trustee hereunder and any successor appointed in accordance with the terms hereof (herein called the "Indenture Trustee");

WITNESSETH:

WHEREAS, the Owner Participant and the Owner Trustee in its individual capacity have entered into the Trust Agreement whereby, among other things, (i) the Owner Trustee establishes a certain trust for the use and benefit of the Owner Participant, subject, however, to the Indenture Estate created pursuant hereto for the use and benefit of, and with the priority of payment to, the holders of the Equipment Notes, and (ii) the Owner Trustee is authorized and directed to execute and deliver this Indenture;

WHEREAS, the Owner Trustee and the Indenture Trustee desire by this Indenture, among other things, (i) to provide for the issuance by the Owner Trustee of the Equipment Notes, and (ii) to provide for the assignment, mortgage and pledge by the Owner Trustee to the Indenture Trustee, as part of the Indenture Estate hereunder, among other things, of, and the grant of a security interest in, certain of the Owner Trustee's right, title and interest in and to the Equipment and the Lease and certain payments and other amounts received hereunder or thereunder, in accordance with the terms hereof, in trust, as security for, among other things, the Owner Trustee's obligations for the equal and ratable benefit of the holders of the Equipment Notes; and

WHEREAS, all things necessary to make this Indenture the legal, valid and binding obligation of the Owner Trustee and the Indenture Trustee, for the uses and purposes herein set forth, in accordance with its terms, have been done and performed and have happened.

GRANTING CLAUSE

NOW, THEREFORE, THIS TRUST INDENTURE AND SECURITY AGREEMENT WITNESSETH, that, to secure the prompt payment of the principal of and interest and premium, if any, on and all other amounts due with respect to, the Equipment Notes from time to time outstanding hereunder and the performance and observance by the Owner Trustee of all the agreements, covenants and provisions herein and in the Equipment Notes all for the benefit of the holders of the Equipment Notes, and for the uses and purposes and subject

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to the terms and provisions hereof, and in consideration of the premises and of the covenants herein contained, and of the acceptance of the Equipment Notes by the Loan Participant, the Owner Trustee does hereby sell, assign, transfer, convey, mortgage, pledge, and confirm unto the Indenture Trustee, its successors and assigns, for the security and benefit of the holders of the Equipment Notes from time to time, a first priority security interest in and mortgage lien on all right, title and interest of the Owner Trustee in and to the following described property, rights, interests and privileges insofar as it does not constitute Excepted Property (which collectively, including all property hereafter required to be subjected to the Lien of this Indenture by any instrument supplemental hereto, but excluding Excepted Property, being herein called the "Indenture Estate"), to wit:

(1) the Lease, including, without limitation, all amounts of Basic Rent, Supplemental Rent, insurance proceeds and other payments of any kind for or with respect to the Equipment, subject to Lessee's rights under the Lease, including, without limitation, Lessee's right of quiet enjoyment;

(2) the Equipment, the Replacement Units and all substitutions therefor in which the Owner Trustee shall from time to time acquire an interest under the Lease, all as more particularly described in the Indenture Supplements and Lease Supplements executed and delivered with respect to the Equipment or any such Replacement Units or any substitutions therefor, as provided in this Indenture and the Lease;

(3) all requisition proceeds with respect to the Equipment or any Unit thereof (to the extent of the Owner Trustee's interest therein pursuant to the terms of the Lease);

(4) all monies and securities now or hereafter paid or deposited or required to be paid or deposited with the Indenture Trustee pursuant to any term of this Indenture, the Lease or the Participation Agreement or required to be held by the Indenture Trustee hereunder or thereunder; and

(5) all proceeds of the foregoing.

Notwithstanding the foregoing provisions:

(a) there shall be excluded from the foregoing sale, assignment, transfer, conveyance, mortgage, pledge or security interest granted by this Indenture and from the Indenture Estate all Excepted Property;

(b) (i) the Owner Trustee and the Owner Participant shall at all times retain the right, to the exclusion of the Indenture Trustee (A) to Excepted Property and to commence and prosecute an action at law to obtain such Excepted Property and (B) to adjust Basic Rent, the percentages relating to Stipulated Loss Value and Termination

Value and the Early Purchase Price and the Basic Term Purchase Price as provided in Section 3.4 of the Lease and Section 2.6 of the Participation Agreement; and

(ii) the Owner Trustee and the Indenture Trustee shall each retain the right to receive from Lessee all notices, certificates, reports, filings, opinions of counsel, copies of all documents and all information which the Lessee is permitted or required to give or furnish to the Lessor pursuant to the Lease or to the Owner Trustee pursuant to any other Operative Agreement and to exercise the inspection rights provided for in Section 13.2 of the Lease, to give any notice of default under Section 15 of the Lease; and

(c) the leasehold interest granted to the Lessee under the Lease shall not be subject to the security interest granted by this Indenture, and nothing in this Indenture shall affect the rights of the Lessee under the Lease so long as no Lease Event of Default has occurred and is continuing.

TO HAVE AND TO HOLD all and singular the aforesaid property unto the Indenture Trustee, its successors and assigns, in trust for the benefit and security of the holders of the Equipment Notes from time to time, without any priority of any one Equipment Note over any other, and for the uses and purposes, and subject to the terms and provisions, set forth in this Indenture.

It is expressly agreed that anything herein contained to the contrary notwithstanding, the Owner Trustee shall remain liable under each of the Operative Agreements to which it is a party to perform all of the obligations, if any, assumed by it thereunder, all in accordance with and pursuant to the terms and provisions thereof, and the Indenture Trustee and the holders of the Equipment Notes shall have no obligation or liability under any of the Operative Agreements to which the Owner Trustee is a party by reason of or arising out of this assignment, nor shall the Indenture Trustee (unless the Indenture Trustee shall have become the "Lessor" under the Lease) or the holders of the Equipment Notes be required or obligated in any manner to perform or fulfill any obligations of the Owner Trustee under or pursuant to any of the Operative Agreements to which the Owner Trustee is a party or, except as herein expressly provided, to make any payment, or to make any inquiry as to the nature or sufficiency of any payment received by it, or present or file any claim, or take any action to collect or enforce the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

The Owner Trustee does hereby constitute the Indenture Trustee the true and lawful attorney of the Owner Trustee, irrevocably, with full power (in the name of the Owner Trustee or otherwise), to ask, require, demand, receive, compound and give acquittance for any and all moneys and claims for moneys due and to become due to the Owner Trustee (other than Excepted Property), under or arising out of the Lease, or to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which the Indenture Trustee may deem to be necessary or advisable in the

premises. The Owner Trustee has directed the Lessee to make all payments of Rent (other than Excepted Property) payable to the Owner Trustee by the Lessee and all other amounts which are required to be paid to or deposited with the Owner Trustee pursuant to the Lease (other than Excepted Property) directly to the Indenture Trustee at such address as the Indenture Trustee shall specify, for application as provided in this Indenture. The Owner Trustee agrees that promptly on receipt thereof, it will transfer to the Indenture Trustee any and all moneys from time to time received by it constituting part of the Indenture Estate, for distribution by the Indenture Trustee pursuant to this Indenture, except that the Owner Trustee shall accept for distribution pursuant to the Trust Agreement any amounts distributed to it by the Indenture Trustee as expressly provided in this Indenture and any Excepted Property.

The Owner Trustee agrees that at any time and from time to time, upon the written request of the Indenture Trustee, the Owner Trustee will promptly and duly execute and deliver or cause to be executed and delivered any

and all such further instruments and documents as the Indenture Trustee may reasonably deem to be necessary in order to obtain the full benefits of this assignment and of the rights and powers herein granted.

The Owner Trustee does hereby warrant and represent that it has not assigned or pledged, and hereby covenants that it will not assign or pledge, so long as the assignment hereunder shall remain in effect, any of its right, title or interest hereby assigned, to anyone other than the Indenture Trustee, and that it will not (other than in respect of Excepted Property), except as provided in or permitted by this Indenture, accept any payment from the Lessee, enter into an agreement amending or supplementing any of the Operative Agreements, execute any waiver or modification of, or consent under the terms of any of the Operative Agreements (other than the Tax Indemnity Agreement), settle or compromise any claim (other than claims in respect of Excepted Property) against the Lessee arising under any of the Operative Agreements, or submit or consent to the submission of any dispute, difference or other matter arising under or in respect of any of the Operative Agreements, to arbitration thereunder.

IT IS HEREBY COVENANTED AND AGREED by and between the parties hereto as follows:

ARTICLE I.
DEFINITIONS

Section 1.01. Certain Definitions. Unless the context otherwise requires, all capitalized terms used herein and not otherwise defined shall have the meanings set forth in Appendix A hereto for all purposes of this Indenture. All references to articles, sections, clauses, schedules and appendices in this Indenture are to articles, sections, clauses, schedules and appendices in and to this Indenture unless otherwise indicated.

ARTICLE II.
THE EQUIPMENT NOTES

Section 2.01. Form of Equipment Notes. The Equipment Notes shall be substantially in the form set forth below:

_____ % EQUIPMENT NOTE
SERIES [A/B]

(Secured by, among others, Lease Obligations of
General American Transportation Corporation)

Issued in Connection with certain Railroad Rolling Stock

No. _____

Chicago, Illinois
August 28, 1996

\$ _____

First Security Bank, N.A., not in its individual capacity, but solely as owner trustee (herein in such capacity called the "Owner Trustee") under that certain Trust Agreement (GATC Trust No. 96-1), dated as of August 28, 1996, as from time to time supplemented and amended (herein called the "Trust Agreement"), between the Owner Trustee in its individual capacity and the institution referred to therein as the "Owner Participant", hereby promises to pay to _____, or registered assigns, the principal sum of \$ _____, in lawful currency of the United States of America, in installments payable on the dates set forth in Exhibit A hereto, commencing February 28, 1997 and thereafter to and including August 28, 20__ each such installment to be in an amount equal to the corresponding percentage (if any) of the remaining principal amount hereof set forth in Exhibit A hereto, together with interest thereon on the amount of such principal amount remaining unpaid from time to time from and including the date hereof until such principal amount shall be due and payable, payable on each August 28 and February 28, commencing February 28, 1997, to the maturity date hereof at the rate of ____% per annum (computed on the basis of a 360-day year of twelve 30-day months). Interest on any overdue principal and (to the extent legally enforceable) on overdue interest shall be paid from the due date thereof at the rate of ____% per annum (computed on the basis of a 360-day year of twelve

30-day months), payable on demand.

All payments of principal and interest and premium, if any, to be made hereunder and under the Trust Indenture and Security Agreement (GATC Trust No. 96-1), dated as of August 28, 1996 as from time to time amended and supplemented (herein called the "Indenture", the defined terms therein not otherwise defined herein being used herein with the same meanings), between the Owner Trustee and The First National Bank of Chicago, as Indenture

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Trustee thereunder for the holder of this Equipment Note and the holders of other Equipment Notes outstanding thereunder (herein in such capacity called the "Indenture Trustee") shall be made only from the income and proceeds from the Indenture Estate and only to the extent that the Indenture Trustee shall have sufficient income or proceeds from the Indenture Estate to make such payments in accordance with the terms of Article III of the Indenture. Each holder hereof, by its acceptance of this Equipment Note, agrees that it will look solely to the income and proceeds from the Indenture Estate to the extent available for distribution to the holder hereof as provided in the Indenture and that none of the Owner Trustee, the Owner Participant, the Indenture Trustee or their permitted successors and assigns is or shall be personally liable to the holder hereof for any amount payable under this Equipment Note or the Indenture or, except as expressly provided in the Participation Agreement or the Indenture, for any liability under the Participation Agreement or (in the case of the Owner Trustee or the Indenture Trustee) the Indenture.

Payments with respect to the principal amount hereof, premium, if any, and interest thereon shall be payable in U.S. dollars in immediately available funds at the principal bond and trustee administration office of the Indenture Trustee, or as otherwise provided in the Indenture. Each such payment shall be made on the date such payment is due and without any presentment or surrender of this Equipment Note. Whenever the date scheduled for any payment to be made hereunder or under the Indenture shall not be a Business Day, then such payment need not be made on such scheduled date but may be made on the next succeeding Business Day with the same force and effect as if made on such scheduled date and (provided such payment is made on such next succeeding Business Day) no interest shall accrue on the amount of such payment from and after such scheduled date to the time of such payment on such next succeeding Business Day.

Each holder hereof, by its acceptance of this Equipment Note, agrees that each payment received by it hereunder shall be applied, first, to the payment of accrued but unpaid interest on this Equipment Note then due, second, to the payment of the unpaid principal amount of this Equipment Note then due, third, to the payment of any premium then due, and fourth, to the payment of the remaining outstanding principal amount of this Equipment Note; provided, that the Owner Trustee may only prepay this Equipment Note as provided in Sections 2.10, 3.02 and 3.03 of the Indenture.

This Equipment Note is one of the Equipment Notes referred to in the Indenture which have been or are to be issued by the Owner Trustee pursuant to the terms of the Indenture and relates to the Units described in Lease Supplement No. __. The Indenture Estate is held by the Indenture Trustee as security for the Equipment Notes. Reference is hereby made to the Indenture for a statement of the rights of the holder of, and the nature and extent of the security for, this Equipment Note, as well as for a statement of the terms and conditions of the trusts created by the Indenture, to all of which terms and conditions in the Indenture each holder hereof agrees by its acceptance of this Equipment Note.

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This Equipment Note is not subject to redemption or prepayment except as provided in Sections 2.10, 3.02 and 3.03 of the Indenture. This Equipment Note is subject to purchase by the Owner Trustee without a premium as provided in Section 4.04(b) of the Indenture. The holder hereof, by its acceptance of this Equipment Note, agrees to be bound by said provisions.

This Equipment Note is a registered Equipment Note and is

transferable, as provided in the Indenture, only upon surrender of this Equipment Note for registration of transfer duly endorsed by, or accompanied by a written statement of transfer duly executed by, the registered holder hereof or his attorney duly authorized in writing. Prior to the due presentation for registration of transfer of this Equipment Note, the Owner Trustee and the Indenture Trustee may deem and treat the registered holder of this Equipment Note as the absolute owner and holder hereof for the purpose of receiving payment of all amounts payable with respect hereto and for all other purposes and shall not be affected by any notice to the contrary.

THIS EQUIPMENT NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND MAY NOT BE TRANSFERRED IN VIOLATION OF SUCH ACT. THIS EQUIPMENT NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

Unless the certificate of authentication hereon has been executed by or on behalf of the Indenture Trustee by manual signature, this Equipment Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

In Witness Whereof, the Owner Trustee has caused this Equipment Note to be executed by one of its authorized officers as of the date hereof.

First Security Bank, N.A.,
not in its individual capacity,
but solely as Owner Trustee

By: _____

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[FORM OF INDENTURE TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

This is one of the Equipment Notes referred to in the within-mentioned Indenture.

The First National Bank of Chicago,
as Indenture Trustee

By: _____
Authorized Officer

[Here insert from Annex A, the related Amortization Schedule]

Section 2.02. Terms of Equipment Notes. There shall be issued and delivered to the Loan Participant one Equipment Note for each Series related to each Lease Supplement executed and delivered in respect of the Units delivered on the Closing Date in the maturity, principal amount and bearing the interest rate as set forth for such Series in Exhibit B hereto, and the Equipment Notes related to each such Lease Supplement shall be in an aggregate principal amount equal to that portion of the loan made by the Loan Participant to the Owner Trustee pursuant to Section 2 of the Participation Agreement relating to the Units under such Lease Supplement. Each such Equipment Note shall evidence the loan made by the Loan Participant in connection with the purchase of the Equipment by the Owner Trustee from the Lessee, each such Equipment Note to be substantially in the form set forth in Section 2.01, with deletions and insertions as appropriate, duly authenticated by the Indenture Trustee and dated the Closing Date of the Equipment, and as having been issued in connection with the Equipment under a related Lease Supplement.

The principal amount of and interest on each Equipment Note issued pursuant to the provisions of this Indenture shall be payable as set forth in the form thereof contained in Section 2.01 and Annex A. Interest accrued on the Equipment Notes shall be computed on the basis of a 360-day year of twelve 30-day months on the principal amount thereof remaining unpaid from time to time from and including the date thereof to but excluding the date of payment. The Owner Trustee shall furnish to the Indenture Trustee a copy of each Equipment Note issued pursuant to the provisions of this Indenture. The aggregate principal amount of Equipment Notes of any one Series which may be outstanding at any one time shall be limited to the aggregate amount for such

Series set forth in Exhibit B hereto. The aggregate principal amount of all Equipment Notes which may be outstanding at any one time shall be limited to the aggregate amount set forth in Exhibit B hereto.

No Equipment Note shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose, unless it shall have been authenticated by or on behalf of the Indenture Trustee by manual signature.

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Section 2.03. Payment from Indenture Estate Only. All payments to be made under the Equipment Notes and this Indenture shall be made only from the income and the proceeds from the Indenture Estate and only to the extent that the Indenture Trustee shall have received sufficient income or proceeds from the Indenture Estate to make such payments in accordance with the terms of Article III hereof. Each holder of an Equipment Note, by its acceptance of such Equipment Note, agrees that it will look solely to the income and proceeds from the Indenture Estate to the extent available for distribution to such holder as herein provided and that none of the Owner Trustee, the Owner Participant, the Indenture Trustee or their permitted successors and assigns is or shall be personally liable to the holder of any Equipment Note for any amount payable under such Equipment Note or the Indenture or, except as expressly provided in the Participation Agreement or the Indenture, for any liability under the Participation Agreement or (in the case of the Owner Trustee or the Indenture Trustee) the Indenture.

Section 2.04. Method of Payment. (a) The principal of and premium, if any, and interest on each Equipment Note will be payable in U.S. dollars in immediately available funds at the principal corporate trust administration office of the Indenture Trustee or as otherwise directed in the manner provided herein. Notwithstanding the foregoing or any provision in any Equipment Note to the contrary, the Indenture Trustee will pay, or cause to be paid, if so requested by any holder of an Equipment Note by written notice to the Owner Trustee and the Indenture Trustee, all amounts payable by the Owner Trustee hereunder to such holder or a nominee therefor either (i) by transferring by wire in immediately available funds to an account maintained by such holder with a bank in the United States the amount to be distributed to such holder or (ii) by mailing a check denominated in U.S. dollars to such holder at such address as such holder shall have specified in such notice, in any case without any presentment or surrender of any Equipment Note, except that the holder of an Equipment Note shall surrender such Equipment Note to the Indenture Trustee upon payment in full of the principal amount of and interest on such Equipment Note and such other sums payable to such holder hereunder or under the Equipment Note.

(b) Whenever the date scheduled for any payment to be made hereunder or under any Equipment Note shall not be a Business Day, then such payment need not be made on such scheduled date but may be made on the next succeeding Business Day with the same force and effect as if made on such scheduled date and (provided such payment is made on such next succeeding Business Day) no interest shall accrue on the amount of such payment from and after such scheduled date to the time of such payment on such next succeeding Business Day.

Section 2.05. Application of Payments to Principal Amount and Interest. In the case of each Equipment Note, each payment of principal thereof and premium, if any, and interest thereon shall be applied, first, to the payment of accrued but unpaid interest on such Equipment Note then due thereunder, second, to the payment of the unpaid principal amount of such Equipment Note then due thereunder, third, to the payment of any premium then due thereon and fourth, to the payment of the remaining outstanding principal amount of such Equipment Note;

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provided, that the Owner Trustee may only prepay such Equipment Note in accordance with the provisions of Section 2.10, 3.02 and 3.03 hereof.

Section 2.06. Termination of Interest in Indenture Estate. A

holder shall have no further interest in, or other right with respect to, the Indenture Estate when and if the principal amount of and interest on all Equipment Notes held by such holder and all other sums payable to such holder hereunder and under such Equipment Notes and under the Participation Agreement shall have been paid in full.

Section 2.07. Transfer of Equipment Notes. The Indenture Trustee shall maintain at its corporate trust administration office in Chicago, Illinois or in the city in which the corporate trust office of a successor Indenture Trustee is located, a register for the purpose of registering transfers and exchanges of Equipment Notes. A holder of an Equipment Note intending to transfer such Equipment Note to a new payee, or to exchange any Equipment Note or Equipment Notes held by it for an Equipment Note or Equipment Notes of a different denomination or denominations, may surrender such Equipment Note or Equipment Notes to the Indenture Trustee at such principal corporate trust administration office of the Indenture Trustee, together with a written request from such holder for the issuance of a new Equipment Note or Equipment Notes, specifying the denomination or denominations (each of which shall be not less than \$1,000,000 or a whole multiple thereof or such smaller denomination as may be necessary due to the original issuance of Equipment Notes of the applicable maturity in an aggregate principal amount not evenly divisible by \$1,000,000) of the same, and, in the case of a surrender for registration of transfer, the name and address of the transferee or transferees. Promptly upon receipt of such documents, the Owner Trustee will issue, and the Indenture Trustee will authenticate, a new Equipment Note or Equipment Notes in the same aggregate principal amount and dated the same date or dates as, with the same payment schedule, in the form set forth in Section 2.01 in the same maturity and bearing the same interest rate as the Equipment Note or Equipment Notes surrendered, in such denomination or denominations and payable to such payee or payees as shall be specified in the written request from such holder. All Equipment Notes issued upon any registration of transfer or exchange of Equipment Notes shall be the valid obligations of the Owner Trustee evidencing the same respective obligations, and entitled to the same security and benefits under this Indenture, as the Equipment Notes surrendered upon such registration of transfer or exchange. The Indenture Trustee shall make a notation on each new Equipment Note or Equipment Notes of the amount of all payments or prepayments of principal and interest previously made on the old Equipment Note or Equipment Notes with respect to which such new Equipment Note or Equipment Notes is or are issued. From time to time, the Indenture Trustee will provide the Owner Trustee and the Lessee with such information as it may request as to the registered holders of Equipment Notes. The Owner Trustee shall not be required to exchange any surrendered Equipment Notes as above provided during the 10-day period preceding the due date of any payment on such Equipment Notes.

Prior to the due presentment for registration of transfer of an Equipment Note, the Owner Trustee and the Indenture Trustee may deem and treat the registered holder of such

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Equipment Note as the absolute owner and holder of such Equipment Note for the purpose of receiving payment of all amounts payable with respect to such Equipment Note and for all other purposes and shall not be affected by any notice to the contrary.

The Indenture Trustee will promptly notify the Owner Trustee and the Lessee of each request for a registration of transfer of an Equipment Note. The Indenture Trustee will promptly cancel and destroy all Equipment Notes surrendered for transfer or exchange pursuant to this Section.

Section 2.08. Mutilated, Destroyed, Lost or Stolen Equipment Notes. If any Equipment Note shall become mutilated, destroyed, lost or stolen, the Owner Trustee shall, upon the written request of the holder of such Equipment Note, issue, and the Indenture Trustee shall authenticate and deliver in replacement thereof, a new Equipment Note in the form set forth in Section 2.01, payable to the same holder in the same principal amount, of the same maturity, with the same payment schedule, bearing the same interest rate and dated the same date as the Equipment Note so mutilated, destroyed, lost or stolen. The Indenture Trustee shall make a notation on each new Equipment Note of the amount of all payments or prepayments of principal and interest theretofore made on the Equipment Note so mutilated, destroyed, lost or stolen and the date to which interest on such old Equipment Note has been paid. If the Equipment Note being replaced has become mutilated, such Equipment Note

shall be surrendered to the Indenture Trustee and forwarded to the Owner Trustee by the Indenture Trustee. If the Equipment Note being replaced has been destroyed, lost or stolen, the holder of such Equipment Note shall furnish to the Owner Trustee and the Indenture Trustee such security or indemnity as may be required by them to save the Owner Trustee and the Indenture Trustee harmless and evidence satisfactory to the Owner Trustee and the Indenture Trustee of the destruction, loss or theft of such Equipment Note and of the ownership thereof.

Section 2.09. Payment of Transfer Taxes. Upon the transfer of any Equipment Note or Equipment Notes pursuant to Section 2.07, the Owner Trustee or the Indenture Trustee may require from the party requesting such new Equipment Note or Equipment Notes payment of a sum to reimburse the Owner Trustee or the Indenture Trustee for, or to provide funds for the payment of, any tax or other governmental charge in connection therewith.

Section 2.10. Prepayments. (a) Each Equipment Note shall be prepaid in whole or in part by the Owner Trustee on a Rent Payment Date (or, in the circumstance provided in the last sentence of Section 10.3 of the Lease, on a Determination Date) upon at least 25 days' prior notice from the Owner Trustee (or the Lessee on its behalf) to the Indenture Trustee in the event that the Lease as applicable to any Unit or Units related to such Equipment Note is terminated pursuant to Section 10 thereof, at a price equal to the sum of (i) as to principal thereof, an amount equal to the product obtained by multiplying the unpaid principal amount of such Equipment Note as at the date of such prepayment (after deducting therefrom the principal installment, if any, due on or prior to the date of such prepayment) by a fraction, the numerator of which shall be the Equipment Cost of such Unit or Units and the denominator of which shall

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be the aggregate Equipment Cost of all Units included in the Indenture Estate under the related Indenture Supplement immediately prior to the date of such prepayment, (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 the date of such payment (after giving effect to the application of any Basic Rent paid on or prior to the date of such prepayment) and (iii) if prepaid prior to the Premium Termination Date, a premium in an amount equal to the Make-Whole Amount, if any, applicable in respect of the principal amount to be prepaid pursuant to clause (i) above on the date of such prepayment.

(b) Each Equipment Note shall be prepaid in whole or in part by the Owner Trustee on a Rent Payment Date upon at least 25 days' prior notice from the Owner Trustee (or the Lessee on its behalf) to the Indenture Trustee in connection with the occurrence of an Event of Loss or the deemed occurrence of an Event of Loss pursuant to Section 9.1 of the Lease with respect to any Unit or Units related to such Equipment Note if such Unit or Units are not replaced pursuant to Section 11.2(i) of the Lease, or in the event Lessee shall be required to settle for 15 or more Units on a Determination Date pursuant to Section 11.2 of the Lease, such prepayment shall be made on such Determination Date, at a price equal to the sum of (i) as to principal thereof, an amount equal to the product obtained by multiplying the aggregate unpaid principal amount of such Equipment Note as at such prepayment date (after deducting therefrom the principal installment, if any, due on such date) by a fraction, the numerator of which shall be the Equipment Cost of such Unit or Units and the denominator of which shall be the aggregate Equipment Cost of all Units included in the Indenture Estate under the related Indenture Supplement immediately prior to such 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 to but not including the date of prepayment after giving effect to the application of any Basic Rent paid on or prior to the date of such prepayment, but without the payment of any Make-Whole Amount or other premium.

(c) Unless Lessee shall have elected pursuant to Section 6.9 of the Participation Agreement or Section 22.1 of the Lease to assume all of the rights and obligations of the Owner Trustee under this Indenture in respect of the Equipment Notes, each Equipment Note shall be prepaid in whole or in part by the Owner Trustee on the Determination Date specified by Lessee to Owner Trustee and Indenture Trustee in accordance with Section 6.9 of the Participation Agreement or Section 22.1 of the Lease, as the case may be, in the event that Lessee exercises the purchase option under Section 6.9 of the Participation Agreement or Section 22.1 of the Lease, as the case may be, with

respect to any Unit or Units related to such Equipment Note, at a price equal to the sum of (i) as to principal thereof, an amount equal to the product obtained by multiplying the aggregate unpaid principal amount of such Equipment Note as at the date of any prepayment under Section 6.9 of the Participation Agreement or Section 22.1 of the Lease, as the case may be (after deducting therefrom the principal installment, if any, due on the prepayment date) by a fraction, the numerator of which shall be the Equipment Cost of such Unit or Units to be purchased and the denominator of which shall be the aggregate Equipment Cost of all Units included in the Indenture Estate under the related Indenture Supplement immediately

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prior to the date of such prepayment, (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 the date of such prepayment after giving effect to the application of any Basic Rent paid on or prior to the date of such prepayment, and (iii) if prepaid prior to the Premium Termination Date applicable to such Equipment Notes, a premium in an amount equal to the aggregate Make-Whole Amount, if any, applicable in respect of the principal amount to be prepaid pursuant to clause (i) above on the date of such payment.

(d) On the Refunding Date specified by the Lessee to the Indenture Trustee in accordance with Section 10.2(f) of the Participation Agreement, all Equipment Notes shall be prepaid in whole but not in part on such Refunding Date, in the event of a refunding or refinancing pursuant to Section 10.2 of the Participation Agreement, at a price in addition to any other amounts due to the holders of the Equipment Notes under this Indenture equal to the unpaid principal amount thereof together with accrued but unpaid interest thereon, plus, if prepaid prior to the Premium Termination Date, a premium in an amount equal to the Make-Whole Amount, if any.

(e) The Indenture Trustee shall give prompt notice of any prepayment of any of the Equipment Notes to all holders of the Equipment Notes as soon as the Indenture Trustee shall have knowledge that such prepayment is expected to occur, which notice shall specify the Equipment Note or Notes to be prepaid, the principal amount of such Equipment Note or Notes to be prepaid and the expected date of prepayment which date shall be not less than 25 days after the date of such notice.

Section 2.11. Equally and Ratably Secured. All Equipment Notes at any time outstanding under this Indenture shall be equally and ratably secured hereby without preference, priority or distinction on account of the date or dates or the actual time or times of the issue or maturity of such Equipment Notes so that all Equipment Notes at any time issued and outstanding hereunder shall have the same rights, Liens and preferences under and by virtue of this Indenture.

ARTICLE III.

RECEIPT, DISTRIBUTION AND APPLICATION OF INCOME FROM THE INDENTURE ESTATE; ASSUMPTION OF OBLIGATIONS OF OWNER TRUSTEE BY THE LESSEE

Section 3.01. Basic Rent Distribution. Except as otherwise provided in Section 3.03 or 3.05, each installment of Basic Rent, as well as any installment of interest on overdue installments of Basic Rent and any other moneys paid over by the Lessee or the Owner Trustee to the Indenture Trustee for such purpose, shall be distributed by the Indenture Trustee as promptly as possible (it being understood that any payments of Basic Rent received by the Indenture Trustee on a timely basis and in accordance with the provisions of Section 3.6 of the Lease shall be distributed on the date received in the funds so received) in the following order of priority: first, so much of such installment as shall be required for the purpose shall be

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distributed and paid to the holders of the Equipment Notes to pay in full the aggregate amount of the payment or payments of principal, premium, if any, and interest (as well as any interest on overdue principal or interest) then due,

such distribution to be made ratably, without priority of one over the other, in the proportion that the amount of such payment or payments then due with respect to each such Equipment Note bears to the aggregate amount of payments then due under all such Equipment Notes; and second, the balance, if any, of such installment remaining thereafter shall be distributed to the Owner Trustee for distribution in accordance with the terms of the Trust Agreement. The portion of each such installment distributed to a holder of an Equipment Note shall be applied by such holder in payment of such Equipment Note in accordance with the terms of Section 2.05.

Section 3.02. Payments in the Event of Prepayment. (a) Except as otherwise provided in Section 3.03 or 3.05, in the event of any prepayment of an Equipment Note or Notes, in whole or in part, in accordance with the provisions of Section 2.10 any amount received shall in each case be distributed and paid in the following order of priority: first, so much of such amount as shall be required for the purpose of prepayment shall be distributed and paid to the holders of such Equipment Note or Notes to pay the aggregate amount of the payment of principal, premium, if any, and interest to be prepaid on such Equipment Note or Notes pursuant to Section 2.10, such prepayment to be made ratably to such Equipment Note or Notes to which such prepayment relates, without priority of one over any other, in the proportion that the amount to be prepaid on each such Equipment Note bears to the aggregate amount to be paid on all such Equipment Notes; and second, the balance, if any, of such amount remaining thereafter shall be distributed to the Owner Trustee for distribution in accordance with the terms of the Trust Agreement.

(b) Except as otherwise provided in Section 3.03 or 3.05 hereof, any amounts received directly or through the Lessee from any governmental authority or other party pursuant to Section 11 of the Lease with respect to any Unit as the result of an Event of Loss, to the extent that such amounts are not at the time required to be paid to the Lessee pursuant to said Section 11, and any amounts of insurance proceeds for damage to the Indenture Estate received directly or through the Lessee from any insurer pursuant to Section 12 of the Lease with respect thereto as the result of an Event of Loss, to the extent such amounts are not at the time required to be paid to the Lessee pursuant to said Section 12, shall be applied as provided in clause (a) of this Section 3.02.

Section 3.03. Payments after Indenture Event of Default. (a) Except as provided in Section 3.05, all payments received and amounts realized by the Indenture Trustee after an Indenture Event of Default shall have occurred and be continuing and after the Indenture Trustee has declared (as assignee from the Owner Trustee of the Lease) the Lease to be in default pursuant to Section 15 thereof or has declared the Equipment Notes to be accelerated pursuant to Section 4.02, as the case may be, or has elected to foreclose or otherwise exercise any remedies under this Indenture (including any amounts realized by the Indenture Trustee from the exercise of any remedies pursuant to Section 15 of the Lease, or Article IV), as well as all

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payments or amounts then held or thereafter received by the Indenture Trustee as part of the Indenture Estate while such Indenture Event of Default shall be continuing, shall be distributed forthwith by the Indenture Trustee in the following order of priority:

First, so much of such payments or amounts as shall be required to reimburse the Indenture Trustee for any fees which are due and payable for its services under this Indenture and any tax, expense (including reasonable attorney's fees) or other loss incurred by the Indenture Trustee (to the extent reimbursable and not previously reimbursed and to the extent incurred in connection with its duties as Indenture Trustee) shall be distributed to the Indenture Trustee;

Second, so much of such payments or amounts as shall be required to reimburse the holders of the Equipment Notes for payments made by them to the Indenture Trustee pursuant to Section 5.03 (to the extent not previously reimbursed), and to pay such holders of the Equipment Notes the amounts payable to them pursuant to the provisions of the Participation Agreement, shall be distributed to such holders of the Equipment Notes, without priority of one over the other, in accordance with the amount of the payment or payments made

by, or payable to, each such holder;

Third, so much of such payments or amounts remaining as shall be required to pay the principal of, and premium, if any, to the extent received from the Lessee as Supplemental Rent, and accrued interest (to the date of distribution) on all Equipment Notes, payable to the Loan Participant, then due and payable, whether by declaration of acceleration pursuant to Section 4.02 or otherwise, and in case the aggregate amount so to be distributed shall be insufficient to pay in full the aforesaid amounts, then, ratably, without priority of one over the other, in the proportion that the aggregate unpaid principal amount of all Equipment Notes held by each such holder, plus the accrued but unpaid interest thereon to the date of distribution, bears to the aggregate unpaid principal amount of all Equipment Notes, plus the accrued but unpaid interest thereon to the date of distribution; and

Fourth, the balance, if any, of such payments or amounts remaining thereafter shall be distributed to the Owner Trustee for distribution in accordance with the terms of the Trust Agreement.

(b) Except as provided in Sections 3.03(a) and 3.05, if an Indenture Default or Indenture Event of Default shall have occurred and be continuing, the Indenture Trustee shall not make any distribution to the Owner Trustee but shall hold amounts otherwise distributable to the Owner Trustee as collateral security for the obligations secured hereby and invested as provided in Section 6.04(b) until the earliest to occur of (a) the date on which such Indenture Default or Indenture Event of Default shall have been cured or waived, and (b) such acceleration occurs and such amounts are applied pursuant to Section 3.03(a); provided, that if any amounts are held pursuant to this Section 3.03(b) for a period of 180 days during which time the

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Equipment Notes could, but shall not have been, accelerated, then (x) all amounts then held by the Indenture Trustee under this Section 3.03(b) with respect to such Indenture Default or Indenture Event of Default which have been so held for at least 90 days shall on the 181st day be distributed to the Owner Trustee for distribution in accordance with the terms of the Trust Agreement and (y) any such amounts which are being held pursuant to this Section 3.03(b) with respect to such Indenture Default or Indenture Event of Default but which have not been held for at least 90 days shall, on the 91st day following the date on which such amount was initially received by the Indenture Trustee, thereafter be distributed to the Owner Trustee for distribution in accordance with the terms of the Trust Agreement.

Section 3.04. Other Payments. Except as otherwise provided in Section 3.03 or 3.05, (a) any payments received by the Indenture Trustee for which no provision as to the application thereof is made in the Lease or the Participation Agreement or elsewhere in this Article III, and (b) all payments received and amounts realized by the Indenture Trustee under the Lease or otherwise with respect to the Equipment to the extent received or realized at any time after payment in full of the principal of and interest and premium, if any, on all Equipment Notes, as well as any other amounts remaining as part of the Indenture Estate after payment in full of the principal of and interest and premium, if any, shall be distributed forthwith by the Indenture Trustee in the order of priority set forth in Section 3.03(a), except that in the case of any payment described in clause (b) above, such payment shall be distributed omitting clause "third" of such Section 3.03(a) on all Equipment Notes issued hereunder.

Any payments received by the Indenture Trustee for which provision as to the application thereof is made in the Lease or the Participation Agreement but not elsewhere in this Indenture shall be applied to the purposes for which such payments were made in accordance with the provisions of the Lease or the Participation Agreement, as the case may be.

Section 3.05. Distribution of Excepted Property. All amounts constituting Excepted Property received by the Indenture Trustee shall be paid promptly by the Indenture Trustee to the Person or Persons entitled thereto.

Section 3.06. Assumption of Obligations of Owner Trustee by the Lessee. In the event that the Lessee shall have elected to assume all of the rights and obligations of the Owner Trustee under this Indenture in respect

of the Equipment Notes on a full recourse basis in connection with the purchase by the Lessee of Units pursuant to Section 6.9 of the Participation Agreement or Section 22.1 of the Lease and, if on or prior to the applicable purchase date:

(a) The Lessee shall have delivered to the Indenture Trustee and the Owner Trustee a certificate, dated the date of such purchase, of a Responsible Officer of the Lessee stating that the Lessee has paid to the Owner Trustee all amounts required to be paid to the Owner Trustee pursuant to Section 3.3 of the Lease in connection with such purchase and assumption;

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(b) no Indenture Default shall have occurred and be continuing immediately subsequent to such purchase or assumption after giving effect to the indenture supplement referred to below and the Indenture Trustee and the Owner Trustee shall have received a certificate, dated the date of such purchase, of a Responsible Officer of the Lessee to such effect;

(c) the Indenture Trustee shall have received, on or prior to the date of such purchase, evidence of all filings, recordings and other action referred to in the Opinion or Opinions of Counsel referred to below;

(d) the Indenture Trustee and the Owner Trustee shall have received an Opinion or Opinions of Counsel for the Lessee, dated the date of such purchase which without unusual qualification and permitting reliance on proposed Treasury Regulations shall be to the effect that, after giving effect to the indenture supplement referred to below:

(i) this Indenture, the indenture supplement referred to below and the Equipment Notes issued thereunder each constitutes the legal, valid and binding obligation of the Lessee, enforceable against the Lessee in accordance with their respective terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and by general principles of equity, and except as limited by applicable laws which may affect the remedies provided for in this Indenture, which laws, however, do not in the opinion of such counsel make the remedies provided for in this Agreement inadequate for the practical realization of the rights and benefits provided for in this Indenture;

(ii) all filings and recordings and other action necessary or appropriate to protect the interests of the Indenture Trustee in the Units to be so purchased by the Lessee have been accomplished;

(iii) no holder of Equipment Notes will be required to recognize gain or loss for tax purposes in connection with such assumption; and

(iv) covering such other matters as the Indenture Trustee shall reasonably request that are customary for transactions of this type; and

(e) upon delivery of an indenture supplement giving effect to such assumption reasonably satisfactory to the Indenture Trustee and execution and delivery of Equipment Notes reflecting such assumption, each dated the date of such purchase;

then, automatically and without the requirement of further action by any Person, effective as of the date of such purchase, the Owner Trustee shall be released from all of its obligations under

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the Equipment Notes and under this Indenture in respect of the Equipment Notes or otherwise (other than any obligations or liabilities of the Owner Trustee in its individual capacity incurred on or prior to the date of such purchase or arising out of or based upon events occurring on or prior to the date of such purchase, which obligations and liabilities shall remain the sole responsibility of the Owner Trustee) and the Lien of this Indenture upon the sale proceeds paid or payable to the Owner Trustee shall be discharged. If requested by the Owner Trustee, the Indenture Trustee shall execute and deliver an instrument, in form and substance satisfactory to the Owner Trustee, confirming such release and discharge. In the event that the affected Owner Participant under Section 6.9 of the Participation Agreement holds less than 100% of the Beneficial Interest and the Lessee is therefore purchasing less than all the Units pursuant to said Section 6.9 or the Lessee elects to purchase less than all of the Units pursuant to Section 22.1 of the Lease, as the case may be, the assumption by the Lessee of the rights and obligations of the Owner Trustee under this Indenture in respect of that portion of the indebtedness evidenced by the Equipment Notes which relates to such purchased Units shall be made on the same terms and conditions as are described in clauses (a) through (e) above except that (x) the opinion under clause (d) above shall be appropriately modified to reflect such partial assumption of indebtedness, and (y) the indenture supplement shall provide for a wholly new and separate indenture between the Lessee and the Indenture Trustee for that portion of such indebtedness evidenced by the Equipment Notes which is to be assumed by the Lessee and secured by the Units to be purchased; and this Indenture shall thereafter relate only to that portion of the indebtedness evidenced by the Equipment Notes remaining outstanding under this Indenture after such assumption.

ARTICLE IV.
REMEDIES OF THE INDENTURE TRUSTEE UPON AN INDENTURE
EVENT OF DEFAULT

Section 4.01. Indenture Events of Default. The following events shall constitute "Indenture Events of Default" and each such Indenture Event of Default shall be deemed to exist and continue so long as, but only so long as, it shall not have been remedied:

(a) subject to Section 4.04(a), a Lease Event of Default (other than a Lease Event of Default by reason of a default by the Lessee to pay any amounts which are part of the Excepted Property); or

(b) default by the Owner Trustee in making any payment when due of principal of, premium, if any, or interest on, any Equipment Note or Equipment Notes, and the continuance of such default unremedied for 10 Business Days after the same shall have become due and payable; or

(c) any failure by the Owner Trustee or the Owner Participant to observe or perform any covenant or obligation of them or any of them, in this Indenture or the Equipment Notes (other than as set forth in clause (b) above) or in the Participation

Agreement, if such failure is not remedied within a period of 30 days after there has been given to the Owner Trustee, the Owner Participant and the Lessee by the Indenture Trustee or by any holder of an Equipment Note a written notice specifying such failure and requiring it to be remedied; or

(d) any representation or warranty made by the Owner Trustee or the Owner Participant under the Participation Agreement, or by the Owner Trustee hereunder, or by any representative of the Owner Trustee or the Owner Participant in any document or certificate furnished to the Indenture Trustee or the Loan Participant in connection herewith or therewith or pursuant hereto or thereto, shall prove at any time to have been incorrect in any material respect as of the date made and such incorrectness shall remain material and continue unremedied for a period of 30 days after there has been given to the Owner Trustee and the Owner Participant a written notice specifying such incorrectness, stating that such incorrectness is a default hereunder and requiring it to be remedied by the Indenture

Trustee or by any holder of an Equipment Note; or

(e) the Owner Trustee (as Owner Trustee and not in its individual capacity) or the Owner Participant shall consent to the appointment of a custodian, receiver, trustee or liquidator of itself or of a substantial part of its property or shall make a general assignment for the benefit of creditors; or

(f) the Owner Trustee (as Owner Trustee and not in its individual capacity) or the Owner Participant shall file, or consent by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy, for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction; or

(g) an order, judgment or decree shall be entered by any court of competent jurisdiction appointing, without the consent of the Owner Trustee (as Owner Trustee and not in its individual capacity) or the Owner Participant, a receiver, trustee or liquidator of the Indenture Estate, the Owner Trustee (as Owner Trustee and not in its individual capacity) or the Owner Participant, or of any substantial part of its property, or granting any order for relief in respect of the Owner Trustee (as Owner Trustee and not in its individual capacity) or the Owner Participant under the Federal bankruptcy laws, and any such order, judgment or decree of appointment shall remain in force undismitted, unstayed or unvacated for a period of 60 days after the date of entry thereof; or

(h) a petition against the Owner Trustee (as Owner Trustee and not in its individual capacity) or the Owner Participant, in a proceeding under the Federal bankruptcy laws or other insolvency law, as now or hereafter in effect, shall be filed and shall not be withdrawn or dismissed within 60 days thereafter, or if, under the provisions of any law providing for reorganization or winding-up of corporations which may apply to the Owner Trustee (as Owner Trustee and not in its individual capacity) or the Owner

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Participant, any court of competent jurisdiction shall assume jurisdiction, custody or control of the Indenture Estate, the Owner Trustee (as Owner Trustee and not in its individual capacity) or the Owner Participant or of any substantial part of its property and such jurisdiction, custody or control shall remain in force unrelinquished, unstayed or untermiated for a period of 60 days.

Notwithstanding any provision herein to the contrary, if an Indenture Event of Default described in clause (e), (f), (g) or (h) of this Section 4.01 results solely from the bankruptcy, reorganization, compromise, arrangement, insolvency, readjustment of debt, dissolution or liquidation of Owner Trustee solely in its individual capacity, and can be cured by the appointment of a substitute Owner Trustee without adversely affecting the rights of the Indenture Trustee hereunder, then Indenture Trustee shall refrain from the exercise of any of the rights, powers or remedies pursuant to this Article IV for a period of 45 days provided Owner Participant is diligently seeking to, and does replace the bank or trust company then serving as Owner Trustee which replacement shall be deemed to cure such Indenture Event of Default.

Section 4.02. Acceleration; Rescission and Annulment. If an Indenture Event of Default occurs and is continuing, the Indenture Trustee may, and upon the directions of a Majority in Interest shall, subject to Section 4.04, declare the unpaid principal amount of all Equipment Notes then outstanding and accrued interest thereon to be due and payable, it being agreed that no Make-Whole Amount or other premium should be payable in such event. At any time after the Indenture Trustee has declared the unpaid principal amount of all Equipment Notes then outstanding to be due and payable and prior to the sale of any of the Indenture Estate pursuant to this Article IV, a Majority in Interest, by written notice to the Owner Trustee, the Lessee and the Indenture Trustee, may rescind and annul such declaration and thereby annul its consequences if: (i) there has been paid to or deposited with the Indenture Trustee an amount sufficient to pay all overdue installments of interest on the Equipment Notes, and the principal on any Equipment Notes that has 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, other than nonpayment of principal or interest on the Equipment Notes that have become due solely because of such acceleration, have been cured or waived.

Section 4.03. Remedies with Respect to Indenture Estate. (a) After an Indenture Event of Default shall have occurred and so long as such Indenture Event of Default shall be continuing, then and in every such case the Indenture Trustee, as assignee hereunder of the Lease or as mortgagee hereunder of the Equipment or otherwise, may, and when required pursuant to the provisions of Article V hereof shall, subject to Sections 4.04 and 4.05, exercise any or all of the rights and powers and pursue any and all of the remedies pursuant to Section 15 of the Lease and this Article IV and may recover judgment in its own name as Indenture Trustee against the Indenture Estate and may take possession of all or any part of the Indenture Estate, and may exclude the Owner Trustee and the Owner Participant and all persons claiming under any of them wholly or partly therefrom; provided, however, that nothing in this Indenture shall permit or

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require the Indenture Trustee to take any action contrary to, or to disturb, the Lessee's rights under the Lease, except in accordance with the provisions of the Lease.

(b) Subject to Section 4.04 and Section 4.05, the Indenture Trustee may, if at the time such action may be lawful and always subject to compliance with any mandatory legal requirements, either with or without taking possession, and either before or after taking possession, and without instituting any legal proceedings whatsoever, and having first given notice of such sale by registered mail to the Owner Trustee, the Owner Participant and the Lessee once at least 20 days prior to the date of such sale or the date on which the Indenture Trustee enters into a binding contract for a private sale, and any other notice which may be required by law, sell and dispose of the Indenture Estate, or any part thereof, or interest therein, at public auction to the highest bidder or at private sale in one lot as an entirety or in separate lots, and either for cash or on credit and on such terms as the Indenture Trustee may determine, and at any place (whether or not it be the location of the Indenture Estate or any part thereof) and time designated in the notice above referred to; provided, however, that, notwithstanding any provision herein to the contrary, the Indenture Trustee shall not sell any of the Indenture Estate or exercise any other remedies which would result in the exclusion of the Owner Trustee from the Indenture Estate or any part thereof unless a declaration of acceleration has been made pursuant to Section 4.02; provided further, that, in the event the circumstances contemplated by Section 4.04(c) exist, the Indenture Trustee shall not be allowed to deliver the notice required by this Section 4.03(b) (x) until the earlier of (1) such time as such circumstances no longer exist or (2) the expiration of the 90 day period set forth in Section 4.04(c) or (y) if the circumstances contemplated by the second proviso of Section 4.04(c) then exist. Any such public sale or sales may be adjourned from time to time by announcement at the time and place appointed for such sale or sales, or for any such adjourned sale or sales, without further notice, and the Indenture Trustee or the holder or holders of any Equipment Notes, or any interest therein, may bid and become the purchaser at any such public sale. The Indenture Trustee may exercise such right without possession or production of the Equipment Notes or proof of ownership thereof, and as representative of the holders may exercise such right without including the holders as parties to any suit or proceeding relating to foreclosure of any property in the Indenture Estate. The Owner Trustee hereby irrevocably constitutes the Indenture Trustee the true and lawful attorney-in-fact of the Owner Trustee (in the name of the Owner Trustee or otherwise) for the purpose of effectuating any sale, assignment, transfer or delivery for enforcement of the Lien of this Indenture, whether pursuant to foreclosure or power of sale or otherwise, to execute and deliver all such bills of sale, assignments and other instruments as the Indenture Trustee may consider necessary or appropriate, with full power of substitution, the Owner Trustee hereby ratifying and confirming all that such attorney or any substitute shall lawfully do by virtue hereof. Nevertheless, if so requested by the Indenture Trustee or any purchaser, the Owner Trustee shall ratify and confirm any such sale, assignment, transfer or delivery, by executing and delivering to the Indenture Trustee or such purchaser all bills of sale, assignments, releases and other proper instruments to effect such ratification and confirmation as may be designated in any such request.

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(c) Subject to Section 4.04 and Section 4.05, the Owner Trustee agrees, to the fullest extent that it lawfully may, that, in case one or more of the Indenture Events of Default shall have occurred and be continuing, then, in every such case, the Indenture Trustee may take possession of all or any part of the Indenture Estate and may exclude the Owner Trustee and the Owner Participant and all persons claiming under any of them wholly or partly therefrom. At the request of the Indenture Trustee, the Owner Trustee shall promptly execute and deliver to the Indenture Trustee such instruments of title and other documents as the Indenture Trustee may deem necessary or advisable to enable the Indenture Trustee or an agent or representative designated by the Indenture Trustee, at such time or times and place or places as the Indenture Trustee may specify, to obtain possession of all or any part of the Indenture Estate. If the Owner Trustee shall fail for any reason to execute and deliver such instruments and documents to the Indenture Trustee, the Indenture Trustee may pursue all or part of the Indenture Estate wherever it may be found and may enter any of the premises of the Lessee wherever the Indenture Estate may be or be supposed to be and search for the Indenture Estate and, subject to Section 4.04 and Section 4.05, take possession of and remove the Indenture Estate. Upon every such taking of possession, the Indenture Trustee may, from time to time, at the expense of the Indenture Estate, make all such expenditures for maintenance, insurance, repairs, replacements, alterations, additions and improvements to any of the Indenture Estate, as it may deem proper. In each such case, the Indenture Trustee shall have the right to use, operate, store, control or manage the Indenture Estate, and to carry on the business and to exercise all rights and powers of the Owner Trustee relating to the Indenture Estate, as the Indenture Trustee shall deem best, including the right to enter into any and all such agreements with respect to the maintenance, operation, leasing or storage of the Indenture Estate or any part thereof as the Indenture Trustee may determine; and the Indenture Trustee shall be entitled to collect and receive all tolls, rents, revenues, issues, income, products and profits of the Indenture Estate and every part thereof, without prejudice, however, to the right of the Indenture Trustee under any provision of this Indenture to collect and receive all cash held by, or required to be deposited with, the Indenture Trustee hereunder. Such tolls, rents, revenues, issues, income, products and profits shall be applied to pay the expenses of holding and operating the Indenture Estate and of conducting the business thereof, and of all maintenance, repairs, replacements, alterations, additions and improvements, and to make all payments which the Indenture Trustee may be required or may elect to make, if any, for taxes, assessments, insurance or other proper charges upon the Indenture Estate or any part thereof (including the employment of engineers and accountants to examine, inspect and make reports upon the properties and books and records of the Indenture Estate), and all other payments which the Indenture Trustee may be required or authorized to make under any provision of this Indenture, as well as just and reasonable compensation for the services of the Indenture Trustee, and of all persons properly engaged and employed by the Indenture Trustee, including the reasonable expenses of the Indenture Trustee.

(d) If an Indenture Event of Default occurs and is continuing and the Indenture Trustee shall have obtained possession of a Unit, the Indenture Trustee shall not be obligated to use or operate such Unit or cause such Unit to be used or operated directly or indirectly by itself or through agents or other representatives or to lease, license or otherwise permit or provide for

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the use or operation of such Unit or Equipment by any other Person unless (i) the Indenture Trustee shall have been able to obtain insurance in kinds, at rates and in amounts satisfactory to it in its discretion to protect the Indenture Estate and the Indenture Trustee, as trustee and individually, against any and all liability for loss or damage to such Unit and for public liability and property damage resulting from use or operation of such Unit and (ii) funds are available in the Indenture Estate to pay for all such insurance or, in lieu of such insurance, the Indenture Trustee is furnished with indemnification from the holders of the Equipment Notes or any other Person upon terms and in amounts satisfactory to the Indenture Trustee in its discretion to protect the Indenture Estate and the Indenture Trustee, as trustee and individually, against any and all such liabilities.

(e) Notwithstanding anything contained herein, so long as the Pass Through Trustee under any Pass Through Trust Agreement is the registered holder of any Equipment Note issued hereunder, the Indenture Trustee is not authorized or empowered to acquire title to any Indenture Estate or take any action with respect to any Indenture Estate so acquired by it if such acquisition or action would cause the trust created by the Trust Agreement or the Pass Through Trust Agreement to fail to qualify as a "grantor trust" for federal income tax purposes.

Section 4.04. Right to Cure; Option to Purchase; Etc.

(a) Right to Cure. (A) If there shall occur a Lease Event of Default in respect of the payment of Basic Rent pursuant to Section 14(a) of the Lease, then as long as no other Indenture Event of Default (other than arising from such failure to pay Basic Rent or which is concurrently being cured pursuant to this Section 4.04(a)) shall have occurred and be continuing the Owner Participant or the Owner Trustee may (but need not) pay to the Indenture Trustee, at any time prior to the expiration of a period of 10 Business Days (a "10-Day Period") after receiving written notice of such default from the Indenture Trustee (prior to the expiration of which 10-Day Period the Indenture Trustee shall not declare the Lease in default pursuant to Section 15 thereof or exercise any of the rights, powers or remedies pursuant to such Section 15 or this Article IV), an amount equal to the full amount of such payment of Basic Rent, together with any interest due thereon on account of the delayed payment thereof, and such payment by the Owner Participant or the Owner Trustee shall be deemed to cure any Indenture Event of Default which arose from such failure of the Lessee (but such cure shall not relieve the Lessee of any of its obligations and shall not cure any other Indenture Event of Default) or (B) if there shall occur a Lease Event of Default in respect of any other payment of Rent (other than Basic Rent) or a Lease Event of Default shall have occurred and be continuing, which Lease Event of Default is curable by the payment of money (it being understood that actions such as the obtaining of insurance or the procuring of maintenance services can be so effected), then as long as no other Indenture Event of Default (other than arising from such Lease Event of Default or which is concurrently being cured pursuant to this Section 4.04(a)) shall have occurred and be continuing the Owner Participant or the Owner Trustee may (but need not) pay to the Indenture Trustee, at any time prior to the expiration of a period of 30 days (a "30-Day Period") after receiving written notice of such Lease Event of Default from the Indenture Trustee (prior to the

expiration of which 30-Day Period the Indenture Trustee shall not declare the Lease in default pursuant to Section 15 thereof or exercise any of the rights, powers or remedies pursuant to such Section 15 or this Article IV), an amount equal to the full amount of such payment of Rent, together with any interest due thereon on account of the delayed payment thereof or otherwise make such payment as shall effect such cure, and such payment by the Owner Participant or the Owner Trustee shall be deemed to cure any Indenture Event of Default which arose from such Lease Event of Default (but such cure shall not relieve the Lessee of any of its obligations); provided however, Owner Participant and Owner Trustee, collectively, shall not be entitled to (x) cure more than three consecutive or six total defaults in the payment of Basic Rent, or (y) cure other Lease Events of Default if the outstanding amount which has been paid by the Owner Participant or the Owner Trustee and not reimbursed to such parties by the Lessee pursuant to this clause (y) exceeds in the aggregate \$3,000,000. Upon any cure by the Owner Participant or the Owner Trustee in accordance with the first sentence of this Section 4.04(a), the Owner Participant or the Owner Trustee shall, to the extent of their respective payments, be subrogated to the rights of the Indenture Trustee, as assignee hereunder of the Owner Trustee to receive such payment of Rent (and any interest due thereon on account of the delayed payment thereof) or right of reimbursement, and shall be entitled to receive such payment upon its receipt by the Indenture Trustee as aforesaid (but in each case only if all amounts of principal and interest at the time due and payable on the Equipment Notes shall have been paid in full); provided that neither the Owner Participant nor the Owner Trustee shall attempt to recover any such amount paid by it on behalf of the Lessee pursuant to this Section 4.04(a) except by demanding of the Lessee payment of such amount or by prosecuting an action against the Lessee to require the payment of such amount; provided further, that with respect to any amounts advanced by and owing to the Owner Trustee and the Owner Participant, the Owner Trustee and the Owner Participant shall be expressly subordinated to the right 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 the Lessee to the Owner Trustee or the Owner Participant.

(b) Option to Purchase Equipment Notes. In the event that (i) at any time one or more Lease Events of Default shall have occurred and any such Lease Event of Default shall have continued for a period of 180 days or more during which time the Equipment Notes could, but shall not, have been accelerated pursuant to Section 4.02, (ii) the Equipment Notes shall have been accelerated pursuant to Section 4.02 or (iii) the Indenture Trustee, as assignee hereunder of the Lease, shall have declared the Lease to be in default and shall have commenced the exercise of any additional remedy in respect of the Units under the Lease, then and in any such case, upon 30 days' notice (which notice shall be irrevocable) from the Owner Trustee to the Indenture Trustee designating a date of purchase (the "Purchase Date") which shall be a Determination Date, each holder of an Equipment Note will be obligated to, upon and subject to receipt by the Indenture Trustee from the Owner Trustee or its nominee of an amount equal to the aggregate unpaid principal amount of all Equipment Notes, together with accrued interest thereon to the Purchase Date, plus all other sums then due and payable to such holder of an Equipment Note hereunder, but without any Make-Whole Amount or other premium, forthwith sell, assign, transfer and convey to the Owner Trustee or its nominee on the Purchase Date all of the right,

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title and interest of such holder in and to the Equipment Notes then held by such holder, and the Owner Trustee or its nominee shall assume all of such holder's obligations under the Participation Agreement; provided that the Owner Trustee or its nominee must purchase all and not less than all of the Equipment Notes then outstanding. During such 30-day notice period, the Indenture Trustee shall not exercise any of the rights, remedies or powers pursuant to Section 15 of the Lease or this Article IV, so long as the Owner Participant (or any nominee of the Owner Participant reasonably acceptable to the Indenture Trustee) has notified the Indenture Trustee that the notice so provided by the Owner Trustee or its nominee pursuant to this Section 4.04(b) constitutes the binding obligation of the Owner Trustee or its nominee to purchase the Equipment Notes.

(c) Restrictions on Certain Actions. Notwithstanding any provision of this Indenture to the contrary, the Indenture Trustee shall not foreclose the Lien of this Indenture or otherwise exercise remedies hereunder which would result in the exclusion of the Owner Trustee from the Indenture Estate or any part thereof as a result of an Indenture Event of Default that constitutes or occurs solely by virtue of one or more Lease Events of Default (at a time when no other Indenture Event of Default unrelated to any Lease Event of Default shall have occurred and be continuing) unless the Indenture Trustee as security assignee of the Owner Trustee has proceeded or is then currently proceeding, to the extent it is then entitled to do so hereunder and under the Lease and is not then stayed or otherwise prevented from doing so by operation of law, to exercise one (or more, as it shall in its good faith discretion determine) of the comparable remedies provided for in Section 15 of the Lease with respect to the Equipment, provided that in the event the Indenture Trustee shall be so stayed or otherwise prevented from exercising such remedies under the Lease, it shall in any event refrain from so foreclosing or exercising such other remedies hereunder for a period of not less than 90 days, and further provided that in the event the Lessee as debtor in a proceeding under Chapter 11 of the Bankruptcy Code (or any trustee appointed for the Lessee as debtor in any such bankruptcy case) shall have assumed the 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 as specified in Section 14(g) or Section 14(h) of the Lease has occurred and is continuing and no Indenture Event of Default unrelated to a Lease Event of Default occurring solely pursuant to Section 14(g) or 14(h) of the Lease shall have occurred and be continuing, the Indenture Trustee shall refrain from so foreclosing or exercising such other remedies hereunder. Nothing in this Section 4.04(c) shall prevent the Indenture Trustee from foreclosing or exercising such other remedies hereunder to the extent the Lessee fails to comply with any provisions of any order issued in connection with the assumption of the Lease.

Section 4.05. Rights of Lessee. Notwithstanding the provisions of this Indenture, including, without limitation, Section 4.03, so long as no Lease Event of Default shall have occurred and be continuing,

neither the Indenture Trustee nor the Owner Trustee shall take any action contrary to, or disturb, the Lessee's rights under the Lease, except in accordance with the provisions of the Lease, including, without limitation, (i) the right to receive all monies due and

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payable to it in accordance with the provisions of the Lease and (ii) the Lessee's rights to possession and use of, and of quiet enjoyment of, the Equipment.

Section 4.06. Waiver of Existing Defaults. A Majority in Interest by notice to the Indenture Trustee on behalf of all holders of the Equipment Notes may waive any past default hereunder and its consequences, except a default: (i) in the payment of the principal of, premium, if any, or interest on any Equipment Note, or (ii) in respect of a covenant or provision hereof which under Article IX hereof cannot be modified or amended without the consent of the holder of each Equipment Note affected. Upon any such waiver, such default shall cease to exist, and any Indenture Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

ARTICLE V.
DUTIES OF THE INDENTURE TRUSTEE

Section 5.01. Action upon Indenture Event of Default. If any payments of Basic Rent or payments of the principal or interest or premium, if any, on the Equipment Notes due and payable on any Rent Payment Date shall not have been paid in full on such Rent Payment Date, the Indenture Trustee shall give telephonic notice within one Business Day (followed by prompt written notice) to the Owner Trustee, the Owner Participant, the Loan Participant and the Lessee specifying the amount and nature of such deficiency in payment. In the event the Indenture Trustee shall have knowledge of an Indenture Event of Default or an Indenture Default, the Indenture Trustee shall give prompt notice of such Indenture Event of Default or Indenture Default to the Lessee, the Owner Trustee, the Owner Participant and the Loan Participant by telegram, facsimile, or telephone (to be promptly confirmed in writing). In the event the Owner Trustee shall have knowledge of an Indenture Event of Default or an Indenture Default, the Owner Trustee shall give notice of such Indenture Event of Default or Indenture Default in the same manner to the Lessee, the Indenture Trustee, the Owner Participant and the Loan Participant. Subject to the terms of Section 5.03, the Indenture Trustee shall take such action, or refrain from taking such action, with respect to such Indenture Event of Default or Indenture Default as the Indenture Trustee shall be instructed in writing by a Majority in Interest. If the Indenture Trustee shall not have received instructions as above provided within 20 days after the mailing of notice of such Indenture Event of Default or such Indenture Default to the Loan Participant by the Indenture Trustee, the Indenture Trustee may, but shall not be obligated to, take such action, or refrain from taking such action, with respect to such Indenture Event of Default or Indenture Default as it shall determine to be advisable in the best interests of the Loan Participant. Any provision of this Section 5.01 to the contrary notwithstanding, the Indenture Trustee shall not declare the Lease to be in default solely in respect of the Lessee's failure to make any payment of Basic Rent within 10 Business Days after the same shall have become due, unless the 10-Day Period within which, pursuant to Section 4.04(a), the Owner Participant or the Owner Trustee are entitled to cure such failure shall have expired. For all purposes of this Indenture, in the absence of actual knowledge, neither the Owner Trustee nor the Indenture

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Trustee shall be deemed to have knowledge of an Indenture Event of Default (except, in the case of the Indenture Trustee, the failure of the Lessee to pay any installment of Basic Rent that is required to be paid directly to the Indenture Trustee within the 10 Business Days after the same shall become due or the failure of the Lessee to maintain insurance as required under Section 12 of the Lease if the Indenture Trustee shall receive notice thereof from an insurer or insurance broker) unless notified in writing by the Lessee, the Owner Trustee, one or more Loan Participants or the Owner Participant; and

"actual knowledge" (as used in the foregoing clause) of the Owner Trustee or the Indenture Trustee shall mean actual knowledge of an officer in the Corporate Trust Administration of the Owner Trustee or the Corporate Trust Department of the Indenture Trustee, as the case may be.

Section 5.02. Action upon Instructions. Subject to the terms of Sections 5.01 and 5.03, upon the written instructions at any time and from time to time of a Majority in Interest, the Indenture Trustee shall take such of the following actions as may be specified in such instructions (subject to the rights of the other parties thereto, except to the extent assigned hereunder): (i) subject to and solely to the extent permitted by the terms hereof and of the Lease, give such notice, direction or consent, or exercise such right, remedy or power hereunder or under the Lease or in respect of any part or all of the Indenture Estate or take such other action as shall be specified in such instructions; and (ii) after an Indenture Event of Default shall have occurred and so long as such Indenture Event of Default shall be continuing, approve as satisfactory to it all matters required by the terms of the Lease to be satisfactory to the Owner Trustee, it being understood that without the written instructions of a Majority in Interest the Indenture Trustee shall not take any action described in clauses (i) and (ii) above.

Upon the expiration or earlier termination of the Lease Term with respect to any Unit under the Lease and after payment of the portion of the principal of, together with interest and premium, if any, on the Equipment Notes in accordance with the terms of this Indenture, or, if and so long as no Indenture Event of Default shall have occurred and be continuing, upon the transfer by the Owner Trustee to the Lessee or its designee of any Unit pursuant to Section 10 or 11 of the Lease or the retention by the Owner Trustee of any Unit pursuant to Section 10.3 of the Lease, then the Indenture Trustee shall in either such case, upon the written request of the Owner Trustee, and receipt by the Indenture Trustee of funds necessary to prepay the Equipment Notes required to be prepaid in connection with such purchase, termination, retention or Event of Loss, execute and deliver to, or as directed in writing by, the Owner Trustee an appropriate instrument (in due form for recording) furnished by the Owner Trustee or the Lessee releasing such property from the Lien of this Indenture.

Section 5.03. Indemnification. (a) The Indenture Trustee shall not be required to take any action or refrain from taking any action under Section 5.01 (other than the first two sentences thereof) or 5.02 or Article IV if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnification against such risk is not reasonably assured to it. The Indenture Trustee shall not be required to take any action under Section 5.01 or 5.02 or Article IV, nor shall any other provision of this Indenture be deemed to impose a duty on the

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Indenture Trustee to take any action, if the Indenture Trustee shall have been advised in writing by independent counsel that such action is contrary to the terms hereof or of the Lease or the Participation Agreement, or is otherwise contrary to law.

(b) Each Loan Participant may, but shall not be required to, participate in any indemnification of the Indenture Trustee given pursuant to paragraph (a) of this Section 5.03. Each Loan Participant so participating shall be entitled to reimbursement for such participation in accordance with Article III.

Section 5.04. No Duties Except as Specified in Indenture or Instructions. The Indenture Trustee shall not have any duty or obligation to manage, control, use, sell, dispose of or otherwise deal with the Equipment or any other part of the Indenture Estate, or to otherwise take or refrain from taking any action under, or in connection with, this Indenture, the Lease, or the Participation Agreement, except as expressly provided by the terms of this Indenture or as expressly provided in written instructions received pursuant to the terms of Section 5.01 or 5.02; and no implied duties or obligations shall be read into this Indenture against the Indenture Trustee. Each of the Owner Trustee (only in its individual capacity) and the Indenture Trustee nevertheless agrees that it will, at its own cost and expense, promptly take such action as may be necessary duly to discharge any liens or encumbrances on any part of the Indenture Estate, or on any properties of the Owner Trustee assigned, pledged or mortgaged as part of the Indenture Estate, which result from claims against it in its individual capacity not related to the ownership of the Equipment (in the case of the Owner Trustee), administration of the

Indenture Estate (in the case of the Indenture Trustee) or any other transaction under this Indenture or the Trust Agreement or any document included in the Indenture Estate.

Section 5.05. No Action Except under Lease, Indenture or Instructions. The Indenture Trustee agrees that it will not manage, control, use, sell, dispose of or otherwise deal with the Equipment or other property constituting part of the Indenture Estate except (i) as required by the terms of the Lease and the Participation Agreement, (ii) in accordance with the powers granted to, or the authority conferred upon, the Indenture Trustee pursuant to this Indenture, or (iii) in accordance with the express terms hereof or with written instructions pursuant to Section 5.01 or 5.02.

Section 5.06. Disposition of Units. At any time and from time to time prior to the expiration of the Lease Term, any Unit for which the provisions of Section 11.4(a) of the Lease has been satisfied may be disposed of in accordance with the provisions of Section 11.4(a) of the Lease, and the Owner Trustee shall, from time to time, direct the Indenture Trustee to, provided no Lease Event of Default shall have occurred and be continuing, execute and deliver to it, or as directed in writing by the Owner Trustee, an appropriate instrument furnished by the Owner Trustee or the Lessee releasing such Unit from the Lien of the Indenture, but only in respect of such Unit.

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Section 5.07. Indenture Supplements for Replacements. In the event of a Replacement Unit being substituted as contemplated by Section 11.2 of the Lease, the Owner Trustee and the Indenture Trustee agree for the benefit of the holders of the Equipment Notes and the Lessee, subject to compliance by the Lessee with its obligations set forth in Section 11 of the Lease, to execute and deliver an Indenture Supplement substantially in the form of Exhibit A hereto and, provided no Lease Event of Default or Lease Default shall have occurred and be continuing, execute and deliver to the Lessee an appropriate instrument releasing the Unit being replaced from the Lien of the Indenture.

Section 5.08. Effect of Replacements. In the event of the substitution of a Replacement Unit, all provisions of this Indenture relating to the Unit or Units being replaced shall be applicable to such Replacement Unit with the same force and effect as if such Replacement Unit was the same Unit being replaced.

Section 5.09. Withholding Taxes. The Indenture Trustee, as agent for the Owner Trustee, shall exclude and withhold from each payment of principal, premium, if any, and interest and other amounts due hereunder or under the Equipment Notes any and all withholding taxes applicable thereto as required by law. The Indenture Trustee agrees to act as such withholding agent and, in connection therewith, whenever any present or future taxes or similar charges are required to be withheld with respect to any amounts payable in respect of the Equipment Notes, to withhold such amounts and timely pay the same to the appropriate authority in the name of and on behalf of the holders of the Equipment Notes, that it will file any necessary withholding tax returns or statements when due, and that, as promptly as possible after the payment thereof, it will deliver to each holder of an Equipment Note appropriate documentation showing the payment thereof, together with such additional documentary evidence as such holders may reasonably request from time to time.

Section 5.10. Lessee's Right of Quiet Enjoyment. Notwithstanding any of the provisions of this Indenture to the contrary, so long as Lessee is in compliance with its obligations under the Lease (including applicable grace periods) and no Lease Event of Default has occurred and is continuing unremedied, the Indenture Trustee will comply with Section 8 of the Participation Agreement to the same extent as if it were the Lessor under the Lease. Each holder of an Equipment Note, by its acceptance thereof, consents in all respects to the terms of the Lease and the Participation Agreement and agrees to the provisions of this Section 5.10.

ARTICLE VI.

THE OWNER TRUSTEE AND THE INDENTURE TRUSTEE

Section 6.01. Acceptance of Trusts and Duties. The Indenture Trustee accepts the trusts hereby created and applicable to it and agrees to perform the same but only upon the terms of this Indenture and agrees to receive and disburse all moneys received by it constituting part of the Indenture Estate in accordance with the terms hereof. The Indenture Trustee

shall not be answerable or accountable under any circumstances, except for its own willful misconduct or

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gross negligence (or negligence or willful misconduct in the case of application or investment of moneys constituting the Indenture Estate) or breach of any of its representations or warranties or covenants set forth herein or in the Participation Agreement, or the performance of its obligations under the last sentence of Section 5.04; and the Owner Trustee shall not be liable for any action or inaction of the Indenture Trustee and the Indenture Trustee shall not be liable for any action or inaction of the Owner Trustee. The Owner Trustee shall not be deemed a trustee for, or agent of, the holders of the Equipment Notes for any purpose.

Section 6.02. Absence of Duties. Except in accordance with written instructions or requests furnished pursuant to Section 5.01 or Section 5.02 and except as provided in, and without limiting the generality of, Section 5.04, the Indenture Trustee shall have no duty (i) to see to any registration of the Equipment or any recording or filing of the Lease, or of this Indenture or any other document, or to see to the maintenance of any such registration, recording or filing, (ii) to see to any insurance on the Equipment or to effect or maintain any such insurance, whether or not the Lessee shall be in default with respect thereto, (iii) to confirm, verify or inquire into the failure to receive any financial statements of the Lessee or (iv) to inspect the Equipment at any time or ascertain or inquire as to the performance or observance of any of the Lessee's covenants under the Lease with respect to the Equipment. Notwithstanding the foregoing, the Indenture Trustee will furnish to any Loan Participant, so long as such Loan Participant or its nominees shall hold any of the Equipment Notes, promptly upon receipt thereof, duplicates or copies of all reports, notices, requests, demands, certificates, financial statements and other instruments furnished to the Indenture Trustee under this Indenture, to the extent that the same shall not have been furnished to the Indenture Trustee and the Loan Participants pursuant to the Lease.

Section 6.03. No Representations or Warranties as to the Equipment or Documents. Neither the Owner Trustee nor the Owner Trustee in its individual capacity nor the Indenture Trustee makes or shall be deemed to have made (i) any representation or warranty, express or implied, as to the value, condition, design, operation, merchantability or fitness for use of the Equipment or as to their title thereto, or any other representation or warranty with respect to the Equipment whatsoever, or (ii) any representation or warranty as to the validity, legality or enforceability of this Indenture, the Trust Agreement, the Participation Agreement, the Equipment Notes, the Lease, any Lease Supplement, any Indenture Supplement or any other document or instrument or as to the correctness of any statement contained in any thereof (except as to the representations and warranties made by the Owner Trustee in its individual capacity as set forth in Section 3.1 of the Participation Agreement), except that the Owner Trustee and the Indenture Trustee each in its individual capacity hereby confirms the representations and warranties made by it in its individual capacity in Sections 3.1 and 3.3, respectively, of the Participation Agreement.

Section 6.04. No Segregation of Moneys; No Interest; Investments. (a) Subject to Section 6.04(b), no moneys received by the Indenture Trustee hereunder need be segregated in any manner except to the extent required by law, and any such moneys may be deposited

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under such general conditions for the holding of trust funds as may be prescribed by law applicable to the Indenture Trustee, and, except as otherwise agreed by the Owner Trustee or the Indenture Trustee, as the case may be, neither the Owner Trustee nor the Indenture Trustee shall be liable for any interest thereon.

(b) Any amounts held by the Indenture Trustee pursuant to the express terms of this Indenture or the Lease and not required to be distributed as herein provided shall be invested and reinvested by the Indenture Trustee from time to time in Specified Investments at the written

direction and at the risk and expense of the Lessee, except that in the absence of any such direction, such amounts need not be invested and reinvested and except that after a Lease Event of Default shall have occurred and be continuing, such amounts shall be so invested and reinvested by the Indenture Trustee in Indenture Investments. Any net income or gain realized as a result of any such investments or reinvestment shall be held as part of the Indenture Estate and shall be applied by the Indenture Trustee at the same times, on the same conditions and in the same manner as the amounts in respect of which such income or gain was realized are required to be distributed in accordance with the provisions hereof or of the Lease pursuant to which such amounts were required to be held and if no Lease Event of Default shall have occurred and be continuing any excess shall be paid to the Lessee. Any such Specified Investments or Indenture Investments may be sold or otherwise reduced to cash (without regard to maturity date) by the Indenture Trustee whenever necessary to make any application as required by such provisions. The Indenture Trustee shall have no liability for any loss resulting from any such investment or reinvestment other than by reason of the willful misconduct or gross negligence of the Indenture Trustee.

Section 6.05. Reliance; Agents; Advice of Counsel. The Indenture Trustee shall incur no liability to anyone acting upon any signature, instrument, notice, resolution, request, consent, order, certificate, report, opinion, bond or other document or paper believed by it to be genuine and believed by it to be signed by the proper party or parties. The Indenture Trustee may accept a copy of a resolution of the Board of Directors of any party to the Participation Agreement, certified by the Secretary or an Assistant Secretary of such party as duly adopted and in full force and effect, as conclusive evidence that such resolution has been duly adopted by said Board and that the same is in full force and effect. As to any fact or matter the manner of ascertainment of which is not specifically described herein, the Indenture Trustee may for all purposes hereof rely on a certificate, signed by an officer of the Lessee, as to such fact or matter, and such certificate shall constitute full protection to the Indenture Trustee for any action taken or omitted to be taken by it in good faith in reliance thereon. The Indenture Trustee shall furnish to the Owner Trustee upon request such information and copies of such documents as the Indenture Trustee may have and as are necessary for the Owner Trustee to perform its duties under Article II hereof. The Indenture Trustee shall assume, and shall be fully protected in assuming, that the Owner Trustee is authorized by the Trust Agreement to enter into this Indenture and to take all action permitted to be taken by it pursuant to the provisions hereof, and need not inquire into the authorization of the Owner Trustee with respect thereto. In the administration of the trusts hereunder, the Indenture Trustee may execute any of the trusts or

powers hereof and perform its powers and duties hereunder directly or through agents or attorneys and may, at the reasonable expense of the Indenture Estate, consult with independent counsel, accountants and other skilled persons to be selected and employed by it, and the Indenture Trustee shall not be liable for anything done, suffered, or omitted in good faith by it in accordance with the written advice or opinion of any such independent counsel, accountants or other skilled persons acting within such persons' area of competence (so long as the Indenture Trustee shall have exercised reasonable care in selecting such persons).

Section 6.06. Not Acting in Individual Capacity. The Owner Trustee and the Indenture Trustee each acts hereunder solely as trustee hereunder and, in the case of the Owner Trustee, under the Trust Agreement and not in its individual capacity unless otherwise expressly provided; and all Persons, other than the holders of Equipment Notes to the extent expressly provided in this Indenture, having any claim against the Owner Trustee or the Indenture Trustee by reason of the transactions contemplated hereby shall, subject to the Lien and priorities of payment as herein provided, look only to the Indenture Estate for payment or satisfaction thereof.

ARTICLE VII.
CERTAIN LIMITATIONS ON OWNER TRUSTEE'S
AND INDENTURE TRUSTEE'S RIGHTS

Each of the Owner Trustee and the Indenture Trustee agree that it shall have no right against the holders of the Equipment Notes or the Indenture Estate (except in the case of the Indenture Trustee as expressly provided in Section 4.03 hereof) for any fee as compensation for its services

hereunder or any expenses or disbursements incurred in connection with the exercise and performance of its powers and duties hereunder or any indemnification against liability which it may incur in the exercise and performance of such powers and duties but, on the contrary, shall look solely to the Lessee for such payment and indemnification and that neither the Owner Trustee nor the Indenture Trustee shall have any lien on nor security interest in the Indenture Estate as security for such compensation, expenses, reasonable counsel fees, if any, disbursements and indemnification.

ARTICLE VIII.
SUCCESSOR TRUSTEES

Section 8.01. Notice of Successor Owner Trustee. In the case of any appointment of a successor Owner Trustee pursuant to the Trust Agreement or any merger, conversion, consolidation or sale of substantially all the business involving the Owner Trustee pursuant to the Trust Agreement, the successor Owner Trustee shall give prompt written notice thereof to the Indenture Trustee, the Lessee and the holders of all Equipment Notes at the time outstanding.

Section 8.02. Resignation of Indenture Trustee; Appointment of Successor. The resignation or removal of the Indenture Trustee and the appointment of a successor Indenture Trustee shall become effective only upon the successor Indenture Trustee's acceptance of

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appointment as provided in this Section 8.02. The Indenture Trustee or any successor thereto may resign at any time without cause by giving at least 30 days' prior written notice to the Owner Trustee, the Owner Participant, the Lessee and the holders of the Equipment Notes. A Majority in Interest may at any time remove the Indenture Trustee without cause by an instrument in writing delivered to the Owner Trustee, the Owner Participant, the Lessee and the Indenture Trustee. The Owner Trustee may remove the Indenture Trustee if: (1) the Indenture Trustee fails to comply with Section 8.02(c); (2) the Indenture Trustee is adjudged a bankrupt or an insolvent; (3) a receiver or public officer takes charge of the Indenture Trustee or its property; or (4) the Indenture Trustee becomes incapable of performing its duties hereunder.

(a) In the case of the resignation or removal of the Indenture Trustee, the Owner Trustee shall, unless otherwise directed by a Majority in Interest, promptly appoint a successor Indenture Trustee, provided that a Majority in Interest may appoint, within one year after such resignation or removal, a successor Indenture Trustee which may be other than the successor Indenture Trustee appointed as provided above, and such successor Indenture Trustee appointed as provided above shall be superseded by the successor Indenture Trustee so appointed by a Majority in Interest. If a successor Indenture Trustee shall not have been appointed and accepted its appointment hereunder within 60 days after the Indenture Trustee gives notice of resignation or is removed as provided above, the retiring Indenture Trustee, the Lessee, the Owner Trustee or a Majority in Interest may petition any court of competent jurisdiction for the appointment of a successor Indenture Trustee. Any successor Indenture Trustee so appointed by such court shall immediately and without further act be superseded by any successor Indenture Trustee appointed as provided in the proviso to the first sentence of this paragraph (a) within one year from the date of the appointment by such court.

(b) Any successor Indenture Trustee, however appointed, shall execute and deliver to the Owner Trustee and the Lessee and to the predecessor Indenture Trustee an instrument accepting such appointment, and thereupon such successor Indenture Trustee, without further act, shall become vested with all the estates, properties, rights, powers, duties and trusts of the predecessor Indenture Trustee hereunder in the trusts hereunder applicable to it with like effect as if originally named the Indenture Trustee herein; but nevertheless, upon the written request of such successor Indenture Trustee, such predecessor Indenture Trustee shall execute and deliver an instrument transferring to such Indenture Trustee, upon the trusts herein expressed applicable to it, all the estates, properties, rights, powers and trusts of such predecessor Indenture Trustee, and such Indenture Trustee shall duly assign, transfer, deliver and pay over to such successor Indenture Trustee all moneys or other property then held by such predecessor Indenture Trustee hereunder.

(c) The Indenture Trustee shall be a bank or trust company organized under the laws of the United States or any State thereof

having a combined capital and surplus of at least \$100,000,000, if there be such an institution willing, able and legally qualified to perform the duties of the Indenture Trustee hereunder upon reasonable or customary terms.

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(d) Any corporation into which the Indenture Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Indenture Trustee shall be a party, or any corporation to which substantially all the corporate trust business of the Indenture Trustee may be transferred, shall, subject to the terms of paragraph (c) of this Section, be the Indenture Trustee under this Indenture without further act.

ARTICLE IX.
SUPPLEMENTS AND AMENDMENTS
TO THIS INDENTURE AND OTHER DOCUMENTS

Section 9.01. Supplemental Indentures without Consent of Holders. (a) The Owner Trustee and the Indenture Trustee, at any time and from time to time, without notice to or the consent of any holders of any Equipment Notes, may enter into one or more indentures supplemental hereto for any of the following purposes:

(i) to correct or amplify the description of any property at any time subject to the Lien of this Indenture or better to assure, convey and confirm unto the Indenture Trustee any property subject or required to be subject to the Lien of this Indenture or to subject to the Lien of this Indenture any Unit or Units substituted for any Unit or Units in accordance with the Lease; provided, however, that indenture supplements entered into for the purpose of subjecting to the Lien of this Indenture any Unit or Units substituted for any in accordance with the Lease need only be executed by the Owner Trustee; or

(ii) to evidence the succession of another trustee to the Owner Trustee and the assumption by any such successor of the covenants of the Owner Trustee herein and in the Equipment Notes contained, or to evidence (in accordance with Article VIII) the succession of a new Indenture Trustee hereunder; or

(iii) to add to the covenants of the Owner Trustee, for the benefit of the holders of the Equipment Notes, or to surrender any right or power herein conferred upon the Owner Trustee; or

(iv) to cure any ambiguity, to correct or supplement any provision herein which may be defective or inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising hereunder so long as any such action does not adversely affect the interests of the holders of the Equipment Notes;

provided that no such supplement to this Indenture or waiver or modification of the terms hereof shall adversely affect in a substantive manner the interests of the Lessee without the Lessee's prior written consent, and in no event shall the terms of the proviso to the first sentence of Section 4.03(a) or Section 4.05 be so altered or modified without such Lessee consent.

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(b) Supplemental Indentures with Consent of Majority In Interest. With the written consent of a Majority in Interest, the Owner Trustee (but only on the written request of the Owner Participant) may, and the Indenture Trustee, subject to Section 9.02 hereof, shall, at any time and from time to time, enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights and obligations of holders of the Equipment Notes and of the Owner Trustee under this Indenture; provided, however, without the consent of each holder of an Equipment Note affected thereby, no such supplemental indenture

shall:

(1) change the final maturity of the principal of any Equipment Note, or change the dates or amounts of payment of any installment of the principal of, premium, if any, or interest on any Equipment Note, or reduce the principal amount thereof or the premium, if any, or interest thereon, or change to a location outside the United States the place of payment where, or the coin or currency in which, any Equipment Note or the premium, if any, or interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment of principal or premium, if any, or interest on or after the date such principal or premium, if any, or interest becomes due and payable; or

(2) create any Lien with respect to the Indenture Estate ranking prior to, or on a parity with, the security interest created by this Indenture except such as are permitted by this Indenture, or deprive any holder of an Equipment Note of the benefit of the Lien on the Indenture Estate created by this Indenture; or

(3) reduce the percentage in principal amount of the Equipment Notes, the consent of whose holders is required for any such supplemental indenture, or the consent of whose holders is required for any waiver (of compliance with certain provisions of this Indenture, or of certain defaults hereunder and their consequences) provided for in this Indenture; or

(4) modify any provisions of this Section 9.01(b), except to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the holder of each Equipment Note affected thereby;

provided that no such supplement to this Indenture or waiver or modification of the terms hereof shall adversely affect in a substantive manner the interests of the Lessee without the Lessee's prior written consent, and in no event shall the terms of the proviso to the first sentence of Section 4.03(a) or Section 4.05 be so altered or modified without such Lessee consent.

Section 9.02. Indenture Trustee Protected. If in the opinion of the Indenture Trustee any document required to be executed pursuant to the terms of Section 9.01 adversely affects any right, duty, immunity or indemnity in favor of the Indenture Trustee under this

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Indenture, the Participation Agreement or the Lease, the Indenture Trustee may in its discretion decline to execute such document.

Section 9.03. Request of Substance, Not Form. It shall not be necessary for the consent of the holders of Equipment Notes under Section 9.01(b) to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such consent shall approve the substance thereof.

Section 9.04. Documents Mailed to Holders. Promptly after the execution by the Indenture Trustee of any document entered into pursuant to Section 9.01(b), the Indenture Trustee shall mail, by first-class mail, postage prepaid, a conformed copy thereof to each holder of an Equipment Note at its address last known to the Indenture Trustee, but the failure of the Indenture Trustee to mail such conformed copies shall not impair or affect the validity of such document.

Section 9.05. Amendments, Waivers, Etc. of Other Documents.
(a) Notwithstanding any provision of this Indenture to the contrary, without the consent of a Majority in Interest, the respective parties to the Lease, the Participation Agreement and the Trust Agreement may not modify, amend or supplement any of such agreements, or give any consent, waiver, authorization or approval under any of such agreements, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions thereof or of modifying in any manner the rights of the respective parties thereunder; provided, however, that the actions specified in subsection (b) of this Section 9.05 may be taken, except as otherwise expressly provided therein, without the consent of the Indenture Trustee or of a Majority in Interest or any holder of an Equipment Note.

(b) Subject to the provisions of subsection (c) of this

Section 9.05, the respective parties to the Lease, the Trust Agreement and the Participation Agreement, at any time and from time to time without the consent of the Indenture Trustee or of a Majority in Interest or any holder of an Equipment Note, may:

(1) so long as no Indenture Event of Default shall have occurred and be continuing, modify, amend or supplement the Lease, or give any consent, waiver, authorization or approval with respect thereto, except that without the consent of a Majority in Interest, the parties to the Lease shall not modify, amend or supplement, or give any consent, waiver, authorization or approval for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions thereof or of modifying in any manner the rights of the respective parties thereunder, with respect to the following provisions of the Lease: Sections 2, 3.1 (if the result thereof would be to shorten the Basic Term to a period shorter than the period ending with the final maturity of the Equipment Notes), 3.2, 3.3, 3.4, 3.6 (except insofar as it relates to the address or account information of the Owner Trustee or Indenture Trustee) (other than as such Sections 3.1 through 3.4 and 3.6 may be amended pursuant to Section 3.4 of the

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Lease as originally executed), 4, 6 (but only to the extent such Section is made operative by Section 15), 7, 8, 9, 10 (except that additional requirements may be imposed on the Lessee's ability to terminate the Lease with respect to a Unit), 11 (except that additional requirements may be imposed on the Lessee's ability to replace a Unit subject to an Event of Loss), 12 (except that additional insurance requirements may be imposed on the Lessee), 13, 14, 15, 16, 17, 18, 19, 20, 21, 22 (if the result thereof would be to provide any renewal or purchase option contained in such Section prior to the final maturity of the Equipment Notes), 24, 25.1, 25.4, 25.6, 25.10, and any definition of terms used in the Lease, to the extent that any modification of such definition would result in a modification of the Lease not permitted as aforesaid in this clause (1) of subsection (b); provided that, in the event an Indenture Event of Default shall have occurred and be continuing, the Indenture Trustee shall have all rights of the Owner Trustee as "Lessor" under the Lease to modify, amend or supplement the Lease or give any consent, waiver, authorization or approval thereunder, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions thereof or of modifying in any manner the rights of the "Lessor" thereunder; provided, further, that, subject to the Indenture Trustee's rights to exercise remedies under Section 15 of the Lease without the prior consent of the Owner Trustee, and whether or not an Indenture Event of Default shall have occurred and be continuing, no such modification, amendment or supplement of the Lease or other action referred to in the preceding proviso shall be taken without the prior written consent of the Owner Trustee with respect to any of the provisions of Sections 3, 4, 5, 6, 7, 8, 9, 10, 11, 12 (with respect to insurance coverage of the interests of the Owner Trustee and the Owner Participant), 13, 14, 15 (in respect of the obligation to pay and the measure of money damages), 16 (with respect to filings or recordings benefiting the Owner Trustee or the Owner Participant), 17, 18, 19, 20, 22, 23, 25.1 and 25.5 of the Lease and any definition of terms used in the Lease, to the extent that any modification of such definition would result in a modification of the Lease not permitted pursuant to this proviso;

(2) modify, amend or supplement the Trust Agreement, or give any consent, waiver, authorization or approval with respect thereto, except that without the consent of a Majority of Interest, the parties to the Trust Agreement shall not modify, amend or supplement, or give any consent, waiver, authorization or approval for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions thereof or of modifying in any manner the rights of the respective parties thereunder, with respect to Sections 2.1, 2.2, 3.1, 4.4, 7.1, 7.2, 9.1, 10.1, 10.2, 10.7, 10.11 or any other Section of the Trust Agreement if such action would materially adversely affect the interest of the Loan Participants, and any definition of terms used in the Trust Agreement, to the extent that any modification of such definition would result in a modification of the Trust Agreement not permitted pursuant to this

subsection (b);

(3) modify, amend or supplement the Participation Agreement, or give any consent, waiver, authorization or approval with respect thereto, except that without

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the consent of a Majority of Interest, the parties to the Participation Agreement shall not modify, amend or supplement, or give any consent, waiver, authorization or approval for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions thereof or of modifying in any manner the rights of the respective parties thereunder, with respect to the following provisions of the Participation Agreement: Sections 1, 2, 3, 4, 5, 6, 7, 10.2, 10.5, 10.7, 10.9 and 10.13(a), each provision of the Participation Agreement which specifically refers to the Indenture Trustee or Loan Participants and any definition of terms used in the Participation Agreement, to the extent that any modification of such definition would result in a modification of the Participation Agreement not permitted pursuant to this subsection (b); and

(4) modify, amend or supplement any of said agreements in order to cure any ambiguity, to correct or supplement any provision thereof which may be defective or inconsistent with any other provision thereof or any provision of this Indenture, or to make any other provision with respect to matters or questions arising thereunder or under this Indenture which shall not be inconsistent with the provisions of this Indenture, provided any such action shall not adversely affect the interests of the holders of the Equipment Notes.

(c) No modification, amendment, supplement, consent, waiver, authorization or approval with respect to the Lease or the Participation Agreement, whether effected pursuant to subsection (a) or pursuant to subsection (b) of this Section 9.05, and anything in such subsections or elsewhere in this Indenture to the contrary notwithstanding, shall, without the consent of the holder of each Equipment Note affected thereby:

(1) modify, amend or supplement the Lease in such a way as to extend the time of payment of Basic Rent or Stipulated Loss Value and any other amounts payable under, or as provided in, the Lease upon the occurrence of an Event of Loss or Termination Value and any other amounts payable under, or as provided in, the Lease upon termination thereof or reduce the amount of any installment of Basic Rent so that the same is less than the payment of interest and principal on the Equipment Notes, as the case may be, to be made from such installment of Basic Rent or reduce the aggregate amount of Stipulated Loss Value and any other amounts payable under, or as provided in, the Lease upon the occurrence of an Event of Loss so that the same is less than the accrued interest on and principal of the Equipment Notes required to be paid at the time of such payments, or reduce the amount of Termination Value and any other amounts payable under, or as provided in, the Lease upon termination thereof so that the same is less than the accrued interest on and principal of the Equipment Notes required to be paid at the time of such payments; or

(2) modify, amend or supplement the Lease in such a way as to, or consent to any assignment of the Lease or give any consent, waiver, authorization or approval which would, release the Lessee from its obligation in respect of payment of

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Basic Rent or Stipulated Loss Value and any other amounts payable under, or as provided in, the Lease upon the occurrence of an Event of Loss, or Termination Value and any other amounts payable under, or as provided in, the Lease upon termination thereof, except for any such assignment pursuant to Section 6.8 of the Participation Agreement, and

except as provided in the Lease.

ARTICLE X.
MISCELLANEOUS

Section 10.01. Termination of Indenture. With respect to each Unit, this Indenture and the trusts created hereby shall terminate and this Indenture shall be of no further force or effect upon the earliest to occur of (i) the termination of the Lease Term with respect to such Unit by Lessee pursuant to Section 10 or Section 22.1 thereof and upon payment in full to the Indenture Trustee of the amounts required to be paid pursuant to Section 2.10(a) in respect of such Unit, (ii) the termination of the Lease with respect to such Unit pursuant to Section 11 thereof and upon payment in full to the Indenture Trustee of the amounts required to be paid pursuant to Section 2.10(b) in respect of such Unit, and (iii) the payment in full of the principal amount of and interest on all Equipment Notes outstanding hereunder and all other sums payable to the Indenture Trustee and the holders of the Equipment Notes hereunder and under such Equipment Notes and under the Participation Agreement.

Section 10.02. No Legal Title to Indenture Estate in Holders. No holder of an Equipment Note shall have legal title to any part of the Indenture Estate. No transfer, by operation of law or otherwise, of any Equipment Note or other right, title and interest of any holder of an Equipment Note in and to the Indenture Estate or hereunder shall operate to terminate this Indenture or the trusts hereunder or entitle any successor or transferee of such holder to an accounting or to the transfer to it of legal title to any part of the Indenture Estate.

Section 10.03. Sale of Equipment by Indenture Trustee is Binding. Any sale or other conveyance of the Equipment by the Indenture Trustee made pursuant to the terms of this Indenture or the Lease shall bind the holders of the Equipment Notes, the Owner Trustee and the Owner Participant and shall be effective to transfer or convey all right, title and interest of the Indenture Trustee, the Owner Trustee, the Owner Participant and such holders of the Equipment Notes in and to the Equipment. No purchaser or other grantee shall be required to inquire as to the authorization, necessity, expediency or regularity of such sale or conveyance or as to the application of any sale or other proceeds with respect thereto by the Indenture Trustee.

Section 10.04. Remedies Cumulative. Each and every right, power and remedy herein specifically given to the Indenture Trustee or otherwise in this Indenture shall be cumulative and shall be in addition to every other right, power and remedy herein specifically given or now or hereafter existing at law, in equity or by statute, and each and every right, power and remedy whether specifically herein given or otherwise existing may be exercised from time to time and as often and in such order as may be deemed expedient by the Indenture Trustee, and

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the exercise or the beginning of the exercise of any power or remedy shall not be construed to be a waiver of the right to exercise at the time or thereafter any other right, power or remedy. No delay or omission by the Indenture Trustee in the exercise of any right, remedy or power or in the pursuance of any remedy shall impair any such right, power or remedy or be construed to be a waiver of any default on the part of the Owner Trustee or the Lessee or to be an acquiescence therein.

Section 10.05. Discontinuance of Proceedings. In case the Indenture Trustee shall have proceeded to enforce any right, power or remedy under this Indenture by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Indenture Trustee, then and in every such case the Owner Trustee, the Owner Participant, the Indenture Trustee and the Lessee shall be restored to their former positions and rights hereunder with respect to the Indenture Estate, and all rights, remedies and powers of the Indenture Trustee shall continue as if no such proceedings had been undertaken (but otherwise without prejudice).

Section 10.06. Indenture and Equipment Notes for Benefit of Owner Trustee, Indenture Trustee, Owner Participant and Holders Only. Nothing in this Indenture, whether express or implied, shall be construed to give to any Person other than the Owner Trustee (individually and as trustee), the

Indenture Trustee, the Owner Participant (as set forth herein) and the holders of the Equipment Notes any legal or equitable right, remedy or claim under or in respect of this Indenture or any Equipment Note.

Section 10.07. Notices.

Unless otherwise expressly specified or permitted by the terms hereof, all communications and notices provided for herein shall be in writing or by facsimile capable of creating a written record, and any such notice shall become effective (i) upon personal delivery thereof, including, without limitation, by overnight mail or courier service, (ii) in the case of notice by United States mail, certified or registered, postage prepaid, return receipt requested, upon receipt thereof, or (iii) in the case of notice by such facsimile, upon confirmation of receipt thereof, provided such transmission is promptly further confirmed in writing by either of the methods set forth in clause (i) or (ii), in each case addressed to the following Person at its respective address set forth below or at such other address as such Person may from time to time designate by written notice to the other Persons listed below:

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<S>	<C>
If to the Owner Trustee:	First Security Bank, N.A. 79 South Main Street Salt Lake City, Utah 84111 Attention: Corporate Trust Services Fax No.: (801) 246-5053 Confirmation No.: (801) 246-5630
	With copies to Owner Participant.
If to Owner Participant:	Dreyfus Service Corporation c/o Mellon Financial Services Corporation #4 One Mellon Bank Center, Suite 4444 Pittsburgh, Pennsylvania 15258-0001 Attention: President Fax No.: (412) 234-5062 Confirmation No.: (412) 234-5061
	With copies to:
	Dreyfus Service Corporation 200 Park Avenue New York, New York 10166 Attention: William V. Healey Fax No.: (212) 922-6880 Confirmation No.: (212) 922-6760
	[AMSOUTH LEASING CORPORATION 1900 FIFTH AVENUE NORTH, 8TH FLOOR BIRMINGHAM, ALABAMA 35203 ATTENTION: PRESIDENT FAX NO.: (205) 307-4124 CONFIRMATION NO.: (205) 326-5780]
If to the Indenture Trustee:	The First National Bank of Chicago One First National Plaza, Suite 0126 Chicago, Illinois 60670-0126 Attention: Corporate Trust Services Division (GATC Trust No. 96-1) Fax No.: (312) 407-1708 Confirmation No.: (312) 407-1892

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<S>	<C>
If to Lessee:	General American Transportation Corporation

500 West Monroe Street
Chicago, Illinois 60661
Attention: Treasurer
(GATC Trust No. 96-1)
Fax No.: (312) 621-6645
Confirmation No.: (312) 621-6200

If to the Loan Participant:

At such address as is set forth on Schedule 2 of the Participation Agreement or, if not so specified, at the address set forth in the register maintained pursuant to Section 2.07 hereof, or at such address as such Loan Participant shall have furnished by notice to the Owner Trustee and the Indenture Trustee.

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Notwithstanding the foregoing provisions, for purposes of Sections 4.01, 4.02, 4.04, 5.01 and 5.02, written notice shall be deemed given when it is in fact received (by mail or otherwise) by any addressee at the respective addresses specified above.

Section 10.08. Severability. Any provision of this Indenture which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. In the event of any inconsistency or conflict between any provision of this Indenture and any provision of the Trust Agreement, such provision in this Indenture shall govern and control.

Section 10.09. Separate Counterparts. This Indenture may be executed in any number of counterparts (and each of the parties hereto shall not be required to execute the same counterpart). Each counterpart of this Indenture including a signature page executed by each of the parties hereto shall be an original counterpart of this Indenture, but all of such counterparts together shall constitute one instrument.

Section 10.10. Successors and Assigns. All covenants and agreements contained herein shall be binding upon, and inure to the benefit of, the Owner Trustee and its successors and permitted assigns, the Owner Participant and its successors and permitted assigns, and the Indenture Trustee and its successors and permitted assigns, and each holder of an Equipment Note, all as herein provided. Any request, notice, direction, consent, waiver or other instrument or action by any holder of an Equipment Note shall bind the successors and assigns of such holder.

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Section 10.11. Headings. The headings of the various Articles and Sections herein are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

Section 10.12. Governing Law. This Indenture shall in all respects be governed by, and construed in accordance with, the laws of the State of New York, including all matters of construction, validity and performance.

Section 10.13. Normal Commercial Relations. Anything contained in this Indenture to the contrary notwithstanding, the Owner Participant, the Owner Trustee or the Indenture Trustee or any affiliate of the Owner Participant, the Owner Trustee or the Indenture Trustee may enter into commercial banking or other financial transactions, and conduct banking or other commercial relationships, with the Lessee, any holder of an Equipment Note or the Indenture Trustee (in its individual capacity or otherwise) fully to the same extent as if this Indenture were not in effect, including, without limitation, the making of loans or other extensions of credit for any purpose whatsoever.

Section 10.14. No Recourse Against Others. No director, officer, employee or stockholder, as such, of Lessee, Owner Trustee, Owner Participant or Indenture Trustee shall have any liability for any obligations of Lessee, Owner Participant, Owner Trustee or Indenture Trustee or under the Equipment Notes or the Indenture or for any claim based on, in respect of or by reason of such obligations or their creation. Each holder of the Equipment Notes by accepting an Equipment Note waives and releases all such liability.

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In Witness Whereof, the parties hereto have caused this Indenture to be duly executed by their respective officers or attorneys-in-fact, as the case may be, thereunto duly authorized, as of the day and year first above written.

The First National Bank of Chicago,
as Indenture Trustee

By: _____
Name: _____
Title: _____

First Security Bank, N.A.,
not in its individual capacity except as
set forth in Section 6.03 hereof, but
solely as Owner Trustee

By: _____
Name: _____
Title: _____

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State of Illinois)
) SS
County of Cook)

On this ____ day of August, 1996, before me personally appeared _____, to me personally known, who being by me duly sworn, say that he is _____ of The First National Bank of Chicago, that said instrument was signed on such date on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

[Notarial Seal]

My commission expires:

State of)
) SS
County of)

On this ____ day of August, 1996, before me personally appeared _____, to me personally known, who being by me duly sworn, say that he is the _____ of First Security Bank, N.A., that said instrument was signed on such date on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Notarial Seal]

My commission expires:

TRUST INDENTURE SUPPLEMENT NO. _
(GATC TRUST NO. 96-1)

This Indenture Supplement No. _ (GATC Trust No. 96-1), dated ____ ____, ____ (this "Indenture Supplement"), of First Security Bank, N.A., a national banking association, not in its individual capacity but solely as trustee (the "Owner Trustee") under the Trust Agreement (GATC Trust No. 96-1), dated as of August 28, 1996 (the "Trust Agreement"), between the Owner Trustee in its individual capacity and Dreyfus Service Corporation, a New York corporation [AMSOUTH LEASING CORPORATION, AN ALABAMA BANKING CORPORATION], as Owner Participant;

WITNESSETH:

WHEREAS, the Trust Indenture and Security Agreement (GATC Trust No. 96-1) dated as of August 28, 1996 (the "Indenture"), between the Owner Trustee and The First National Bank of Chicago as Indenture Trustee (the "Indenture Trustee"), provides for the execution and delivery of Indenture Supplements thereto substantially in the form hereof each of which shall particularly describe the Units covered by a related Lease Supplement under the Lease, by having attached thereto a copy of such related Lease Supplement, and shall specifically mortgage such Units to the Indenture Trustee;

WHEREAS, the Indenture includes the Equipment described in the copy of Lease Supplement No. __ attached hereto and made a part hereof; and

[WHEREAS, an executed counterpart of the Indenture is attached to this Indenture Supplement;]

NOW, THEREFORE, in order to secure the prompt payment of the principal of, and premium, if any, and interest on all of the Equipment Notes from time to time outstanding under the Indenture and the performance and observance by the Owner Trustee of all the agreements, covenants and provisions in the Indenture for the benefit of the holders of the Equipment Notes and in the Equipment Notes, subject to the terms and conditions of the Indenture, and in consideration of the premises and of the covenants contained in the Indenture and of the acceptance of the Equipment Notes by the holders thereof, and of the sum of \$1.00 paid to the Owner Trustee by the Indenture Trustee at or before the delivery hereof, the receipt whereof is hereby acknowledged, the Owner Trustee (i) has sold, assigned, transferred, pledged and confirmed, and does hereby sell, assign, transfer, pledge and confirm, a security interest in and mortgage lien on all right, title and interest of the Owner Trustee in and to the property comprising the Equipment described in the copy of Lease Supplement No. __ attached hereto, and (ii) has sold, assigned, transferred and set over, a security interest in and mortgage lien on all of the right, title and interest of the Owner Trustee under, in and to such Lease Supplement

(excluding, however, any rights to Excepted Property thereunder), referred to above, to the Indenture Trustee, its successors and assigns, in the trust created by the Indenture for the benefit of the holders from time to time of the Equipment Notes.

To have and to hold all and singular the aforesaid property unto the Indenture Trustee, its successors and assigns, in trust for the benefit and security of the holders from time to time of the Equipment Notes and for the uses and purposes and subject to the terms and provisions set forth in the Indenture.

This Supplement shall be construed as supplemental to the

<CAPTION>	Series	Principal Amount	Interest Rate	Final Maturity
	-----	-----	-----	-----
	<S>	<C>	<C>	<C>
</TABLE>		\$_[_____]	____%	August 28, 20__

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EXHIBIT C

LOAN PARTICIPANT

<TABLE>			PERCENTAGE OF
<CAPTION>	EQUIPMENT NOTES	LOAN PARTICIPANT	PRINCIPAL AMOUNT
	-----	-----	-----
	<S>	<C>	<C>
	Equipment Notes	The First National Bank of Chicago, as Trustee under the Pass Through Trust Agreement, dated as of August 1, 1992 between The First National Bank of Chicago and General American Transportation Corporation, as supplemented by Trust Supplement No. 6 thereto dated as of August 28, 1996 and by Trust Supplement No. 7 thereto dated as of August 28, 1996	100%
</TABLE>			

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ANNEX A

AMORTIZATION SCHEDULE

____% EQUIPMENT NOTE

1996-1-__

<TABLE>		Percentage of
<CAPTION>	Payment Date	Remaining Principal
	-----	-----
	<S>	<C>
	(1)	The percentage should be applied to the remaining principal balance of the Equipment Note after giving effect to prepayment, if any, to be made on the payment date.
</TABLE>		

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Appendix A
 Participation Agreement
 Equipment Lease Agreement
 Trust Indenture and Security Agreement
 Trust Agreement
 (GATC Trust No. 96-1)

DEFINITIONS

General Provisions

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

Unless the context otherwise requires, (i) references to agreements shall be deemed to mean and include such agreements as the same may be amended, supplemented and otherwise modified from time to time, and (ii) references to parties to agreements shall be deemed to include the permitted successors and assigns of such parties.

Defined Terms

"AAR" shall mean the Association of American Railroads or any successor thereto.

"Affiliate" of any Person shall mean any other Person which directly or indirectly controls, or is controlled by, or is under a common control with, such Person. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" shall have meanings correlative to the foregoing.

"After-Tax Basis" shall mean, with respect to any payment received or accrued by any Person, that the amount of such payment is supplemented by a further payment or payments so that the sum of all such payments, after reduction for all Taxes payable by such Person imposed by any taxing authority, shall be equal to the payment due to such Person.

"Alternative Minimum Tax" shall mean the alternative minimum tax imposed under Section 55 of the Code.

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

"Average Life Date" shall mean, with respect to an Equipment Note, 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.

"Bankruptcy Code" shall mean the United States Bankruptcy Reform Act of 1978, as amended from time to time, 11 U.S.C. Section 101 et. seq.

"Basic Group" shall mean each of the two basic groups of Equipment so designated in Schedule 1 to the Participation Agreement.

"Basic Prospectus" shall mean the prospectus contained in the Registration Statement when the most recent post-effective amendment thereto became effective.

"Basic Rent" shall mean, with respect to any Unit, all rent payable by the Lessee to the Lessor pursuant to Section 3.2 of the Lease for the Basic Term for such Unit, and all rent payable pursuant to Section 22.4 of the Lease for any Renewal Term for such Unit.

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

"Basic Term Commencement Date" shall mean August 28, 1996.

"Basic Term Expiration Date" shall mean (i) with respect to the Units related to Lease Supplement No. I, August 28, 20__, and (ii) with respect to the Units related to Lease Supplement No. II, August 28, 20__.

"Basic Term Purchase Price" shall mean, with respect to any Unit, the amount equal to the product of the percentage set forth in Schedule 7 to the Participation Agreement applicable to such Unit and the Equipment Cost for such Unit.

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

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

"Business Day" shall mean any day other than a Saturday, Sunday or a day on which commercial banking institutions are authorized or required by law, regulation or executive order to be closed in New York, New York, Chicago, Illinois, Pittsburgh, Pennsylvania, Birmingham, Alabama, the city and state in which the principal corporate trust office of the Owner Trustee is

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located, or, until the Lien of the Indenture has been discharged, the city and state in which the principal corporate trust office of the Indenture Trustee is located.

"Certificateholder" means the Person in whose name a Pass Through Certificate is registered in the register for Pass Through Certificates of a particular series.

"Claims" shall have the meaning specified in Section 7.2 of the Participation Agreement.

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

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

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

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

[AMSOUTH: "DEFERRED PORTION" SHALL MEAN THAT PORTION OF THE EARLY PURCHASE PRICE, THE PAYMENT OF WHICH MAY BE DEFERRED BY THE LESSEE PAST THE APPLICABLE EARLY PURCHASE DATE FOR SUCH UNIT OR UNITS, AS SET FORTH IN SCHEDULE 6 TO THE PARTICIPATION AGREEMENT.]

[AMSOUTH: "DEFERRED PORTION PAYMENT DATES" SHALL MEAN THE DEFERRED PORTION PAYMENT DATES SPECIFIED ON SCHEDULE 6 TO THE PARTICIPATION AGREEMENT FOR A RELATED BASIC GROUP OF UNITS.]

"Determination Date" shall mean the 28th day of any calendar month.

"Early Purchase Date" shall mean the early purchase date specified on Schedule 6 to the Participation Agreement for a related Basic Group of Units.

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

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

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"Equipment Cost" shall mean, for each Unit, the purchase price therefor paid by the Owner Trustee to the Lessee pursuant to Section 2 of the Participation Agreement and as set forth in Schedule 1 to the Participation Agreement with respect to such Unit. Notwithstanding anything in the Operative Agreements to the contrary, the Equipment Cost for any Replacement Unit shall be deemed to be the Equipment Cost or deemed Equipment Cost of the Unit it replaced.

"Equipment Notes" shall mean the Equipment Notes, each to be substantially in the form therefor set forth in Section 2.01 of the Indenture, issued by the Owner Trustee pursuant to Section 2.02 of the Indenture, and authenticated by the Indenture Trustee, in principal amounts, maturities and bearing interest at the rates and payable as provided in Section 2.02 of the Indenture and secured as provided in the Granting Clause of the Indenture, and shall include any Equipment Notes issued in exchange therefor or replacement thereof pursuant to Section 2.07 or 2.08 of the Indenture. A "related" Equipment Note, when used with respect to any Unit or Units of Equipment, shall mean one of the Equipment Notes issued with respect to the Lease Supplement under which such Unit or Units of Equipment is or are leased.

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

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

"Excepted Property" shall mean (i) all indemnity payments (including, without limitation, payments pursuant to Section 7 of the Participation Agreement and payments under the Tax Indemnity Agreement) to which the Owner Participant, the Owner Trustee, as trustee or in its individual capacity, or any of their respective successors, permitted assigns, directors, officers, employees, servants and agents is entitled pursuant to the Operative Agreements, (ii) any right, title or interest of the Owner Trustee, as trustee or in its individual capacity, or the Owner Participant to any payment which by the terms of Section 17 of the Lease or any corresponding payment under Section 3.3 of the Lease shall be payable to or on behalf of the Owner Trustee, as trustee or in its individual capacity, or to the Owner Participant, as the case may be, (iii) any insurance proceeds payable under insurance maintained by the Owner Trustee, as trustee or in its individual capacity, or the Owner Participant pursuant to Section 12.5 of the Lease, (iv) any insurance proceeds payable to or on behalf of the Owner Trustee, as trustee or in its individual capacity, or to the Owner Participant, under any public liability insurance maintained by Lessee pursuant to Section 12 of the Lease (which shall include the amount of any self-insured retention paid by the Lessee) or by any other Person, (v) Transaction Costs or other amounts or expenses paid or payable to, or for the benefit of Owner Trustee, as trustee or in its individual capacity, or Owner Participant pursuant to the Participation Agreement or the Trust Agreement, (vi) all right, title and interest of Owner Participant or Owner Trustee, as trustee or in its individual capacity, in or relating to any portion of the Units and any other property (tangible or intangible), rights, titles or interests to the extent any of the foregoing has been released from the Lien of the Indenture pursuant to the terms thereof, (vii) upon termination of the Indenture pursuant to the terms thereof with respect to any Unit, all remaining amounts which shall have been paid or are

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payable by Lessee and calculated on the basis of Stipulated Loss Value, (viii) any rights of the Owner Participant or the Owner Trustee, as trustee and in its individual capacity, to demand, collect, sue for, or otherwise receive and enforce payment of the foregoing amounts, (ix) any amount payable to the Owner Participant by any Transferee as the purchase price of the Owner Participant's interest in the Trust Estate in compliance with the terms of the Participation Agreement and the Trust Agreement and (x) the respective rights of the Owner Trustee, as trustee and in its individual capacity, or the Owner Participant to the proceeds of and interest on the foregoing.

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

"Fair Market Rental Value" or "Fair Market Sales Value" with respect to any Unit of Equipment shall mean the cash rent or cash price obtainable for such Unit in an arm's length lease or sale between an informed and willing lessee or purchaser under no compulsion to lease or purchase, as the case may

be, and an informed and willing lessor or seller, under no compulsion to lease or sell, as the case may be, as the same shall be specified by agreement between Lessor and Lessee. If the parties are unable to agree upon a Fair Market Rental Value and/or a Fair Market Sales Value within 30 days after delivery of notice by Lessee pursuant to Section 22.2 of the Lease, or otherwise where such determination is required, within a reasonable period of time, such value shall be determined by appraisal. Lessee will within 15 days after such 30-day period provide Lessor the name of an appraiser that would be satisfactory to Lessee, and Lessor and Lessee will consult with the intent of selecting a mutually acceptable appraiser. If a mutually acceptable appraiser is selected, the Fair Market Rental Value or the Fair Market Sales Value, as the case may be, shall be determined by such appraiser and Lessee shall bear the cost thereof. If Lessee and Lessor are unable to agree upon a single appraiser within such 15-day period, two independent qualified appraisers, one chosen by Lessee and one chosen by Lessor shall jointly determine such value and Lessor shall bear the cost of the appraiser selected by Lessor and Lessee shall bear the cost of the appraiser selected by Lessee. If such appraisers cannot agree on the amount of such value within 15 days of appointment, one independent qualified appraiser shall be chosen by the American Arbitration Association. All three appraisers shall make a determination within a period of 15 days following appointment, and shall promptly communicate such determination in writing to Lessor and Lessee. If there shall be a panel of three appraisers, the three appraisals shall be averaged and such average shall be the Fair Market Rental Value or Fair Market Sales Value, as the case may be. The determination made shall be conclusively binding on both the Lessor and Lessee. If there shall be a panel of three appraisers, Lessee and Lessor shall equally share the cost of the third appraiser. If such appraisal is pursuant to Section 6.1(e) or is in connection with the exercise of remedies set forth in Section 15 of the Lease, Lessee shall pay the costs of such appraisal. Notwithstanding any of the foregoing, for the purposes of Section 15 of the Lease, the Fair Market Rental Value or the Fair Market Sales Value, as the case may be, shall be zero with respect to any Unit if Lessor is unable to recover possession of such Unit in accordance with the terms of paragraph (b) of Section 15.1 of the Lease.

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"Final Prospectus" shall mean the prospectus supplement relating to the Pass Through Certificates that was first filed pursuant to Rule 424(b) promulgated pursuant to the Securities Act of 1933, as amended, together with the Basic Prospectus.

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

"FRA" shall mean the Federal Railroad Administration or any successor thereto.

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

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

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

"Indemnified Person" shall have the meaning specified in Section 7.2(b) of the Participation Agreement.

"Indenture" or "Trust Indenture" shall mean the Trust Indenture and

Security Agreement (GATC Trust No. 96-1), dated as of August 28, 1996 between the Owner Trustee, in the capacities described therein, and the Indenture Trustee. The term "Indenture" shall include, except where the context otherwise requires, each Indenture Supplement entered into pursuant to the terms of the Indenture.

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

"Indenture Estate" shall have the meaning specified in the Granting Clause of the Indenture.

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"Indenture Event of Default" shall have the meaning specified in Section 4.01 of the Indenture.

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

"Indenture Supplement" shall mean an Indenture Supplement (GATC Trust No. 96-1) dated the Closing Date or the date that any Replacement Unit is subjected to the lien and security interest of the Indenture, substantially in the form of Exhibit A to the Indenture, between the Owner Trustee, in the capacities described therein, and the Indenture Trustee, covering the Units delivered on the Closing Date or such Replacement Unit, as the case may be. A "related" Indenture Supplement, when used with respect to any Unit or Units of Equipment, shall mean the Indenture Supplement under which such Unit or Units of Equipment is or are included in the Indenture Estate.

"Indenture Trustee" shall mean The First National Bank of Chicago, a national banking association, as trustee under the Indenture and its successors thereunder.

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

"Interchange Rules" shall mean the interchange rules or supplements thereto of the Mechanical Division of the Association of American Railroads, as the same may be in effect from time to time.

"Investment Banker" shall mean an independent investment banking institution of national standing appointed by Lessee or, if the Indenture Trustee does not receive notice of such appointment 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, appointed by the Indenture Trustee.

"Late Rate" shall mean the lesser of 2% over the Debt Rate and the maximum interest rate from time to time permitted by law.

"Lease" or "Lease Agreement" or "Equipment Lease" shall mean the Equipment Lease Agreement (GATC Trust No. 96- 1), relating to the Equipment, dated as of August 28, 1996, between the Owner Trustee, in the capacities described therein, as Lessor, and the Lessee. The term "Lease" shall, except where the context otherwise requires, include each Lease Supplement entered into pursuant to the terms of the Lease.

"Lease Default" shall mean a Lease Event of Default or an event which with notice or lapse of time or both would become a Lease Event of Default.

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

"Lease Supplement" shall mean a Lease Supplement (GATC Trust No.

96-1), dated the Closing Date or the date that any Replacement Unit is subjected to the Lease, substantially in the form of Exhibit A to the Lease, between the Lessor and the Lessee, covering the Units delivered on the Closing Date or such Replacement Unit, as the case may be. A "related" Lease Supplement, when used with respect to any Unit or Units of Equipment, shall mean the Lease Supplement under which such Unit or Units of Equipment is or are leased.

"Lease Term" shall mean, with respect to any Unit, the Basic Term applicable to such Unit and any Renewal Term applicable to such Unit then in effect.

"Lessee" shall mean General American Transportation Corporation, a New York corporation, and its successors and permitted assigns.

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

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

"Lessor's Liens" means any Lien affecting, on or in respect of the Equipment, the Lease or the Trust Estate arising as a result of (i) claims against Lessor (in its individual capacity or as Owner Trustee) or the Owner Participant, not related to the transactions contemplated by the Operative Agreements, or (ii) acts or omissions of the Lessor (in its individual capacity or as Owner Trustee) or the Owner Participant not related to the transactions contemplated by the Operative Agreements or in breach of any covenant or agreement of such Person set forth in any of the Operative Agreements, or (iii) taxes imposed against the Lessor (in its individual capacity or as Owner Trustee) or the Owner Participant or the Trust Estate which are not indemnified against by the Lessee pursuant to the Participation Agreement or under the Tax Indemnity Agreement.

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

"Limited Use Property" shall have the meaning set forth in Rev. Proc. 76-30, 1976-2 C.B. 647.

"Loan Participant" shall mean and include each registered holder from time to time of an Equipment Note issued under the Indenture, including, so long as it holds any Equipment Notes issued thereunder, the Pass Through Trustee under the Pass Through Trust Agreement.

"Majority In Interest" as of a particular date of determination shall mean with respect to any action or decision of the holders of the Equipment Notes, the holders of more than 50% in

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aggregate unpaid principal amount of the Equipment Notes, if any, then outstanding which are affected by such decision or action, excluding any Equipment Notes held by the Owner Participant or the Lessee or an Affiliate of the Owner Participant or the Lessee unless all Equipment Notes are so held.

"Make-Whole Amount" shall mean, with respect to the principal amount of any Equipment Note to be prepaid on any prepayment date, the amount which the Investment Banker determines as of the third Business Day prior to such prepayment date to 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 semi-annually on each August 28 and February 28 at a rate equal to the Treasury Rate plus 0.5%, based on a 360-day year of twelve 30-day months, over (ii) the aggregate unpaid principal amount of such Equipment Note plus 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) of this definition shall be determined after deducting the principal installment, if any, due on such prepayment date.

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

"Net Economic Return" shall mean the pattern of earnings within a 10% variance during any calendar year, net after-tax book yield and total after-tax cash flow [AMSOUTH: (BUT NOT THE PATTERN OF EARNINGS)] expected by the original Owner Participant with respect to the Equipment (both through the Early Purchase Date and the Basic Term Expiration Date), utilizing the multiple investment sinking fund method of analysis and the same assumptions as used by such Owner Participant in making the computations of Basic Rent, Stipulated Loss Value, Termination Value, Basic Term Purchase Price and Early Purchase Price initially set forth in Schedules 3, 4, 6 and 7 to the Participation Agreement.

"Non-Severable Modification" shall mean any Modification that is not readily removable without impairing the value, utility or remaining useful life of the Equipment or any Unit immediately prior to removal of such modification, other than in a de minimis nature.

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

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"Operative Agreements" shall mean the Participation Agreement, the Bill of Sale, the Trust Agreement, the Pass Through Trust Agreement, the Pass Through Trust Supplements, the Pass Through Certificates, the Equipment Notes, the Lease, the Lease Supplements, the Indenture, the Indenture Supplements, the Tax Indemnity Agreement and the Underwriting Agreement.

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

"Owner Participant" shall mean Dreyfus Service Corporation, a New York corporation [AMSOUTH LEASING CORPORATION, AN ALABAMA BANKING CORPORATION], and its successors and permitted assigns.

"Owner Participant Agreements" shall mean the Operative Agreements to which the Owner Participant is or will be a party.

"Owner Trustee" shall mean First Security Bank, N.A., a national banking association, not in its individual capacity but solely as Owner Trustee under the Trust Agreement and its successors thereunder.

"Owner Trustee Agreements" shall mean the Operative Agreements to which the Owner Trustee, either in its individual or fiduciary capacity, is or will be a party.

"Parent" means GATX Corporation, a New York corporation, and its successors and assigns.

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

"Participation Agreement" shall mean the Participation Agreement (GATC Trust No. 96-1) dated as of August 28, 1996, among the Lessee, the Pass Through Trustee, the Owner Participant, the Owner Trustee and the Indenture Trustee.

"Pass Through Certificates" shall mean the Pass Through Certificates issued pursuant to each of the Pass Through Trust Supplements and the Pass Through Trust Agreement.

"Pass Through Trust Agreement" shall mean the Pass Through Trust Agreement, dated as of August 1, 1992, between the Lessee and the Pass Through

Trustee.

"Pass Through Trust Supplement" shall mean either of Trust Supplement No. 6 dated as of August 28, 1996 or Trust Supplement No. 7 dated as of August 28, 1996, each between the Lessee and the Pass Through Trustee, each of which supplements the Pass Through Trust Agreement (i) by creating a separate trust for the holders of certain Pass Through Certificates, (ii) by authorizing the issuance of such Pass Through Certificates and (iii) by establishing the terms of such Pass Through Certificates.

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"Pass Through Trustee" shall mean The First National Bank of Chicago, a national banking association, in its capacity as trustee under the Pass Through Trust Agreement, as supplemented by the Pass Through Trust Supplements, and each other person which may from time to time be acting as successor trustee under the Pass Through Trust Agreement, as supplemented by the Pass Through Trust Supplement.

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

"Permitted Liens" with respect to the Equipment and each Unit thereof shall mean: (i) the interests of the Lessee and the Owner Trustee under the Lease and the Lease Supplements; (ii) the interest of the Lessee and any sublessee as provided in any sublease permitted pursuant to Section 8.3 of the Lease; (iii) any Liens thereon for taxes, assessments, levies, fees and other governmental and similar charges not due and payable or the amount or validity of which is being contested in good faith by appropriate proceedings so long as there exists no material risk of sale, forfeiture, loss, or loss of or interference with use or possession of any Unit or interference with the payment of Rent; (iv) any Liens of mechanics, suppliers, materialmen, laborers, employees, repairmen and other like Liens arising in the ordinary course of Lessee's (or if a sublease is then in effect, any sublessee's) business securing obligations which are not due and payable or the amount or validity of which is being contested in good faith by appropriate proceedings so long as there exists no material risk of sale, forfeiture, loss, or loss of or interference with use or possession of any Unit or interference with the payment of Rent; (v) the Lien and security interest granted to the Indenture Trustee under and pursuant to the Indenture, and the respective rights of the Loan Participant, the Indenture Trustee, the Owner Participant and the Owner Trustee under the Operative Agreements; (vi) Liens arising out of any judgment or award against the Lessee (or any sublessee permitted pursuant to Section 8.3 of the Lease) with respect to which an appeal or proceeding for review is being presented in good faith and for the payment of which adequate reserves have been provided as required by generally accepted accounting principles or other appropriate provisions have been made and with respect to which there shall have been secured a stay of execution pending such appeal or proceeding for review and there exists no material risk of sale, forfeiture, loss, or loss of or interference with the use or possession of any Unit or any interest therein or interference with the payment of Rent, and (vii) salvage rights of insurers under insurance policies maintained pursuant to Section 12 of the Lease.

"Permitted Subleases" shall have the meaning specified in Section 8.3 of the Lease.

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

"Preliminary Final Prospectus" shall mean any preliminary prospectus supplement to the Basic Prospectus which describes the Pass Through Certificates and the offering thereof and is used prior to the filing of the Final Prospectus, together with the Basic Prospectus.

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"Premium Termination Date" shall mean (i) in the case of the Series of Equipment Notes designated as Series A for Lease Supplement No. I, August 28, 20__, (ii) in the case of the Series of Equipment Notes designated as Series B for Lease Supplement No. I, August 28, 20__, (iii) in the case of the Series of

Equipment Notes designated as Series A for Lease Supplement No. II, August 28, 20__, and (iv) in the case of the Series of Equipment Notes designated as Series B for Lease Supplement No. II August 28, 20__.

"Pricing Date" shall mean the date on which the Underwriting Agreement is executed by the Lessee and the Underwriters.

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

"Registration Statement" shall mean the registration statement filed by the Lessee (File Number 33-64697), including incorporated documents, exhibits and financial statements, as amended at the time of the Closing Date, including any post-effective amendment thereto which has become effective prior to the Closing Date.

"Related Indemnatee Group" shall have the meaning specified in Section 7.2(b) of the Participation Agreement.

"Related Transaction" means the additional leveraged lease transaction with respect to which the Pass Through Trustee has agreed to acquire the equipment notes to be issued pursuant to the participation agreement dated as of August 28, 1996 among the Lessee, the Pass Through Trustee, AmSouth Leasing Corporation, the Owner Trustee and the Indenture Trustee.

"Remaining Weighted Average Life" shall mean, with respect to any date of prepayment or any date of determination of any Equipment Note, 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 date or date of determination to but excluding the scheduled payment date of such principal payment by (b) the unpaid principal amount of such Equipment Note.

"Renewal Term" shall mean, with respect to any Unit, any term in respect of which the Lessee shall have exercised its option to renew the Lease for such Unit pursuant to Section 22.4 thereof, including any Fixed Rate Renewal Term or Fair Market Renewal Term.

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

"Rent Payment Date" or "Payment Date" shall mean each August 28 and February 28 of each year occurring during the Lease Term, commencing February 28, 1997, provided that if any such date shall not be a Business Day, then "Rent Payment Date" or "Payment Date" shall mean the next succeeding Business Day.

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"Replacement Unit" shall mean a covered hopper car or tank car, as the case may be, which shall have been leased under the Lease pursuant to Section 11.4 of the Lease.

"Required Modification" shall have the meaning specified in Section 9.1 of the Lease.

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

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

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

"Series" shall mean each of the two series of Equipment Notes for each Lease Supplement so designated in Exhibit B to the Indenture.

"Severable Modification" shall mean any Modification that is readily removable without causing material damage to the Equipment or any Unit and

without diminishing the value, utility or useful life of such Unit below the value, utility or useful life of such Unit immediately prior to such Modification, assuming that such Unit was then in the condition required to be maintained by the terms of the Lease, other than in a de minimis nature.

"Special Purchase Defeasance" shall mean, with respect to any election by Lessee to purchase Units under Section 22.1 or 22.3 of the Lease, the deposit by Lessee with the Indenture Trustee prior to the date as of which Lessor shall have declared the Lease to be in default as a result of a Lease Event of Default under Section 14(c), 14(d), 14(e), 14(f) or 14(i) of the Lease (in circumstances where such Lease Event of Default occurs after the date of Lessee's notice to purchase under Sections 22.1 or 22.3 but before the Early Purchase Date or the expiration of the Basic Term or any Renewal Term, as applicable), of an amount sufficient to pay (i) the Early Purchase Price, together with all other amounts due and owing by the Lessee under the Operative Agreements, with respect to those Units which Lessee has elected to purchase on the Early Purchase Date under Section 22.1 of the Lease, or (ii) the Basic Term Purchase Price or Fair Market Sales Value, as the case may be, together with all other amounts due and owing by the Lessee under the Operative Agreements, with respect to those Units which Lessee has elected to purchase at the expiration of the Basic Term or any Renewal Term, as applicable, under Section 22.3 of the Lease. All amounts deposited by Lessee with the Indenture Trustee in connection with a Special Purchase Defeasance shall be held and invested by the Indenture Trustee in accordance with Section 6.04(b) of the Indenture pending consummation of the purchase of the related Units on the Early Purchase Date or upon the expiration of the Basic Term or the related Renewal Term, as applicable.

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"Specified Investments" shall mean (i) direct obligations of the United States of America and agencies thereof for which the full faith and credit of the United States 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 the 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) and (iii) above; provided that if all of the above investments are unavailable, the entire amount to be invested may be used to purchase Federal funds from an entity described in (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.

"STB" shall mean the Surface Transportation Board of the United States Department of Transportation or any successor thereto.

"Stipulated Loss Value" for any Unit as of any date of determination shall mean the amount determined by multiplying the Equipment Cost for such Unit by the percentage set forth in Schedule 4 to the Participation Agreement opposite the Rent Payment Date or the Determination Date, as applicable, on which such Stipulated Loss Value is being determined for the Basic Group to which such Unit belongs; provided that during any Renewal Term, "Stipulated Loss Value" shall be determined as provided in Section 22.6 of the Lease. Anything contained in the Lease or in the Participation Agreement to the contrary notwithstanding, Stipulated Loss Value for such Unit (both before and after any adjustment pursuant to Section 2.6 of the Participation Agreement) will, under any circumstances and in any event, be an amount which, together with any other amounts required to be paid by Lessee under the Lease in connection with an Event of Loss, will be at least sufficient to pay in full as of the date of payment thereof the aggregate unpaid principal of the Equipment Notes issued in respect of such Unit, together with all unpaid interest and Make-Whole Amount, if any, thereon accrued to the date on which such amount is paid in accordance with the terms hereof and all other amounts then due to the holders of the Equipment Notes.

"Storage Period" shall have the meaning specified in Section 6.1(c) (i) of the Lease.

"Subsidiary" of any Person shall mean any corporation, association, or other business entity of which more than 50% (by number of votes) of the voting

stock at the time outstanding shall at the time be owned, directly or indirectly, by such Person or by any other corporation, association or trust which is itself a Subsidiary within the meaning of this definition, or collectively by such Person and any one or more such Subsidiaries.

"Supplemental Rent" shall mean all amounts, liabilities and obligations (other than Basic Rent) which the Lessee is obligated to pay under the Operative Agreements to or on behalf of

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any of the other parties thereto, including, but not limited to, Termination Value and Stipulated Loss Value payments.

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

"Tax Indemnitee" shall have the meaning specified in Section 7.1 of the Lease.

"Tax Indemnity Agreement" shall mean the Tax Indemnity Agreement dated as of August 28, 1996 (GATC Trust No. 96-1) between the Lessee and the Owner Participant.

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

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

"Termination Value" for any Unit as of any date of determination shall mean the amount determined by multiplying the Equipment Cost for such Unit by the percentage set forth in Schedule 4 to the Participation Agreement opposite the Rent Payment Date or the Determination Date, as applicable, on which such Termination Value is being determined for the Basic Group to which such Unit belongs; provided that during any Renewal Term, "Termination Value" shall be determined as provided in Section 22.6 of the Lease. Anything contained in the Lease or in the Participation Agreement to the contrary notwithstanding, Termination Value for such Unit (both before and after any adjustment pursuant to Section 2.6 of the Participation Agreement) will, under any circumstances and in any event, be an amount which, together with any other amounts required to be paid by Lessee under the Lease in connection with such termination, will be at least sufficient to pay in full as of the date of payment thereof the aggregate unpaid principal of the Equipment Notes issued in respect of such Unit, together with all unpaid interest and Make-Whole Amount, if any, thereon accrued to the date on which such amount is paid in accordance with the terms thereof and all other amounts then due to the holders of the Equipment Notes.

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

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

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

"Treasury Rate" shall mean with respect to prepayment of each Equipment Note, 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 for United States Treasury securities maturing on the Average Life Date 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)

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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 for 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.

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

"Trust Agreement" shall mean that certain Trust Agreement (GATC Trust No. 96-1), dated as of August 28, 1996, between the Owner Participant and the Owner Trustee.

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

"Trustee" shall mean each of the Owner Trustee, the Indenture Trustee or the Pass Through Trustee and "Trustees" shall mean the Owner Trustee, Indenture Trustee and the Pass Through Trustee, collectively.

"Underwriters" shall mean Morgan Stanley & Co. Incorporated and Salomon Brothers Inc.

"Underwriting Agreement" shall mean that certain Underwriting Agreement between the Lessee and the Underwriters, pertaining to the sale of the Pass Through Certificates.

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

PARTICIPATION AGREEMENT

(GATC Trust No. 96-1)

Dated as of August 28, 1996

Among

General American Transportation Corporation,
as Lessee

First Security Bank, N.A.,
as Owner Trustee

Dreyfus Service Corporation [AMSOUTH LEASING CORPORATION],
as Owner Participant

The First National Bank of Chicago,
as Indenture Trustee

And

The First National Bank of Chicago,
as Pass Through Trustee

Covered Hoppers and Tank Cars

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PARTICIPATION AGREEMENT (GATC TRUST NO. 96-1)

This Participation Agreement (GATC Trust No. 96-1), dated as of August 28, 1996 (this "Agreement"), among (i) General American Transportation Corporation, a New York corporation (herein, together with its successors and assigns, called the "Lessee"), (ii) First Security Bank, N.A., a national banking association, not in its individual capacity except as expressly stated herein, but solely as trustee under the Trust Agreement (as hereinafter defined) (herein in such capacity, together with its successors and assigns, called the "Owner Trustee"), (iii) Dreyfus Service Corporation, a New York corporation [AMSOUTH LEASING CORPORATION, AN ALABAMA BANKING CORPORATION] (herein, together with its successors and assigns, called the "Owner Participant"), (iv) The First National Bank of Chicago, a national banking association, as trustee under the Indenture (as defined below) (herein in such capacity, together with its successors and assigns, called the "Indenture Trustee"), and (v) The First National Bank of Chicago, a national banking association, not in its individual capacity except as expressly provided herein but solely as Pass Through Trustee under the Pass Through Trust Agreement (as hereinafter defined) (herein in such capacity, together with its successors and assigns, called the "Pass Through Trustee" or the "Loan Participant"). The Owner Participant and the Loan Participant are herein sometimes referred to together as the "Participants".

WITNESSETH:

WHEREAS, concurrently with the execution and delivery of this Agreement, the Owner Participant has entered into the Trust Agreement (GATC Trust No. 96-1) pursuant to which the Owner Trustee agrees, among other things, to hold the Trust Estate for the benefit of the Owner Participant thereunder on the terms specified in the Trust Agreement, subject, however, to the Lien created under the Indenture and, subject to the terms and conditions hereof, to purchase the Units of Equipment described in Schedule 1 hereto from the Lessee and concurrently therewith lease such Units of Equipment to the Lessee;

WHEREAS, pursuant to the Pass Through Trust Agreement, on the Closing Date, two grantor trusts will be created to facilitate the financing contemplated hereby;

WHEREAS, concurrently with the execution and delivery of this Agreement, the Owner Trustee has entered into the Indenture with the Indenture Trustee pursuant to which Indenture the Owner Trustee agrees, among other things, for the benefit of the holder or holders of the Equipment Notes, to issue to the Pass Through Trustee as Loan Participant, the Equipment Notes as evidence of the loan made by the Loan Participant participating in the financing of the Equipment Cost for the Equipment;

WHEREAS, pursuant to the terms of the Trust Agreement, the Owner Trustee is authorized and directed by the Owner Participant (i) to accept delivery of the Bill of Sale evidencing the purchase and transfer of title of each Unit to the Owner Trustee and (ii) to

execute and deliver the Lease pursuant to which, subject to the terms and conditions set forth therein, the Owner Trustee agrees to lease to the Lessee, and the Lessee agrees to lease from the Owner Trustee, each Unit of Equipment to be delivered on the Closing Date, such lease to be evidenced by the execution and delivery of two Lease Supplements covering such Units;

WHEREAS, concurrently with the execution and delivery of this Agreement, the Lessee and the Owner Participant have entered into the Tax Indemnity Agreement relating to the Equipment; and

WHEREAS, the proceeds from the sale of the Equipment Notes to the Loan Participant will be applied, together with the equity contribution made by the Owner Participant pursuant to this Agreement, to effect the purchase of the Equipment by the Owner Trustee contemplated hereby.

NOW, THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, receipt of which is acknowledged, the parties hereto agree as follows:

SECTION 1. DEFINITIONS; INTERPRETATION OF THIS AGREEMENT.

The capitalized terms used in this Agreement (including the foregoing recitals) and not otherwise defined herein shall have the respective meanings specified in Appendix A hereto, unless the context hereof shall otherwise require. All references to Sections, Schedules and Exhibits herein are to Sections, Schedules and Exhibits of this Agreement unless otherwise indicated.

SECTION 2. SALE AND PURCHASE; PARTICIPATION IN EQUIPMENT COST; CLOSING; TRANSACTION COSTS.

Section 2.1. Sale and Purchase. Subject to the terms and conditions hereof and on the basis of the representations and warranties set forth herein, the Lessee agrees to sell to the Owner Trustee and the Owner Trustee agrees to purchase from the Lessee, on the Closing Date, the Units described in Schedule 1 as hereinafter provided, and in connection therewith, the Owner Trustee agrees to pay to the Lessee the cost for each of the various Units as specified in Schedule 1; provided, however, that the Owner Trustee shall not be obligated to purchase on the Closing Date any Unit that is destroyed, damaged, defective, in unsuitable condition or otherwise unacceptable to the Lessee for lease pursuant to the Lease. The Lessee shall deliver said Units of Equipment to the Owner Trustee and the Owner Trustee shall accept such delivery on a delivery date as more fully provided herein (the "Closing Date"); provided that the Closing Date shall occur on or prior to September 30, 1996.

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Section 2.2. Participation in Equipment Cost.

(a) Equity Participation. Subject to the terms and conditions hereof and on the basis of the representations and warranties set forth herein, on the Closing Date the Owner Participant agrees to participate in the payment of the Equipment Cost for the Units delivered on the Closing Date by making an equity investment in the beneficial ownership of such Units in the amount equal to the product of the aggregate Equipment Cost for the Units delivered on the Closing Date and the percentage set forth opposite the Owner Participant's name in Schedule 2 (the Owner Participant's "Commitment"). The aggregate amount of the Owner Participant's Commitment plus the aggregate amount of Transaction Costs payable by the Owner Participant shall not exceed \$30,750,000 [AMSOUTH: \$15,000,000]. The Owner Participant's Commitment shall be paid to the Indenture Trustee to be held (but not as part of the Indenture Estate) and applied on behalf of the Owner Trustee toward the payment of the Equipment Cost for the Units as provided in Section 2.3.

(b) Debt Participation. Subject to the terms and conditions hereof and on the basis of the representations and warranties set forth herein, on the Closing Date the Loan Participant agrees to participate in the payment of the Equipment Cost for the Units delivered on the Closing Date by making a secured loan, to be evidenced by the Equipment Notes, to the Owner Trustee in the amount equal to the product of the aggregate Equipment Cost for the Units delivered on the Closing Date and the percentage set forth opposite such Loan Participant's name in Schedule 2 (the Loan Participant's "Commitment"). The aggregate amount of the Loan Participant's Commitment shall not exceed \$90,000,000 [AMSOUTH: \$37,000,000]. The Equipment Notes shall bear interest at

the rates set forth on Schedule 5.

(c) [RESERVED]

Section 2.3. Closing Date; Procedure for Participation.

(a) Notice of Closing Date. Not later than the Pricing Date, the Lessee shall give the Owner Participant, the Indenture Trustee, the Owner Trustee and the Loan Participant notice (a "Notice of Delivery") by telex, telegraph, facsimile or other form of telecommunication or telephone (to be promptly confirmed in writing) of the Closing Date, which Notice of Delivery shall specify in reasonable detail the number and type of Units to be delivered on such date, the aggregate Equipment Cost of such Units, and the respective amounts of the Owner Participant's Commitment and the Loan Participant's Commitment required to be paid with respect to such Units. Prior to 12:00 noon, New York City time, on the Closing Date, the Owner Participant shall make the amount of the Owner Participant's Commitment required to be paid on the Closing Date available to the Indenture Trustee, and immediately prior to the delivery and acceptance of the Units specified in Section 2.3(b), the Loan Participant shall make the amount of such Loan Participant's Commitment for the Equipment Cost required to be paid on the Closing Date available to the Indenture Trustee, in either case, by transferring or delivering such amounts, in funds immediately available on the Closing Date, to the Indenture Trustee, either

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directly to, or for deposit in, the Indenture Trustee's account at The First National Bank of Chicago, One First National Plaza, Suite 0126, Chicago, Illinois 60670-0126, ABA No. 071000013, Clearing Account 48115377, for credit to trust number 19-203567-1, Attn: J. Kinney GATC Trust No. 96-1. The making available by the Owner Participant of the amount of its Commitment for the Equipment Cost shall be deemed a waiver of the Notice of Delivery by the Owner Participant and the Owner Trustee and the making available by the Loan Participant of the amount of its Commitment for the Equipment Cost shall be deemed a waiver of the Notice of Delivery by the Loan Participant and the Indenture Trustee.

(b) Closing. The closing of the transactions contemplated hereby (the "Closing") shall take place at 11:00 A.M., Chicago time, on the Closing Date at the offices of Mayer, Brown & Platt, 190 South LaSalle Street, Chicago, Illinois 60603 or at such other place or time as the parties hereto shall agree. Upon receipt by the Indenture Trustee on the Closing Date of the full amount of the Owner Participant's Commitment and Loan Participant's Commitment in respect of the Units delivered on the Closing Date, the Indenture Trustee on behalf of the Owner Trustee shall, subject to the conditions set forth in Sections 4.1 and 4.3 having been fulfilled to the satisfaction of the Owner Participant or waived by the Owner Participant, pay to the Lessee from the funds then held by it, in immediately available funds, an amount equal to the Equipment Cost for the Units delivered on the Closing Date, and simultaneously therewith, (i) the Lessee shall deliver the Units to the Owner Trustee, (ii) the Owner Trustee shall, pursuant to the Lease, lease and deliver the Equipment delivered on the Closing Date to the Lessee, and the Lessee, pursuant to the Lease, shall accept delivery of the Units under the Lease, such lease, delivery and acceptance of the Units under the Lease shall be conclusively evidenced by the execution and delivery by the Lessee and Owner Trustee of a separate Lease Supplement covering each Basic Group of Equipment so delivered as described in Schedule 1, and (iii) the Owner Trustee shall execute and deliver an Equipment Note for each Series relating to each such Lease Supplement to the Loan Participant. Each of the Lessee, the Owner Participant, the Owner Trustee, the Loan Participant and the Indenture Trustee hereby agree to take all actions required to be taken by it in connection therewith and pursuant to this Section 2.3(b).

Section 2.4. Owner Participant's Instructions to the Owner Trustee; Satisfaction of Conditions.

(a) The Owner Participant agrees that the making available to the Indenture Trustee of the amount of its Commitment for the Units delivered on the Closing Date in accordance with the terms of this Section 2 shall constitute, without further act, authorization and direction by the Owner Participant to the Owner Trustee, subject, on the Closing Date, to the conditions set forth in Sections 4.1 and 4.3 having been fulfilled to the satisfaction of the Owner Participant or waived by the Owner Participant, to take the actions specified in Section 2.1 of the Trust Agreement with respect

to the Units on the Closing Date.

(b) The Owner Participant agrees that the authorization by the Owner Participant or its counsel to the Indenture Trustee to release to the Lessee the Owner Participant's Commitment

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with respect to the Units delivered on the Closing Date shall constitute, without further act, notice and confirmation that all conditions to closing set forth in Sections 4.1 and 4.3 were either met to the satisfaction of the Owner Participant or, if not so met, were waived by it with respect to such Units.

Section 2.5. Expenses.

(a) If the Owner Participant shall have made its investment provided for in Section 2.2 and the transactions contemplated by this Agreement are consummated, either the Owner Participant will promptly pay, or the Owner Trustee will promptly pay, with funds the Owner Participant hereby agrees to pay (which, together with its Commitment, shall not exceed the amount set forth in Section 2.2(a)) to the Owner Trustee, the following (the "Transaction Costs") if evidenced by an invoice delivered to the Owner Participant and approved by the Lessee within six (6) months of the Closing Date:

(i) the cost of reproducing, printing and filing the Operative Agreements, the Equipment Notes, the Pass Through Certificates, the Offering Memorandum relating to the Pass Through Certificates, the Registration Statement, the Basic Prospectus, the Preliminary Final Prospectus, the Final Prospectus and the Underwriting Agreement and all amendments and supplements to the foregoing, including all costs and fees in connection with filing the Registration Statement and the initial filing and recording of the Lease, the Indenture and any other document required to be filed or recorded pursuant to the provisions hereof or of any other Operative Agreement and the fees and expenses of the rating agencies in connection with rating the Pass Through Certificates;

(ii) the reasonable fees and expenses of Thelen, Marrin, Johnson & Bridges, special counsel for the Owner Participant, in an amount not to exceed the amount set forth in the letter dated August 28, 1996 from such special counsel to the Lessee, plus disbursements [AMSOUTH: AND OF BERKOWITZ, LEFKOVITS, ISOM & KUSHNER, LOCAL COUNSEL FOR THE OWNER PARTICIPANT, IN AN AMOUNT NOT TO EXCEED THE AMOUNT SET FORTH IN THE LETTER DATED AUGUST 28, 1996 FROM THE OWNER PARTICIPANT TO THE LESSEE, PLUS DISBURSEMENTS], for their services rendered in connection with the negotiation, execution and delivery of this Participation Agreement and the Operative Agreements related hereto and the documents for the Related Transaction;

(iii) all costs and fees in connection with the qualification of the Pass Through Certificates under securities or Blue Sky laws in accordance with the provisions of Section VI(f) of the Underwriting Agreement, including filing fees and the fees and disbursements of Kirkland & Ellis in connection therewith and in connection with the preparation of any Blue Sky memorandum;

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(iv) the reasonable fees and expenses of Ernst & Young, accountants of the Lessee, for their services rendered in connection with issuing "comfort letters" to the Underwriters;

(v) the reasonable fees and expenses of Mayer, Brown & Platt, special counsel for the Lessee, for their services rendered in connection with the preparation of documentation, negotiation, execution and delivery of the Registration Statement, the Basic Prospectus, the Preliminary Final Prospectus, the Final Prospectus, the Underwriting Agreement, this Participation Agreement and the Operative Agreements related hereto;

(vi) the reasonable fees and expenses of Kirkland &

Ellis, special counsel for the Underwriters, for their services rendered in connection with the preparation of documentation, negotiation, execution and delivery of the Preliminary Final Prospectus, the Final Prospectus, the Underwriting Agreement, this Participation Agreement and the Operative Agreements related hereto;

(vii) the reasonable fees and expenses of Alvord & Alvord, special STB counsel, and McCarthy Tetrault, special Canadian counsel, for the Owner Participant and the Indenture Trustee;

(viii) the reasonable fees and expenses of Ray, Quinney & Nebeker, special counsel for the Owner Trustee, for their services rendered in connection with the negotiation, execution and delivery of this Participation Agreement and the Operative Agreements related hereto;

(ix) the commissions payable to the Underwriters in connection with the sale of the Pass Through Certificates;

[AMSOUTH: (X)-1 THE REASONABLE OUT-OF-POCKET EXPENSES OF THE OWNER PARTICIPANT;]

(x) the initial fees and reasonable out-of-pocket expenses of the Owner Trustee;

(xi) the initial fees and reasonable out-of-pocket expenses of the Indenture Trustee;

(xii) the initial fees and reasonable out-of-pocket expenses of the Pass Through Trustee;

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(xiii) the reasonable fees and expenses of R.L. Banks & Associates, Inc. [AMSOUTH: NORMAN W. SEIP & ASSOCIATES] for their services rendered in connection with delivering the Appraisal required by Section 4.3(a); and

(xiv) the costs incurred in connection with any adjustment pursuant to Section 2.6(a).

Notwithstanding the foregoing, Transaction Costs shall not include internal costs and expenses such as salaries and overhead of whatsoever kind or nature of, nor costs incurred by, parties to this Participation Agreement pursuant to arrangements with third parties for services (other than those expressly referred to above), such as travel expenses, computer time procurement, financial analysis and consulting, advisory services and costs of a similar nature.

(b) Upon the consummation of the transactions contemplated by this Agreement, the Lessee agrees to pay when due: (i) the reasonable expenses (including reasonable legal fees and expenses) of the Owner Trustee, the Indenture Trustee and the Participants incurred subsequent to the delivery of the Equipment on the Closing Date, in connection with any supplements, amendments, modifications, alterations, waivers or consents of any of the Operative Agreements which are (1) requested by, or necessitated by action or inaction on the part of, the Lessee or by any applicable law or regulation (other than laws or regulations solely relating to the business of the Lessor or the Owner Participant) or entered into in connection with, or as a result of, a Lease Default or (2) necessary or required to effectuate the purpose or intent of any Operative Agreement (including costs incurred in connection with any adjustment pursuant to Section 2.6); (ii) the ongoing reasonable fees and expenses (including reasonable legal fees and expenses) of the Owner Trustee under the Trust Agreement; (iii) the ongoing reasonable fees and expenses of the Indenture Trustee under the Operative Agreements; and (iv) the ongoing reasonable fees and expenses of the Pass Through Trustee under the Pass Through Trust Agreement.

(c) If the transactions contemplated hereby are not consummated as a result of (i) the Lessee's default in its obligations to consummate the transactions contemplated hereby, (ii) the Lessee's failure to consummate the transactions contemplated hereby after the satisfaction or waiver of the conditions set forth in Section 4 (other than conditions the satisfaction of which are solely in the control of the Lessee), or (iii) subject to the next sentence, in any other circumstance, the Lessee shall pay all Transaction

Costs. Notwithstanding anything contained herein to the contrary, if the transactions contemplated hereby are not consummated as a result of (x) the Owner Participant's default in its obligations to consummate the transactions hereunder, or (y) the Owner Participant's failure to make its equity investment as required by Section 2.2(a) after the conditions specified in Section 4 have been satisfied or waived by it in writing (other than conditions the satisfaction of which are solely in the control of the Owner Participant), the Owner Participant shall pay all Transaction Costs other than such costs and expenses that would otherwise benefit the Lessee in ultimately closing the transaction.

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(d) Notwithstanding the foregoing provisions of this Section 2.5, except as specifically provided in Section 7.2 or in any other Operative Agreement, the Lessee shall have no liability for any costs or expenses relating to any voluntary transfer of the Owner Participant's interest in the Equipment including any transfer prior to the Closing Date of the Owner Participant's obligation to fund its participation pursuant to Section 2 (other than in connection with any transfer pursuant to Sections 10.2, 11.4, 22.1 or 22.3 of the Lease or Section 6.9 hereof or a Lease Event of Default) and no such costs or expenses shall constitute Transaction Costs and the Lessee will not have any obligation with respect to the costs and expenses resulting from any voluntary transfer of any equity interest by any transferee of the Owner Participant, whenever occurring (other than in connection with a Lease Event of Default).

Section 2.6. Calculation of Adjustments to Basic Rent, Stipulated Loss Value and Termination Value; Confirmation and Verification.

(a) Calculation of Adjustments. In the event that (A) the Closing Date is other than August 28, 1996 or (B) the Transaction Costs paid by the Owner Participant pursuant to Section 2.5 prior to the first Rent Payment Date are less or more than 0.75% of the Total Equipment Cost or (C) the Closing Date is later than September 15, 1996 [AMSOUTH: AUGUST 29, 1996] and the rate of 5 [AMSOUTH: 5-1/2] year U.S. Treasury bills on the Closing Date is not 6.54% [AMSOUTH: 6.56%] or (D) a refinancing contemplated by Section 10.2 occurs, then, in each such case, the Owner Participant shall recalculate the payments or amounts, as the case may be, of Basic Rent, Stipulated Loss Values, Termination Values, Early Purchase Price and Basic Term Purchase Price, (i) to preserve the Net Economic Return that the Owner Participant would have realized had the Closing Date been August 28, 1996, had the Transaction Costs equaled 0.75% of the Total Equipment Cost, had the rate of 5 [AMSOUTH: 5-1/2] year U.S. Treasury bills on the Closing Date been 6.54% [AMSOUTH: 6.56%] or had such refinancing not occurred, and (ii) to minimize to the greatest extent possible, consistent with the foregoing clause (i), the present value (discounted semiannually at an interest rate per annum equal to the Debt Rate) of the payments of Basic Rent. Any such recalculation performed due to the occurrence of an event described in clause (A), (B) or (C) above shall be made prior to the first Rent Payment Date. In performing any such recalculation and in determining the Owner Participant's Net Economic Return, the Owner Participant shall utilize the same methods and assumptions originally used in making the computations of Basic Rent, Stipulated Loss Values, Termination Values, Early Purchase Price and Basic Term Purchase Price with respect to the Basic Term initially set forth in Schedules 3, 4, 6 and 7 to this Participation Agreement (other than those assumptions changed as a result of any of the events described in clauses (A) through (D) of the preceding sentence necessitating such recalculation; it being agreed that such recalculation shall reflect solely any changes of assumptions or facts resulting directly from the event or events necessitating such recalculation). Such adjustments shall comply (to the extent the original structure complied) with section 467 of the Code and the requirements of Sections 4.02(5), 4.07(1) and (2) and 4.08(1) of Revenue Procedure 75-28, as amended, calculated, except in the case of a refinancing pursuant to Section 10.2, without taking into account any

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change after the Pricing Date in or to Section 467 of the Code (and any regulations thereunder) and such requirements of Revenue Procedure 75-28.

(b) Confirmation and Verification. Upon completion of any

recalculation described above in this Section 2.6, a duly authorized officer of the Owner Participant shall provide a certificate to the Lessee either (x) stating that the payments of Basic Rent, Stipulated Loss Values, Termination Values, Early Purchase Price and Basic Term Purchase Price with respect to the Basic Term as are then set forth in Schedules 3, 4, 6 and 7 of this Participation Agreement do not require change, or (y) setting forth such adjustments to the payments of Basic Rent, Stipulated Loss Values, Termination Values, Early Purchase Price or Basic Term Purchase Price with respect to the Basic Term as have been calculated by the Owner Participant in accordance with Section 2.6(a) above. Such certificate shall describe in reasonable detail the basis for any such adjustments, and any such adjustment and corresponding adjustments to the Stipulated Loss Values, Termination Values, Early Purchase Price and Basic Term Purchase Price will be computed on a basis consistent with that used by the Owner Participant in the original calculation of Basic Rent. Any such adjustment shall be deemed approved upon notice of such approval by the Lessee to the Owner Participant or on the thirty-first (31st) day following delivery of such certificate by the Owner Participant to the Lessee unless the Lessee, prior to such day, requests verification pursuant to the following sentence, and shall become effective as of the earlier of (i) the first Rent Payment Date and (ii) the date the Lessee approves or has been deemed to have approved such adjustment (except that any adjustment to Stipulated Loss Value shall be effective as of the Closing Date). If the Lessee shall so request, the recalculation of any such adjustments described in this Section 2.6 shall be verified by a nationally recognized firm of independent accountants selected by the Owner Participant and reasonably acceptable to the Lessee and any such recalculation of such adjustment as so verified shall be binding on the Lessee and the Owner Participant. Such accounting firm shall be requested to make its determination within 30 days. The Owner Participant shall provide to a representative of such accounting firm, on a confidential basis, such information as it may reasonably require, including the original assumptions used by the Owner Participant and the methods used by the Owner Participant in the original calculation of, and any recalculation of, Basic Rent, Stipulated Loss Values, Termination Values, Early Purchase Price and Basic Term Purchase Price and such other information as is necessary to determine whether the computation is accurate and in conformity with the provisions of this Agreement, provided that in no event shall the Owner Participant have any obligation to provide the Lessee with any such information; and provided, further, that the Owner Participant shall have no obligation to disclose to the Lessee, such accounting firm or any other Person, or to permit the Lessee, such accounting firm or any other Person, to examine any federal, state or local income tax returns of the Owner Participant, or books or accounting records related thereto, for any taxable year. Subject to the immediately following sentence, the costs of such verification shall be borne by the Lessee. If such accounting firm's verification shall result in a decrease in the net present value (expressed as a percentage of Total Equipment Cost) of the Basic Rent (discounted semiannually at a rate per annum equal to the Debt Rate) under this Lease calculated as of the Closing Date, as compared to the net present value of Basic Rent proposed by the Owner Participant, by more than

10 basis points, then the Owner Participant agrees to reimburse the Lessee for any amounts paid for such verification. Any revised adjustment resulting from such verification shall become effective on the next Rent Payment Date after such verification has been concluded (except that any adjustment to Stipulated Loss Value shall be effective as of the Closing Date), and shall take into account any underpayment or overpayment, together with interest thereon at the Debt Rate, resulting from an earlier effectiveness of the original adjustment.

(c) Compliance. Notwithstanding the foregoing, any adjustment made to the payments of Basic Rent, Stipulated Loss Values, Termination Values or Early Purchase Price with respect to the Basic Term, pursuant to the foregoing, shall comply with the following requirements: (i) each installment of Basic Rent, as so adjusted, under any circumstances and in any event, will be in an amount at least sufficient for the Owner Trustee to pay in full as of the due date of such installment any payment of principal of and interest on the Equipment Notes required to be paid on the due date of such installment of Basic Rent, and (ii) Stipulated Loss Value, Termination Value and Early Purchase Price, as so adjusted, under any circumstances and in any event, will be an amount which, together with any other amounts required to be paid by the Lessee under the Lease in connection with an Event of Loss or a termination of the Lease, as the case may be, will be at least sufficient to pay in full, as of the date of payment thereof, the aggregate unpaid principal of, any Make-Whole Amount and all unpaid interest on the Equipment Notes, accrued to

the date on which Stipulated Loss Value, Termination Value or Early Purchase Price, as the case may be, is paid in accordance with the terms of the Lease.

(d) Invoices. All invoices in respect of Transaction Costs to the extent not delivered on the Closing Date shall be directed to the Owner Participant at the address set forth in Section 10.4, with a copy to the Lessee.

Section 2.7. Postponement of Closing Date.

(a) The scheduled Closing Date may be postponed from time to time with respect to all of the Units for any reason (but to no later than September 30, 1996) if the Lessee gives the Owner Participant, the Indenture Trustee, the Pass Through Trustee and the Owner Trustee telex, telegraphic, facsimile or telephonic (confirmed in writing) notice of the postponement and notice of the date to which such Closing Date has been postponed, the notice of postponement to be received by each party no later than 5:30 P.M., New York City time, on the originally scheduled Closing Date, and the term "Closing Date" as used in this Agreement shall mean the postponed "Closing Date".

(b) In the event of any postponement of the originally scheduled Closing Date pursuant to this Section 2.7 (the originally scheduled Closing Date being referred to as the "Scheduled Closing Date" for the purposes of this Section 2.7): (i) the Lessee will reimburse the Owner Participant for the loss of the use of its funds with respect to each such Unit occasioned by such postponement or failure to deliver or accept (unless such failure to accept is caused by a default by the Owner Participant hereunder or by the Owner Trustee (acting

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pursuant to instructions from the Owner Participant) under the Trust Agreement, the Lease or the Indenture) by paying to the Owner Participant on demand interest at the Debt Rate, for the period from and including the Scheduled Closing Date to but excluding the earlier of the date upon which such funds are returned to the Owner Participant (unless such funds are returned after 1:00 p.m. (New York City time) in which case such date of return shall be included) or the actual Closing Date; provided that the Lessee shall in any event pay to the Owner Participant at least one day's interest at the Debt Rate on the amount of such funds, unless the Owner Participant shall have received, prior to 12:00 noon (New York City time) on the Business Day preceding the Scheduled Closing Date, a notice of postponement of the Scheduled Closing Date pursuant to Section 2.7(a), and (ii) the Indenture Trustee will return not later than 10:00 A.M. New York City time, on the first Business Day following the Scheduled Closing Date, any funds which it shall have received from the Owner Participant as its Commitment for such Units, absent joint instructions from the Lessee and the Owner Participant to retain such funds until the specified date of postponement established under Section 2.7(a).

(c) The Indenture Trustee agrees that, in the event it has received telephonic notice (to be confirmed promptly in writing) from the Lessee on the Scheduled Closing Date that such Scheduled Closing Date is to be postponed, it will if instructed in the aforementioned notice from the Lessee (which notice shall specify the securities to be purchased) use reasonable best efforts to invest, at the risk of the Lessee (except as provided below with respect to the Indenture Trustee's gross negligence or willful misconduct), the funds received by it from the Owner Participant with respect to its Commitment in Specified Investments in accordance with the Lessee's instructions. Any such Specified Investments purchased by the Indenture Trustee upon instructions from the Lessee shall be held in trust by the Indenture Trustee (but not as part of the Indenture Estate under the Indenture) for the benefit of the Owner Participant whose funds are invested in Specified Investments upon instructions from the Lessee and any net profits on the investment of such funds (including interest), if any, shall be for the account of and shall on the Closing Date, or on the date such funds are returned to the Owner Participant, be paid over to, the Lessee. The Lessee shall pay to the Indenture Trustee on the Closing Date (if such Unit or Units are delivered and accepted pursuant hereto) the amount of any net loss on the investment of such funds invested at the instruction of the Lessee. If the funds furnished by the Owner Participant with respect to such Unit or Units are required to be returned to the Owner Participant, the Lessee shall, on the date on which such funds are so required to be returned, reimburse the Indenture Trustee, for the benefit of the Owner Participant, for any net losses incurred on such investments. The Indenture Trustee shall not be liable for failure to invest such funds or for any losses

incurred on such investments except for its own willful misconduct or gross negligence. In order to obtain funds for the payment of Equipment Cost for such Unit or Units or to return funds furnished by the Owner Participant to the Indenture Trustee for the benefit of the Owner Participant with respect to such Unit or Units, the Indenture Trustee is authorized to sell any Specified Investments purchased as aforesaid with the funds received by it from the Owner Participant in connection with such Unit or Units.

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(d) Notwithstanding the provisions of Section 2.7(a), the Owner Participant shall not be under any obligation to make its Commitment available beyond 11:00 A.M. (New York City time) on September 30, 1996.

SECTION 3. REPRESENTATIONS AND WARRANTIES.

Section 3.1. Representations and Warranties of the Owner Trustee. The Owner Trustee, in its individual capacity (except with respect to clauses (c) and (k) (to the extent applicable to the Owner Trustee in its capacity as Owner Trustee) below) and as Owner Trustee with respect to clauses (c), (e) (to the extent provided therein) and (k) (to the extent applicable to the Owner Trustee in its capacity as Owner Trustee) below, represents and warrants to the Owner Participant, each of the other Trustees and the Lessee, notwithstanding the provisions of Section 10.13 or any similar provision in any other Operative Agreement, that, as of the date hereof:

(a) the Owner Trustee in its individual capacity (i) is a national banking association duly organized and validly existing in good standing under the laws of the United States of America, (ii) has full corporate power and authority to carry on its business as now conducted and to enter into and perform its obligations hereunder and under the Trust Agreement and (iii) (assuming due authorization, execution and delivery of the Trust Agreement by the Owner Participant) has full power and authority, as Owner Trustee and/or, to the extent expressly provided herein or therein, in its individual capacity, to enter into and perform its obligations under each of the Owner Trustee Agreements;

(b) (i) the Owner Trustee, in its individual capacity, has duly authorized, executed and delivered the Trust Agreement, (ii) (assuming the due authorization, execution and delivery of the Trust Agreement by the Owner Participant) the Owner Trustee in its trust capacity and, to the extent expressly provided therein, in its individual capacity, has duly authorized, executed and delivered each of the other Owner Trustee Agreements and, as of the Closing Date, the Equipment Notes, the Lease Supplements and the Indenture Supplements to be delivered on the Closing Date, and (iii) the Trust Agreement constitutes a legal, valid and binding obligation of the Owner Trustee, in its individual capacity, enforceable against it in its individual capacity in accordance with its terms except as the same may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and by general principles of equity;

(c) assuming the due authorization, execution and delivery of the Trust Agreement by the Owner Participant, each of the Owner Trustee Agreements (other than the Trust Agreement) to which it is a party constitutes, or when entered into will constitute, a legal, valid and binding obligation of the Owner Trustee, enforceable against it in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the rights of creditors generally and by general principles of equity;

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(d) neither the execution and delivery by the Owner Trustee, in its individual capacity or as Owner Trustee, as the case may be, of the Owner Trustee Agreements or the Equipment Notes to be delivered on the Closing Date, nor the consummation by the Owner Trustee, in its individual capacity or as Owner Trustee, as the case may be, of any of the transactions contemplated hereby or thereby, nor the compliance by the Owner Trustee, in its individual capacity, or as Owner Trustee, as the case may be, with any of the terms and

provisions hereof and thereof, (i) requires or will require any approval of its stockholders, or approval or consent of any trustees or holders of any indebtedness or obligations of it in its individual capacity, or (ii) violates or will violate its charter documents or by-laws, or contravenes or will contravene any provision of, or constitutes or will constitute a default under, or results or will result in any breach of, any indenture, mortgage, chattel mortgage, deed of trust, conditional sale contract, bank loan or credit agreement, license or other agreement or instrument to which the Owner Trustee in its individual capacity is a party or by which it is bound, or contravenes or will contravene any law, governmental rule or regulation of the United States of America or the State of Utah governing the banking or trust powers of the Owner Trustee, or any judgment or order applicable to or binding on it;

(e) there are no Taxes payable by the Owner Trustee, either in its individual capacity or as Owner Trustee, imposed by the State of Utah or any political subdivision thereof or by the United States of America in connection with the execution and delivery by the Owner Trustee in its individual capacity of the Trust Agreement, and, in its individual capacity or as Owner Trustee, as the case may be, of this Agreement, the other Owner Trustee Agreements (other than the Trust Agreement) or the Equipment Notes to be delivered on the Closing Date solely because the Owner Trustee in its individual capacity is a national banking association with its principal place of business in Salt Lake City, Utah and performs certain of its duties as Owner Trustee in the State of Utah; and there are no Taxes payable by the Owner Trustee, in its individual capacity or as Owner Trustee, as the case may be, imposed by the State of Utah or any political subdivision thereof or by the United States of America in connection with the acquisition of its interest in the Equipment (other than franchise or other taxes based on or measured by any fees or compensation received by the Owner Trustee for services rendered in connection with the transactions contemplated hereby) solely because the Owner Trustee in its individual capacity is a national banking association with its principal place of business in Salt Lake City, Utah and performs certain of its duties as Owner Trustee in the State of Utah;

(f) there are no pending or, to its knowledge, threatened actions or proceedings against the Owner Trustee, either in its individual capacity or as Owner Trustee, before any court or administrative agency which individually or in the aggregate, if determined adversely to it, would materially adversely affect the ability of the Owner Trustee, in its individual capacity or as Owner Trustee, as the case may be, to perform its obligations under the Trust Agreement, the other Owner Trustee Agreements or the Equipment Notes to be delivered on the Closing Date;

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(g) both its chief executive office, and the place where its records concerning the Equipment and all its interest in, to and under all documents relating to the Trust Estate, are located at Salt Lake City, Utah, and the Owner Trustee, in its individual capacity, agrees to give the Owner Participant, the Indenture Trustee and the Lessee written notice within 30 days following any relocation of said chief executive office or said place from its present location;

(h) no consent, approval, order or authorization of, giving of notice to, or registration with, or taking of any other action in respect of, any Utah state or local governmental authority or agency or any United States federal governmental authority or agency regulating the banking or trust powers of the Owner Trustee, in its individual capacity, is required for the execution and delivery of, or the carrying out by, the Owner Trustee in its individual capacity or as Owner Trustee, as the case may be, of any of the transactions contemplated hereby or by the Trust Agreement or of any of the transactions contemplated by any of the other Owner Trustee Agreements, other than any such consent, approval, order, authorization, registration, notice or action as has been duly obtained, given or taken;

(i) on the Closing Date, the Owner Trustee's right, title and interest in and to the Equipment delivered on the Closing Date shall be free of any Liens attributable to the Owner Trustee in its individual capacity;

(j) the proceeds received by the Owner Trustee from the Owner Participant pursuant to the Trust Agreement will be administered by it in accordance with Article IV of the Trust Agreement;

(k) the Owner Trustee shall receive from the Lessee such title as

was conveyed to it by the Lessee, subject to the rights of the Owner Trustee and the Lessee under the Lease and the security interest created pursuant to the Indenture and the Indenture Supplement in respect of the Units delivered on the Closing Date, and there will be no Lessor's Liens attributable to it on the Equipment or any interest therein or on the Trust Estate; and

(1) to its knowledge, no Indenture Default or Indenture Event of Default has occurred and is continuing.

Section 3.2. Representations and Warranties of the Lessee. The Lessee represents and warrants to the Trustees and the Owner Participant that, as of the date hereof:

(a) the Lessee is a corporation duly organized, validly existing, and in good standing under the laws of the State of New York, is duly licensed or qualified and in good standing in each jurisdiction in which the failure to so qualify would have a material adverse effect on its ability to carry on its business as now conducted or to enter into and perform its obligations under the Lessee Agreements, has the corporate power and authority to sell the Equipment to the Owner Trustee and to carry on its business as now conducted, and has the requisite power and authority to execute, deliver and perform its obligations under the Lessee Agreements;

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(b) the Lessee Agreements have been duly authorized by all necessary corporate action (no shareholder approval being required), executed and delivered (or in the case of the Lease Supplements in respect of the Units delivered on the Closing Date will on the Closing Date have been duly executed and delivered) by the Lessee, and constitute (or in the case of the Lease Supplement in respect of the Units delivered on the Closing Date will on the Closing Date constitute) the legal, valid and binding obligations of the Lessee, enforceable against the Lessee in accordance with their respective terms except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and by general principles of equity;

(c) the execution, delivery and performance by the Lessee of each Lessee Agreement and compliance by the Lessee with all of the provisions thereof do not and will not contravene any law or regulation, or any order of any court or governmental authority or agency applicable to or binding on the Lessee or any of its properties, or contravene the provisions of, or constitute a default by the Lessee under, or result in the creation of any Lien (except for Permitted Liens) upon the property of the Lessee under its certificate of incorporation or by-laws or any indenture, mortgage, contract or other agreement or instrument to which the Lessee is a party or by which the Lessee or any of its property is bound or affected;

(d) except for those matters discussed in the financial statements provided to the Participants under Section 3.2(e), there are no proceedings pending or, to the knowledge of the Lessee, threatened against the Lessee or any Subsidiary in any court or before any governmental authority or arbitration board or tribunal which individually or in the aggregate would, if determined adversely to it, materially and adversely affect the financial condition or business of the Lessee and its consolidated Subsidiaries, taken as a whole, or impair the ability of the Lessee to perform its obligations under the Lessee Agreements or which questions the validity of any Lessee Agreement or any action taken or to be taken pursuant thereto. Neither the Lessee nor any Subsidiary is in default with respect to any order of any court or governmental authority or arbitration board or tribunal, the default under which would affect adversely the ability of the Lessee to perform its obligations under the Lessee Agreements;

(e) the audited consolidated balance sheets and consolidated statements of income and retained earnings and cash flows of the Lessee for the fiscal year ended December 31, 1995, fairly present, in conformity with generally accepted accounting principles, the consolidated financial position of the Lessee and its Subsidiaries as of such date and the results of their operations for the period then ended. The unaudited consolidated balance sheets and consolidated statements of income and retained earnings and cash flows of the Lessee and its Subsidiaries for the six-month period ended June 30, 1996 fairly present, in conformity with generally accepted accounting principles consistently applied (except for the absence of footnotes in the June 30, 1996 financial statements), the consolidated financial position of the

Lessee and its Subsidiaries as of such date and the results of their operations for the period then ended, subject to normal year-end adjustments. Since December 31, 1995, there has been no material

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adverse change in the condition, financial or otherwise, of the Lessee and its consolidated Subsidiaries, taken as a whole, as shown on the financial statements of Lessee as of such date;

(f) no consent, approval or authorization of, or filing, registration or qualification with, or the giving of notice to, any trustee or any holder of indebtedness of Lessee or any governmental authority on the part of the Lessee is required in connection with the execution and delivery by the Lessee of the Lessee Agreements, other than notices required to be filed with the STB and the Registrar General of Canada, which STB notice shall have been filed on the Closing Date and which Canadian notice shall be filed promptly following the Closing Date;

(g) the Lease, the Indenture, the Lease Supplements in respect of the Units delivered on the Closing Date and the Indenture Supplements in respect of the Units delivered on the Closing Date will on or before the Closing Date be duly filed with the STB pursuant to 48 U.S.C. Section 11301 and deposited with the Registrar General of Canada pursuant to Section 90 of the Railway Act of Canada and such filing with the STB pursuant to 49 U.S.C. Section 11301 will perfect the Owner Trustee's and the Indenture Trustee's rights in such Operative Agreements and in the Units, and such deposit with the Registrar General of Canada will perfect the Owner Trustee's and the Indenture Trustee's rights in such Operative Agreements and in the Units and no other filing, recording or deposit with, or giving of notice to any other federal, state, provincial or local government or agency thereof, or any other action, is necessary in order to protect the rights of the Owner Trustee and the Indenture Trustee in such Operative Agreements or in such Units in the United States, any state thereof, the District of Columbia or to protect the rights of the Owner Trustee and the Indenture Trustee in such Operative Agreements or in such Units in Canada or any province thereof;

(h) the Equipment is covered by the insurance required by Section 12 of the Lease and all premiums due prior to the Closing Date in respect of such insurance shall have been paid in full;

(i) the Lessee has timely filed all United States Federal income tax returns and all other material tax returns which are required to be filed by it and has paid all taxes due pursuant to such returns or pursuant to any assessment made against the Lessee or any of its assets (other than assessments, the payment of which is being contested in good faith by appropriate proceedings by the Lessee and none of which are material), and no tax liens have been filed and no claims are being asserted with respect to any such taxes, fees or other charges which could reasonably be expected to have a materially adverse effect on its ability to perform its obligations under the Lessee Agreements. The provision for taxes on the books of the Lessee is adequate for all open years, and for its current fiscal period;

(j) no Lease Default or Lease Event of Default has occurred and is continuing and to the knowledge of Lessee, no Event of Loss, or event with which the giving of notice and/or the passage of time would constitute an Event of Loss, has occurred;

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(k) the Lessee is not an "investment company" or an "affiliated person" of an "investment company" within the meaning of the Investment Company Act of 1940;

(l) the acquisition by the Owner Participant of the Beneficial Interest for its own account will not constitute a prohibited transaction within the meaning of Section 4975(c)(1)(A) through (D) of the Code or a "Prohibited Transaction" under ERISA. The representation made by the Lessee in the preceding clause is made in reliance upon and subject to the accuracy of

the representation of the Owner Participant in Section 3.6(h) of this Agreement;

(m) on the Closing Date, Lessee shall have, and the Bill of Sale to be delivered on the Closing Date shall convey, to the Owner Trustee all legal and beneficial title to the Units being delivered on the Closing Date, free and clear of all Liens (other than Permitted Liens of the type described in clause (ii) with respect to sublessees, and in clauses (iii), (iv), (vi) and (vii) of the definition thereof), and such conveyance is not void or voidable under any applicable law;

(n) the financial statements referred to in Section 3.2(e) do not, nor does the Registration Statement relating to the Pass Through Certificates or any written statement furnished by the Lessee or on behalf of the Lessee in connection with the negotiation of the Lease or any other Operative Agreement, contain any untrue statement of a material fact or omit a material fact necessary to make the statements contained therein or herein not misleading. There is no fact which the Lessee has not disclosed in writing which materially affects adversely or, so far as the Lessee can now reasonably foresee, will materially affect adversely the properties, business, prospects, profits or condition (financial or otherwise) of the Lessee and its Subsidiaries, taken as a whole;

(o) none of the transactions contemplated by the Operative Agreements (including, without limitation, the use of the proceeds from the sale of the Equipment Notes) will result in a violation of Section 7 of the Securities Exchange Act of 1934, as amended, or any regulations issued pursuant thereto, including, without limitation, Regulations G, T, U and X of the Board of Governors of the Federal Reserve System, 12 C.F.R., Chapter II. None of the proceeds from the sale of the Equipment Notes will be used to purchase or carry (or refinance any borrowing the proceeds of which were used to purchase or carry) any "security" within the meaning of the Securities Exchange Act of 1934, as amended;

(p) the Lessee is not in violation of any term of any charter instrument, by-law or in any material respect of any other material agreement or instrument to which it is a party or by which it may be bound. The Lessee is in compliance with all laws, ordinances, governmental rules and regulations to which it is subject, the failure to comply with which would have a material and adverse effect on its operations or condition, financial or otherwise, or would impair the ability of the Lessee to perform its obligations under the Operative Agreements to which it is a party, and has obtained all licenses, permits, franchises and other governmental authorizations material to the conduct of its business;

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(q) on the Closing Date all sales, use or transfer taxes due and payable upon the purchase of the Equipment by the Lessor and on the lease thereof to the Lessee will have been paid or such transactions will then be exempt from any such taxes and the Lessee will cause any required forms or reports in connection with such taxes to be filed in accordance with applicable laws and regulations. No taxes, fees or other charges in connection with the execution and delivery of the Operative Agreements or the issuance and sale of the Equipment Notes to be delivered on the Closing Date are payable;

(r) no broker's or finder's or placement fee or commission will be payable with respect to the transactions contemplated by the Operative Agreements as a result of any action by Lessee, except for the fees of GATX Lease Funding, Inc., which Lessee agrees will be paid by it, and of Morgan Stanley & Co. Incorporated and Salomon Brothers Inc, which shall be included in Transaction Costs, and Lessee agrees that it will hold the Owner Participant, the Owner Trustee and the Indenture Trustee harmless from any claim, demand or liability for any other broker's or finder's or placement fees or commission alleged to have been incurred as a result of any action by Lessee in connection with such transactions;

(s) each Unit of the Equipment, taken as a whole, and each major component thereof, complies in all material respects with all applicable laws and regulations, conforms with the specifications for such Unit contained in the Appraisal referred to in Section 4.3(a) hereof and is substantially complete such that it is ready and available to operate in commercial service and otherwise perform the function for which it was designed; and

(t) the Lessee is not subject to regulation as a "holding company," an "affiliate" of a "holding company," or a "subsidiary company" of a "holding company," within the meaning of the Public Utility Holding Company Act of 1935, as amended.

Section 3.3. Representations and Warranties of the Indenture Trustee. The Indenture Trustee represents and warrants to the Owner Participant, the Owner Trustee and the Lessee that, as of the date hereof:

(a) the Indenture Trustee is a national banking association duly organized and validly existing and in good standing under the laws of the United States of America and has the full corporate power, authority and legal right under the laws of the United States of America pertaining to its banking, trust and fiduciary powers to execute, deliver and carry out the terms of each of the Indenture Trustee Agreements;

(b) the execution, delivery and performance by the Indenture Trustee of each of the Indenture Trustee Agreements have been duly authorized by the Indenture Trustee and will not violate any applicable law or its articles of association or by-laws or the provisions of any indenture, mortgage, contract or other agreement to which it is a party or by which it is bound;

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(c) this Agreement has been duly executed and delivered and constitutes, and the other Indenture Trustee Agreements, when executed and delivered, will constitute its legal, valid and binding obligation enforceable against it in accordance with its terms;

(d) there are no proceedings pending or, to the knowledge of the Indenture Trustee, threatened, and to the knowledge of the Indenture Trustee there is no existing basis for any such proceedings, against or affecting the Indenture Trustee in or before any court or before any governmental authority or arbitration board or tribunal which, individually or in the aggregate, if adversely determined, might impair the ability of the Indenture Trustee to perform its obligations under the Indenture Trustee Agreements;

(e) no authorization or approval or other action by, and no notice to or filing with, any stockholder, trustee or holder of indebtedness or any governmental authority or regulatory body of the United States of America governing the Indenture Trustee in its trust capacity, is required for the due execution, delivery and performance by the Indenture Trustee of the Indenture Trustee Agreements, except as have been previously obtained, given or taken;

(f) the Indenture Trustee is not in default under any of the Indenture Trustee Agreements; and

(g) neither the Indenture Trustee, nor any Person authorized to act on behalf of the Indenture Trustee, has directly or indirectly offered any interest in the Trust Estate or the Equipment Notes or any security similar to either thereof related to this transaction for sale to, or solicited offers to buy any of the same from, or otherwise approached or negotiated with respect to any of the same with, any Person other than the Pass Through Trustee, the Underwriters and the initial purchasers of the Pass Through Certificates.

Section 3.4. Representations, Warranties and Covenants Regarding Beneficial Interest and Equipment Notes.

(a) The Owner Trustee represents and warrants to the Lessee, each of the other Trustees and the Owner Participant that, as of the date hereof and as of the Closing Date, neither the Owner Trustee nor any Person authorized or employed by the Owner Trustee as agent or otherwise in connection with the placement of the Beneficial Interest or the Equipment Notes or any similar interest has offered any of the Beneficial Interest or the Equipment Notes or any similar interest for sale to, or solicited offers to buy any thereof from, or otherwise approached or negotiated with respect thereto with, any prospective purchaser.

(b) The Lessee represents and warrants to the Trustees and the Owner Participant that, as of the date hereof and as of the Closing Date, neither the Lessee nor any Person authorized or employed by the Lessee as agent or otherwise in connection with the placement of the Beneficial Interest or the

Equipment Notes or any similar interest has offered any of the Beneficial Interest or the Equipment Notes or similar interest for sale to, or solicited offers to

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buy any thereof from, or otherwise approached or negotiated with respect thereto with, any Person other than the Owner Participant and not more than 34 other institutional investors with respect to the Beneficial Interest, and, except for the issue and sale of the Pass Through Certificates as contemplated by the Registration Statement, the Pass Through Trustee with respect to the Equipment Notes.

(c) Each of the Owner Trustee, the Owner Participant and the Lessee agree, as to its own actions only, severally but not jointly that neither the Owner Trustee, the Owner Participant nor the Lessee nor anyone acting on behalf of the Owner Trustee, the Owner Participant or the Lessee will offer the Beneficial Interest, the Equipment Notes, or any part thereof or any similar interest for issue or sale to any prospective purchaser, or solicit any offer to acquire any of the Beneficial Interest, the Equipment Notes, or any part thereof so as to bring the issuance and sale of the Beneficial Interest, the Equipment Notes, or any part thereof within the provisions of Section 5 of the Securities Act of 1933, as amended.

Section 3.5. Representations and Warranties of the Pass Through Trustee. The Pass Through Trustee represents and warrants to the Owner Participant, the other Trustees, and the Lessee that, as of the date hereof:

(a) the Pass Through Trustee is a national banking association duly organized and validly existing in good standing under the laws of the United States of America and has the full corporate power, authority and legal right under the laws of the United States of America pertaining to its banking, trust and fiduciary powers to execute, deliver and carry out the terms of the Pass Through Trust Agreement, the Pass Through Trust Supplements and this Agreement;

(b) the Pass Through Trust Agreement, the Pass Through Trust Supplements and this Agreement have been duly authorized, executed and delivered by the Pass Through Trustee; this Agreement, the Pass Through Trust Supplements and the Pass Through Trust Agreement constitute the legal, valid and binding obligation of the Pass Through Trustee enforceable against it in accordance with its terms;

(c) the execution, delivery and performance by the Pass Through Trustee of the Pass Through Trust Agreement, the Pass Through Trust Supplements and this Agreement, the purchase by the Pass Through Trustee of the Equipment Notes pursuant to this Agreement, and the issuance of the Pass Through Certificates pursuant to the Pass Through Trust Agreement and the Pass Through Trust Supplements, do not contravene any law, rule or regulation of any United States of America governmental authority or agency regulating the Pass Through Trustee's banking, trust or fiduciary powers or any judgment or order applicable to or binding on the Pass Through Trustee and do not contravene or result in any breach of, or constitute a default under, the Pass Through Trustee's articles of association or by-laws or any agreement or instrument to which the Pass Through Trustee is a party or by which it or any of its properties may be bound;

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(d) neither the execution and delivery by the Pass Through Trustee of the Pass Through Trust Agreement, the Pass Through Trust Supplements or this Agreement nor the consummation by the Pass Through Trustee of any of the transactions contemplated hereby or thereby, requires the consent or approval of, the giving of notice to, or the registration with, or the taking of any other action with respect to, any United States of America governmental authority or agency or any Federal governmental authority or agency regulating the Pass Through Trustee's banking, trust or fiduciary powers;

(e) there are no pending or threatened actions or proceedings

against the Pass Through Trustee before any court or administrative agency which individually or in the aggregate, if determined adversely to it, would materially adversely effect the ability of the Pass Through Trustee to perform its obligations under this Agreement, the Pass Through Trust Supplements or the Pass Through Trust Agreement;

(f) the Pass Through Trustee is not in default under the Pass Through Trust Agreement, as supplemented by the Pass Through Trust Supplements;

(g) the Pass Through Trustee is not directly or indirectly controlling, controlled by or under common control with the Owner Participant, the Owner Trustee, the Underwriters or the Lessee;

(h) the Pass Through Trustee is purchasing the Equipment Notes for the purposes contemplated by the Operative Agreements and not with a view to the transfer or distribution of any Equipment Note to any other Person, except as contemplated by the Operative Agreements; and

(i) except for the issue and sale of the Pass Through Certificates contemplated hereby, the Pass Through Trustee has not directly or indirectly offered any Equipment Note or Pass Through Certificate or any interest in or to the Trust Estate, the Trust Agreement or any similar interest for sale to, or solicited any offer to acquire any of the same from, anyone other than the Owner Trustee and the Owner Participant, and the Pass Through Trustee has not authorized anyone to act on its behalf to offer directly or indirectly any Equipment Note, any Pass Through Certificate or any interest in and to the Trust Estate, the Trust Agreement or any similar interest related to this transaction for sale to, or to solicit any offer to acquire any of the same from, any person other than each Owner Trustee and the Owner Participant, and the Pass Through Trustee is not in default under the Pass Through Trust Agreement.

Section 3.6. Representations and Warranties of the Owner Participant. The Owner Participant represents and warrants to the Trustees and the Lessee that, as of the date hereof:

(a) the Owner Participant is a [AMSOUTH: BANKING] corporation duly organized, validly existing and in good standing under the laws of the State of New York [AMSOUTH: ALABAMA] and has full corporate power and authority to carry on its business as now conducted;

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(b) the Owner Participant has the requisite corporate power and authority to enter into the Owner Participant Agreements and to perform its obligations thereunder, and the execution, delivery and performance thereof do not and will not contravene any law or regulation, or any order of any court or governmental authority or agency applicable to or binding on the Owner Participant or any of its properties, or contravene the provisions of, or constitute a default under, or result in the creation of any Lien (other than such as are created by the Operative Agreements) upon the Equipment under, its charter documents or by-laws or any indenture, mortgage, contract or other agreement or instrument to which the Owner Participant is a party or by which it or any of its property is bound or affected;

(c) the Owner Participant Agreements have been duly authorized by all necessary corporate actions on the part of the Owner Participant, do not require any approval not already obtained of the shareholders of the Owner Participant or any approval or consent not already obtained of any trustee or holders of indebtedness or obligations of the Owner Participant, have been duly executed and delivered by the Owner Participant and (assuming the due authorization, execution and delivery by each other party thereto) constitute the legal, valid and binding obligations of the Owner Participant, enforceable against the Owner Participant in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting the rights of creditors generally and by general principles of equity;

(d) no authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery or performance by the Owner Participant of the Trust Agreement, the Tax Indemnity Agreement or this Agreement;

(e) the Trust Estate is free of any Lessor's Liens attributable to

the Owner Participant;

(f) there are no pending or, to the Owner Participant's knowledge, threatened actions or proceedings against the Owner Participant before any court or administrative agency which would materially adversely affect the Owner Participant's financial condition or its ability to perform its obligations under the Trust Agreement, the Tax Indemnity Agreement or this Agreement;

(g) as of the Closing Date the Owner Participant is purchasing the Beneficial Interest to be acquired by it for its account with no present intention of distributing such Beneficial Interest or any part thereof in any manner which would violate the Securities Act of 1933, as amended, but without prejudice, however, to the right of the Owner Participant at all times to sell or otherwise dispose of all or any part of such Beneficial Interest in compliance with the Securities Act of 1933, as amended; provided, however, that subject to the provisions of Section 6.1, the disposition of the Beneficial Interest shall at all times be within the Owner Participant's control. The Owner Participant acknowledges that its Beneficial Interest has not

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been registered under the Securities Act of 1933, as amended, and that neither the Owner Trustee nor the Lessee contemplates filing, or is legally required to file, any such registration statement;

(h) with respect to the source of the amount to be advanced by the Owner Participant pursuant to Section 2.2, no part of such amount constitutes assets of any employee benefit plan subject to Title I of ERISA or Section 4975 of the Code; and

(i) no broker's or finder's or placement fee or commission will be payable with respect to the transactions contemplated by the Operative Agreements as a result of any action by the Owner Participant except for the fees of Mellon Financial Services Corporation #4 [AMSOUTH: D'ACCORD, INC.], which will be paid by the Owner Participant and the Owner Participant agrees that it will hold Lessee, the Indenture Trustee and Lessor harmless from any claim, demand or liability for broker's or finder's or placement fees or commission alleged to have been incurred as a result of any action by the Owner Participant in connection with this transaction.

Section 3.7. Opinion Acknowledgment. Each of the parties hereto, with respect to such party, expressly consents to the rendering by its counsel of the opinion referred to in Section 4.1(e) and acknowledges that such opinion shall be deemed to be rendered at the request and upon the instructions of such party.

SECTION 4. CLOSING CONDITIONS.

Section 4.1. Conditions Precedent to Investment by Each Participant. The obligation of each Participant to make its investment specified with respect to such Participant in Section 2 on the Closing Date shall be subject to the following conditions (except that paragraph (k) and clause (i) of paragraph (p) shall not be conditions precedent to the Owner Participant's obligations hereunder and paragraph (n) and (s) and clause (ii) of paragraph (p) shall not be conditions precedent to the Loan Participant's obligations hereunder):

(a) Execution of Operative Agreements. On or before the Closing Date, this Agreement, the Trust Agreement, the Lease, the Lease Supplements in respect of the Units delivered on the Closing Date, the Indenture, the Indenture Supplements in respect of the Units delivered on the Closing Date, the Equipment Notes, the Pass Through Trust Agreement, the Pass Through Trust Supplements and the Underwriting Agreement shall each be satisfactory in form and substance to such Participant, shall have been duly executed and delivered by the parties thereto (except that the execution and delivery of the documents referred to above (other than this Agreement) by a party hereto or thereto shall not be a condition precedent to such party's obligations hereunder), shall each be in full force and effect and executed counterparts of each shall have been delivered to such Participant or its counsel on or before the Closing Date; and no event shall have occurred and be continuing that constitutes a Lease Default or an Indenture Default.

(b) Recordation and Filing. On or before the Closing Date the Lessee shall have caused the Lease, the Lease Supplements in respect of Units delivered on the Closing Date, the Indenture and the Indenture Supplements in respect of the Units delivered on the Closing Date, to be duly filed, recorded and deposited with the STB in conformity with 49 U.S.C. Section 11301 and with the Registrar General of Canada pursuant to Section 90 of the Railway Act of Canada and all necessary actions shall have been taken to cause publication of notice of such deposit in The Canada Gazette in accordance with said Section 90 within 21 days after the Closing Date, and the Lessee shall furnish the Indenture Trustee, the Owner Trustee and each Participant proof thereof.

(c) Representations and Warranties of Lessee. On the Closing Date, the representations and warranties of the Lessee contained in Section 3.2 and Section 3.4(b) hereof shall be true and correct in all material respects as of the Closing Date as though then made on and as of such date, except to the extent that such representations and warranties relate solely to an earlier date (in which case such representations and warranties were true and correct on and as of such earlier date), and the Owner Trustee, the Indenture Trustee and each Participant shall have received an Officer's Certificate dated such date from the Lessee certifying to the foregoing matters, and the Lessee shall have performed and complied with all agreements and conditions herein contained which are required to be performed or complied with by the Lessee on or before said date.

(d) Representations and Warranties of Owner Trustee. On the Closing Date, the representations and warranties of the Owner Trustee contained in Section 3.1 and Section 3.4(a) shall be true and correct in all material respects as of the Closing Date as though then made on and as of such date except to the extent that such representations and warranties relate solely to an earlier date (in which case such representations and warranties were true and correct on and as of such earlier date), and the Lessee, the Indenture Trustee, the Pass Through Trustee and each Participant shall have received an Officer's Certificate dated such date from the Owner Trustee and the Owner Trustee shall have performed and complied with all agreements and conditions herein contained which are required to be performed or complied with by the Owner Trustee on or before said date.

(e) Opinions of Counsel. On the Closing Date, the Owner Trustee, the Indenture Trustee and each Participant shall have received the favorable written opinion of each of (i) the Lessee's special counsel and counsel for the Lessee (which counsel shall be the General Counsel or Assistant General Counsel of the Parent), (ii) counsel to the Owner Trustee, (iii) special counsel and counsel to the Owner Participant, (iv) counsel to the Pass Through Trustee, (v) counsel to the Indenture Trustee, (vi) special STB counsel and (vii) special Canadian counsel, in form and substance satisfactory to each Participant; provided that, except as otherwise provided herein, receipt by a party hereto of a favorable written opinion from counsel to such party shall not be a condition precedent to such party's obligations hereunder.

(f) Title. On the Closing Date, after giving effect to the transactions contemplated hereby, the Owner Trustee shall have all legal and beneficial title to each Unit to be delivered on the Closing Date, free and clear of all Liens (other than Permitted Liens of the type described in clause (ii) with respect to sublessees, and in clauses (iii), (iv), (vi) and (vii) of the definition thereof).

(g) Bill of Sale. On the Closing Date the Lessee shall have delivered to the Owner Trustee (with copies to the Indenture Trustee and each Participant) the Bill of Sale, in form and substance reasonably satisfactory to the Owner Trustee, dated such date covering the Units to be settled for on such date, transferring to the Owner Trustee legal and beneficial title to such Units free of all claims, liens and encumbrances of any nature and warranting to the Owner Trustee that at the time of delivery of each such Unit, the Lessee had legal and beneficial title thereto and good and lawful right to sell the same, and title thereto was free and clear of all Liens (other than Permitted

Liens of the type described in clause (ii) with respect to sublessees, and in clauses (iii), (iv), (vi) and (vii) of the definition thereof).

(h) Insurance Certificate and Opinion. On or before the Closing Date, the Indenture Trustee and each Participant shall have received (x) any certificate relating to insurance that is required pursuant to Section 12 of the Lease and (y) a certificate from a nationally recognized insurance broker in the form attached hereto as Exhibit A with respect to the public liability insurance required by Section 12.1(b) of the Lease.

(i) Corporate Documents. Each of the Participants shall have received such documents and evidence with respect to the Lessee, the Owner Participant, the Owner Trustee, the Pass Through Trustee and the Indenture Trustee as the Participants may reasonably request in order to establish the consummation of the transactions contemplated by this Agreement, the taking of all corporate and other proceedings in connection therewith and compliance with the conditions herein or therein set forth.

(j) No Threatened Proceedings. No action or proceeding shall have been instituted nor shall governmental action be threatened before any court or governmental agency, nor shall any order, judgment or decree have been issued or proposed to be issued by any court or governmental agency at the time of the Closing Date, to set aside, restrain, enjoin or prevent the completion and consummation of this Agreement or the transactions contemplated hereby.

(k) Representations and Warranties of Owner Participant. On the Closing Date, the representations and warranties of the Owner Participant contained in Section 3.6 hereof shall be true and correct in all material respects as of the Closing Date as though then made on and as of such date, except to the extent that such representations and warranties relate solely to an earlier date (in which case such representations and warranties were true and correct on and as of such earlier date), and the Lessee, the Indenture Trustee and the Pass Through Trustee shall have received an Officer's Certificate dated such date from the Owner Participant certifying the foregoing matters, and the Owner Participant shall have performed and complied with all

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agreements and conditions herein contained which are required to be performed or complied with by the Owner Participant on or before said date.

(l) Closing Notice. The Indenture Trustee and the Participants shall have received the Notice of Delivery required pursuant to Section 2.3.

(m) Representations and Warranties of the Indenture Trustee. On the Closing Date, the representations and warranties of the Indenture Trustee contained in Section 3.3 hereof shall be true and correct in all material respects as of the Closing Date as though then made on and as of such date, except to the extent that such representations and warranties relate solely to an earlier date (in which case such representations and warranties were true and correct on and as of such earlier date), and the Lessee, the Owner Trustee and each Participant shall have received an Officer's Certificate dated such date from the Indenture Trustee certifying the foregoing matters, and the Indenture Trustee shall have performed and complied with all agreements and conditions herein contained which are required to be performed or complied with by the Indenture Trustee on or before said date.

(n) Representations and Warranties of the Pass Through Trustee. On the Closing Date, the representations and warranties of the Pass Through Trustee contained in Section 3.5 hereof shall be true and correct in all material respects as of the Closing Date as though then made on and as of such date, except to the extent that such representations and warranties relate solely to an earlier date (in which case such representations and warranties were true and correct on and as of such earlier date), and the Lessee, the Owner Trustee and the Owner Participant shall have received an Officer's Certificate dated such date from the Pass Through Trustee certifying the foregoing matters, and the Pass Through Trustee shall have performed and complied with all agreements and conditions herein contained which are required to be performed or complied with by the Pass Through Trustee on or before said date.

(o) No Illegality. No change shall have occurred after the date of the execution and delivery of this Agreement in applicable law or regulations thereunder or interpretations thereof by regulatory authorities

that, in the opinion of such Participant or its counsel, would make it illegal for such Participant to enter into any transaction contemplated by the Operative Agreements.

(p) Participants' Investments. (i) The Owner Participant shall have made available its Commitment in the amount specified in, and otherwise in accordance with, Sections 2.2(a) and 2.3 and (ii) the Loan Participant shall have made its Commitment in the amount specified in, and otherwise in accordance with, Sections 2.2(b) and 2.3.

(q) Consents. All approvals and consents of any trustees or holders of any indebtedness or obligations of the Lessee which are required in connection with the transactions contemplated by this Agreement, shall have been duly obtained and be in full force and effect.

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(r) Governmental Actions. All actions, if any, required to have been taken on or prior to the Closing Date in connection with the transactions contemplated by this Agreement on the Closing Date shall have been taken by any governmental or political agency, subdivision or instrumentality of the United States and all orders, permits, waivers, exemptions, authorizations and approvals of such entities required to be in effect on the Closing Date in connection with the transactions contemplated by this Agreement on the Closing Date shall have been issued, and all such orders, permits, waivers, exemptions, authorizations and approvals shall be in full force and effect, on the Closing Date.

(s) Tax Indemnity Agreement. On or before the Closing Date, the Tax Indemnity Agreement shall be satisfactory in form and substance to the Owner Participant, shall have been duly executed and delivered by the Lessee and, assuming due authorization, execution and delivery by the Owner Participant, shall be in full force and effect.

(t) Appointment of Representative. The Owner Trustee shall have authorized its representative, who shall be an individual designated by the Lessee and acceptable to the Owner Trustee, to accept the Units being delivered on the Closing Date from Lessee and to deliver such Units to Lessee. The Lessee shall have authorized its representative (who shall be the same individual designated by the Lessee under this paragraph) to accept delivery of the Units from the Owner Trustee as Lessor pursuant to the Lease.

(u) Securities Act Compliance. On or before the Closing Date, the Registration Statement shall have become effective under the Securities Act of 1933, as amended (the "Act"); if filing of the Final Prospectus, or any supplement thereto is required pursuant to Rule 424(b) as promulgated pursuant to the Act, the Final Prospectus and any such supplement, shall have been filed in the manner and within the time period required by Rule 424(b); and no stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceedings for that purpose shall have been instituted or threatened.

Section 4.2. Additional Conditions Precedent to Investment by Pass Through Trustee. The obligation of the Pass Through Trustee to purchase and pay for the Equipment Notes to be purchased by it pursuant to Sections 2.2(b) and 2.3 on the Closing Date shall be subject to the additional conditions that the Equipment Notes to be delivered on the Closing Date shall have been duly authorized, executed and delivered to the Pass Through Trustee by a duly authorized officer of the Owner Trustee and duly authenticated by the Indenture Trustee and that on the Closing Date the Pass Through Trustee shall have received the proceeds from the sale of the Pass Through Certificates.

Section 4.3. Additional Conditions Precedent to Investment by Owner Participant. The obligation of the Owner Participant to provide the funds specified with respect to it in Sections 2.2(a) and 2.3 on the Closing Date with respect to any Unit to be delivered on the Closing Date shall be subject to the following additional conditions:

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(a) Appraisal. On or before the Closing Date, the Owner Participant shall have received an opinion (the "Appraisal") of R.L. Banks and Associates, Inc. [AMSOUTH: NORMAN W. SEIP & ASSOCIATES], satisfactory in form and substance to the Owner Participant, concluding that: (i) the fair market value of the Equipment being delivered on the Closing Date is equal to the Total Equipment Cost with respect to such Equipment; (ii) the Basic Rents for the Basic Term are fair market rents; (iii) at the expiration of the Basic Term, (A) without taking into account inflation or deflation from and after the Closing Date or the existence of any purchase option, it is reasonable to expect that the Equipment will have a fair market value of at least 20% of the Total Equipment Cost with respect to such Equipment and (B) the remaining economic life of such Equipment will be at least equal to 20% of the economic life of such Equipment as estimated in the Appraisal; (iv) as of the Early Purchase Date, the estimated fair market value of the Equipment being delivered on the Closing Date, taking into account inflation or deflation from and after the Closing Date, will not exceed the Early Purchase Price; (v) as of the end of the Basic Term, the estimated fair market value of the Equipment being delivered on the Closing Date, taking into account inflation or deflation from and after the Closing Date, will be less than the Basic Term Purchase Price; (vi) the Equipment being delivered on the Closing Date is not Limited Use Property; (vii) Basic Rents from the Early Purchase Date to the end of the Basic Term are fair market rents; and (viii) as of the end of the Basic Term, the Fixed Rents of the Equipment being delivered on the Closing Date, taking into account inflation or deflation from and after the Closing Date, will not be less than the Fair Market Rental Values for such Equipment provided that the Lessee makes no representation as to the fair market value, useful life or estimated residual value of the Equipment, and the Lessee shall not be responsible for, or incur any liabilities as a result of, the contents of such Appraisal or report to which it relates or, except to the extent provided in the Tax Indemnity Agreement, any information supplied by Lessee in connection therewith.

(b) Opinion with Respect to Certain Tax Aspects. On the Closing Date, the Owner Participant shall have received the opinion of Thelen, Marrin, Johnson & Bridges, addressed to the Owner Participant, in form and substance satisfactory to the Owner Participant, containing such counsel's favorable opinion with respect to such tax matters as the Owner Participant may reasonably request.

Section 4.4. Conditions Precedent to the Obligation of the Lessee. The obligation of the Lessee with respect to the sale of the Units to the Owner Trustee and acceptance of the Units under the Lease is subject to the following conditions as of the Closing Date:

(a) Corporate Documents. On or before the Closing Date, the Lessee shall have received such documents and evidence with respect to the Owner Participant, the Owner Trustee, the Indenture Trustee and the Pass Through Trustee as the Lessee may reasonably request in order to establish the consummation of the transactions contemplated by this Agreement, the taking of all corporate and other proceedings in connection therewith and compliance with the conditions herein or therein set forth.

(b) Operative Agreements. On or before the Closing Date, the Operative Agreements shall have been duly authorized, executed and delivered by the respective party or parties thereto (other than the Lessee), and an executed counterpart of each thereof shall have been delivered to the Lessee or its special counsel.

(c) Representations and Warranties True. On the Closing Date, the representations and warranties of the Owner Trustee, the Indenture Trustee, the Pass Through Trustee and the Owner Participant contained in Section 3 hereof shall be true and correct in all material respects as of the Closing Date as though made on and as of such date, and the Lessee shall have received an Officer's Certificate dated such date from each of the Owner Trustee as described in Section 4.1(d), the Owner Participant as described in Section 4.1(k), the Indenture Trustee as described in Section 4.1(m) and the Pass Through Trustee as described in Section 4.1(n), addressed to the Lessee and certifying as to the foregoing matters insofar as they relate to the Owner Trustee, the Owner Participant, the Indenture Trustee and the Pass Through Trustee, as the case may be.

(d) Opinions of Counsel. On the Closing Date, the Lessee shall have received the opinions of counsel referred to in Section 4.1(e) (other than that set forth in clause (i) therein), addressed to the Lessee.

(e) No Threatened Proceedings. No action or proceeding shall have been instituted nor shall governmental action be threatened before any court or governmental agency, nor shall any order, judgment or decree have been issued or proposed to be issued by any court or governmental agency at the time of the Closing Date, to set aside, restrain, enjoin or prevent the completion and consummation of this Agreement or the transactions contemplated hereby.

(f) Participants' Investments. (i) The Owner Participant shall have made available its Commitment in the amount specified in, and otherwise in accordance with, Sections 2.2(a) and 2.3 and (ii) the Loan Participant shall have made its Commitment in the amount specified in, and otherwise in accordance with, Sections 2.2(b) and 2.3.

SECTION 5. FINANCIAL AND OTHER REPORTS OF THE LESSEE.

The Lessee agrees that it will furnish directly to each Participant the following:

(a) unless included in a Form 10-Q delivered under clause (c) below within the 60-day period specified in this clause (a), as soon as available and in any event within 60 days after the end of each quarterly period, except the last, of each fiscal year, consolidated balance sheets of each of the Lessee and Parent and their respective consolidated Subsidiaries as at the end of such period, together with the related consolidated statements of income and cash flows of each of the Lessee and Parent and their respective consolidated Subsidiaries for the period beginning on the first day of such fiscal year and ending on the last day of such quarterly period, setting forth in each case (except for the consolidated balance sheet) in comparative form the

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figures for the corresponding periods of the previous fiscal year, all in reasonable detail and prepared in accordance with generally accepted accounting principles;

(b) unless included in a Form 10-K delivered under clause (c) below within the 120-day period specified in this clause (b), as soon as available and in any event within 120 days after the last day of each fiscal year, a copy of each of the Lessee's and Parent's annual audited report covering the operations of the Lessee and Parent and their respective consolidated Subsidiaries, including consolidated balance sheets, and related consolidated statements of income and retained earnings and consolidated statement of cash flows of each of the Lessee and Parent and their respective consolidated Subsidiaries for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and prepared in accordance with generally accepted accounting principles applied on a consistent basis, which statements will have been certified by a firm of independent public accountants of recognized national standing selected by the Lessee;

(c) as soon as available, one copy of each document filed by the Lessee or Parent with the Securities and Exchange Commission or any successor agency pursuant to Section 13(a), 13(c), 14 or 15(d) (or any successor sections) of the Securities Exchange Act of 1934, as amended (or any successor statute) (excluding such documents or portions thereof which are treated as confidential and not available to the public, in accordance with applicable law, by the Securities and Exchange Commission);

(d) within the time period prescribed in subparagraph (b) above, a certificate, signed by the Treasurer or principal financial officer of the Lessee, to the effect that the signer has reviewed the activities of the Lessee during the immediately preceding fiscal year and that he is not aware of any default in compliance by the Lessee with any of the covenants, terms and provisions of the Participation Agreement or the Lease (except as specified), and if a Lease Default or Lease Event of Default shall exist, specifying such Lease Default or Lease Event of Default and the nature and status thereof; and

(e) promptly, such additional information with respect to the financial condition or business of the Lessee as any Participant may from time

to time reasonably request.

SECTION 6. CERTAIN COVENANTS OF THE PARTICIPANTS, THE TRUSTEES AND THE LESSEE.

Section 6.1. Restrictions on Transfer of Beneficial Interest. The Owner Participant agrees that it shall not sell, convey, assign, pledge, mortgage or otherwise transfer any of its Beneficial Interest (collectively, for purposes of this Section 6.1, a "transfer") prior to the expiration or earlier termination of the Lease Term without the Lessee's consent (which consent shall not be unreasonably withheld); provided, however, that no such consent shall be required if the following conditions are satisfied:

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(a) the Person to whom such transfer is to be made (a "Transferee") is (i) an institutional or corporate investor with net worth or, in the case of a bank or lending institution, combined capital and surplus at the time of such transfer, of at least US\$75,000,000 determined in accordance with generally accepted accounting principles or (ii) any Affiliate of any such institutional or corporate investor if such investor guarantees the obligations so assumed by such Affiliate pursuant to an instrument or instruments reasonably satisfactory to the Lessee, the Owner Trustee and the Indenture Trustee or (iii) an Affiliate of the Owner Participant; provided that in the event of a transfer pursuant to clause (iii) which does not qualify under clauses (i) or (ii), the Owner Participant shall remain liable for all of its obligations under this Agreement and the other Operative Agreements;

(b) so long as no Lease Event of Default has occurred and is continuing, neither the Transferee nor any of its Affiliates shall be a direct competitor (other than as a passive investor or loan participant in the financing of equipment or facilities used in full service railcar leasing) of the Lessee in the business of leasing rail cars under full service operating leases; provided, that no Transferee or Affiliate thereof shall be deemed to (i) be engaged in full service railcar leasing or (ii) hold (directly or indirectly) any material interest in any business that is competitive with Lessee's full service railcar leasing business, solely by reason of any sale, lease or other disposition (or any actions in furtherance of any of the foregoing), of any of such Person's interest in any equipment or facilities directly or indirectly owned, leased or otherwise controlled pursuant to any such Person's passive investment or loan participation in the financing of any such equipment or facilities used in full service railcar leasing or any re-leasing or sale of any rail equipment which is returned to or repossessed by or on behalf of the Owner Participant or any Affiliate of the Owner Participant from a lessee or borrower in connection with a lease financing or lender transaction entered into by the Owner Participant or such Affiliate as a passive lessor, investor or lender;

(c) the Indenture Trustee, the Owner Trustee and the Lessee shall have received 10 days prior written notice of such transfer specifying the name and address of any proposed transferee and such additional information as shall be necessary to determine whether the proposed transfer satisfies the requirements of this Section 6.1;

(d) [RESERVED];

(e) such Transferee enters into an agreement or agreements in form and substance reasonably satisfactory to the Lessee, the Owner Trustee and the Indenture Trustee whereby such Transferee confirms that it shall be deemed a party to this Agreement and each other Operative Agreement to which the transferring Owner Participant is a party, and agrees to be bound by all the terms of, and to undertake all of the obligations and liabilities of the transferring Owner Participant contained in, this Agreement and such other Operative Agreements and in which the Transferee shall make representations and warranties comparable to those of the Owner Participant contained herein and therein;

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(f) an opinion of counsel of the Transferee (which counsel shall be reasonably acceptable to the Lessee, the Owner Trustee and the Indenture Trustee and which may be internal counsel of the Transferee), confirming (i) the existence, power and authority of, and due authorization, execution and delivery of all relevant documentation by, the Transferee (with appropriate reliance on certificates of corporate officers or public officials as to matters of fact), (ii) that each agreement referred to in subparagraph (e) above is the legal, valid, binding and enforceable obligation of the Transferee (subject to customary qualifications as to bankruptcy and equitable principles) and (iii) compliance of the transfer with applicable laws and regulations including Federal securities laws and securities laws of the Transferee's domicile and other jurisdictions reasonably identified by the Lessee, the Owner Trustee or the Indenture Trustee as potentially applicable to the transfer, shall be provided, prior to such transfer, to the Lessee, the Owner Trustee and the Indenture Trustee, which opinion shall be in form and substance reasonably satisfactory to each of them;

(g) such transfer complies in all respects with and does not violate any applicable provisions of the federal securities law and the securities law of any applicable state;

(h) except as specifically consented to in writing by the Lessee, the Owner Trustee and the Indenture Trustee, the terms of the Operative Agreements shall not be altered;

(i) in the case of a transfer by the original Owner Participant, the original Owner Participant shall have delivered on a timely basis the certificates required pursuant to Section 7.1(c) (vi) hereof and Section 6 of the Tax Indemnity Agreement;

(j) no Owner Participant shall hold less than 10% of the Beneficial Interest after giving effect to such transfer; and the Beneficial Interest shall be held by not more than three Owner Participants at any one time; provided that for the purpose of calculating the number of Owner Participants under this paragraph (j), any Owner Participants that are Affiliates of each other shall be considered to be one Owner Participant;

(k) all reasonable expenses of the parties hereto (including, without limitation, reasonable legal fees and expenses of special counsel) incurred in connection with each transfer of such Beneficial Interest shall be paid by the transferring Owner Participant or the Transferee;

(l) such transfer either (i) does not involve the use of any funds which constitute assets of an employee benefit plan subject to Title I of ERISA or Section 4975 of the Code or (ii) will not constitute a prohibited transaction under ERISA;

(m) as a result of and following such transfer, no Indenture Default attributable to the Owner Participant or the Owner Trustee shall have occurred and be continuing;

(n) as long as no Lease Event of Default has occurred and is continuing, the transfer does not involve the sale of the stock of any Owner Participant the sole asset of which is all or

a portion of the Beneficial Interest to, or the merger of any such Owner Participant with or into, any Person described in paragraph (b) of this Section 6.1;

(o) the transferee (i) is a "United States Person" within the meaning of Section 7701(a) (30) of the Code or (ii) is engaged in a United States trade or business for purposes of Subtitle A, Chapter 1, Subchapter N of the Code and is acquiring such Beneficial Interest in connection with such trade or business; and

(p) the Owner Participant shall deliver an Officer's Certificate certifying as to compliance with the transfer requirements contained herein.

Upon any such transfer, (i) except as the context otherwise requires, such Transferee shall be deemed the "Owner Participant" for all purposes, and shall enjoy the rights and privileges and perform the obligations of the Owner

Participant to the extent of the interest transferred hereunder and under each other Operative Agreement to which the Owner Participant is a party, and, except as the context otherwise requires, each reference in this Agreement and each other Operative Agreement to the "Owner Participant" shall thereafter be deemed to include such Transferee for all purposes to the extent of the interest transferred, and (ii) the transferor, except to the extent provided in Section 6.1(k) hereof and except in the case of a transfer to a Transferee described in the proviso to Section 6.1(a)(iii) hereof, shall be released from all obligations hereunder and under each other Operative Agreement to which such transferor is a party or by which such transferor is bound to the extent such obligations are expressly assumed by a Transferee; and provided, further, that in no event shall any such transfer or assignment waive or release the transferor from any liability on account of any breach existing prior to such transfer of any of its representations, warranties, covenants or obligations set forth in the Operative Agreements or for any fraudulent or willful misconduct. Any transfer or assignment of the Beneficial Interest in violation of this Section 6.1 shall be of no effect as between the parties to this Agreement. Subject to the rights of the Lessee pursuant to subsection 6.1(n), the provisions of this Section 6.1 shall not be construed to restrict the Owner Participant from consolidating with or merging into any other corporation or restricting another corporation from merging into or consolidating with the Owner Participant. No consent of the Lessee otherwise required hereunder shall be required if any Lease Event of Default shall have occurred and be continuing. Notwithstanding any transfer, the transferor Owner Participant shall be entitled to all benefits accrued and all rights vested prior to such transfer, including, without limitation, rights to indemnification under any Operative Agreements.

Section 6.2. Lessor's Liens Attributable to the Owner Participant. The Owner Participant hereby unconditionally agrees with and for the benefit of the other parties to this Agreement that the Owner Participant will not directly or indirectly create, incur, assume or suffer to exist any Lessor's Liens on or against any part of the Trust Estate or the Equipment attributable to the Owner Participant, and the Owner Participant agrees that it will, at its own cost and expense, take such action as may be necessary to duly discharge and satisfy in full any such Lessor's Lien (by bonding or otherwise, so long as Lessee's operation and use of the

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Equipment and the interest of the Indenture Trustee in the Indenture Estate is not impaired); provided that the Owner Participant may contest any such Lessor's Lien in good faith by appropriate proceedings so long as such proceedings do not involve any material danger of the sale, forfeiture or loss of the Equipment or any interest therein or interference with the use, operation, or possession of the Equipment by the Lessee under the Lease or the rights of the Indenture Trustee under the Indenture.

Section 6.3. Lessor's Liens Attributable to the Owner Trustee. The Owner Trustee, in its individual capacity, hereby unconditionally agrees with and for the benefit of the other parties to this Agreement that the Owner Trustee in its individual capacity will not directly or indirectly create, incur, assume or suffer to exist any Lessor's Liens on or against any part of the Trust Estate or the Equipment attributable to the Owner Trustee in its individual capacity, and the Owner Trustee in its individual capacity agrees that it will, at its own cost and expense, take such action as may be necessary to duly discharge and satisfy in full any such Lessor's Lien attributable to the Owner Trustee in its individual capacity (by bonding or otherwise, so long as Lessee's operation and use of the Equipment and the interest of the Indenture Trustee in the Indenture Estate is not impaired); provided that the Owner Trustee may contest any such Lessor's Lien in good faith by appropriate proceedings so long as such proceedings do not involve any material danger of the sale, forfeiture or loss of the Equipment or any interest therein or interference with the use, operation, or possession of the Equipment by the Lessee under the Lease or the right of the Indenture Trustee under the Indenture.

Section 6.4. Liens Created by the Indenture Trustee and the Loan Participant.

(a) The Indenture Trustee, in its individual capacity, covenants and agrees with the Lessee, the Owner Trustee, the Owner Participant and the Loan Participant that it shall not cause or permit to exist any Lien on the Equipment or all or any portion of any Trust Estate or the Indenture Estate

arising as a result of (i) claims against the Indenture Trustee in its individual capacity not related to its interest in the Equipment and any Trust Estate, or to the administration of the Indenture Estate pursuant to the Indenture, (ii) acts of the Indenture Trustee in its individual capacity not contemplated by, or failure of the Indenture Trustee to take any action it is expressly required to perform by, the Operative Agreements, (iii) claims against the Indenture Trustee in its individual capacity relating to Taxes or expenses that are not indemnified against by the Lessee pursuant to Section 7 attributable to the actions of the Indenture Trustee, solely in its individual capacity, or (iv) claims against the Indenture Trustee arising out of the transfer by the Indenture Trustee of all or any portion of its interest in the Equipment, the Indenture Estate or the Operative Agreements, other than a transfer permitted by the Operative Agreements and that the Indenture Trustee will, at its own cost and expense (and without any right of reimbursement from any other party hereto), promptly take such action as may be necessary duly to discharge any such Lien.

(b) The Loan Participant covenants and agrees with the Lessee, the Owner Trustee, the Owner Participant and the Indenture Trustee that it shall not cause or permit to exist any

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Lien on the Equipment or all or any portion of any Trust Estate or the Indenture Estate arising as a result of (i) claims against such Loan Participant not related to its interest in the Equipment and any Trust Estate, (ii) acts of such Loan Participant not contemplated by, or failure of such Loan Participant to take any action it is expressly required to perform by, the Operative Agreements, (iii) claims against such Loan Participant relating to Taxes or expenses that are not indemnified against by the Lessee pursuant to Section 7, or (iv) claims against such Loan Participant arising out of the transfer by such Loan Participant of all or any portion of its interest in the Equipment, the Indenture Estate or the Operative Agreements, other than a transfer permitted by the Operative Agreements and that such Loan Participant will, at its own cost and expense (and without any right of reimbursement from the Lessee), promptly take such action as may be necessary duly to discharge any such Lien.

Section 6.5. Covenants of Owner Trustee, Owner Participant and Indenture Trustee. The Owner Participant, and the Owner Trustee in its individual and trust capacity, hereby agree, as to their own actions only and severally and not jointly, with the Lessee, the Loan Participant and the Indenture Trustee (a) not to amend, supplement, or otherwise modify any provision of the Trust Agreement in such a manner as to adversely affect the rights of the Lessee, the Loan Participant or the Indenture Trustee without the prior written consent of such party and (b) not to terminate or revoke the Trust Agreement or the trusts created by the Trust Agreement prior to the payment in full and discharge of the Equipment Notes and all other indebtedness secured by the Indenture and the final discharge thereof pursuant to Section 7.1 thereof or prior to the expiration or early termination of the Lease. Each of the Owner Trustee and the Indenture Trustee agrees, for the benefit of the Lessee and the Owner Participant, to comply with the provisions of the Indenture and not to amend, supplement, or otherwise modify any provision of the Indenture except in the manner provided in Article IX thereof. Notwithstanding any provision herein or in any of the Operative Agreements to the contrary, the Indenture Trustee's obligation to take or refrain from taking any actions, or to use its discretion (including, but not limited to, the giving or withholding of consent or approval and the exercise of any rights or remedies under such Operative Agreements), and any liability therefor, shall, in addition to any other limitations provided herein or in the other Operative Agreements, be limited by the provisions of the Indenture.

Section 6.6. Amendments to Operative Agreements. The Trustees and Participants will not terminate the Operative Agreements to which the Lessee is not or will not be a party, or amend, supplement, waive or modify such Operative Agreements in any manner that increases the obligations or liabilities, or decreases the rights, of the Lessee under such Operative Agreements, except in accordance with such Operative Agreements in effect on the date hereof (as amended, modified or supplemented from time to time in accordance with the terms hereof and of such Operative Agreements). The Owner Participant and the Trustees (as applicable) agree that, in any event, they will not amend Section 2.10 or Article IX of the Indenture or Article IX of the Trust Agreement without the prior written consent of the Lessee.

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Section 6.7. Covenant of the Lessee. The Lessee hereby agrees with the Owner Trustee, each Participant and the Indenture Trustee to deliver to the Owner Trustee on the Closing Date the Bill of Sale evidencing the purchase and transfer of title of each Unit to be settled for on the Closing Date.

Section 6.8. Merger Covenant. The Lessee shall not consolidate with or merge into any other Person, or permit any other Person to merge into it, or convey, transfer or lease all or substantially all of its assets to any Person unless (i) the Person formed by such consolidation or surviving such merger (if other than the Lessee) or the Person which acquires by conveyance, transfer or lease of all or substantially all of the assets of the Lessee is a corporation organized and existing under the laws of the United States or any state thereof or the District of Columbia and shall execute and deliver to the Owner Trustee, the Owner Participant and the Indenture Trustee an agreement in form and substance reasonably satisfactory to such parties containing the assumption by such successor corporation of the due and punctual performance and observance of each covenant and condition of this Agreement and each of the other Lessee Agreements to be performed or observed by the Lessee, (ii) immediately prior to and immediately after giving effect to such transaction, no Lease Default or Lease Event of Default shall have occurred, whether as a result of such consolidation or merger or such conveyance, transfer or lease or otherwise, (iii) the Lessee shall have made all filings necessary or appropriate in the reasonable opinion of the Owner Trustee and the Indenture Trustee in order to preserve and protect the rights of the Lessor under the Lease and of the Indenture Trustee under the Indenture, (iv) there shall have been delivered to the Owner Participant, the Owner Trustee and the Indenture Trustee an Officer's Certificate of the successor to the Lessee (or such Person as is the surviving corporation) and an opinion of counsel (which may be such Person's in-house counsel) in form and substance reasonably satisfactory to the Owner Participant, the Owner Trustee and the Indenture Trustee, each stating that such consolidation, merger, conveyance, transfer or lease and the assumption agreement mentioned in clause (i) above comply with this Section 6.8, and (v) if the Person (x) formed by such consolidation or surviving such merger (if other than the Lessee) or the Person which acquires by conveyance, transfer or lease of all or substantially all of the assets of the Lessee is not an Affiliate of the Lessee, 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) is not less than the consolidated net worth of the Lessee immediately prior to such merger, consolidation or acquisition, or (y) with which Lessee consolidates or merges or which acquires by conveyance, transfer or lease of all or substantially all of the assets of the Lessee is an Affiliate of the Lessee, such Person, immediately prior to such consolidation, merger or acquisition, has a positive net worth (determined in accordance with generally accepted accounting principles). Upon such consolidation or merger, or any conveyance, transfer or lease of all or substantially all of the assets of the Lessee in accordance with this Section 6.8, the successor corporation formed by such consolidation or into which the Lessee is merged or to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, the Lessee under this Agreement and the other Operative

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Agreements with the same effect as if such successor corporation had been named as the Lessee herein.

Section 6.9. Lessee's Purchase in Certain Circumstances. If an 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 the Lessee or any Affiliate thereof, 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 Lessee's full service railcar leasing business, the Lessee may, no later than one year after a Responsible Officer of the Lessee has actual knowledge of such event, request that such Owner

Participant transfer its Beneficial Interest pursuant to Section 6.1. If such Owner Participant has not transferred its Beneficial Interest within 180 days of such request, the Lessee may, on a Determination Date which is designated by the Lessee by written notice to the Owner Trustee and the Indenture Trustee not less than 25 days prior to such Determination Date, purchase a number of the Units of Equipment equal to the percentage of the Equipment that the portion of the Beneficial Interest held by such Owner Participant bears to 100% of the Beneficial Interest for a purchase price equal to the Termination Value for such Units calculated as of such Determination Date, together with all other amounts due and owing by the Lessee under the Operative Agreements with respect to such Units, including, without limitation, all accrued and unpaid Basic Rent therefor as of such Determination Date (exclusive of any in advance Basic Rent due on such date) and any Make-Whole Amount then payable on the Equipment Notes pursuant to Section 2.10(c) of the Indenture with respect to such Units; provided, that an institutional investor which is a passive investor in the financing of equipment or facilities used in full service railcar leasing shall not, solely by reason of such investment, be deemed to be engaged in such businesses; provided, further, that none of any Owner Participant or Affiliate thereof shall be deemed to (i) be engaged in full service railcar leasing or (ii) hold (directly or indirectly) any material interest in any business that is competitive with the Lessee's full service railcar leasing business, solely by reason of any sale, lease or other disposition (or any actions in furtherance of any of the foregoing), of any of such Person's interest in any equipment or facilities directly or indirectly owned, leased or otherwise controlled pursuant to any such Person's passive investment in the financing of any such equipment or facilities used in full service railcar leasing. In the event that such Owner Participant hereinabove referred to holds less than 100% of the Beneficial Interest, the determination as to which Units are to be purchased under this Section 6.9 shall be made on a random or other basis (in each case reasonably acceptable to the Lessor) without discrimination based on maintenance status, operating condition of the Units in question or otherwise and the notice hereinabove referred to shall describe such manner in which the Lessee proposes to determine which Units are to be purchased hereunder.

If the Lessee elects to exercise the purchase option provided for in this Section 6.9, the Lessee shall, as the purchase price therefor, in the sole discretion of the Lessee, either (i) pay the Termination Value, as specified in the paragraph above, with respect to such Units, together with all other amounts due and owing by the Lessee under the Operative Agreements, or (ii) pay

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the difference between the Termination Value and the portion of the outstanding principal amount of the Equipment Notes which relates to such Units as of the Determination Date specified by the Lessee in the first sentence of this Section 6.9 and assume on a full resource basis, and indemnify the Lessor against, all of the Owner Trustee's obligations under the Indenture in respect of such portion of the indebtedness evidenced by such Equipment Notes; provided, that, following such assumption, the purchased Units shall remain subject to the lien of a separate indenture similar to the Indenture pursuant to Section 3.06 of the Indenture. The Lessee will make the payments required by foregoing clause (i) or assume such portion of the indebtedness evidenced by the Equipment Notes which relates to such Units as provided in foregoing clause (ii) on the Determination Date designated in the first sentence of Section 6.9 in immediately available funds against delivery of a bill of sale transferring and assigning to the Lessee all right, title and interest of the Lessor in and to the Units on an "as-is" "where-is" basis and containing a warranty against Lessor's Liens. In such event, the costs of preparing the bill of sale and all other documentation relating to such purchase and the costs of any necessary filings related thereto will be borne by the Lessee. If the Lessee shall fail to fulfill its obligations under this second paragraph of Section 6.9, all of the Lessee's obligations under the Lease and the Operative Agreements, including, without limitation, the Lessee's obligation to pay installments of Rent, with respect to the Units in question shall continue.

Section 6.10. Owner Participant an Affiliate of Lessee. If at any time the original or any successor Owner Participant shall be an Affiliate of the Lessee, such Owner Participant and the Lessee agree that notwithstanding Section 9.05 of the Indenture they will not vote its Beneficial Interest to modify, amend or supplement any provision of the Lease or this Agreement or give, or permit the Owner Trustee to give, any consent, waiver, authorization or approval thereunder if any such action would adversely affect in a material manner the Indenture Trustee or any holder of an Equipment Note unless such action shall have been consented to by a Majority in Interest.

Section 6.11. Corporate Existence; Place of Business. The Lessee shall at all times maintain its corporate existence except as permitted by Section 6.8; and it shall do or cause to be done all things necessary to preserve and keep in full force and effect its corporate rights, powers, privileges and franchises except for any corporate right, power, privilege or franchise that it in good faith determines is no longer necessary or desirable in the conduct of its business.

Section 6.12. No Impairment of Warranties. From and after the Closing Date and throughout the Lease Term, the Lessee shall not take any action (or fail to take any action) if the result of such action (or failure to act) would abrogate or invalidate or otherwise materially adversely affect the validity of any warranties applicable to the Units which would otherwise be available with respect to the Units.

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SECTION 7. LESSEE'S INDEMNITIES.

Section 7.1. General Tax Indemnity.

(a) Tax Indemnitee Defined. For purposes of this Section 7.1, "Tax Indemnitee" means the Owner Participant, its Affiliates, the Owner Trustee both in its individual capacity and as trustee, the Indenture Trustee both in its individual capacity and as trustee, the Pass Through Trustee both in its individual capacity and as trustee, each of their respective successors or assigns permitted under the terms of the Operative Agreements, any officer, director, employee or agent of any of the foregoing, the Trust Estate and the Indenture Estate.

(b) Taxes Indemnified. All payments by the Lessee to any Tax Indemnitee in connection with the transactions contemplated by the Operative Agreements shall be free of withholdings of any nature whatsoever (and at the time that the Lessee is required to make any payment upon which any withholding is required the Lessee shall pay an additional amount such that the net amount actually received will, after such withholding and on an After-Tax Basis, equal the full amount of the payment then due) and shall be free of expense to each Tax Indemnitee for collection or other charges, provided, however, that no such additional amounts shall be paid by the Lessee and the Lessee assumes no responsibility regarding any withholdings (i) imposed by reason of any transfer of the Equipment or any interest in the Operative Agreements by the Lessor or the Owner Participant other than any Transfer which occurs during the continuance of a Lease Default or Lease Event of Default, (ii) imposed solely by reason of a nexus between the affected Tax Indemnitee and the jurisdiction imposing such withholding which nexus is unrelated to the transactions contemplated by the Operative Agreements, or (iii) imposed by the United States by reason of the status of the Tax Indemnitee as a foreign corporation or nonresident individual. If, for any reason, the Lessee is required to make any payment to a taxing authority with respect to, or as a result of, any withholding tax imposed on any Tax Indemnitee in respect of the transactions contemplated by the Operative Agreements which withholding tax is not the responsibility of the Lessee under this Section 7.1 then such Tax Indemnitee shall pay to the Lessee within 30 days of a demand an amount which equals the amount paid by the Lessee with respect to, or as a result of, such withholding tax, plus interest computed at such Tax Indemnitee's cost of funds rate during the period commencing on the date the Lessee shall have paid an additional amount pursuant to the first sentence of this paragraph and ending on the date the Lessee actually receives such payment.

Subject to the exclusions stated in subsection (c) below, the Lessee agrees to indemnify and hold harmless each Tax Indemnitee, on an After-Tax Basis, taking into account the income tax consequences to the Tax Indemnitee of the accrual or receipt of an indemnity payment, against all fees (including, without limitation, license, documentation or other fees and registration fees), taxes (including, without limitation, income, gross receipts, franchise, sales, use, rental, turnover, business, occupation, excise, value-added, tangible and intangible personal property and stamp taxes), levies, assessments, imposts, duties, charges or withholdings of any nature, together with any and all penalties, additions to tax, fines or interest thereon ("Taxes")

imposed upon any Tax Indemnitee, the Lessee or any Person in possession of the Equipment or all or any part of the Equipment by any federal, state or local government, political subdivision, or taxing authority in the United States or its possessions, by any government or taxing authority of or in a foreign country or by any international authority, upon, with respect to or in connection with:

(i) the Equipment or any part of any of the Equipment or interest therein;

(ii) the acquisition, financing, ownership, leasing, possession, purchase, acceptance, rejection, condition, registration, return, use, storage, operation, return, transfer of title, maintenance, repair, improvement, replacement, substitution, delivery, redelivery, non-delivery, transport, preparation, assembly, insurance, construction, manufacture, insuring, modification, transfer, control, occupancy, servicing, mortgaging, location, refinancing, disposition, subleasing, repossession, abandonment, sale or other application or disposition of or with respect to the Equipment or any part of any of the Equipment or interest therein;

(iii) the rental payments, receipts on earnings arising from any Unit of Equipment or payable pursuant to the Lease;

(iv) the Equipment Notes, their issuance, acquisition, transfer or refinancing or (as between the Lessee and any Tax Indemnitee other than the Indenture Estate) the payment of principal, interest or premium or other amounts with respect thereto; and

(v) the Operative Agreements or otherwise in connection with the transactions contemplated thereby.

(c) Taxes Excluded. The indemnity provided for in paragraph (b) above shall not extend to any of the following:

(i) In the case of the Owner Participant, the Owner Trustee or the Trust Estate, Income Taxes (as defined in Section 7.1(1), below) imposed by (A) the United States federal government (provided that this subclause (A) shall not be construed as preventing Lessee from recouping any such deduction or withholding from the Indenture Trustee, the Pass Through Trustee or any Certificateholder or as giving to the Indenture Trustee a right to indemnification by the Lessee for Taxes payable pursuant to Section 5.09 of the Indenture), (B) any state or local tax jurisdiction in the United States (unless such Tax Indemnitee would not have been subject to tax in such jurisdiction but for this transaction (including the operation or presence of any Unit (or part thereof) and other leasing transactions between the Lessee (or its Affiliates) and the Owner Participant (or its Affiliates) or the Lessee making payment from or performing other actions in such jurisdiction)), provided, however, that for purposes of this clause (B), the determination of (y) whether any Tax Indemnitee is treated as being incorporated or having its principal

place of business in any state or local tax jurisdiction under this clause (B), or (z) whether any such Tax Indemnitee is deemed to be subject to tax in any state or local tax jurisdiction but for this transaction under this clause (B), shall be made by treating each corporation which is a Tax Indemnitee on a stand-alone basis and without regard to any Affiliates, related Tax Indemnitees or other entities, except to the extent that such Tax Indemnitee files combined or consolidated tax returns in such state or local jurisdiction, respectively, with one or more Affiliates which are also Tax Indemnitees, (C) any foreign government or any political subdivision or taxing authority thereof or any territory or possession of the United States or by any international authority except to the extent such Income Taxes would not have been imposed by such jurisdiction but

for the use, location, operation, presence or registration of any Unit or part thereof in such jurisdiction or the activities of the Lessee or any of its Affiliates in such jurisdiction or the making of any payments from such jurisdiction by or on behalf of the Lessee pursuant to the Operative Agreements or any other nexus between such jurisdiction and the transactions contemplated by the Operative Agreements (other than such nexus as may result solely from the activities, presence, ownership or receipts of such Tax Indemnitee in each case unrelated to the Operative Agreements or transactions contemplated thereby) or (D) any government or jurisdiction described in (A), (B) or (C) of this clause (i) because the applicable Tax Indemnitee is not a resident of the United States for tax purposes.

(ii) Taxes imposed with respect to any period after the earliest of the applicable dates of (x) the return of possession of the Equipment to the Owner Participant or the placement of the Equipment in storage at the request of the Owner Participant, in either case pursuant to Section 6 of the Lease, (y) the termination of the Lease Term pursuant to Section 22.1 or Section 22.3 of the Lease, or (z) the discharge in full of the Lessee's obligation to pay the Termination Value or the Stipulated Loss Value and all other amounts due, if any, under Section 10 or 11.2 of the Lease, as the case may be, with respect to the Equipment; provided that the exclusion set forth in this clause (ii) shall not apply to Taxes to the extent such Taxes relate to events occurring or matters arising prior to or simultaneously with the applicable time;

(iii) As to any Tax Indemnitee, Taxes to the extent caused by any misrepresentation or breach of warranty or covenant under the Operative Agreements or by the gross negligence or willful misconduct of such Tax Indemnitee;

(iv) As to any Tax Indemnitee, Taxes which become payable as a result of a sale, assignment, transfer or other disposition (whether voluntary or involuntary) by such Tax Indemnitee of all or any portion of its interest in the Equipment or any part thereof, the Trust Estate or any of the Operative Agreements or rights created thereunder other than as a result of the substitution, modification or improvement of the Equipment or any part thereof or a disposition which occurs as the result of the exercise of remedies for a Lease Event of Default, any disposition which occurs during the continuance of a

Lease Event of Default or a purchase of any Unit pursuant to the Lease; provided, that, notwithstanding the foregoing but subject to the Tax Indemnity Agreement, Lessee shall not be obligated to indemnify any Tax Indemnitee with respect to net income taxes imposed within the United States as the result of a sale, assignment, transfer or other disposition by such Tax Indemnitee or any Taxes imposed as a result of the status of the Tax Indemnitee as other than a resident of the United States for tax purposes;

(v) Taxes which result from the Owner Trustee's engaging on behalf of the Trust Estate in transactions unrelated to those permitted or contemplated by the Operative Agreements;

(vi) As to any Tax Indemnitee, Taxes to the extent they exceed the Taxes that would have been imposed had the initial Tax Indemnitee not transferred, sold or otherwise disposed of any interest held by such Tax Indemnitee pursuant to any of the Operative Agreements such excess to be determined based on a certificate of the original Tax Indemnitee provided to the Lessee immediately prior to a transfer, sale or other such disposition of such interest, such certificate to set forth the state and local jurisdictions in which the original Tax Indemnitee would not be entitled to indemnification in accordance with Section 7.1(c)(i)(B) and (C) hereof; and

(vii) Taxes imposed on the Owner Trustee based on the Owner Trustee's fee for services under the Trust Agreement.

(d) All Tax Obligations in this Section, etc. Notwithstanding any other provision anywhere contained in the Operative Agreements, it is

understood that except as provided in Section 6.2, with respect to the Owner Participant, and Section 6.3, with respect to the Owner Trustee, and except as provided in Section 5.03 of the Indenture, the Owner Participant and the Owner Trustee shall have no obligations with respect to Taxes or other charges to the Indenture Trustee or the Loan Participant imposed under Section 7.16 of the Pass Through Trust Agreement or Section 5.09 of the Indenture, or otherwise.

(e) Payments to Lessee.

(i) If any Tax Indemnitee shall realize a Tax benefit (net of any Tax detriment not otherwise paid or indemnified against by the Lessee hereunder) as a result of any Taxes paid or indemnified against by the Lessee under this Section 7.1 (whether by way of deduction, credit, allocation or apportionment or otherwise), such Tax Indemnitee shall pay to the Lessee an amount equal to the amount of such Tax benefit, increased by the Tax Indemnitee's additional saved Taxes attributable to the payment being made to the Lessee hereunder; provided, however, that in no event shall the aggregate amount paid by any Tax Indemnitee to the Lessee with respect to any realized Tax benefit exceed the aggregate amount previously advanced by the Lessee with respect to such Taxes (in each case, computed on a pre-tax basis) but provided, further, that such

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excess shall be carried forward to reduce or offset any future obligations of the Lessee to such Tax Indemnitee under this Section 7.1.

(ii) Upon receipt by a Tax Indemnitee of a refund or credit of all or part of any Taxes paid or indemnified against by the Lessee, such Tax Indemnitee shall pay to the Lessee an amount equal to the amount of such refund plus any interest received by or credited to such Tax Indemnitee with respect to such refund increased or decreased, as the case may be, by the Tax Indemnitee's net additional or saved taxes attributable to the receipt of such amounts from the taxing authority and the payment being made to the Lessee hereunder.

(iii) The Tax Indemnitee shall in good faith file its Tax returns and deal with taxing authorities to seek and claim any such tax benefits or refunds.

(iv) Any disallowance or other loss of a tax refund, credit, savings or other benefit by a Tax Indemnitee, which refund, credit, savings or other benefit was taken into account under this Section 7.1, shall be treated as a tax indemnifiable by the Lessee under this Section 7.1.

(f) Procedures. Any amount payable to a Tax Indemnitee pursuant to paragraph (b) shall be paid within 30 days after receipt of a written demand therefor from such Tax Indemnitee accompanied by a written statement describing in reasonable detail the basis for such indemnity and the computation of the amount so payable, provided that such amount need not be paid prior to (i) the date which is the Business Day before the date on which such Taxes are due (but in no event before the taxable year of the Tax Indemnitee in which such Taxes are due), or (ii) in the case of amounts which are being contested pursuant to paragraph (g) hereof, subject to the requirement of an advance in clause (vi) of the second paragraph of paragraph (g) hereof, the time such Taxes are due and payable pursuant to the resolution of such contest (including all appeals). Any amount payable to the Lessee pursuant to paragraph (e) shall be paid within 30 days after the Tax Indemnitee realizes a net tax benefit or receives a refund giving rise to a payment under paragraph (e), and shall be accompanied by a written statement by the Tax Indemnitee setting forth in reasonable detail the basis for computing the amount of such payment. Within 15 days following the Lessee's receipt of any computation from the Tax Indemnitee, the Lessee may request that the accounting firm that regularly prepares the certified financial statements of the Tax Indemnitee determine whether such computations of the Tax Indemnitee are correct. Such accounting firm shall be requested to make the determination contemplated by this paragraph (f) within 30 days of its selection. In the event such accounting firm shall determine that such computations are incorrect, then such firm shall determine what it believes to be the correct computations. The Tax Indemnitee shall cooperate with such accounting firm and supply it with all information necessary to permit it to accomplish such determination on a confidential basis. The computations of

such accounting firm shall be final, binding and conclusive upon the parties and the Lessee shall have no right to inspect the books, records or tax returns of the Tax Indemnitee to verify such computation or for any other

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purpose. All fees and expenses of the accounting firm payable under this Section 7.1(f) shall be borne by the Lessee except that if such accounting firm determines that the Tax Indemnitee's computations were incorrect and understated the payments owing to the Lessee or overstated the payments owing to such Tax Indemnitee by 10% or more of the correct amount as determined by such accounting firm, then the Tax Indemnitee shall bear the fees and expenses of such accounting firm.

(g) Contest. If a written claim is made against a Tax Indemnitee for Taxes with respect to which the Lessee may be liable for indemnity hereunder, the Tax Indemnitee shall give the Lessee prompt notice in writing of such claim (and in any event within 30 days after its receipt) and shall promptly furnish the Lessee with copies of the claim and all other writings received from the taxing authority relating to the claim; provided however, that the failure of such Tax Indemnitee timely to provide such written notice shall not affect the Lessee's obligations under this Section 7.1(g) except to the extent that the same materially adversely affects the ability of the Lessee to contest such Taxes. The Tax Indemnitee shall not pay such claim prior to 30 days after providing the Lessee with such written notice, unless required to do so by law or unless deferral of payment might, in the reasonable good faith judgment of the Tax Indemnitee, cause material adverse consequences to the Tax Indemnitee or result in the creation of any Lien other than a Permitted Lien. The Tax Indemnitee shall in good faith, with due diligence and at the Lessee's expense, if requested in writing by the Lessee, contest (including pursuing all appeals permitted hereby) in the name of the Tax Indemnitee (or, if requested by the Lessee and permissible as a matter of law, in the name of the Lessee), or shall permit the Lessee to contest in either the name of the Lessee or with the Tax Indemnitee's consent, in the name of the Tax Indemnitee the validity, applicability or amount of such Taxes by,

(i) resisting payment thereof if practical;

(ii) not paying the same except under protest if protest is necessary and proper;

(iii) if the payment be made, using reasonable efforts to obtain a refund thereof in appropriate administrative and judicial proceedings; or

(iv) taking such other reasonable action as is reasonably requested by the Lessee from time to time.

provided, however, that to the extent the contest is carried on in the name of the Lessee or an Affiliate, or is brought in the name of a Tax Indemnitee and involves only Taxes for which the Lessee is or will be liable hereunder, such contest shall be undertaken by the Lessee at the Lessee's expense (unless at any time the Tax Indemnitee determines in its reasonable good faith judgment that based upon the Lessee's conduct of such contest the Lessee's control of such contest would cause material adverse consequences or a material risk thereof to the Tax Indemnitee) and at no-after-tax cost to any Tax Indemnitee (a "Lessee Controlled Contest"), but

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if such contest would involve any other Taxes or any Taxes in the nature of a tax on net income then such Tax Indemnitee may in its sole discretion control such contest (including selecting the forum for such contest) (an "Indemnified Person Controlled Contest").

In no event shall any Tax Indemnitee be required or the Lessee be permitted to contest any Taxes for which the Lessee is obligated to indemnify pursuant to this Section unless: (i) such Lessee shall have acknowledged its liability to such Tax Indemnitee for an indemnity payment pursuant to this

Section as a result of such claim if and to the extent such Indemnitee or the Lessee, as the case may be, shall not prevail in the contest of such claim; (ii) such Tax Indemnitee shall have received the opinion of tax counsel (which may, in the case of Taxes imposed by a taxing authority located in the United States, include in-house counsel of the Lessee) selected by the Lessee and satisfactory to the Tax Indemnitee furnished at Lessee's sole expense, to the effect that a reasonable basis consistent with ABA Opinion 85-352 exists for contesting such claim or, in the event of an appeal, that it is more likely than not that an appellate court will reverse or substantially modify the adverse determination (and provided that no appeal shall be required to the United States Supreme Court); (iii) the Lessee shall have agreed to pay such Tax Indemnitee on demand (and at no after-tax cost to any Tax Indemnitee) all reasonable costs and expenses that such Tax Indemnitee actually incurs in connection with contesting such claim (including, without limitation, all costs, expenses, reasonable legal and accounting fees, disbursements, penalties, interest and additions to the Taxes); (iv) no Lease Event of Default shall have occurred and shall be continuing; (v) such Tax Indemnitee shall have determined that the action to be taken will not result in any risk of imposition of criminal penalties or substantial danger of sale, forfeiture or loss of, or the creation of any Lien (except if such Lessee shall have adequately bonded such Lien or otherwise made provision to protect the interests of such Tax Indemnitee in a manner reasonably satisfactory to such Tax Indemnitee) on the Equipment or any portion thereof or any interest therein; and (vi) if such contest shall be conducted in a manner requiring the payment of the claim, the Lessee shall have paid the amount required (at no after-tax cost to such Tax Indemnitee). The Lessee shall cooperate with the Tax Indemnitee with respect to any contest controlled and conducted by the Tax Indemnitee and the Tax Indemnitee shall consult with the Lessee regarding the conduct of such contest. The Tax Indemnitee shall cooperate with the Lessee with respect to any contest controlled and conducted by the Lessee and the Lessee shall consult with the Tax Indemnitee regarding the conduct of such contest.

In no event will a Tax Indemnitee be required to contest in an Indemnified Person Controlled Contest any Taxes if such Tax Indemnitee shall waive its right to an indemnity under this Section 7.1 except that a Tax Indemnitee shall not be permitted to waive or not contest any Lessee Controlled Contest without Lessee's consent. Unless a Tax Indemnitee obtains the consent of the Lessee, which consent shall not be unreasonably withheld (provided, however, the Lessee shall not be considered to have unreasonably withheld such consent because of (i) any failure by the Lessee to consider any issue or dispute of the Tax Indemnitee not directly related to the claim giving rise to the contest rights in issue or (ii) the Lessee's consideration of the effects of such settlement on issues of the Lessee which are not the subject of such claim), the

failure to contest or the settlement of any contest required under Section 7.1 by a Tax Indemnitee shall constitute a waiver by such Tax Indemnitee of its rights to indemnification hereunder as to such contest and as to any future claims for which the Lessee's right to contest shall have been precluded by such Tax Indemnitees' failure to contest.

(h) For purposes of this Section 7.1, in determining the order in which any Tax Indemnitee utilizes withholding or other foreign taxes as a credit against such Tax Indemnitee's United States income taxes, such Tax Indemnitee shall be deemed to utilize (i) first, all foreign taxes other than those described in clause (ii) below; provided, however, that such other foreign taxes which are carried back to the taxable year for which a determination is being made (other than any carrybacks which are known to be available at the time such determination is made) pursuant to this clause (i) shall be deemed utilized after the foreign taxes described in clause (ii) below, and (ii) then, on a pro rata basis, all foreign taxes (including fees, taxes and other charges hereunder) with respect to which such Tax Indemnitee is entitled to obtain indemnification pursuant to an indemnification provision contained in any lease, loan agreement, financing document or participation agreement (including the Lease).

(i) In the event any reports with respect to Taxes are required to be made, the Lessee will either prepare and file such reports (and in the case of reports which are required to be filed on the basis of individual items of Equipment, such reports shall be prepared and filed in such manner as to show as required the interests of each Tax Indemnitee in such item of Equipment) or,

if it shall not be permitted to file the same, it will notify each Tax Indemnitee in writing of such reporting requirements, prepare such reports in such manner as shall be reasonably satisfactory to each Tax Indemnitee and deliver the same to each Tax Indemnitee within a reasonable period prior to the date the same is to be filed. The Lessee shall provide such information as the Owner Participant or the Lessor may reasonably require from the Lessee to enable the Owner Participant and the Lessor to pursue or fulfill their respective tax filing, tax audit, and tax litigation rights and obligations.

(j) The provisions of this Section 7.1 shall continue in full force and effect, notwithstanding the expiration or termination of any Operative Agreement, until all obligations hereunder have been met and all liabilities hereunder paid in full.

(k) Any amount payable to the Lessee pursuant to the terms of this Section 7.1 shall not be paid or retained by the Lessee if at the time of such payment or retention a Lease Default relating to Sections 14(a), 14(b), 14(g) or 14(h) or a Lease Event of Default shall have occurred and be continuing. Such otherwise paid or retained amounts may be applied by the related Tax Indemnitee to satisfy the obligations of the Lessee under the Operative Agreements. At such time as there shall not be continuing any such Lease Default or Lease Event of Default, such amount shall be paid to the Lessee without interest to the extent not previously applied in accordance with the preceding sentence.

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(l) For purposes of this Section 7.1, the term "Income Tax" means any Tax based on or measured by or with respect to gross, adjusted gross or net income (including without limitation, capital gains taxes, minimum taxes and tax preferences) or gross or net receipts and Taxes which are capital, net worth, conduct of business, franchise or excess profits taxes and interest, additions to tax, penalties, or other charges in respect thereof (provided, however, that sales, use, rental, excise, or property taxes shall not constitute an Income Tax; and provided, further, that a value-added tax shall constitute an Income Tax if it is in the nature of a tax on net income but shall not constitute an Income Tax if it is in the nature of a sales, use, rental, excise, property or other tax; and provided, further, that a withholding tax shall not constitute an Income Tax notwithstanding its being a tax that is based on or measured by or with respect to gross income or gross receipts).

Section 7.2. General Indemnification and Waiver of Certain Claims.

(a) Claims Defined. For the purposes of this Section 7.2, "Claims" shall mean any and all costs, expenses, liabilities, obligations, losses, damages, penalties, actions or suits or claims of whatsoever kind or nature (whether or not on the basis of negligence, strict or absolute liability or liability in tort) which may be imposed on, incurred by, suffered by, or asserted against an Indemnified Person, as defined herein, or any Unit and, except as otherwise expressly provided in this Section 7.2, shall include, but not be limited to, all reasonable out-of-pocket costs, disbursements and expenses (including legal fees and expenses) paid or incurred by an Indemnified Person in connection therewith or related thereto.

(b) Indemnified Person Defined. For the purposes of this Section 7.2, "Indemnified Person" means the Owner Participant, the Owner Trustee (both in its individual capacity and as Owner Trustee), the Indenture Trustee and the Pass Through Trustee, each of their Affiliates and each of their respective directors, officers, employees, successors and permitted assigns, agents and servants, the Trust Estate and the Indenture Estate (the respective directors, officers, employees, successors and permitted assigns, agents and servants of the Owner Participant, the Owner Trustee, the Indenture Trustee, the Pass Through Trustee and each of their Affiliates, as applicable, together with the Owner Participant, the Owner Trustee, the Indenture Trustee, the Pass Through Trustee and each of their Affiliates, as the case may be, being referred to herein collectively as the "Related Indemnitee Group" of the Owner Participant, the Indenture Trustee, the Owner Trustee and the Pass Through Trustee, respectively).

(c) Claims Indemnified. Whether or not any Unit is accepted under the Lease, or a closing occurs with respect thereto, and subject to the exclusions stated in subsection (d) below, Lessee agrees to indemnify, protect,

defend and hold harmless each Indemnified Person on an After-Tax Basis against Claims directly or indirectly resulting from or arising out of or alleged to result from or arise out of (whether or not such Indemnified Person shall be indemnified as to such Claim by any other Person):

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(i) this Agreement or any other Operative Agreement or any of the transactions contemplated hereby and thereby or any Unit or the ownership, lease, operation, possession, modification, improvement, abandonment, use, non-use, maintenance, sublease, substitution, control, repair, storage, alteration, transfer or other application or disposition, return, overhaul, testing, servicing, replacement or registration of any Unit (including, without limitation, injury, death or property damage of passengers, shippers or others, and environmental control, noise and pollution regulations, or the presence, discharge, spillage, release or escape of Hazardous Substances or damage to the environment (including, without limitation, clean-up costs, response costs, costs of corrective actions and natural resource damages)) whether or not in compliance with the terms of the Lease, or by any of the commodities, items or materials from time to time contained in any Unit, whether or not in compliance with the terms of the Lease, or by the inadequacy of any Unit or deficiency or defect in any Unit or by any other circumstances in connection with any Unit, or by the performance of any Unit or any risks relating thereto, or by any interruption of service, loss of business or anticipated profits or consequential damages;

(ii) the construction, manufacture, financing, refinancing, design, purchase, acceptance, rejection, delivery, non-delivery or condition of any Unit (including, without limitation, latent and other defects, whether or not discoverable, and any claim for patent, trademark or copyright infringement);

(iii) any act or omission (whether negligent or otherwise) or any breach of or failure to perform or observe, or any other non-compliance with, any covenant, condition or agreement to be performed by, or other obligation of, Lessee under any of the Operative Agreements, or the falsity of any representation or warranty of the Lessee in any of the Operative Agreements or in any document or certificate delivered in connection therewith other than representations and warranties in the Tax Indemnity Agreement;

(iv) the offer, sale or delivery of any Equipment Notes or Pass Through Certificates or any interest in the Trust Estate;

(v) any violation of law, rule, regulation or order by the Lessee or any sublessee or their respective directors, officers, employees, agents or servants; and

(vi) the acquisition or holding of any Equipment Notes or Pass Through Certificates being deemed to result in a "prohibited transaction" under ERISA or the Code.

(d) Lessee's Claims Excluded. The following are excluded from the agreement to indemnify under this Section 7.2:

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(i) Claims with respect to any Unit to the extent attributable to acts or events occurring after (A) in the case of the exercise by the Lessee of a purchase option with respect to such Unit under Section 22.1 or 22.3 of the Lease, the exercise by the Lessee of an early termination option with respect to such Unit under Section 10 of the Lease, the occurrence or deemed occurrence of an Event of Loss with respect to such Unit under Section 11 of the Lease, or the election to replace such Unit under Section 8.1(b), 8.3 or 9.1 of the Lease, the last to occur of (x) the payment of all amounts due from

the Lessee in connection with any such event, (y) the release of the Lien of the Indenture on such Unit, and (z) legal transfer of title to such Unit to any Person other than Lessor, except in the case of a retention of any Unit by Lessor pursuant to the terms and provisions of Section 10.3 of the Lease, and in the case of any such retention, upon the effective date of the termination of the Lease Term with respect to such Unit retained by Lessor pursuant to Section 10.3 or (B) in all other cases (except in any case where remedies are being exercised under Section 15 of the Lease), the last to occur of (x) with respect to such Unit, the earlier to occur of the termination of the Lease or the expiration of the Lease Term in accordance with the terms thereof, (y) with respect to each Unit, the return of such Unit to the Lessor in accordance with the terms of the Lease (it being understood that, so long as any Unit is in storage as provided in Section 6.1(c) of the Lease, the date of return thereof for the purpose of this clause (B) shall be the last day of the Storage Period), and (z) the release of the Lien of the Indenture on such Unit;

(ii) Claims which are Taxes, whether or not the Lessee is required to indemnify therefor under Section 7.1 hereof or the Tax Indemnity Agreement;

(iii) with respect to any particular Indemnified Person, Claims to the extent resulting from (x) the gross negligence or willful misconduct of such Indemnified Person, or (y) any breach of any covenant to be performed by such Indemnified Person under any of the Operative Agreements, or the falsity of any representation or warranty of such Indemnified Person in any of the Operative Agreements or in a document or certificate delivered in connection therewith;

(iv) any Claim to the extent attributable to any transfer by the Lessor of the Equipment or any portion thereof or any transfer by the Owner Participant of all or any portion of its interest in the Trust Estate other than (A) any transfer after a Lease Default or Lease Event of Default, (B) the transfer of the Equipment or any Owner Participant's interest in the Equipment to the Lessee, (C) the transfer of the Equipment to a third party pursuant to Lessee's election to terminate the Lease or (D) any transfer of the Equipment pursuant to Section 6.9;

(v) with respect to any particular Indemnified Person, any Claim resulting from the imposition of any Lessor's Lien attributable to such Indemnified Person; or

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(vi) with respect to any particular Indemnified Person, any Claim, to the extent the risk thereof has been expressly assumed by such Indemnified Person in connection with the exercise by such Indemnified Person of the right of inspection granted under Section 6.2, inspection or restenciling under Section 6.3 or inspection under Section 13.2 of the Lease.

(e) Insured Claims. In the case of any Claim indemnified by the Lessee hereunder which is covered by a policy of insurance maintained by the Lessee pursuant to Section 12 of the Lease or otherwise, each Indemnified Person agrees to provide reasonable cooperation to the insurers in the exercise of their rights to investigate, defend or compromise such Claim as may be required to retain the benefits of such insurance with respect to such Claim.

(f) Claims Procedure. An Indemnified Person shall, after obtaining knowledge thereof, promptly notify the Lessee of any Claim as to which indemnification is sought; provided, however, that the failure to give such notice shall not release the Lessee from any of its obligations under this Section 7.2, except to the extent that failure to give notice of any action, suit or proceeding against such Indemnified Person shall have a material adverse affect on Lessee's ability to defend such Claim or recover proceeds under any insurance policies maintained by Lessee hereunder. The Lessee shall, after obtaining knowledge thereof, promptly notify each Indemnified Person of any indemnified Claim affecting such Person. Subject to the provisions of the following paragraph, the Lessee shall at its sole cost and expense be entitled to control, and shall assume full responsibility for, the defense of such claim or liability; provided that the Lessee shall keep the Indemnified Person which

is the subject of such proceeding fully apprised of the status of such proceeding and shall provide such Indemnified Person with all information with respect to such proceeding as such Indemnified Person shall reasonably request.

Notwithstanding any of the foregoing to the contrary, the Lessee shall not be entitled to control and assume responsibility for the defense of such claim or liability if (1) a Lease Event of Default shall have occurred and be continuing, (2) such proceeding will involve any material danger of the sale, forfeiture or loss of, or the creation of any Lien (other than any Lien permitted under the Operative Agreements or a Lien which is adequately bonded to the satisfaction of such Indemnified Person) on, any Unit, (3) the amounts involved, in the good faith opinion of such Indemnified Person, are likely to have a materially adverse effect on the business of such Indemnified Person other than the ownership, leasing and financing of the Equipment, (4) in the good faith opinion of such Indemnified Person, there exists an actual or potential conflict of interest such that it is advisable for such Indemnified Person to retain control of such proceeding or (5) such claim or liability involves the possibility of criminal sanctions or liability to such Indemnified Person. In the circumstances described in clauses (1) - (5), the Indemnified Person shall be entitled to control and assume responsibility for the defense of such claim or liability at the expense of the Lessee. In addition, any Indemnified Person may participate in any proceeding controlled by the Lessee pursuant to this Section 7.2, at its own expense, in respect of any such proceeding as to which the Lessee shall have acknowledged in

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writing its obligation to indemnify the Indemnified Person pursuant to this Section 7.2, and at the expense of Lessee in respect of any such proceeding as to which the Lessee shall not have so acknowledged its obligation to the Indemnified Person pursuant to this Section 7.2. Lessee may in any event participate in all such proceedings at its own cost. Nothing contained in this Section 7.2(f) shall be deemed to require an Indemnified Person to contest any Claim or to assume responsibility for or control of any judicial proceeding with respect thereto.

(g) Subrogation. If a Claim indemnified by the Lessee under this Section 7.2 is paid in full by the Lessee and/or an insurer under a policy of insurance maintained by the Lessee, the Lessee and/or such insurer, as the case may be, shall be subrogated to the extent of such payment to the rights and remedies of the Indemnified Person (other than under insurance policies maintained by such Indemnified Person) on whose behalf such Claim was paid with respect to the transaction or event giving rise to such Claim. So long as no Lease Event of Default shall have occurred and be continuing, should an Indemnified Person receive any refund, in whole or in part, with respect to any Claim paid by the Lessee hereunder, it shall promptly pay over the amount refunded (but not in excess of the amount the Lessee or any of its insurers has paid) to the Lessee.

(h) Waiver of Certain Claims. The Lessee hereby waives and releases any Claim now or hereafter existing against any Indemnified Person arising out of death or personal injury to personnel of the Lessee, pollution incidents, loss or damage to property of the Lessee, or the loss of profits or use of any property of the Lessee, which may result from or arise out of the condition, use or operation of the Equipment during the Lease Term, including without limitation any latent or patent defect whether or not discoverable.

(i) No Guaranty. The general indemnification provisions of this Section 7.2 do not constitute a guaranty by the Lessee that the principal of, interest on or any amounts payable with respect to the Equipment Notes will be paid.

SECTION 8. LESSEE'S RIGHT OF QUIET ENJOYMENT.

Each party to this Agreement acknowledges notice of, and consents in all respects to, the terms of the Lease, and expressly, severally and as to its own actions only, agrees that, so long as no Lease Event of Default has occurred and is continuing, it shall not take or cause to be taken any action contrary to Lessee's rights under the Lease, including, without limitation, the right to possession, use and quiet enjoyment by Lessee or any permitted sublessee of the Equipment.

SECTION 9. SUCCESSOR INDENTURE TRUSTEE.

In the event that the Indenture Trustee gives notice of its resignation pursuant to Section 8.02 of the Trust Indenture, the Owner Trustee shall promptly appoint a successor Indenture Trustee reasonably acceptable to the Lessee and the Pass Through Trustee.

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SECTION 10. MISCELLANEOUS.

Section 10.1. Consents. Each Participant covenants and agrees (subject, in the case of the Loan Participant, to all of the terms and provisions of the Trust Indenture) that it shall not unreasonably withhold its consent to any consent requested of the Owner Trustee or the Indenture Trustee, as the case may be, under the terms of the Operative Agreements that by its terms is not to be unreasonably withheld by the Owner Trustee or the Indenture Trustee.

Section 10.2. Refinancing. So long as no Lease Default or Lease Event of Default shall be in existence, the Lessee shall have the right to request the Owner Participant and the Owner Trustee to effect an optional prepayment of all, and not less than all, of the Equipment Notes pursuant to Section 2.10(d) of the Indenture as part of a refunding or refinancing operation. As soon as practicable after receipt of such request, the Owner Participant and the Lessee will enter into an agreement, in form and substance reasonably satisfactory to the parties thereto, as to the terms of such refunding or refinancing as follows:

(a) the Lessee, the Owner Participant, the Indenture Trustee, the Owner Trustee, and any other appropriate parties will enter into a financing or loan agreement (which may involve an underwriting agreement in connection with a public offering), in form and substance reasonably satisfactory to the parties thereto, providing for (i) the issuance and sale by the Owner Trustee or such other party as may be appropriate on the date specified in such agreement (for the purposes of this Section 10.2, the "Refunding Date") of debt securities in an aggregate principal amount (in the lawful currency of the United States) equal to the principal amount of the Equipment Notes outstanding on the Refunding Date, having the same maturity date as said Equipment Notes and having a weighted average life which is not less than or greater than the Remaining Weighted Average Life of said Equipment Notes by more than three months, (ii) the application of the proceeds of the sale of such debt securities to the prepayment of all such Equipment Notes on the Refunding Date, and (iii) payment by Lessee to the Person or Persons entitled thereto of all other amounts, in respect of accrued interest, any Make Whole Amount or other premium, if any, payable on such Refunding Date;

(b) the Lessee and the Owner Trustee will amend the Lease in a manner such that (i) if the Refunding Date is not a Rent Payment Date and the accrued and unpaid interest on the Equipment Notes is not otherwise paid pursuant to Section 10.2(a), the Lessee shall on the Refunding Date prepay that portion of the next succeeding installment of Basic Rent as shall equal the aggregate interest accrued on the Equipment Notes outstanding to the Refunding Date, (ii) Basic Rent payable in respect of the period from and after the Refunding Date shall be recalculated to preserve the Net Economic Return which the Owner Participant would have realized had such refunding not occurred, provided that the net present value of Basic Rent shall be minimized to the extent consistent therewith, and (iii) amounts payable in respect of Stipulated Loss Value, Early Purchase Price, Basic Term Purchase Price and Termination Value from and after the Refunding Date shall be appropriately recalculated to preserve the Net Economic Return which the Owner Participant would have realized had such refunding not occurred

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(it being agreed that any recalculations pursuant to subclauses (ii) and (iii) of this clause (b) shall be performed in accordance with the requirements of Section 2.6 hereof);

(c) the Owner Trustee will enter into an agreement to provide for the securing thereunder of the debt securities issued by the Owner Trustee

pursuant to clause (a) of this Section 10.2 in like manner as the Equipment Notes and/or will enter into such amendments and supplements to the Indenture as may be necessary to effect such refunding or refinancing, which agreements, amendments and/or supplements shall be reasonably satisfactory in form and substance to the Owner Participant; provided that, no such agreement or amendment shall provide for any increase in the security for the new debt securities; and provided further that, notwithstanding the foregoing (but subject to the provisions of clauses (a) and (b) above), the Lessee reserves the right to set the economic terms and other terms not customarily negotiated between an owner participant and a lender of the refunding or refinancing transaction to be so offered to the extent that they are passed through to the Lessee in, or define rights or obligations of the Lessee under, the Operative Agreements; provided, further, that no such amendment or supplement will increase the obligations or impair the rights of the Owner Participant under the Operative Agreements without the consent of the Owner Participant;

(d) in the case of a refunding or refinancing involving a public offering of debt securities, neither the Owner Trustee nor the Owner Participant shall be an "issuer" for securities law purposes or an "obligor" within the meaning of the Trust Indenture Act of 1939, as amended, the offering materials (including any registration statement) for the refunding or refinancing transaction shall be reasonably satisfactory to the Owner Participant and the Lessee shall provide satisfactory indemnity to the Owner Trustee and Owner Participant with respect thereto;

(e) unless otherwise agreed by the Owner Participant, the Lessee shall pay to the Owner Trustee as Supplemental Rent an amount equal to the Make-Whole Amount or other premium, if any, payable in respect of Equipment Notes outstanding on the Refunding Date, and all reasonable fees, costs, expenses of such refunding or refinancing and of the parties hereto incurred in connection with such refunding or refinancing (including all reasonable out-of-pocket legal fees and expenses);

(f) the Lessee shall give the Indenture Trustee not less than 25 days prior written notice of the Refunding Date;

(g) the Owner Participant, the Owner Trustee, the Indenture Trustee and the Pass Through Trustee shall have received (i) such opinions of counsel as they may reasonably request concerning compliance with the Securities Act of 1933, as amended, and any other applicable law relating to the sale of securities and (ii) such other opinions of counsel and such certificates and other documents, each in form and substance satisfactory to them, as they may reasonably request in connection with compliance with the terms and conditions of this Section 10.2; and

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(h) all necessary authorizations, approvals and consents shall have been obtained;

provided, however, that the Lessee will, to the extent then known, promptly provide to the Owner Participant, the Owner Trustee, the Indenture Trustee and the Pass Through Trustee substantially final terms and conditions of any such refunding or refinancing within 30 days prior to the execution and delivery of the documents contemplated hereunder in connection therewith; and provided, further, that (v) no refunding or refinancing of the Equipment Notes will be permitted unless within 20 days after receipt by the Owner Participant of a request from the Lessee to effect a refunding or refinancing pursuant to this Section 10.2 and of information regarding the terms of such refunding or refinancing necessary to render the opinion referred to below, the Lessee has provided the Owner Participant with (a) a tax opinion from Mayer, Brown & Platt or other tax counsel reasonably acceptable to the Owner Participant to the effect that the Owner Participant would have a reasonable basis within the meaning of Section 6662(d)(2)(B)(ii) of the Code not to report any adverse federal income tax consequences as a result of such refunding or refinancing and (b) an agreement to indemnify the Owner Participant against any adverse tax consequence suffered as a result of such refinancing or refunding; alternatively, in the event such reasonable basis tax opinion cannot be provided and the Lessee wishes to effect such refunding or refinancing, the Lessee will, at such time as the Lessee receives written notice from the Owner Participant that the Owner Participant has filed any income tax return wherein such adverse income tax consequences are recognized, make an indemnity payment to the Owner Participant in the incremental amount of such adverse tax consequence (on an After-Tax Basis) attributable to such refunding or

refinancing; (w) the Lessee shall pay to or reimburse the Participants, the Owner Trustee and the Indenture Trustee for all costs and expenses (including reasonable attorneys' and accountants' fees) paid or incurred by them in connection with such refunding or refinancing; (x) no refunding or refinancing of the Equipment Notes will be permitted if it shall cause the Owner Participant to account for the transaction contemplated hereby as other than a "leveraged lease" under the Financial Accounting Standards Board ("FASB") Statement No. 13, as amended (including any amendment effected by means of the adoption by FASB of a new statement in lieu of FASB Statement No. 13); and (y) in no event, in connection with or after giving effect to such refunding or refinancing shall the Owner Participant be exposed to any unindemnified risk or liability (including tax risk) to which it is not exposed prior to such refunding or refinancing.

Section 10.3. Amendments and Waivers. Except as otherwise provided in the Indenture, no term, covenant, agreement or condition of this Agreement may be terminated, amended or compliance therewith waived (either generally or in a particular instance, retroactively or prospectively) except by an instrument or instruments in writing executed by each party against which enforcement of the termination, amendment or waiver is sought.

Section 10.4. Notices. Unless otherwise expressly specified or permitted by the terms hereof, all communications and notices provided for herein shall be in writing or by facsimile, and any such notice shall become effective (i) upon personal delivery thereof, including, without limitation, by overnight mail or courier service, (ii) in the case of notice by United States mail,

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certified or registered, postage prepaid, return receipt requested, upon receipt thereof, or (iii) in the case of notice by facsimile, upon confirmation of receipt thereof, provided such transmission is promptly further confirmed by any of the methods set forth in clauses (i) or (ii) above, in each case addressed to each party hereto at its address set forth below or, in the case of any such party hereto, at such other address as such party may from time to time designate by written notice to the other parties hereto:

If to the Lessee:

General American Transportation Corporation
500 West Monroe Street
Chicago, Illinois 60661
Attention: Treasurer
(GATC Trust No. 96-1)
Facsimile: (312) 621-6645
Confirmation No.: (312) 621-6200

If to the Owner Trustee:

First Security Bank, N.A.
79 South Main Street
Salt Lake City, Utah 84111
Attention: Corporate Trust Services
Facsimile: (801) 246-5053
Confirmation No.: (801) 246-5630

with a copy to:

the Owner Participant at the
address set forth below

If to the Owner Participant:

Dreyfus Service Corporation
c/o Mellon Financial Services Corporation #4
One Mellon Bank Center, Suite 4444
Pittsburgh, Pennsylvania 15258-0001
Attention: President
Facsimile: (412) 234-5062
Confirmation No.: (412) 234-5061

[AMSOUTH LEASING CORPORATION
 1900 FIFTH AVENUE NORTH, 8TH FLOOR
 BIRMINGHAM, ALABAMA 35203
 ATTENTION: PRESIDENT
 FACSIMILE: (205) 307-4124
 CONFIRMATION NO.: (205) 326-5780]

with a copy to:

Dreyfus Service Corporation
 200 Park Avenue
 New York, New York 10166
 Attention: William V. Healey
 Facsimile: (212) 922-6880
 Confirmation No.: (212) 922-6760

If to the Indenture Trustee:

The First National Bank of Chicago
 One First National Plaza, Suite 0126
 Chicago, Illinois 60670-0126
 Attention: Corporate Trust Services Division
 (GATC Trust No. 96-1)
 Facsimile: (312) 407-1708
 Confirmation No.: (312) 407-1892

If to the Pass Through Trustee:

The First National Bank of Chicago
 One First National Plaza, Suite 0126
 Chicago, Illinois 60670-0126
 Attention: Corporate Trust Services Division
 (GATC Trust No. 96-1)
 Facsimile: (312) 407-1708
 Confirmation No.: (312) 407-1892

Section 10.5. Survival. All warranties, representations, indemnities and covenants made by any party hereto, herein or in any certificate or other instrument delivered by any such party or on the behalf of any such party under this Agreement, shall be considered to have been relied upon by each other party hereto and shall survive the consummation of the transactions contemplated hereby on the Closing Date regardless of any investigation made by any such party or on behalf of any such party.

Section 10.6. No Guarantee of Debt. Nothing contained herein or in the Lease, the Trust Indenture, the Trust Agreement, the Pass Through Trust Agreement or the Tax Indemnity Agreement or in any certificate or other statement delivered by the Lessee in connection with the transactions contemplated hereby shall be deemed to be (i) a guarantee by the Lessee to the Owner Trustee, the Owner Participant, the Indenture Trustee or the Loan Participant that the Equipment will have any residual value or useful life, or (ii) a guarantee by the Indenture Trustee or the Lessee of payment of the principal of, premium, if any, or interest on the Equipment Notes.

Section 10.7. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of, and shall be enforceable by, the parties hereto and their respective successors and assigns as permitted by and in accordance with the terms hereof, including each successive holder of the Beneficial Interest permitted under Section 6.1 hereof and each successive holder of any Equipment Note issued and delivered pursuant to this Agreement or the Indenture. Except as expressly provided herein or in the other Operative Agreements, no party hereto may assign their interests herein without the consent of the parties hereto.

Section 10.8. Business Day. Notwithstanding anything herein or in any other Operative Agreement to the contrary, if the date on which any payment is to be made pursuant to this Agreement or any other Operative Agreement is

not a Business Day, the payment otherwise payable on such date shall be payable on the next succeeding Business Day with the same force and effect as if made on such succeeding Business Day and (provided such payment is made on such succeeding Business Day) no interest shall accrue on the amount of such payment from and after such scheduled date to the time of such payment on such next succeeding Business Day.

Section 10.9. Governing Law. This agreement shall be in all respects governed by and construed in accordance with the laws of the State of New York including all matters of construction, validity and performance; provided, however, that the parties hereto shall be entitled to all rights conferred by any applicable federal statute, rule or regulation.

Section 10.10. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

Section 10.11. Counterparts. This Agreement may be executed in any number of counterparts, each executed counterpart constituting an original but all together only one Agreement.

Section 10.12. Headings and Table of Contents. The headings of the Sections of this Agreement and the Table of Contents are inserted for purposes of convenience only and shall not be construed to affect the meaning or construction of any of the provisions hereof.

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Section 10.13. Limitations of Liability.

(a) Liabilities of Participants. Neither the Indenture Trustee, the Owner Trustee nor any Participant shall have any obligation or duty to the Lessee, to any other Participant or to others with respect to the transactions contemplated hereby, except those obligations or duties of such Participant expressly set forth in this Agreement and the other Operative Agreements, and neither the Indenture Trustee nor any Participant shall be liable for performance by any other party hereto of such other party, obligations or duties hereunder. Without limitation of the generality of the foregoing, under no circumstances whatsoever shall the Indenture Trustee or any Participant be liable to the Lessee for any action or inaction on the part of the Owner Trustee in connection with the transactions contemplated herein, whether or not such action or inaction is caused by willful misconduct or gross negligence of the Owner Trustee unless such action or inaction is at the direction of the Indenture Trustee or any Participant, as the case may be, and such direction is expressly permitted hereby.

(b) No Recourse to the Owner Trustee. It is expressly understood and agreed by and between the Owner Trustee, the Lessee, the Owner Participant, the Indenture Trustee, and the Loan Participant, and their respective successors and permitted assigns that, subject to the proviso contained in this Section 10.13(b), all representations, warranties and undertakings of the Owner Trustee hereunder shall be binding upon the Owner Trustee, only in its capacity as Owner Trustee under the Trust Agreement, and (except as expressly provided herein) the Owner Trustee shall not be liable in its individual capacity for any breach thereof, except for its gross negligence or willful misconduct, or for breach of its covenants, representations and warranties contained herein, except to the extent covenanted or made in its individual capacity; provided, however, that nothing in this Section 10.13(b) shall be construed to limit in scope or substance those representations and warranties of the Owner Trustee made expressly in its individual capacity set forth herein. The term "Owner Trustee" as used in this Agreement shall include any successor trustee under the Trust Agreement, or the Owner Participant if the trust created thereby is revoked.

Section 10.14. Maintenance of Non-Recourse Debt. The parties hereto agree that if the Owner Trustee becomes a debtor subject to the reorganization provisions of the Bankruptcy Code, 11 U.S.C. Section 101 et seq. (the "Bankruptcy Code") or any successor provision, the parties hereto will make an election under 1111(b) (1) (A) (i) of the Bankruptcy Code. If (a) the Owner Trustee becomes a debtor subject to the reorganization provisions of the

Bankruptcy Code or any successor provision, (b) pursuant to such reorganization provisions the Owner Trustee is required, by reason of the Owner Trustee being held to have recourse liability to the Pass Through Trustee or the Indenture Trustee, directly or indirectly, to make payment on account of any amount payable under the Equipment Notes or any of the other Operative Agreements and (c) the Pass Through Trustee and/or the Indenture Trustee actually receives any Excess Amount (as hereinafter defined) which reflects any payment by the Owner Trustee on account of (b) above, then the Pass Through Trustee and/or the Indenture Trustee, as the case may be, shall promptly refund to the Owner Trustee such Excess Amount. For purposes of this Section

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10.14 "Excess Amount" means the amount by which such payment exceeds the amount which would have been received by the Pass Through Trustee or the Indenture Trustee if the Owner Trustee had not become subject to the recourse liability referred to in (b) above.

Section 10.15. Ownership of and Rights in Units. The sale of the Units contemplated hereby is intended for all purposes to be a true sale of all of the Lessee's right, title and interest in and to the Units to the Owner Trustee, which shall be the legal owner thereof. Upon consummation of the sale and leaseback transactions contemplated hereby, the Lessee's interest in the Units is intended to be that of a lessee only. It is intended that for federal and state income tax purposes the Owner Participant will be the owner of the Units. The rights of the Indenture Trustee in and to the Units pursuant to the Indenture is intended to be that of a secured party holding a security interest, subject to the Lease and the rights of the Lessee thereunder. No holder of an Equipment Note is intended to have any right, title or interest in or to the Units except as a beneficiary of the security interest granted by the Owner Trustee to the Indenture Trustee pursuant to the Indenture in trust for the equal and ratable benefit of the holders from time to time of the Equipment Notes.

* * * * *

In Witness Whereof, the parties hereto have caused this Participation Agreement to be executed and delivered, all as of the date first above written.

Lessee:

GENERAL AMERICAN
TRANSPORTATION CORPORATION

By: _____

Name: _____

Title: _____

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Owner Trustee:

FIRST SECURITY BANK, N.A., not in its
individual capacity except as expressly
provided herein but solely as Owner
Trustee

By: _____

Name: _____

Title: -----

Owner Participant:

DREYFUS SERVICE CORPORATION
[AMSOUTH LEASING CORPORATION]

By: -----

Name: -----

Title: -----

Indenture Trustee:

THE FIRST NATIONAL BANK OF CHICAGO, not in
its individual capacity except as expressly
provided herein but solely as Indenture
Trustee

By: -----

Name: -----

Title: -----

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Pass Through Trustee:

THE FIRST NATIONAL BANK OF CHICAGO, not in
individual capacity except as expressly
provided herein but solely as Pass Through
Trustee

By: -----

Name: -----

Title: -----

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EXHIBIT A-1

CERTIFICATE OF INSURANCE BROKER CONFIRMING INSURANCE COVERAGE
(PRIMARY LIABILITY)

The First National Bank of Chicago, individually and as Pass Through Trustee

The First National Bank of Chicago, individually and as Indenture Trustee

First Security Bank, N.A., individually and as Owner Trustee

Dreyfus Service Corporation [AMSOUTH LEASING CORPORATION], as Owner Participant

Re: GATC Trust No. 96-1

Gentlemen:

Reference is hereby made to the Lease and the Equipment thereunder. Attached hereto as Exhibit A is a certificate with respect to certain insurance maintained by the Lessee on the Equipment which is or will become effective as of any item thereof upon the acceptance by the Lessee pursuant to the Lease. Such insurance (i) complies with the requirements contained in Exhibit B hereto except as noted below and (ii) is in full force and effect as of the date hereof and all premiums due and payable with respect thereto have been paid in full.

Capitalized terms not otherwise defined herein or in the exhibits attached hereto have the meaning assigned thereto in the Lease.

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EXHIBIT A
to Certificate of Insurance Broker

GATX Corporation Primary Liability Program
_____, 199_ to _____, 199_

Westchester Fire Insurance Company Policy #MLA 3530920	\$3,500,000 per occurrence and \$9,000,000 in the aggregate as applicable; subject to a \$3,000,000 per occurrence retention and \$8,000,000 in the aggregate retention (indemnity only)
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EXHIBIT A-2

CERTIFICATE OF INSURANCE BROKER CONFIRMING INSURANCE COVERAGE
(EXCESS LIABILITY)

The First National Bank of Chicago, individually and as Pass Through Trustee

The First National Bank of Chicago, individually and as Indenture Trustee

First Security Bank, N.A., individually and as Owner Trustee

Dreyfus Service Corporation [AMSOUTH LEASING CORPORATION], as Owner Participant

Re: GATC Trust No. 96-1

Gentlemen:

We hereby certify that the Lessee is insured under various policies, effective (_____), that provide excess public liability coverage for personal injury and property damage, subject to the policy terms, conditions and exclusions. We further certify that said policies:

- a. afford limits of liability as indicated on the attached Exhibit A, excess of various underlying insurances or retained amounts and subject to aggregates where applicable;
- b. are in full force and effect and all premiums due with respect to said policies have been paid in full; and
- c. comply with all of the requirements listed on the attached Exhibit B.

We hereby agree on each of the times specified in Section 12.1 of the Lease to issue a certificate (1) describing in reasonable detail the insurance carried by the Lessee relating to the Equipment and (2) confirming that all premiums due thereon have been paid.

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EXHIBIT A
to Certificate of Insurance Broker

GATX Corporation Excess Liability Program
_____ __, 199_ to _____ __, 199_

Umbrella Liability - Occurrence Basis

Westchester Fire Insurance Company \$1,000,000 Each Occurrence and Aggregate
Policy #CUA-100999-0 as Applicable Excess of \$3,500,000 Each
Claim/\$9,000,000 aggregate as applicable

Excess Liability - Claims Made Basis

Zurich Reinsurance (UK) Ltd. \$50,000,000 Each Claim and Aggregate as
Lexington Insurance Company Applicable, Excess of \$1,000,000 Each
New Hampshire Insurance Company Claim in turn Excess of \$3,500,000 Each
St. Paul Reinsurance Company Ltd. Claim / \$9,000,000 aggregate as applicable
Policy #94 NAC 061

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EXHIBIT B

INSURANCE REQUIREMENTS

The following applies to the policies indicated on Exhibit A:

1. The policies are in such amounts and for such risks and with such insurance companies and subject to such self-insurance not less comprehensive in amounts and against risks customarily insured against by Lessee in respect of equipment owned or leased by it similar in type to the Equipment and consistent with prudent industry standards for companies engaged in the full service leasing of railcars.

2. The policies have a third party liability limit of not less than \$50,000,000 per occurrence or in the aggregate, and provide coverage excess of \$3,500,000 per occurrence (and \$9,000,000 in the aggregate) primary general liability.

3. The policies:

(i) provide that if any such insurance is cancelled or terminated (other than for normal expiration) for any reason whatever, the Lessor, Indenture Trustee and Owner Participant shall receive 30 days prior notice of such cancellation or termination,

(ii) name the Owner Participant, Lessor (both as lessor of the Equipment and in its individual capacity) and the Indenture Trustee as additional insured as their interests may appear (but only as respects liability arising out of the Operative Agreements or the Equipment),

(iii) provide that inasmuch as such public liability insurance policies cover more than one insured, all terms, conditions, insuring agreements and endorsements, with the exceptions of limits of liability and liability for premiums, commissions, assessments or calls, operate in the same manner as if there were a separate policy or policies covering each insured,

(iv) waive rights of subrogation against the Owner Participant, Lessor (both as lessor of the Equipment and in its individual capacity) and the Indenture Trustee,

(v) provide that neither the Owner Participant, Lessor (both as lessor of the Equipment and in its individual capacity) nor the Indenture Trustee shall have any liability or obligation for insurance premiums whether for coverage before or after cancellation or termination of any such policies,

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(vi) shall be primary without contribution from any similar insurance maintained by Owner Participant, Lessor or Indenture Trustee.

(vii) provides for sudden and accidental pollution coverage due to collision or overturn of railcars arising out of the use or operation of the units. The scope of this coverage includes clean up should Lessee become obligated to pay (other than on property owned, leased or occupied by Lessee).

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Schedule 1
Participation Agreement

DESCRIPTION OF EQUIPMENT, DESIGNATION OF BASIC GROUPS,
DESIGNATION OF FUNCTIONAL GROUPS, AND EQUIPMENT COST

See Attached

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Schedule 2
Participation Agreement

COMMITMENT PERCENTAGE AND PAYMENT INFORMATION FOR PARTICIPANTS

1. The percentage representing the Loan Participant's Commitment is [85%]
All Payments to Loan Participant should be made by wire transfer of immediately available funds to:

The First National Bank of Chicago
ABA No. 071000013
Clearing Account 48115377
for credit to trust number 19-203567-1
Attn: J. Kinney GATC Trust No. 96-1

2. The percentage representing the Owner Participant's Commitment is [15%]
All payments to Dreyfus Service Corporation [AMSOUTH LEASING CORPORATION], as Owner Participant should be made by wire transfer of immediately available funds to:

The Bank of New York
ABA No. 021000018
Credit: Dreyfus Service Corporation
Account # 8540128589

[AMSOUTH LEASING CORPORATION
1900 FIFTH AVENUE, NORTH

BIRMINGHAM, ALABAMA 35202
ABA NO. 062000019
ACCOUNT # 00201332
ATTN: AMSOUTH LEASING OPERATION DEPARTMENT
(205) 326-5588]

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Schedule 3
Participation Agreement

SCHEDULE OF BASIC RENT PAYMENTS

See Attached

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Schedule 4
Participation Agreement

SCHEDULE OF STIPULATED LOSS VALUE AND TERMINATION VALUE

The Stipulated Loss Value for a Unit of Equipment as of the Basic Term Commencement Date and each Rent Payment Date and Determination Date shall be an amount equal to the percentage of the Equipment Cost for such Unit set opposite such date in this schedule. The Termination Value for a Unit of Equipment as of each Rent Payment Date and Determination Date shall be an amount equal to the percentage of the Equipment Cost for such Unit set opposite such date in this schedule.

See Attached

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Schedule 5
Participation Agreement

TERMS OF EQUIPMENT NOTES

See Attached

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Schedule 6
Participation Agreement

EARLY PURCHASE INFORMATION

Basic Group I

Early Purchase Date:

Early Purchase Price
[AMSOUTH: (INCLUDING

DEFERRED PORTION)]: _____ % (stated as a percentage of Equipment Cost)

[AMSOUTH:

PORTION PAYABLE ON

EARLY PURCHASE DATE: _____ % (STATED AS A PERCENTAGE OF EQUIPMENT COST)

DEFERRED PORTION: _____ % (STATED AS A PERCENTAGE OF EQUIPMENT COST)

DEFERRED PORTION PAYMENTS
(STATED AS A PERCENTAGE
OF EQUIPMENT COST):]

Basic Group II

Early Purchase Date:

Early Purchase Price

[AMSOUTH: (INCLUDING
DEFERRED PORTION)]: _____ % (stated as a percentage of Equipment Cost)

[AMSOUTH:

PORTION PAYABLE ON

EARLY PURCHASE DATE: _____ % (STATED AS A PERCENTAGE OF EQUIPMENT COST)

DEFERRED PORTION: _____ % (STATED AS A PERCENTAGE OF EQUIPMENT COST)

DEFERRED PORTION PAYMENTS
(STATED AS A PERCENTAGE
OF EQUIPMENT COST):]

BASIC TERM PURCHASE INFORMATION

Basic Term Purchase Price:

Basic Group I: _____ %

Basic Group II: _____ %

DEFINITIONS

General Provisions

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

Unless the context otherwise requires, (i) references to agreements shall be deemed to mean and include such agreements as the same may be amended, supplemented and otherwise modified from time to time, and (ii) references to parties to agreements shall be deemed to include the permitted successors and assigns of such parties.

Defined Terms

"AAR" shall mean the Association of American Railroads or any successor thereto.

"Affiliate" of any Person shall mean any other Person which directly or indirectly controls, or is controlled by, or is under a common control with, such Person. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" shall have meanings correlative to the foregoing.

"After-Tax Basis" shall mean, with respect to any payment received or accrued by any Person, that the amount of such payment is supplemented by a further payment or payments so that the sum of all such payments, after reduction for all Taxes payable by such Person imposed by any taxing authority, shall be equal to the payment due to such Person.

"Alternative Minimum Tax" shall mean the alternative minimum tax imposed under Section 55 of the Code.

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

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"Average Life Date" shall mean, with respect to an Equipment Note, 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.

"Bankruptcy Code" shall mean the United States Bankruptcy Reform Act of 1978, as amended from time to time, 11 U.S.C. Section 101 et. seq.

"Basic Group" shall mean each of the two basic groups of Equipment so designated in Schedule 1 to the Participation Agreement.

"Basic Prospectus" shall mean the prospectus contained in the Registration Statement when the most recent post-effective amendment thereto became effective.

"Basic Rent" shall mean, with respect to any Unit, all rent payable by the Lessee to the Lessor pursuant to Section 3.2 of the Lease for the Basic Term for such Unit, and all rent payable pursuant to Section 22.4 of the Lease for any Renewal Term for such Unit.

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

"Basic Term Commencement Date" shall mean August 28, 1996.

"Basic Term Expiration Date" shall mean (i) with respect to the Units related to Lease Supplement No. I, August 28, 20__, and (ii) with respect to the Units related to Lease Supplement No. II, August 28, 20__.

"Basic Term Purchase Price" shall mean, with respect to any Unit, the amount equal to the product of the percentage set forth in Schedule 7 to the Participation Agreement applicable to such Unit and the Equipment Cost for such Unit.

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

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

"Business Day" shall mean any day other than a Saturday, Sunday or a day on which commercial banking institutions are authorized or required by law, regulation or executive order to be closed in New York, New York, Chicago, Illinois, Pittsburgh, Pennsylvania, Birmingham, Alabama, the city and state in

which the principal corporate trust office of the Owner Trustee is located, or, until the Lien of the Indenture has been discharged, the city and state in which the principal corporate trust office of the Indenture Trustee is located.

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"Certificateholder" means the Person in whose name a Pass Through Certificate is registered in the register for Pass Through Certificates of a particular series.

"Claims" shall have the meaning specified in Section 7.2 of the Participation Agreement.

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

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

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

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

[AMSOUTH: "DEFERRED PORTION" SHALL MEAN THAT PORTION OF THE EARLY PURCHASE PRICE, THE PAYMENT OF WHICH MAY BE DEFERRED BY THE LESSEE PAST THE APPLICABLE EARLY PURCHASE DATE FOR SUCH UNIT OR UNITS, AS SET FORTH IN SCHEDULE 6 TO THE PARTICIPATION AGREEMENT.]

[AMSOUTH: "DEFERRED PORTION PAYMENT DATES" SHALL MEAN THE DEFERRED PORTION PAYMENT DATES SPECIFIED ON SCHEDULE 6 TO THE PARTICIPATION AGREEMENT FOR A RELATED BASIC GROUP OF UNITS.]

"Determination Date" shall mean the 28th day of any calendar month.

"Early Purchase Date" shall mean the early purchase date specified on Schedule 6 to the Participation Agreement for a related Basic Group of Units.

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

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

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

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anything in the Operative Agreements to the contrary, the Equipment Cost for any Replacement Unit shall be deemed to be the Equipment Cost or deemed Equipment Cost of the Unit it replaced.

"Equipment Notes" shall mean the Equipment Notes, each to be substantially in the form therefor set forth in Section 2.01 of the Indenture, issued by the Owner Trustee pursuant to Section 2.02 of the Indenture, and authenticated by the Indenture Trustee, in principal amounts, maturities and

bearing interest at the rates and payable as provided in Section 2.02 of the Indenture and secured as provided in the Granting Clause of the Indenture, and shall include any Equipment Notes issued in exchange therefor or replacement thereof pursuant to Section 2.07 or 2.08 of the Indenture. A "related" Equipment Note, when used with respect to any Unit or Units of Equipment, shall mean one of the Equipment Notes issued with respect to the Lease Supplement under which such Unit or Units of Equipment is or are leased.

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

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

"Excepted Property" shall mean (i) all indemnity payments (including, without limitation, payments pursuant to Section 7 of the Participation Agreement and payments under the Tax Indemnity Agreement) to which the Owner Participant, the Owner Trustee, as trustee or in its individual capacity, or any of their respective successors, permitted assigns, directors, officers, employees, servants and agents is entitled pursuant to the Operative Agreements, (ii) any right, title or interest of the Owner Trustee, as trustee or in its individual capacity, or the Owner Participant to any payment which by the terms of Section 17 of the Lease or any corresponding payment under Section 3.3 of the Lease shall be payable to or on behalf of the Owner Trustee, as trustee or in its individual capacity, or to the Owner Participant, as the case may be, (iii) any insurance proceeds payable under insurance maintained by the Owner Trustee, as trustee or in its individual capacity, or the Owner Participant pursuant to Section 12.5 of the Lease, (iv) any insurance proceeds payable to or on behalf of the Owner Trustee, as trustee or in its individual capacity, or to the Owner Participant, under any public liability insurance maintained by Lessee pursuant to Section 12 of the Lease (which shall include the amount of any self-insured retention paid by the Lessee) or by any other Person, (v) Transaction Costs or other amounts or expenses paid or payable to, or for the benefit of Owner Trustee, as trustee or in its individual capacity, or Owner Participant pursuant to the Participation Agreement or the Trust Agreement, (vi) all right, title and interest of Owner Participant or Owner Trustee, as trustee or in its individual capacity, in or relating to any portion of the Units and any other property (tangible or intangible), rights, titles or interests to the extent any of the foregoing has been released from the Lien of the Indenture pursuant to the terms thereof, (vii) upon termination of the Indenture pursuant to the terms thereof with respect to any Unit, all remaining amounts which shall have been paid or are payable by Lessee and calculated on the basis of Stipulated Loss Value, (viii) any rights of the Owner Participant or the Owner Trustee, as trustee and in its individual capacity, to demand, collect, sue for, or otherwise receive and enforce payment of the foregoing

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amounts, (ix) any amount payable to the Owner Participant by any Transferee as the purchase price of the Owner Participant's interest in the Trust Estate in compliance with the terms of the Participation Agreement and the Trust Agreement and (x) the respective rights of the Owner Trustee, as trustee and in its individual capacity, or the Owner Participant to the proceeds of and interest on the foregoing.

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

"Fair Market Rental Value" or "Fair Market Sales Value" with respect to any Unit of Equipment shall mean the cash rent or cash price obtainable for such Unit in an arm's length lease or sale between an informed and willing lessee or purchaser under no compulsion to lease or purchase, as the case may be, and an informed and willing lessor or seller, under no compulsion to lease or sell, as the case may be, as the same shall be specified by agreement between Lessor and Lessee. If the parties are unable to agree upon a Fair Market Rental Value and/or a Fair Market Sales Value within 30 days after delivery of notice by Lessee pursuant to Section 22.2 of the Lease, or otherwise where such determination is required, within a reasonable period of time, such value shall be determined by appraisal. Lessee will within 15 days after such 30-day period provide Lessor the name of an appraiser that would be satisfactory to Lessee, and Lessor and Lessee will consult with the intent of selecting a mutually acceptable appraiser. If a mutually acceptable appraiser is selected, the Fair Market Rental Value or the Fair Market Sales Value, as

the case may be, shall be determined by such appraiser and Lessee shall bear the cost thereof. If Lessee and Lessor are unable to agree upon a single appraiser within such 15-day period, two independent qualified appraisers, one chosen by Lessee and one chosen by Lessor shall jointly determine such value and Lessor shall bear the cost of the appraiser selected by Lessor and Lessee shall bear the cost of the appraiser selected by Lessee. If such appraisers cannot agree on the amount of such value within 15 days of appointment, one independent qualified appraiser shall be chosen by the American Arbitration Association. All three appraisers shall make a determination within a period of 15 days following appointment, and shall promptly communicate such determination in writing to Lessor and Lessee. If there shall be a panel of three appraisers, the three appraisals shall be averaged and such average shall be the Fair Market Rental Value or Fair Market Sales Value, as the case may be. The determination made shall be conclusively binding on both the Lessor and Lessee. If there shall be a panel of three appraisers, Lessee and Lessor shall equally share the cost of the third appraiser. If such appraisal is pursuant to Section 6.1(e) or is in connection with the exercise of remedies set forth in Section 15 of the Lease, Lessee shall pay the costs of such appraisal. Notwithstanding any of the foregoing, for the purposes of Section 15 of the Lease, the Fair Market Rental Value or the Fair Market Sales Value, as the case may be, shall be zero with respect to any Unit if Lessor is unable to recover possession of such Unit in accordance with the terms of paragraph (b) of Section 15.1 of the Lease.

"Final Prospectus" shall mean the prospectus supplement relating to the Pass Through Certificates that was first filed pursuant to Rule 424(b) promulgated pursuant to the Securities Act of 1933, as amended, together with the Basic Prospectus.

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

"FRA" shall mean the Federal Railroad Administration or any successor thereto.

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

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

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

"Indemnified Person" shall have the meaning specified in Section 7.2(b) of the Participation Agreement.

"Indenture" or "Trust Indenture" shall mean the Trust Indenture and Security Agreement (GATC Trust No. 96-1), dated as of August 28, 1996 between the Owner Trustee, in the capacities described therein, and the Indenture Trustee. The term "Indenture" shall include, except where the context otherwise requires, each Indenture Supplement entered into pursuant to the terms of the Indenture.

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

"Indenture Estate" shall have the meaning specified in the Granting Clause of the Indenture.

"Indenture Event of Default" shall have the meaning specified in Section 4.01 of the Indenture.

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

"Indenture Supplement" shall mean an Indenture Supplement (GATC Trust No. 96-1) dated the Closing Date or the date that any Replacement Unit is subjected to the lien and security interest of the Indenture, substantially in the form of Exhibit A to the Indenture, between the Owner Trustee, in the capacities described therein, and the Indenture Trustee, covering the Units delivered on the Closing Date or such Replacement Unit, as the case may be. A "related" Indenture Supplement, when used with respect to any Unit or Units of Equipment, shall mean the Indenture Supplement under which such Unit or Units of Equipment is or are included in the Indenture Estate.

"Indenture Trustee" shall mean The First National Bank of Chicago, a national banking association, as trustee under the Indenture and its successors thereunder.

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

"Interchange Rules" shall mean the interchange rules or supplements thereto of the Mechanical Division of the Association of American Railroads, as the same may be in effect from time to time.

"Investment Banker" shall mean an independent investment banking institution of national standing appointed by Lessee or, if the Indenture Trustee does not receive notice of such appointment 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, appointed by the Indenture Trustee.

"Late Rate" shall mean the lesser of 2% over the Debt Rate and the maximum interest rate from time to time permitted by law.

"Lease" or "Lease Agreement" or "Equipment Lease" shall mean the Equipment Lease Agreement (GATC Trust No. 96- 1), relating to the Equipment, dated as of August 28, 1996, between the Owner Trustee, in the capacities described therein, as Lessor, and the Lessee. The term "Lease" shall, except where the context otherwise requires, include each Lease Supplement entered into pursuant to the terms of the Lease.

"Lease Default" shall mean a Lease Event of Default or an event which with notice or lapse of time or both would become a Lease Event of Default.

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

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"Lease Supplement" shall mean a Lease Supplement (GATC Trust No. 96-1), dated the Closing Date or the date that any Replacement Unit is subjected to the Lease, substantially in the form of Exhibit A to the Lease, between the Lessor and the Lessee, covering the Units delivered on the Closing Date or such Replacement Unit, as the case may be. A "related" Lease Supplement, when used with respect to any Unit or Units of Equipment, shall mean the Lease Supplement under which such Unit or Units of Equipment is or are leased.

"Lease Term" shall mean, with respect to any Unit, the Basic Term applicable to such Unit and any Renewal Term applicable to such Unit then in

effect.

"Lessee" shall mean General American Transportation Corporation, a New York corporation, and its successors and permitted assigns.

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

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

"Lessor's Liens" means any Lien affecting, on or in respect of the Equipment, the Lease or the Trust Estate arising as a result of (i) claims against Lessor (in its individual capacity or as Owner Trustee) or the Owner Participant, not related to the transactions contemplated by the Operative Agreements, or (ii) acts or omissions of the Lessor (in its individual capacity or as Owner Trustee) or the Owner Participant not related to the transactions contemplated by the Operative Agreements or in breach of any covenant or agreement of such Person set forth in any of the Operative Agreements, or (iii) taxes imposed against the Lessor (in its individual capacity or as Owner Trustee) or the Owner Participant or the Trust Estate which are not indemnified against by the Lessee pursuant to the Participation Agreement or under the Tax Indemnity Agreement.

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

"Limited Use Property" shall have the meaning set forth in Rev. Proc. 76-30, 1976-2 C.B. 647.

"Loan Participant" shall mean and include each registered holder from time to time of an Equipment Note issued under the Indenture, including, so long as it holds any Equipment Notes issued thereunder, the Pass Through Trustee under the Pass Through Trust Agreement.

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

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

"Make-Whole Amount" shall mean, with respect to the principal amount of any Equipment Note to be prepaid on any prepayment date, the amount which the Investment Banker determines as of the third Business Day prior to such prepayment date to 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 semi-annually on each August 28 and February 28 at a rate equal to the Treasury Rate plus 0.5%, based on a 360-day year of twelve 30-day months, over (ii) the aggregate unpaid principal amount of such Equipment Note plus 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) of this definition shall be determined after deducting the principal installment, if any, due on such prepayment date.

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

"Net Economic Return" shall mean the pattern of earnings within a 10% variance during any calendar year, net after-tax book yield and total after-tax cash flow [AMSOUTH: (BUT NOT THE PATTERN OF EARNINGS)] expected by the original Owner Participant with respect to the Equipment (both through the Early Purchase Date and the Basic Term Expiration Date), utilizing the multiple investment sinking fund method of analysis and the same assumptions as used by such Owner Participant in making the computations of Basic Rent, Stipulated

Loss Value, Termination Value, Basic Term Purchase Price and Early Purchase Price initially set forth in Schedules 3, 4, 6 and 7 to the Participation Agreement.

"Non-Severable Modification" shall mean any Modification that is not readily removable without impairing the value, utility or remaining useful life of the Equipment or any Unit immediately prior to removal of such modification, other than in a de minimis nature.

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

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"Operative Agreements" shall mean the Participation Agreement, the Bill of Sale, the Trust Agreement, the Pass Through Trust Agreement, the Pass Through Trust Supplements, the Pass Through Certificates, the Equipment Notes, the Lease, the Lease Supplements, the Indenture, the Indenture Supplements, the Tax Indemnity Agreement and the Underwriting Agreement.

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

"Owner Participant" shall mean Dreyfus Service Corporation, a New York corporation [AMSOUTH LEASING CORPORATION, AN ALABAMA BANKING CORPORATION], and its successors and permitted assigns.

"Owner Participant Agreements" shall mean the Operative Agreements to which the Owner Participant is or will be a party.

"Owner Trustee" shall mean First Security Bank, N.A., a national banking association, not in its individual capacity but solely as Owner Trustee under the Trust Agreement and its successors thereunder.

"Owner Trustee Agreements" shall mean the Operative Agreements to which the Owner Trustee, either in its individual or fiduciary capacity, is or will be a party.

"Parent" means GATX Corporation, a New York corporation, and its successors and assigns.

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

"Participation Agreement" shall mean the Participation Agreement (GATC Trust No. 96-1) dated as of August 28, 1996, among the Lessee, the Pass Through Trustee, the Owner Participant, the Owner Trustee and the Indenture Trustee.

"Pass Through Certificates" shall mean the Pass Through Certificates issued pursuant to each of the Pass Through Trust Supplements and the Pass Through Trust Agreement.

"Pass Through Trust Agreement" shall mean the Pass Through Trust Agreement, dated as of August 1, 1992, between the Lessee and the Pass Through Trustee.

"Pass Through Trust Supplement" shall mean either of Trust Supplement No. 6 dated as of August 28, 1996 or Trust Supplement No. 7 dated as of August 28, 1996, each between the Lessee and the Pass Through Trustee, each of which supplements the Pass Through Trust Agreement (i) by creating a separate trust for the holders of certain Pass Through Certificates, (ii) by authorizing the issuance of such Pass Through Certificates and (iii) by establishing the terms of such Pass Through Certificates.

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"Pass Through Trustee" shall mean The First National Bank of Chicago, a national banking association, in its capacity as trustee under the Pass Through Trust Agreement, as supplemented by the Pass Through Trust Supplements, and each other person which may from time to time be acting as successor trustee under the Pass Through Trust Agreement, as supplemented by the Pass Through Trust Supplement.

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

"Permitted Liens" with respect to the Equipment and each Unit thereof shall mean: (i) the interests of the Lessee and the Owner Trustee under the Lease and the Lease Supplements; (ii) the interest of the Lessee and any sublessee as provided in any sublease permitted pursuant to Section 8.3 of the Lease; (iii) any Liens thereon for taxes, assessments, levies, fees and other governmental and similar charges not due and payable or the amount or validity of which is being contested in good faith by appropriate proceedings so long as there exists no material risk of sale, forfeiture, loss, or loss of or interference with use or possession of any Unit or interference with the payment of Rent; (iv) any Liens of mechanics, suppliers, materialmen, laborers, employees, repairmen and other like Liens arising in the ordinary course of Lessee's (or if a sublease is then in effect, any sublessee's) business securing obligations which are not due and payable or the amount or validity of which is being contested in good faith by appropriate proceedings so long as there exists no material risk of sale, forfeiture, loss, or loss of or interference with use or possession of any Unit or interference with the payment of Rent; (v) the Lien and security interest granted to the Indenture Trustee under and pursuant to the Indenture, and the respective rights of the Loan Participant, the Indenture Trustee, the Owner Participant and the Owner Trustee under the Operative Agreements; (vi) Liens arising out of any judgment or award against the Lessee (or any sublessee permitted pursuant to Section 8.3 of the Lease) with respect to which an appeal or proceeding for review is being presented in good faith and for the payment of which adequate reserves have been provided as required by generally accepted accounting principles or other appropriate provisions have been made and with respect to which there shall have been secured a stay of execution pending such appeal or proceeding for review and there exists no material risk of sale, forfeiture, loss, or loss of or interference with the use or possession of any Unit or any interest therein or interference with the payment of Rent, and (vii) salvage rights of insurers under insurance policies maintained pursuant to Section 12 of the Lease.

"Permitted Subleases" shall have the meaning specified in Section 8.3 of the Lease.

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

"Preliminary Final Prospectus" shall mean any preliminary prospectus supplement to the Basic Prospectus which describes the Pass Through Certificates and the offering thereof and is used prior to the filing of the Final Prospectus, together with the Basic Prospectus.

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"Premium Termination Date" shall mean (i) in the case of the Series of Equipment Notes designated as Series A for Lease Supplement No. I, August 28, 20__, (ii) in the case of the Series of Equipment Notes designated as Series B for Lease Supplement No. I, August 28, 20__, (iii) in the case of the Series of Equipment Notes designated as Series A for Lease Supplement No. II, August 28, 20__, and (iv) in the case of the Series of Equipment Notes designated as Series B for Lease Supplement No. II August 28, 20__.

"Pricing Date" shall mean the date on which the Underwriting Agreement is executed by the Lessee and the Underwriters.

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

"Registration Statement" shall mean the registration statement filed by the Lessee (File Number 33-64697), including incorporated documents, exhibits and financial statements, as amended at the time of the Closing Date, including any post-effective amendment thereto which has become effective prior to the Closing Date.

"Related Indemnitee Group" shall have the meaning specified in Section 7.2(b) of the Participation Agreement.

"Related Transaction" means the additional leveraged lease transaction with respect to which the Pass Through Trustee has agreed to acquire the equipment notes to be issued pursuant to the participation agreement dated as of August 28, 1996 among the Lessee, the Pass Through Trustee, AmSouth Leasing Corporation, the Owner Trustee and the Indenture Trustee.

"Remaining Weighted Average Life" shall mean, with respect to any date of prepayment or any date of determination of any Equipment Note, 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 date or date of determination to but excluding the scheduled payment date of such principal payment by (b) the unpaid principal amount of such Equipment Note.

"Renewal Term" shall mean, with respect to any Unit, any term in respect of which the Lessee shall have exercised its option to renew the Lease for such Unit pursuant to Section 22.4 thereof, including any Fixed Rate Renewal Term or Fair Market Renewal Term.

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

"Rent Payment Date" or "Payment Date" shall mean each August 28 and February 28 of each year occurring during the Lease Term, commencing February 28, 1997, provided that if any such date shall not be a Business Day, then "Rent Payment Date" or "Payment Date" shall mean the next succeeding Business Day.

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"Replacement Unit" shall mean a covered hopper car or tank car, as the case may be, which shall have been leased under the Lease pursuant to Section 11.4 of the Lease.

"Required Modification" shall have the meaning specified in Section 9.1 of the Lease.

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

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

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

"Series" shall mean each of the two series of Equipment Notes for each Lease Supplement so designated in Exhibit B to the Indenture.

"Severable Modification" shall mean any Modification that is readily removable without causing material damage to the Equipment or any Unit and without diminishing the value, utility or useful life of such Unit below the value, utility or useful life of such Unit immediately prior to such Modification, assuming that such Unit was then in the condition required to be maintained by the terms of the Lease, other than in a de minimis nature.

"Special Purchase Defeasance" shall mean, with respect to any election by Lessee to purchase Units under Section 22.1 or 22.3 of the Lease, the

deposit by Lessee with the Indenture Trustee prior to the date as of which Lessor shall have declared the Lease to be in default as a result of a Lease Event of Default under Section 14(c), 14(d), 14(e), 14(f) or 14(i) of the Lease (in circumstances where such Lease Event of Default occurs after the date of Lessee's notice to purchase under Sections 22.1 or 22.3 but before the Early Purchase Date or the expiration of the Basic Term or any Renewal Term, as applicable), of an amount sufficient to pay (i) the Early Purchase Price, together with all other amounts due and owing by the Lessee under the Operative Agreements, with respect to those Units which Lessee has elected to purchase on the Early Purchase Date under Section 22.1 of the Lease, or (ii) the Basic Term Purchase Price or Fair Market Sales Value, as the case may be, together with all other amounts due and owing by the Lessee under the Operative Agreements, with respect to those Units which Lessee has elected to purchase at the expiration of the Basic Term or any Renewal Term, as applicable, under Section 22.3 of the Lease. All amounts deposited by Lessee with the Indenture Trustee in connection with a Special Purchase Defeasance shall be held and invested by the Indenture Trustee in accordance with Section 6.04(b) of the Indenture pending consummation of the purchase of the related Units on the Early Purchase Date or upon the expiration of the Basic Term or the related Renewal Term, as applicable.

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"Specified Investments" shall mean (i) direct obligations of the United States of America and agencies thereof for which the full faith and credit of the United States 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 the 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) and (iii) above; provided that if all of the above investments are unavailable, the entire amount to be invested may be used to purchase Federal funds from an entity described in (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.

"STB" shall mean the Surface Transportation Board of the United States Department of Transportation or any successor thereto.

"Stipulated Loss Value" for any Unit as of any date of determination shall mean the amount determined by multiplying the Equipment Cost for such Unit by the percentage set forth in Schedule 4 to the Participation Agreement opposite the Rent Payment Date or the Determination Date, as applicable, on which such Stipulated Loss Value is being determined for the Basic Group to which such Unit belongs; provided that during any Renewal Term, "Stipulated Loss Value" shall be determined as provided in Section 22.6 of the Lease. Anything contained in the Lease or in the Participation Agreement to the contrary notwithstanding, Stipulated Loss Value for such Unit (both before and after any adjustment pursuant to Section 2.6 of the Participation Agreement) will, under any circumstances and in any event, be an amount which, together with any other amounts required to be paid by Lessee under the Lease in connection with an Event of Loss, will be at least sufficient to pay in full as of the date of payment thereof the aggregate unpaid principal of the Equipment Notes issued in respect of such Unit, together with all unpaid interest and Make-Whole Amount, if any, thereon accrued to the date on which such amount is paid in accordance with the terms hereof and all other amounts then due to the holders of the Equipment Notes.

"Storage Period" shall have the meaning specified in Section 6.1(c) (i) of the Lease.

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

"Supplemental Rent" shall mean all amounts, liabilities and

obligations (other than Basic Rent) which the Lessee is obligated to pay under the Operative Agreements to or on behalf of

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any of the other parties thereto, including, but not limited to, Termination Value and Stipulated Loss Value payments.

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

"Tax Indemnitee" shall have the meaning specified in Section 7.1 of the Lease.

"Tax Indemnity Agreement" shall mean the Tax Indemnity Agreement dated as of August 28, 1996 (GATC Trust No. 96-1) between the Lessee and the Owner Participant.

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

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

"Termination Value" for any Unit as of any date of determination shall mean the amount determined by multiplying the Equipment Cost for such Unit by the percentage set forth in Schedule 4 to the Participation Agreement opposite the Rent Payment Date or the Determination Date, as applicable, on which such Termination Value is being determined for the Basic Group to which such Unit belongs; provided that during any Renewal Term, "Termination Value" shall be determined as provided in Section 22.6 of the Lease. Anything contained in the Lease or in the Participation Agreement to the contrary notwithstanding, Termination Value for such Unit (both before and after any adjustment pursuant to Section 2.6 of the Participation Agreement) will, under any circumstances and in any event, be an amount which, together with any other amounts required to be paid by Lessee under the Lease in connection with such termination, will be at least sufficient to pay in full as of the date of payment thereof the aggregate unpaid principal of the Equipment Notes issued in respect of such Unit, together with all unpaid interest and Make-Whole Amount, if any, thereon accrued to the date on which such amount is paid in accordance with the terms thereof and all other amounts then due to the holders of the Equipment Notes.

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

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

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

"Treasury Rate" shall mean with respect to prepayment of each Equipment Note, 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 for United States Treasury securities maturing on the Average Life Date of such Equipment Note, as determined by interpolation between the most

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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 for 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.

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

"Trust Agreement" shall mean that certain Trust Agreement (GATC Trust No. 96-1), dated as of August 28, 1996, between the Owner Participant and the Owner Trustee.

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

"Trustee" shall mean each of the Owner Trustee, the Indenture Trustee or the Pass Through Trustee and "Trustees" shall mean the Owner Trustee, Indenture Trustee and the Pass Through Trustee, collectively.

"Underwriters" shall mean Morgan Stanley & Co. Incorporated and Salomon Brothers Inc.

"Underwriting Agreement" shall mean that certain Underwriting Agreement between the Lessee and the Underwriters, pertaining to the sale of the Pass Through Certificates.

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

EQUIPMENT LEASE AGREEMENT
(GATC TRUST NO. 96-1)

Dated as of August 28, 1996

Between

FIRST SECURITY BANK, N.A.,
not in its individual capacity except
as expressly provided herein but
solely as Owner Trustee,

Lessor

And

GENERAL AMERICAN TRANSPORTATION CORPORATION,

Lessee

COVERED HOPPERS AND TANK CARS

CERTAIN OF THE RIGHT, TITLE AND INTEREST OF LESSOR IN AND TO THIS LEASE, THE EQUIPMENT COVERED HEREBY AND THE RENT DUE AND TO BECOME DUE HEREUNDER HAVE BEEN ASSIGNED AS COLLATERAL SECURITY TO, AND ARE SUBJECT TO A SECURITY INTEREST IN FAVOR OF, THE FIRST NATIONAL BANK OF CHICAGO, NOT IN ITS INDIVIDUAL CAPACITY BUT SOLELY AS INDENTURE TRUSTEE UNDER A TRUST INDENTURE AND SECURITY AGREEMENT (GATC TRUST NO. 96-1), DATED AS OF AUGUST 28, 1996 BETWEEN SAID INDENTURE TRUSTEE, AS SECURED PARTY, AND LESSOR, AS DEBTOR. INFORMATION CONCERNING SUCH SECURITY INTEREST MAY BE OBTAINED FROM THE INDENTURE TRUSTEE AT ITS ADDRESS SET FORTH IN SECTION 20 OF THIS LEASE. SEE SECTION 25.2 FOR INFORMATION CONCERNING THE RIGHTS OF THE ORIGINAL HOLDER AND HOLDERS OF THE VARIOUS COUNTERPARTS HEREOF.

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EQUIPMENT LEASE AGREEMENT
(GATC TRUST NO. 96-1)

This Equipment Lease Agreement (GATC Trust No. 96-1), dated as of August 28, 1996 (the "Lease"), between First Security Bank, N.A., a national banking association, not in its individual capacity except as expressly provided herein, but solely as Owner Trustee under the Trust Agreement ("Lessor"), and General American Transportation Corporation, a New York corporation ("Lessee").

In consideration of the mutual agreements herein contained and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. Definitions.

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

Section 2. Acceptance and Leasing of Equipment.

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

Section 3. Term and Rent.

Section 3.1 Lease Term. The basic term of this Lease (the "Basic Term") shall commence on the Basic Term Commencement Date and, subject to earlier termination pursuant to Sections 10, 11, 15 and 22.1 shall expire at 11:59 P.M. (Chicago time) on the Basic Term Expiration Date. Subject and pursuant to Section 22.4, Lessee may elect one or more Renewal Terms.

Section 3.2 Basic Rent. Lessee hereby agrees to pay Lessor as Basic Rent for each Unit throughout the Basic Term applicable thereto Basic Rent in consecutive semi-annual installments payable on each Rent Payment Date. Each such semi-annual payment of Basic Rent

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shall be in an amount equal to the product of the Equipment Cost for such Unit multiplied by the Basic Rent percentage for such Unit set forth opposite such Rent Payment Date on Schedule 3 to the Participation Agreement (as such Schedule 3 shall be adjusted pursuant to Section 2.6 of the Participation Agreement). Basic Rent shall be payable in advance on certain Rent Payment Dates and in arrears on certain Rent Payment Dates, as specified in Schedule 3 to the Participation Agreement, as so adjusted, such Schedule 3 as so adjusted from time to time being incorporated herein by reference. Each installment of Basic Rent that is indicated as payable in advance will be allocated over the six-month period beginning on the Rent Payment Date on which such advance payment is scheduled to be made, and each installment of Basic Rent that is indicated as payable in arrears will be accrued over the six-month period ending on the Rent Payment Date on which such arrears payment is scheduled to be made.

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

Section 3.3 Supplemental Rent. Lessee also agrees to pay to Lessor, or to whomsoever shall be entitled thereto, any and all Supplemental Rent, promptly as the same shall become due and owing, or where no due date is

specified, promptly after demand by the Person entitled thereto, and in the event of any failure on the part of Lessee to pay any Supplemental Rent, Lessor shall have all rights, powers and remedies provided for herein or by law or equity or otherwise as in the case of nonpayment of Basic Rent. Lessee will also pay, as Supplemental Rent, (i) on demand, to the extent permitted by applicable law, an amount equal to interest at the Late Rate on any part of any installment of Basic Rent not paid when due for any period for which the same shall be overdue and on any payment of Supplemental Rent not paid when due or demanded, as the case may be, for the period from such due date or demand until the same shall be paid, (ii) in the case of the termination of this Lease with respect to any Unit pursuant to Section 10, on the applicable Termination Date, an amount equal to the Make-Whole Amount, if any, with respect to the principal amount of each Equipment Note to be prepaid as a result of such termination, (iii) in the case of the purchase of any Unit pursuant to Section 22.1 or Section 6.9 of the Participation Agreement, on such date of purchase, an amount equal to the Make-Whole Amount, if any, with respect to the principal amount of each Equipment Note to be prepaid as a result of such purchase, (iv) an amount equal to any other amount payable by Lessor on the Equipment Notes in excess of the principal and interest payments due thereunder, as and when such amount shall be due and payable, in accordance with the terms of the Equipment Notes and the Indenture, and (v) in the case of any refinancing of the Equipment Notes pursuant to Section 10.2 of the Participation Agreement, on the Refunding Date, an amount equal to the Make-Whole Amount, if any, with respect to the aggregate principal amount of the Equipment Notes being prepaid. All Supplemental Rent to be paid pursuant to this Section 3.3 shall be payable in the type of funds and in the manner set forth in Section 3.6.

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

Section 3.5 [RESERVED]

Section 3.6 Manner of Payments. All Rent (other than Supplemental Rent payable to Persons other than Lessor, which shall be payable to such other Persons in accordance with written instructions furnished to Lessee by such Persons, as otherwise provided in any of the Operative Agreements or as required by law) shall be paid by Lessee to Lessor at its office at 79 South Main Street, Salt Lake City, Utah, 84111, Attention: Corporate Trust Services. All Rent shall be paid by Lessee in funds consisting of lawful currency of the United States of America, which shall be immediately available to the recipient not later than 12:00 noon (New York City time) on the date of such payment, provided, that so long as the Indenture shall not have been discharged pursuant to the terms thereof, Lessor hereby directs, and Lessee agrees, that all Rent (excluding Excepted Property) payable to Lessor shall be paid directly to the Indenture Trustee at the times and in funds of the type specified in this Section 3.6 at the office of the Indenture Trustee at The First National Bank of Chicago, One First National Plaza, Suite 0126, Chicago, Illinois 60670-0126, ABA No. 071000013, Clearing Account 48115377, for credit to trust number 19-203567-1, Attn: J. Kinney GATC Trust No. 96-1 or at such other location in the United States of America as the Indenture Trustee may otherwise direct.

Section 4. Ownership and Marking of Equipment.

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

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

with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect Lessor's right, title and interest in and to such Unit, its rights under this Lease and the rights of the Indenture Trustee. Except as provided hereinabove, Lessee will not place any such Units in operation or exercise any control or dominion over the same until the required legend shall have been so marked on both sides thereof, and will replace promptly any such word or words in such legend which may be removed, defaced, obliterated or destroyed. Lessee will not change the reporting mark of any Unit except in accordance with a statement of new reporting marks to be substituted therefor, which statement shall be delivered by Lessee to Lessor and, so long as the Indenture shall not have been discharged pursuant to its terms, to the Indenture Trustee prior to or contemporaneously with such change. A supplement to this Lease and, if not so discharged, the Indenture, with respect to such new reporting marks, shall, prior to or contemporaneously with the substitution of such reporting marks, be filed or recorded in all public offices where this Lease and the Indenture shall have been filed or recorded and in such other places, if any, where Lessor and, so long as the Indenture shall not have been discharged pursuant to its terms, the Indenture Trustee may reasonably request in order to protect, preserve and maintain its right, title and interest in the Units. The costs and expenses of all such supplements, filings and recordings shall be borne by Lessee.

Section 4.3 Prohibition Against Certain Designations. Except as above provided, Lessee will not allow the name of any Person to be placed on any Unit as a designation that might reasonably be interpreted as a claim of ownership; provided, however, that subject to the delivery of the statement of new reporting marks specified in Section 4.2, Lessee may cause the Equipment to be lettered with the names or initials or other insignia customarily used by Lessee or any permitted sublessees or any of their respective Affiliates on railroad equipment used by it of the same or a similar type for convenience of identification of the right of Lessee to use the Equipment hereunder or any permitted sublessee to use the Equipment pursuant to a sublease permitted hereby.

Section 5. Disclaimer of Warranties.

Section 5.1 Disclaimer of Warranties. Without waiving any claim Lessee may have against any seller, supplier or manufacturer, LESSEE ACKNOWLEDGES AND AGREES THAT, (i) EACH UNIT IS OF A SIZE, DESIGN, CAPACITY AND MANUFACTURE SELECTED BY AND ACCEPTABLE TO LESSEE, (ii) LESSEE IS SATISFIED THAT EACH UNIT IS SUITABLE FOR ITS PURPOSES AND LESSEE HAS ACCEPTED EACH UNIT, (iii) NEITHER LESSOR NOR OWNER PARTICIPANT IS A MANUFACTURER OR A DEALER IN PROPERTY OF SUCH KIND OR HAS INSPECTED THE UNITS PRIOR TO DELIVERY TO AND ACCEPTANCE BY LESSEE, (iv) EACH UNIT IS LEASED HEREUNDER SUBJECT TO ALL APPLICABLE LAWS AND GOVERNMENTAL REGULATIONS NOW IN EFFECT OR HEREAFTER ADOPTED, AND (v) LESSOR LEASES AND LESSEE TAKES EACH UNIT "AS-IS", "WHERE-IS" AND "WITH ALL FAULTS", IN WHATEVER CONDITION IT MAY BE, AND LESSEE ACKNOWLEDGES THAT NEITHER LESSOR, AS LESSOR OR IN ITS INDIVIDUAL CAPACITY, NOR

OWNER PARTICIPANT MAKES NOR SHALL BE DEEMED TO HAVE MADE, AND EACH EXPRESSLY DISCLAIMS, ANY AND ALL RIGHTS, CLAIMS, WARRANTIES OR REPRESENTATIONS EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, CONDITION, FITNESS FOR ANY PARTICULAR PURPOSE, DESIGN, OPERATION, MERCHANTABILITY THEREOF OR AS TO THE TITLE, OF THE EQUIPMENT, THE QUALITY OF THE MATERIAL OR WORKMANSHIP THEREOF OR CONFORMITY THEREOF TO SPECIFICATIONS, FREEDOM FROM PATENT, COPYRIGHT OR TRADEMARK INFRINGEMENT, THE ABSENCE OF ANY LATENT OR OTHER DEFECT, WHETHER OR NOT DISCOVERABLE, OR AS TO THE ABSENCE OF ANY OBLIGATIONS BASED ON STRICT LIABILITY IN TORT OR ANY OTHER EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY WHATSOEVER WITH RESPECT THERETO AND EACH OF LESSOR AND OWNER PARTICIPANT EXPRESSLY DISCLAIMS SELECTION OF THE UNITS, except that Lessor, in its individual capacity, represents and warrants that on the Closing Date, Lessor shall have

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

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Section 6. Return of Equipment; Storage.

Section 6.1 Return; Holdover Rent. (a) Not less than 120 days prior to the end of the Basic Term, the end of any Fixed Rate Renewal Term, or the end of any Fair Market Renewal Term, in each case with respect to any Units which Lessee has elected to return under Section 22.2, Lessee will provide Lessor with a list of alternative storage locations used for the storage of rolling stock within the continental United States (excluding Alaska) sufficient to store the returned Units and the available storage capacities of such locations. Not less than 90 days prior to the end of the Lease Term with respect to any Unit which has not been purchased by Lessee, Lessor will give Lessee irrevocable notice of its decision either to take possession of or store such Unit. If Lessor shall have decided to take possession of such Unit, the terms of Section 6.1(b) will apply. If Lessor shall have decided to store such Unit, the terms of Section 6.1(c) hereof will apply.

(b) If Lessor shall have decided to take possession of such Unit, Lessee will, at its sole risk and expense, deliver possession of such Unit at any track location, f.o.b. such location, (i) as may be agreed upon by Lessor and Lessee in writing or (ii) in the absence of such agreement as Lessor may reasonably select by written notice to Lessee on or before the 90th day before the end of the Lease Term; provided, that (x) there shall be no less than 100 Units (or, if less than 100 Units are then subject to the Lease, all Units), returned to each location (each of which shall be located within the continental United States, exclusive of Alaska), and (y) Lessor's notice shall specify the total number and type of Units to be delivered to each location.

(c) (i) If Lessor shall have elected to store any Unit upon the expiration of the Lease Term with respect thereto, Lessee shall store such Unit, free of charge for a period (the "Storage Period") beginning, for any particular storage location, on the later of the expiration of the Lease Term and the date on which 50% of the total number of Units being returned and stored at such location have arrived thereat (the "Storage Period Commencement Date") and ending not more than 60 days after the later of (A) the Storage Period Commencement Date and (B) the date on which such Unit is in compliance with the conditions set forth in Section 6.2, and for an additional 60 days thereafter at the sole risk and expense of Lessor. On or before the 90th day before the end of the Lease Term, Lessor shall provide Lessee with written notice designating its choices from among the alternative storage locations provided by Lessee pursuant to Section 6.1(a). Any storage provided by Lessee during the Storage Period (except for such additional 60-day period referred to above) shall be

at the sole risk and expense of Lessee, and Lessee shall maintain the insurance required by Section 12.1 with respect to all stored Units. During the Storage Period, Lessee will permit Lessor or any Persons designated by it, including the authorized representative or representatives of any prospective purchaser or user of such Unit, to restencil the marks on such Unit and to inspect the same during Lessee's normal business hours upon at least three Business Days' prior written or telephonic notice; provided, however, that such inspection and restenciling shall not interfere with the normal conduct of Lessee's business; and

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provided, further, that (x) such inspection and restenciling shall be at such Person's own risk, (y) Lessee shall be protected against any loss or damage incurred by it in connection with any such inspection or restenciling by such Person through indemnification, insurance or other means reasonably satisfactory to Lessee and (z) Lessee (except in the case of Lessee's gross negligence or wilful misconduct) shall not be liable for any injury to, or the death of, any person exercising, either on behalf of Lessor or any prospective purchaser or user, the rights of inspection and restenciling granted pursuant hereto. Lessee shall not be required to store the Equipment after the Storage Period. If Lessee does store any Unit after the expiration of the Storage Period, such storage shall be at the sole risk and expense of Lessor.

(ii) Upon the request and direction of Lessor (and at Lessor's sole risk and expense), on not more than one occasion with respect to each stored Unit and upon not less than 30 days' prior written notice from Lessor to Lessee, Lessee will, on or before the expiration of the Storage Period, transport such Units to any railroad interchange point or points within the continental United States (except Alaska) with a minimum of 100 Units (or, if less than 100 Units are then subject to the Lease, all Units) per interchange point on any railroad lines or to any connecting carrier for shipment, whereupon Lessee shall have no further liability or obligation with respect to such Units.

(iii) Upon receipt of Lessor's written notice designating its choices from among the alternative storage locations provided by Lessee under Section 6.1(a), Lessee shall have the option to store such Units at such storage track locations anywhere within the continental United States as it shall choose (provided that there shall be no less than 100 Units (or, if less than 100 Units are then subject to the Lease, all Units) stored at each such location). Upon receipt of such notice, Lessee will promptly give notice to Lessor of the locations at which Lessee will store such Units. If Lessee shall exercise such option, Lessee shall on or before the expiration of the Storage Period transport the Equipment to any track location within the continental United States (except Alaska) with a minimum of 100 Units (or, if less than 100 Units are then subject to the Lease, all Units) at each location, designated by Lessor upon not less than 30 days' prior written notice. The movement of any Unit from such Unit's location as designated by Lessee pursuant to this Section 6.1(c) (iii) to a location thereafter designated by Lessor in accordance with the foregoing sentence will be at the risk and expense of Lessor. During any Storage Period, Lessee shall store the Equipment in such manner as Lessee normally stores similar units of railroad equipment owned or leased by it.

(d) Upon the later of (i) expiration of the Lease Term with respect to such Unit, (ii) tender of such Unit at the location determined in accordance with Section 6.1(b) or, as applicable, the tender of such Unit for storage in accordance with Section 6.1(c), and (iii) compliance by such Unit with Section 6.2, this Lease and the obligation to pay Basic Rent for such Unit accruing subsequent to the expiration of the Lease Term with respect to such Unit shall terminate.

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(e) So long as no Lease Event of Default has occurred and is continuing, all amounts earned in respect of a Unit after the date of expiration of the Lease Term with respect to such Unit and prior to the return of such Unit hereunder shall belong to Lessee, and if received by Lessor, shall be promptly turned over to Lessee. In the event any Unit is not returned to Lessor in accordance with the provisions of Section 6.1(b) on the last day of the Lease Term with respect thereto, or if requested by Lessor pursuant to Section 6.1(c), delivered and stored on such last day of the Lease Term, and, in either case, in the condition specified in Section 6.2, Lessee shall pay to Lessor for each such day from the expiration of the Lease Term with respect to such Unit until the date on which such Unit is returned to Lessor in accordance with the provisions of Section 6.1(b) and in the condition specified in Section 6.2, an amount equal to the daily equivalent of the average Basic Rent for the Basic Term or the Renewal Term as applicable to such Unit. If such Unit is not returned to Lessor in accordance with the provisions of Section 6.1(b) and in the condition specified in Section 6.2 on or prior to the 180th day after the expiration of the Lease Term with respect to such Unit, Lessor shall have the right to require Lessee to purchase such Unit for a purchase price equal to the Stipulated Loss Value for such Unit as of the 181st day after the expiration of such Lease Term; provided that if more than 25 Units have not been returned on or prior to the expiration of such Lease Term, the purchase price for such Unit shall be the higher of (x) the Fair Market Sales Value and (y) the Stipulated Loss Value of such Unit as of the 181st day after the expiration of such Lease Term; provided further that, during the holdover period described in this sentence and the immediately preceding sentence, Lessee shall use its best efforts to secure the return of the Equipment as required under this Section 6 in the condition specified in Section 6.2. Nothing herein shall be in abrogation of Lessor's right to have such Unit returned to it for possession or storage. Payment of the purchase price, together with all other amounts due and owing by Lessee under the Operative Agreements, shall be made at the place of payment specified in Section 3.6 hereof in immediately available funds against delivery of a Bill of Sale transferring and assigning to Lessee all right, title and interest of Lessor in and to such Units on an "as-is" "where-is" basis and containing a warranty against Lessor's Liens. Lessor shall not be required to make any other representation or warranty as to the condition of such Units or any other matters except as to the absence of any Lessor's Liens, and may specifically disclaim any such representations or warranties.

Section 6.2 Condition of Equipment. Each Unit when returned to Lessor pursuant to Section 6.1 shall be (i) capable of performing the functions for which it was designed, with all loading and unloading components operating in good working order with allowance for normal wear and tear, (ii) suitable for continued commercial use in the commodity last carried immediately prior to such return, (iii) suitable for use in interchange by a new owner in the operating lease business in accordance with then applicable Federal regulations, the Field Manual of the AAR and FRA rules and regulations, (iv) in the condition required by Section 8.1, (v) in conformance with any requirement pertaining to warranties of the manufacturer of the Units during the warranty period, (vi) empty, (vii) steam cleaned or otherwise cleaned in a comparable commercially acceptable manner, and (viii) free and clear of all Liens except Lessor's Liens and Permitted Liens of the type described in clause (iii) of the definition of Permitted Liens to the

extent arising as a result of a fleet wide action which includes such Unit. All logs, records, books and other materials relating to the maintenance of such Unit shall, upon Lessor's request, be delivered to Lessor or its designee upon the return of such Unit. Lessor shall have the right to inspect any Unit that is returned pursuant to Section 6.1 to ensure that such Unit is in compliance with the conditions set forth in this Section 6.2, at Lessor's sole cost, expense and risk (including, without limitation, the risk of personal injury or death), by its authorized representatives, during Lessee's normal business hours and upon reasonable prior notice to Lessee; provided, however, that Lessee shall not be liable for any injury to, or the death of, any Person exercising, on behalf of Lessor, the rights of inspection granted under this Section 6.2 unless caused by Lessee's gross negligence or wilful misconduct; and further provided, that if such Unit is not in compliance with the conditions set forth in this Section 6.2 then Lessee will (i) promptly take such steps as are necessary to bring such Unit in compliance with the conditions set forth in this Section 6.2 and (ii) pay the reasonable cost and expense of any reinspection of such Unit conducted by Lessor required because

of such non-compliance with Section 6.2. No inspection pursuant to this Section 6.2 shall interfere with the normal conduct of Lessee's business or the normal conduct of any sublessee's business, and Lessee shall not be required to undertake or incur any additional liabilities in connection therewith. A Unit shall not be deemed to have been returned to Lessor for purposes of this Lease unless and until it is in compliance with the conditions set forth in this Section 6.2.

Section 7. Liens.

Lessee will not directly or indirectly create, incur, assume, permit or suffer to exist any Lien on or with respect to any Unit or Lessee's leasehold interest therein under this Lease, except Permitted Liens, Lessor's Liens and Liens described in Section 6.4(a) and 6.4(b) of the Participation Agreement. Lessee shall promptly, at its own expense, take such action or cause such action to be taken as may be necessary to duly discharge (by bonding or otherwise) any such Lien not excepted above if the same shall arise at any time.

Section 8. Maintenance; Possession; Compliance with Laws.

Section 8.1 Maintenance and Operation. (a) Lessee, at its own cost and expense, shall maintain, repair and keep each Unit, (i) according to prudent industry practice, in good working order, and in good physical condition for railcars of a similar age and usage, normal wear and tear excepted, (ii) in a manner consistent with maintenance practices used by Lessee in respect of equipment owned or leased by Lessee similar in type to such Unit, (iii) in accordance in all material respects with all manufacturer's warranties in effect and in accordance with all applicable provisions, if any, of insurance policies required to be maintained pursuant to Section 12, and (iv) in compliance in all material respects with any applicable laws and regulations, including, without limitation, the Field Manual of the AAR, FRA rules and regulations and Interchange Rules as they apply to the maintenance and operation of the Equipment in interchange regardless of upon whom such applicable laws and regulations are nominally imposed; provided, however, that Lessee may, in good faith and by appropriate

proceedings diligently conducted, contest the validity or application of any such standard, rule or regulation in any reasonable manner which does not materially interfere with the use, possession, operation or return of any of the Units or materially adversely affect the rights or interests of Lessor and the Indenture Trustee in the Equipment or hereunder or otherwise expose Lessor, the Indenture Trustee or any Participant to criminal sanctions or release Lessee from the obligation to return the Equipment in compliance with the provisions of Section 6.2. Lessee shall provide Lessor and the Indenture Trustee with notice of any contest of the type described in the preceding sentence in detail sufficient to enable Lessor and the Indenture Trustee to ascertain whether such contest may have an effect of the type described in the preceding sentence. In no event shall Lessee discriminate as to the use or maintenance of any Unit (including the periodicity of maintenance or recordkeeping in respect of such Unit) as compared to equipment of a similar nature which Lessee owns or leases. Lessee will maintain all records, logs and other materials required by relevant industry standards or any governmental authority having jurisdiction over the Units required to be maintained in respect of any Unit, all as if Lessee were the owner of such Units, regardless of whether any such requirements, by their terms, are nominally imposed on Lessee, Lessor or Owner Participant.

(b) Without the written waiver or consent of Lessor (which waiver or consent will not be unreasonably withheld), Lessee shall not or expressly permit any sublessee to change a DOT classification (as provided for in 49 C.F.R. Part 179 or any successor thereto), or expressly permit any sublessee to operate any Unit under a different DOT classification, from that classification in effect for such Unit on the Closing Date, except for any change in tank test pressure rating provided such change does not increase the pressure rating of the Unit above the tank test pressure to which the Unit was manufactured; provided however, that in the event Lessor shall not have provided Lessee with a written waiver or consent to such a reclassification or operation of any Unit within 10 Business Days after receipt of Lessee's written request therefor (or Lessor expressly rejects such a request by Lessee), Lessee may replace such Unit in accordance with and subject to the provisions of Section 11.2(i), 11.3 and 11.4.

Section 8.2 Possession. Lessee shall be entitled to the possession of the Equipment and to the use of the Equipment by it or any Affiliate, in the United States and, subject to the remaining provisions of this Section 8.2 and Section 8.3, Canada and Mexico, only in the manner for which it was designed and intended and so as to subject it only to ordinary wear and tear. In no event shall Lessee make use of any Equipment in any jurisdiction not included in the insurance coverage required by Section 12. The Equipment shall be used primarily on domestic routes in the United States, and in no event shall more than twenty-five percent (25%) of the Units (as determined by mileage records) be assigned outside the United States at the same time until after December 31, 1998 [AMSOUTH: DURING THE "TAX ATTRIBUTE PERIOD" (AS DEFINED IN THE TAX INDEMNITY AGREEMENT)]. Thereafter, no more than forty-nine percent (49%) of the Units (as determined by mileage records) shall be used outside the continental United States (exclusive of Alaska) at the same time. Notwithstanding the foregoing, no more than 15% of the Units shall be used in Mexico so long as Mexican law does not afford protections to the Lessor comparable to U.S. law and unless Lessee shall first have taken all actions necessary so

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as to protect the right, title and interest of Lessor and the Indenture Trustee in the Equipment in Mexico pursuant to Section 16.3 and shall have furnished Lessor and the Indenture Trustee with an opinion of Mexican counsel, reasonably satisfactory to such parties, to the effect that all such filings and recordings of the related Operative Agreements have been taken and effected under such Mexican law. Nothing in this Section 8.2 shall be deemed to constitute permission by Lessor to any Person that acquires possession of any Unit to take any action inconsistent with the terms and provisions of this Lease and any of the other Operative Agreements. The rights of any Person that acquires possession of any Unit pursuant to this Section 8.2 shall be subject and subordinate to the rights of Lessor hereunder.

Section 8.3 Sublease. Provided Lessor shall not have declared the Lease to be in default (or the Lease shall be deemed to have been declared in default) pursuant to Section 15.1 hereof, Lessee shall be entitled, without the prior approval of Lessor, to enter into a sublease for any Unit or Units (pursuant to a car service contract or otherwise) to, or to grant permission for the use thereof under car contracts by, (i) a railroad company or companies incorporated under the laws of the United States of America or any state thereof or the District of Columbia, Canada or any province thereof, or Mexico or any state thereof, upon lines of railroad owned or operated by such railroad company or companies or over which such railroad company or companies have trackage rights or rights for operation of their trains, and upon connecting and other carriers in the usual interchange of traffic or (ii) responsible companies (i.e., a company with which Lessee would do business in the ordinary course of Lessee's business with respect to railcars which it owns, leases or manages) other than railroad companies for use in their business (leases to such sublessees being herein referred to as "Permitted Subleases") provided, however, that Lessee shall not sublease more than 15% of the Units to a sublessee formed under the laws of Mexico or any state thereof. All subleases shall include appropriate provisions so that such subleases, (i) shall in all events be subject and subordinate to this Lease and the rights and interests of Lessor and its respective successors and assigns hereunder and shall confirm such subordination by a provision substantially in the form currently contained in Lessee's standard car service contract delivered to Lessor and the Indenture Trustee prior to the Closing Date, or otherwise as satisfactory to Lessor and the Indenture Trustee, (ii) shall not be for a term which extends beyond the Basic Term and any agreed upon Renewal Term, and (iii) shall not include any term or provision which could reasonably be expected to result in material adverse consequences to Lessor, Owner Participant or the Indenture Trustee. In the event Lessee desires to sublease one or more Units for a term which extends beyond the Basic Term or any agreed upon Renewal Term, Lessee will have the option to replace such Unit on or prior to the expiration of the Basic Term or any Renewal Term, with another Unit in accordance with and subject to the provisions of Section 11.2(i), 11.3 and 11.4. Except in connection with an assignment pursuant to a transaction permitted by Section 6.8 of the Participation Agreement, no sublease entered into by Lessee hereunder shall relieve Lessee of any liability or obligation hereunder, which shall be and remain those of a principal and not a surety. Nothing in this Section 8.3 shall be deemed to constitute permission to any Person in possession of any Unit pursuant to any such sublease to take any action inconsistent with the terms and provisions of this Lease or any of the other

Section 9. Modifications.

Section 9.1 Required Modifications. In the event the AAR, the United States Department of Transportation, or any other United States or state governmental agency or any other applicable law requires that any Unit be altered, replaced or modified (a "Required Modification"), Lessee agrees to make such Required Modification at its own expense; provided, however, that Lessee may, in good faith and by appropriate proceedings diligently conducted, contest the validity or application of any such law, regulation, requirement or rule in any reasonable manner which does not materially interfere with the use, possession, operation or return of any Unit or materially adversely affect the rights or interests of Lessor and the Indenture Trustee in the Equipment or hereunder or otherwise expose Lessor, the Indenture Trustee or any Participant to criminal sanctions or relieve Lessee of the obligation to return the Equipment in compliance with the provisions of Section 6.2. Title to any Required Modification shall immediately vest in Lessor. Notwithstanding anything herein to the contrary, if Lessee determines in good faith that any Required Modification to a Unit would be economically impractical, in lieu of making the Required Modification as provided above, Lessee may provide written notice of such determination to Lessor and treat such Unit as if an Event of Loss had occurred as of the date of such written notice with respect to such Unit and in such event the provisions of Sections 11.2, 11.3 and 11.4 shall apply with respect to such Unit; provided that Lessee shall not discriminate against such Unit in making such determination of economic impracticality as compared with other equipment of the same type as such Unit which is owned or leased by Lessee.

Section 9.2 Optional Modifications. Lessee at any time may in its discretion and at its own cost and expense modify, alter or improve any Unit in a manner which is not required by Section 9.1 (a "Modification"); provided that no Modification shall diminish the fair market value, utility, capacity, or remaining economic useful life of such Unit below the fair market value, utility, capacity, or remaining economic useful life thereof immediately prior to such Modification, in any non de minimus respect, assuming such Unit was then in the condition required to be maintained by the terms of this Lease or cause such Unit to become Limited Use Property. Title to any Non-Severable Modification shall be immediately vested in Lessor. Title to any Severable Modification (other than Required Modifications) shall remain with Lessee. If Lessee shall at its cost cause such Severable Modifications (other than Required Modifications) to be made to any Unit, Lessor shall have the right, upon 90 days prior written notice in the case of a return other than pursuant to Section 15.6, prior to the return of such Unit to Lessor hereunder, to purchase such Severable Modifications (other than Severable Modifications consisting of proprietary or communications equipment) at their then Fair Market Sales Value (taking into account their actual condition). If Lessor does not so elect to purchase such Severable Modifications, Lessee may remove such Severable Modifications at Lessee's cost and expense, and if requested (which request shall be made by not less than 90 days prior written notice in the case of a return other than pursuant to Section 15.6) by Lessor will so remove such Severable Modifications at Lessee's cost and expense, and Lessee shall, at its expense, repair

any damage resulting from the removal of any such Severable Modifications in a manner consistent with Section 8.1.

Section 9.3 Removal of Property; Replacements. Lessee may, in the ordinary course of maintenance or repair of any Unit, remove any item of property constituting a part of such Unit, and unless the removal of such item is required by Section 9.1 hereof, Lessee shall replace such item as promptly as practicable by an item of property that is free and clear of all Liens (other than Permitted Liens) and in as good operating condition as, and with a fair market value, utility, capacity and remaining economic useful life at least equal to, the item of property being replaced, assuming that such

replaced item was in the condition required to be maintained by the terms of this Lease. Any item of property removed from such Unit in the ordinary course of maintenance and repair as provided in the preceding sentence shall remain the property of Lessor free and clear of all rights of Lessee until replaced in accordance with the terms of such sentence, but shall then, without further act, become the property of Lessee. Any such property replaced in the ordinary course of maintenance and repair shall, without further act, become the property of Lessor and be deemed part of such Unit for all purposes hereof.

Section 10. Voluntary Termination.

Section 10.1 Right of Termination. So long as no Lease Default pursuant to Sections 14(a), 14(b), 14(g) or 14(h) or Lease Event of Default shall have occurred and be continuing, Lessee shall have the right, at its option at any time or from time to time during the Basic Term on or after the seventh anniversary of the Basic Term Commencement Date to terminate the Lease Term with respect to any or all of the Units (provided that, if such termination is for less than all Units in a Functional Group, Lessee shall exercise such termination with respect to at least 25 Units, no fewer than 25 Units shall remain in such Functional Group as a result of such termination and the determination as to which Units are subject to termination shall be made by Lessee on a random or other basis (in each case reasonably acceptable to Lessor) without discrimination based on maintenance status, operating condition of the Units in question or otherwise) (the "Terminated Units") if Lessee determines in good faith (as evidenced by a certified copy of a resolution adopted by Lessee's Board of Directors and a certificate executed by the Chief Financial Officer of Lessee) that such Units have become obsolete or surplus to Lessee's requirements by delivering at least 120 days' prior notice to Lessor and the Indenture Trustee (i) specifying a proposed date of termination for such Units (the "Termination Date"), which date shall, except as provided in the last sentence of Section 10.3, be a Rent Payment Date, any such termination to be effective on the Termination Date upon Lessee's compliance with this Section 10, and (ii) if some but less than all of the Units in a Functional Group are designated as Terminated Units, describing the nondiscriminatory manner in which Lessee proposes to determine which Units in that Functional Group are to be Terminated Units. Except as expressly provided herein, there will be no conditions to Lessee's right to terminate this Lease with respect to the Terminated Units pursuant to this Section 10.1. So long as (a) Lessor shall not have given Lessee a notice of election to retain the Terminated Units in accordance with Section 10.3, or (b) notice of prepayment of the

Equipment Notes shall not have been given pursuant to Section 2.10 of the Indenture, Lessee may withdraw the termination notice referred to above at any time prior to the Termination Date, whereupon this Lease shall continue in full force and effect; provided that Lessee (i) may not exercise its right to withdraw such a termination notice more than once annually or more than four times during the Basic Term, and (ii) may not withdraw any termination notice with respect to any Terminated Units after receipt by Lessee of a bid equal to or greater than Termination Value with respect to such Terminated Units or later than sixty (60) days prior to the scheduled Termination Date. Lessee agrees that if it withdraws a termination notice it will reimburse Lessor, Owner Participant and the Indenture Trustee for all reasonable out-of-pocket costs and expenses (including reasonable legal fees and expenses) incurred by any thereof in connection therewith.

Section 10.2 Sale of Equipment. During the period from the date of such notice given pursuant to Section 10.1 to the Termination Date, Lessee, as agent for Lessor and, except as provided in Section 10.3, at Lessee's sole cost and expense, shall use reasonable best efforts to obtain bids from Persons other than Lessee or Affiliates thereof for the cash purchase of the Terminated Units, and Lessee shall promptly, and in any event at least five Business Days prior to the proposed date of sale, certify to Lessor in writing the amount and terms of each such bid, the proposed date of such sale and the name and address of the party submitting such bid. Unless Lessor shall have elected to retain the Terminated Units in accordance with Section 10.3, on the Termination Date: (i) Lessee shall, subject to the prior or concurrent receipt (x) by Lessor of all amounts owing to Lessor pursuant to the next sentence, and (y) by the Persons entitled thereto of all unpaid Supplemental Rent due on or before the Termination Date, deliver the Terminated Units (excluding any optional Severable Modifications removed by Lessee pursuant to Section 9.2) to the bidder (which shall not be Lessee or any Affiliate thereof), if any, which shall have submitted the highest cash bid prior to such

date (or to such other bidder as Lessee and Lessor shall agree) and (ii) Lessor shall, without recourse or warranty (except as to the absence of any Lessor's Lien) simultaneously therewith transfer all of its right, title and interest in and to the Terminated Units to such bidder. The net proceeds of sale realized at such sale shall be paid to and retained by Lessor and, in addition, on the Termination Date, Lessee shall pay to Lessor, (A) all unpaid Rent with respect to such Terminated Units due and payable on or prior to the Termination Date (exclusive of any in advance Basic Rent due on such date), (B) the excess, if any, of (1) the Termination Value for the Terminated Units computed as of the Termination Date, over (2) the net cash sales proceeds (after the deduction of all reasonable costs and expenses of Lessor and Owner Participant in connection with such sale) of the Terminated Units, and (C) an amount equal to the Make-Whole Amount, if any, in respect of the principal amount of the Equipment Notes to be prepaid in accordance with Section 2.10(a) of the Indenture. If no sale shall have occurred, whether as a result of Lessee's failure to pay all of the amounts hereinabove required or otherwise, this Lease shall continue in full force and effect with respect to such Units and Lessee agrees to reimburse Lessor, Owner Participant and the Indenture Trustee for all reasonable costs and expenses (including reasonable legal fees and expenses) incurred by any thereof in connection therewith; provided that if such sale shall not have occurred solely because of Lessee's failure to pay the amounts hereinabove required,

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Lessee shall have no further right to terminate this Lease with respect to such Units. Lessee, in acting as agent for Lessor, shall have no liability to Lessor for failure to obtain the best price, shall act in its sole discretion and shall be under no duty to solicit bids publicly or in any particular market. Lessee's sole interest in acting as agent shall be to use its reasonable best efforts to sell the Units at the highest price then obtainable consistent with the terms of this Lease.

Section 10.3 Retention of Equipment by Lessor.

Notwithstanding the provisions of Sections 10.1 and 10.2, Lessor may irrevocably elect by written notice to Lessee, no later than 60 days after receipt of Lessee's notice of termination, not to sell the Terminated Units on the Termination Date, whereupon Lessee shall (i) deliver the Terminated Units to Lessor in the same manner and condition as if delivery were made to Lessor pursuant to Section 6.1(b) and Section 6.2, treating the Termination Date as the termination date of the Lease Term with respect to the Terminated Units, and (ii) pay to Lessor, or to the Persons entitled thereto, all Basic Rent and all Supplemental Rent due and owing on the Termination Date and unpaid (exclusive of any in advance Basic Rent due on such date but inclusive of any Supplemental Rent measured by the Make-Whole Amount). If Lessor elects not to sell the Terminated Units as provided in this Section 10.3, then Lessor shall pay, or cause to be paid, to the Indenture Trustee in funds of the type and in an amount equal to the outstanding principal amount of the Equipment Notes issued in respect of such Terminated Units and all accrued and unpaid interest to the date of prepayment of such Equipment Notes on such Termination Date and an amount equal to the Make-Whole Amount, if any, in respect of the principal amount of the Equipment Notes to be prepaid without in any manner relieving the Lessee of its obligation to pay any such amount pursuant to the preceding sentence; provided that unless Lessor shall have paid all such amounts to the Indenture Trustee on the Termination Date, this Lease shall continue in full force and effect. If Lessor shall fail to pay the amounts required pursuant to this Section 10.3 and as a result thereof this Lease shall not be terminated with respect to the Terminated Units on a proposed Termination Date, Lessor shall (x) thereafter no longer be entitled to exercise its election to retain such Terminated Units, and (y) reimburse Lessee for any reasonable out-of-pocket expenses (including reasonable legal fees and expenses) incurred by it in attempting to sell the Terminated Units pursuant to Section 10.2 immediately prior to Lessor's exercise of such preemptive election, and Lessee may at its option at any time thereafter prior to the immediately following Rent Payment Date submit a new termination notice pursuant to Section 10.1 with respect to such Terminated Units specifying a proposed Termination Date occurring on a Determination Date occurring not earlier than 25 days from the date of such notice.

Section 10.4 Termination of Lease. In the event of either (x) any such sale and receipt by Lessor and the Indenture Trustee of all of the amounts provided in Section 10.2 or (y) retention of the Equipment and full performance by Lessor of its payment obligations in compliance with Section 10.3, and upon compliance by Lessee with the other provisions of this Section

10, the obligation of Lessee to pay Basic Rent hereunder for such Terminated Units shall cease and the Lease Term for the Terminated Units shall end.

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Section 11. Loss, Destruction, Requisition, Etc.

Section 11.1 Event of Loss. In the event that any Unit (i) shall suffer damage or contamination which, in Lessee's reasonable judgment (as evidenced by an Officers' Certificate to such effect), makes repair uneconomic or renders such Unit unfit for commercial use, (ii) shall suffer destruction, or shall suffer theft or disappearance (after reasonable efforts by Lessee to locate the same) for a period exceeding 12 months (or, if earlier, the end of the Basic Term or Renewal Term then in effect), (iii) shall be permanently returned to the manufacturer pursuant to any patent indemnity provisions, (iv) shall have title thereto taken or appropriated by any governmental authority, agency or instrumentality under the power of eminent domain or otherwise, (v) shall be taken or requisitioned for use by any governmental authority or any agency or instrumentality thereof under the power of eminent domain or otherwise, and such taking or requisition is for a period that exceeds the remaining Basic Term or any Renewal Term then in effect (unless such taking or requisition is by 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 as aforesaid or 365 days) (any such occurrence being hereinafter called an "Event of Loss"), Lessee, in accordance with the terms of Section 11.2, shall promptly and fully inform Lessor and the Indenture Trustee of such Event of Loss.

Section 11.2 Replacement or Payment upon Event of Loss. Upon the occurrence of (a) an Event of Loss or the deemed occurrence of an Event of Loss pursuant to Section 9.1 or (b) an election to replace pursuant to Section 8.1(b) or 8.3, with respect to any Unit, Lessee shall as soon as reasonably practical and in any event within 60 days after a Responsible Officer of Lessee shall have actual knowledge of such occurrence or election give Lessor and the Indenture Trustee notice of such occurrence of such Event of Loss or election to replace (which notice shall identify the Unit involved) and then within the 60-day period following such notice give Lessor and the Indenture Trustee notice as to which of the following options Lessee shall elect to perform (it being agreed that if Lessee shall fail to give notice of such election, Lessee shall be deemed to have elected to perform the option set forth in 11.2(ii)):

(i) Upon Lessee's election to perform under this clause (i), as promptly as practicable following such election, and in any event on or before the 60th day following the date of notice of such Event of Loss or deemed Event of Loss pursuant to Section 9.1, or the date Lessee exercises an option to replace pursuant to Section 8.1(b) or Section 8.3, as the case may be, Lessee shall comply with Section 11.4(b) and shall convey or cause to be conveyed to Lessor a Replacement Unit to be leased to Lessee hereunder, such Replacement Unit to be of the same car type of the same or newer model year (or otherwise approved by Lessor, which approval shall not be unreasonably withheld), and free and clear of all Liens (other than Permitted Liens of the type described in clause (ii) with respect to sublessees, and in clauses (iii), (iv), (vi) and (vii) of the definition thereof) and to have a fair market value, utility, capacity, remaining economic useful life and condition at least equal to the Unit so replaced (assuming such Unit was in the condition required to be maintained by the terms of this Lease); provided

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that, if, at the time of such replacement, only railcars (x) of a newer model year or (y) with a greater fair market value (or a greater Fair Market Sales Value in the situation set forth in the next proviso) than the replaced Units are available as Replacement Units, Lessee shall convey such Replacement Unit to Lessor as set forth above but Lessee may, at a later date, replace such Replacement Units with other Units that are closer in fair market value (or Fair Market Sales Value in the situation set forth in the next proviso) to the original

replaced Units so long as such replacement does not result in any additional unindemnified tax liability; provided further that, if such replacement is performed (a) pursuant to Section 8.3 after the 180th day prior to the end of the Lease Term of such Units or (b) with respect to 15 or more Units, each of such Replacement Units must have, in addition to the requirements set forth above, a Fair Market Sales Value at least equal to the Unit so replaced (assuming such Unit was in the condition required to be maintained by the terms of this Lease); provided further that, if Lessee shall elect the option under this clause (i) within such period but shall fail to perform its obligation to effect such replacement under this paragraph (i) within the 60-day period hereinabove provided for, then (except in the case of a failure to perform an election to replace pursuant to Section 8.1(b) or Section 8.3) at the end of such 60-day period Lessee shall immediately give Lessor and the Indenture Trustee notice of such failure and specify that Lessee shall pay to Lessor on the next succeeding Rent Payment Date that is at least 25 days after the end of such 60-day period, or in the case of Supplemental Rent, to the Person entitled thereto, the amounts specified in paragraph (ii) below as of such next succeeding Rent Payment Date, and Lessee shall pay such amounts on such Rent Payment Date; provided further that Lessee shall have no right to elect replacement under this clause (i) if at the time of the notice of the Event of Loss under Section 11.2 above a Lease Default pursuant to Sections 14(a), 14(b), 14(g) or 14(h) or Lease Event of Default shall have occurred and be continuing; or

(ii) on the Rent Payment Date which is not less than 25 days following the date of notice of Lessee's election to perform under this clause (ii), Lessee shall pay or cause to be paid to Lessor (or in the case of Supplemental Rent, to the Persons entitled thereto) in funds of the type specified in Section 3.6, (a) an amount equal to the Stipulated Loss Value of each such Unit suffering an Event of Loss or deemed Event of Loss determined as of such Rent Payment Date, (b) all Basic Rent payable on such date in respect of such Unit (exclusive of any in advance Basic Rent due on such date), and (c) all other Rent then due and payable hereunder, it being understood that until such Stipulated Loss Value and other sums are paid, there shall be no abatement or reduction of Basic Rent;

provided that in the event at any time a Responsible Officer of Lessee shall have actual knowledge of the occurrence or deemed occurrence of an Event of Loss with respect to an aggregate of 15 or more Units as to which Lessee would otherwise be obligated to make payment pursuant to the second proviso to paragraph (i) above or pursuant to paragraph (ii) above on a Rent Payment Date, then Lessee shall thereupon give Lessor and the Indenture Trustee notice that in lieu of making payments with respect to such Units as otherwise above

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provided on a Rent Payment Date, Lessee will make a payment with respect to such Units on the next succeeding Determination Date which is at least 25 days after such notice, and on such Determination Date Lessee shall pay, in lieu of the amounts otherwise required to be paid in respect of such Units on a Rent Payment Date as provided above, (a) an amount equal to the Stipulated Loss Value of such Units determined as of such Determination Date, (b) if such Determination Date is also a Rent Payment Date, all Basic Rent payable on such date in respect of such Units (exclusive of any in advance Basic Rent due on such date) and (c) all other Rent then due and payable hereunder, it being understood that until such Stipulated Loss Value and other sums are paid, there shall be no abatement or reduction of Basic Rent.

Section 11.3 Rent Termination. Upon the replacement of any Unit or Units in compliance with Sections 11.2(i) and 11.4(b) (but only as to replaced Units and not any Replacement Unit) or upon the payment of all sums required to be paid pursuant to Section 11.2 in respect of any Unit or Units, the Lease Term with respect to such Unit or Units and the obligation to pay Basic Rent for such Unit or Units accruing subsequent to the date of payment of Stipulated Loss Value or date of conveyance of such Replacement Unit or Units pursuant to Section 11.2 shall terminate; provided that Lessee shall be obligated to pay all Rent in respect of such Unit or Units which is payable under Section 11.2 with respect to such payment of Stipulated Loss Value or such replacement of such Unit or Units and in respect of all other Units then continuing to remain subject to this Lease.

Section 11.4 Disposition of Equipment; Replacement of Unit.

(a) Upon the payment of all sums required to be paid pursuant to Section 11.2 in respect of any Unit or Units, Lessor will convey to Lessee or its designee all right, title and interest of Lessor in and to such Unit or Units, "as is", "where is", without recourse or warranty, except for a warranty against Lessor's Liens, and shall execute and deliver to Lessee or its designee such bills of sale and other documents and instruments as Lessee or its designee may reasonably request to evidence such conveyance. As to each separate Unit so disposed of, so long as no Lease Event of Default shall have occurred and be continuing, Lessee or its designee shall be entitled to any amounts arising from such disposition, plus any awards, insurance or other proceeds and damages received by Lessee, Lessor or the Indenture Trustee by reason of such Event of Loss after having paid the Stipulated Loss Value and any other Rent attributable thereto.

(b) At the time of or prior to any replacement of any Unit or Replacement Unit, Lessee, at its own expense, will (A) furnish Lessor with a Bill of Sale with respect to the Replacement Unit substantially in the form delivered pursuant to Section 4.1(g) of the Participation Agreement, (B) cause a Lease Supplement substantially in the form of Exhibit A hereto, subjecting such Replacement Unit to this Lease, and duly executed by Lessee, to be delivered to Lessor for execution and, upon such execution, to be filed for recordation in the same manner as provided for the original Lease Supplement in Section 16.1, (C) so long as the Indenture shall not have been satisfied and discharged, cause an Indenture Supplement substantially in the form of Exhibit A to the Indenture for such Replacement Unit, to be delivered to Lessor and to the Indenture Trustee for execution and, upon such execution, to be

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filed for recordation in the same manner and within the same time periods as provided for the original Indenture Supplement in Section 16.1, (D) furnish Lessor with an opinion of Lessee's counsel (which may be Lessee's General Counsel or Assistant General Counsel), to the effect that (x) the Bill of Sale referred to in clause (A) above constitutes an effective instrument for the conveyance of title to the Replacement Unit to Lessor, (y) legal and beneficial title to the Replacement Unit has been delivered to Lessor, free and clear of all Liens (other than Permitted Liens of the type described in clause (ii) with respect to sublessees, and in clauses (iii), (iv), (vi) and (vii) of the definition thereof), and (z) all filings and recordings and other action necessary or appropriate to protect the respective interests of Lessor and the Indenture Trustee in the Replacement Units have been accomplished, (E) furnish to Owner Participant an agreement to indemnify Owner Participant against any adverse tax consequences suffered as a result of such replacement, (F) furnish Lessor with an engineer's certificate (which may be from an employee of Lessee) certifying as to the utility, capacity, condition, model year and remaining useful life required under clause (i) of Section 11.2, (G) furnish to Lessor and the Indenture Trustee an Officer's Certificate certifying that the Replacement Unit has a fair market value, utility, capacity, model year and remaining economic useful life and condition at least equal to the Unit being replaced and is free and clear of all Liens (other than Permitted Liens of the type described in clause (ii) with respect to sublessees, and in clauses (iii), (iv), (vi) and (vii) of the definition thereof), and (H) furnish such other documents and evidence as Owner Participant, Lessor or the Indenture Trustee, or their respective counsel, may reasonably request in order to establish the consummation of the transactions contemplated by this Section 11.4. For all purposes hereof, upon passage of title thereto to Lessor the Replacement Unit shall be deemed part of the property leased hereunder and the Replacement Unit shall be deemed a "Unit" of Equipment as defined herein. Upon such passage of title, Lessor will transfer to Lessee, "as is" and "where is" and without recourse or warranty (except as to Lessor's Liens), all Lessor's right, title and interest in and to the replaced Unit, and upon such transfer, Lessor will request in writing that the Indenture Trustee execute and deliver to Lessee an appropriate instrument releasing such replaced Unit from the lien of the Indenture. Lessee shall pay all reasonable out of pocket costs and expenses (including reasonable legal fees and expenses) incurred by Lessor, Owner Participant and the Indenture Trustee in connection with any replacement pursuant to this Section 11.4.

Section 11.5 Eminent Domain. In the event that during the Lease Term the use of any Unit is requisitioned or taken by any governmental authority under the power of eminent domain or otherwise for a period which does not constitute an Event of Loss, all of Lessee's obligations under the Operative Agreements, including without limitation, Lessee's obligation to pay

all installments of Basic Rent, shall continue for the duration of such requisitioning or taking. Lessee shall be entitled to receive and retain for its own account all sums payable for any such period by such governmental authority as compensation for requisition or taking of possession. Any amount referred to in this Section 11.5, in Section 11.4(a) or in Section 12 which is payable to Lessee shall not be paid to Lessee, or if it has been previously paid directly to Lessee, shall not be retained by Lessee, if at the time of such payment a Lease Default under Section 14(g) or Section 14(h) or a Lease Event of Default shall have occurred and be

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continuing, but shall be paid to and held by Lessor pursuant to Section 24, or if the Indenture shall not then have been discharged pursuant to its terms, to the Indenture Trustee, as security for the obligations of Lessee under this Lease, and at such time as there shall not be continuing any such Lease Default or Lease Event of Default, such amount shall be paid to Lessee.

Section 12. Insurance.

Section 12.1 Insurance. Lessee will at all times after delivery and acceptance of each Unit, at its own expense, keep or cause to be kept such Unit insured by a reputable insurance company or companies in amounts and against risks and with deductibles and terms and conditions not less than the insurance, if any, maintained by Lessee with respect to similar equipment which it owns or leases, but in no event shall such coverage be for amounts or against risks less than the prudent industry standard for companies engaged in full service leasing of railcars. Without limiting the foregoing, Lessee will in any event;

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

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

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

Section 12.2 Physical Damage Insurance. (a) The insurance maintained pursuant to Section 12.1(a) shall provide that (i) so long as the Equipment Notes remain outstanding, the proceeds up to the Stipulated Loss Value for any loss or damage to any Unit shall be made to the Indenture Trustee under a standard loss payable clause, and thereafter to Lessor and (ii) so

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long as no Lease Event of Default shall have occurred and be continuing, Lessee will be entitled, at its own expense, to make all proofs of loss and take all other steps necessary to collect the proceeds of such insurance.

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

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

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

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

Section 12.3 Public Liability Insurance. (a) The public liability insurance referred to in paragraph 12.1(b) shall (i) provide that in as much as such policies cover more than one insured, all terms, conditions, insuring agreements and endorsements, with the exception of limits of liability and liability for premiums, commissions, assessments or calls (which shall be solely a liability of Lessee), shall operate in the same manner as if there were a separate policy or policies covering each insured, (ii) waive any rights of subrogation of the insurers against Owner Participant, Lessor, as Lessor of the Equipment and in its individual capacity, and the Indenture Trustee, (iii) provide that neither Owner Participant, Lessor, as Lessor of the Equipment and in its individual capacity, nor the Indenture Trustee shall have any responsibility for any insurance premiums, whether for coverage before or after cancellation or termination of any such policies as to Lessee and (iv) be primary without contribution from any similar insurance maintained by Owner Participant, Lessor or the Indenture Trustee.

(b) Lessee shall use its reasonable efforts to obtain public liability insurance policies stipulating that coverage thereunder will not be invalidated (as to Owner Participant, Lessor, as Lessor of the Equipment and in its individual capacity, and the Indenture Trustee) due to any action or inaction of Lessee or any other Person (other than Owner Participant, Lessor

or the Indenture Trustee, but only in respect of their respective coverages), but shall be under no obligation to obtain such policies containing such stipulations if they are not available to Lessee at commercially reasonable rates in the markets in which Lessee has then placed its insurance program.

(c) In the event any public liability insurance policy or coverage thereunder which are required to be maintained under Section 12.1(b) shall not be available to Lessee in the commercial insurance market on commercially reasonable terms, Lessor shall not unreasonably withhold its agreement to waive such requirement. Lessee shall make written request for any such waiver in writing, accompanied by written reports prepared, at Lessee's option, either by (i) one independent insurance advisor chosen by Lessee and Lessor or (ii) three independent insurance advisors, one chosen by Lessor, one chosen by Lessee and one chosen by the other two advisors (one of which may be the regular insurance broker or brokers of Lessee) - in either case, such independent insurance advisors being of recognized national standing. The fees and expenses of all such advisors shall be paid by Lessee. The written reports required hereunder shall (x) state that such insurance (or the required coverage thereunder) is not reasonably available to Lessee at commercially reasonable premiums in the commercial insurance markets within which Lessee normally purchases its insurance from insurers, acceptable to Lessee, with a Best's rating of A- or better for railcars of similar type and capacity and (y)

explain in detail the basis for such conclusions. Upon the granting of any such waiver, Lessee shall within 15 days thereafter certify to Lessor in writing the cost (on a fleet-wide basis) of liability insurance premiums for the coverage required by Section 12.1(b) for the immediately preceding fiscal year; and in the event that any such certificate is not received by Lessor within such 15 day period, any such waiver shall be deemed revoked. At any time after the granting of such waiver, but not more often than once a year, Lessor may make a written request for a supplemental report (in form reasonably acceptable to Lessor) from such insurance advisor(s) updating the prior report and reaffirming the conclusions set forth therein. Lessee shall provide any such required supplemental report within 60 days after receipt of the written request therefor. Any such waiver shall be effective for only as long as such insurance is not reasonably available to Lessee in the commercial markets in which Lessee normally purchases its insurance at commercially reasonable rates, it being understood that the failure of Lessee to furnish timely any such supplemental report shall be conclusive evidence that such condition no longer exists. If such supplemental report shows that such coverage is available, Lessee shall within 90 days of such report obtain such insurance coverage. During any period with respect to which such waiver has been granted and remains in effect under this Section 12.3(c), Lessee shall obtain public liability insurance as set forth in Section 12.1(b) from such carriers, in such amounts and with coverage limits and deductibles as is prudent under the circumstances, but in any event in an amount that may be purchased for a premium equal to 110% of Lessee's cost (on a fleet-wide basis) of public liability insurance premiums for the coverage required by Section 12.1(b) for the fiscal year immediately preceding the fiscal year in which such waiver first was granted.

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

Section 12.5 Additional Insurance. In the event that Lessee shall fail to maintain insurance as herein provided in Section 12.1 or, if applicable, Section 12.3, Lessor may at its option, upon prior written notice to Lessee, provide such insurance and, in such event, Lessee shall, upon demand from time to time reimburse Lessor for the cost thereof together with interest from the date of payment thereof at the Late Rate, on the amount of the cost to Lessor of such insurance which Lessee shall have failed to maintain. If after Lessor has provided such insurance, Lessee then obtains the coverage provided for in Section 12.1 which was replaced by the insurance provided by Lessor, and Lessee provides Lessor with evidence of such coverage reasonably satisfactory to Lessor, Lessor shall cancel the insurance it has provided pursuant to the first sentence of this Section 12.5. In such event, Lessee shall reimburse Lessor for all costs to Lessor of cancellation, including without limitation any short rate penalty, together with interest from the date of Lessor's payment thereof at the Late Rate. In addition, at any time Lessor (either directly or in the name of Owner Participant) may at its own expense carry insurance with respect to its interest in the Units, provided that such insurance does not interfere with Lessee's ability to insure the Equipment as required by this Section 12 or adversely affect Lessee's insurance or the cost thereof, it being understood that all salvage rights to each Unit shall remain with Lessee's insurers at all times. Any insurance payments received from policies maintained by Lessor pursuant to the previous sentence shall be retained by Lessor without reducing or otherwise affecting Lessee's obligations hereunder, other than with respect to Unit(s) with respect to which such payments have been made.

Section 13. Reports; Inspection.

Section 13.1 Duty of Lessee to Furnish. On or before April 30, 1997, and on or before each April 30 thereafter, Lessee will furnish to Lessor, Owner Participant and the Indenture Trustee an accurate statement, as

of the preceding December 31, (a) showing the amount, description and reporting marks of the Units then leased hereunder, the amount, description and reporting marks of all Units that may have suffered an Event of Loss during the 12 months ending on such December 31 (or since the Closing Date, in the case of the first such statement), and such other information regarding the condition or repair of the Equipment as Lessor may reasonably request, (b) stating that, in the case of all Equipment repainted during the period covered by such statement, the markings required by Section 4.2 hereof shall have

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been preserved or replaced, (c) showing the percentage of use in each state in the United States and in both Canada and Mexico based on the total mileage travelled by all railcars in Lessee's fleet (or by the Units, if and to the extent generally made available to owner participants in similar sale and leaseback transactions with respect to railcars) for the prior calendar year as reported to Lessee by railroads (provided, that Lessee shall cooperate with Owner Participant and Lessor and shall provide such additional information on such matters as Owner Participant or Lessor may reasonably request to enable Owner Participant and Lessor to pursue or fulfill their respective tax audit and tax litigation rights and obligations), and (d) stating that Lessee is not aware of any condition of any Unit which would cause such Unit not to comply in any material respect with the rules and regulations of the FRA and the interchange rules of the Field Manual of the AAR as they apply to the maintenance and operation of the Equipment in interchange.

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

Section 14. Lease Events of Default.

The following events shall constitute Lease Events of Default hereunder (whether any such event shall be voluntary or involuntary or come about or be effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body) and each such Lease Event of Default shall be deemed to exist and continue so long as, but only as long as, it shall not have been remedied:

(a) Lessee shall fail to make any payment of Basic Rent, Early Purchase Price, Basic Term Purchase Price or any other purchase price to be paid by Lessee for any Units pursuant to this Lease or the Participation Agreement, Stipulated Loss Value or Termination Value within 10 Business Days after the same shall have become due; or

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(b) Lessee shall fail to make any payment of Supplemental Rent, including indemnity or tax indemnity payments, but not including Stipulated Loss Value, Early Purchase Price, Basic Term Purchase Price or any other purchase price to be paid by Lessee for any Units pursuant to this Lease

or the Participation Agreement after the same shall have become due and such failure shall continue unremedied for 10 Business Days after receipt by Lessee of written notice of such failure from Lessor or the Indenture Trustee; or

(c) Lessee shall fail to maintain in effect the insurance required by Section 12 and such failure shall not have been waived as provided for therein; or

(d) Lessee shall make or permit any possession of the Equipment or any portion thereof not permitted by this 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 Lessee and (ii) such unauthorized possession is capable of being cured and Lessee diligently pursues such cure throughout such 45-day period; or Lessee shall make or permit any unauthorized assignment or transfer of this Lease in violation of Section 18.2; or

(e) Lessee shall fail to observe or perform any of the covenants or agreements to be observed or performed by Lessee in Section 6.8 of the Participation Agreement, and such failure shall continue unremedied for 30 days during which period Lessee diligently pursues the cure of such failure; or

(f) any representation or warranty made by Lessee in any Lessee Agreement (other than the Tax Indemnity Agreement) is untrue or incorrect in any material respect as of the date of making thereof and such untruth or incorrectness shall continue to be material and unremedied for a period of 30 days after receipt by Lessee of written notice thereof from Lessor or the Indenture Trustee; provided that, if such untruth or incorrectness is capable of being remedied, no such untruth or incorrectness shall constitute a Lease Event of Default hereunder for a period of 60 days after receipt of such notice so long as Lessee is diligently proceeding to remedy such untruth or incorrectness and shall in fact remedy such untruth or incorrectness within such period; provided that such untrue or incorrect representation or warranty shall be deemed to be remedied only after all adverse consequences thereof, if any, have been remedied; or

(g) Lessee shall (i) commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect, or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or (ii) consent to any such relief or to the appointment of or taking possession by any such official in any voluntary case or other proceeding commenced against it, or (iii) admit in writing its inability to pay its debts generally as they come due, or (iv) make a general

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assignment for the benefit of creditors, or (v) take any corporate action to authorize any of the foregoing; or

(h) an involuntary case or other proceeding shall be commenced against Lessee seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect, or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of 60 days; or

(i) Lessee shall fail to observe or perform any other of the covenants or agreements to be observed or performed by Lessee under any Lessee Agreement (other than the Tax Indemnity Agreement) or any certificate and such failure shall continue unremedied for 30 days after notice from Lessor or the Indenture Trustee to Lessee, specifying the failure and demanding the same to be remedied; provided that, if such failure is capable of being remedied, and the remedy requires an action other than, or in addition to, the payment of money, no such failure (other than one relating to the payment of such money) shall constitute a Lease Event of Default hereunder for a period of 90 days after receipt of such notice so long as Lessee is diligently proceeding to remedy such failure and shall in fact remedy such failure within such period;

provided that, notwithstanding anything to the contrary contained in this

Lease, any failure of Lessee to perform or observe any covenant or agreement herein shall not constitute a Lease Event of Default if such failure is caused solely by reason of an event referred to in the definition of "Event of Loss" so long as Lessee is continuing to comply with the applicable terms of Section 11.

Section 15. Remedies.

Section 15.1 Remedies. Upon the occurrence of any Lease Event of Default and at any time thereafter so long as the same shall be continuing, Lessor may, at its option, declare this Lease to be in default by a written notice to Lessee (except that this Lease shall, without any action on the part of Lessor, be automatically deemed to have been declared in default upon the occurrence of a Lease Event of Default described in Section 14(g) or (h)); and at any time thereafter, unless Lessee shall have remedied all outstanding Lease Events of Default prior to the commencement of the exercise by Lessor of any of its remedies hereunder, Lessor may do one or more of the following as Lessor in its sole discretion shall elect, to the extent permitted by, and subject to compliance with any mandatory requirements of, applicable law then in effect:

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

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(b) by notice in writing to Lessee, Lessor may demand that Lessee, and Lessee shall, upon written demand of Lessor and at Lessee's expense, forthwith return all or any part of the Equipment to Lessor or its order in the manner and condition required by, and otherwise in accordance with all of the provisions of Section 15.6; or Lessor with or without notice or judicial process may by its agents enter upon the premises of Lessee or other premises where any of the Equipment may be located and take possession of and remove all or any of the Units, and Lessor may use and employ in connection with such removal any services, aids, equipment, trackage and other facilities of Lessee as is reasonably required to remove such Units and thenceforth hold, possess and enjoy the same free from any right of Lessee, or its successor or assigns, to use such Units for any purpose whatever;

(c) sell any Unit at public or private sale in such manner as Lessor may determine, free and clear of any rights of Lessee and without any duty to account to Lessee with respect to such sale or for the proceeds thereof (except to the extent required by paragraph (f) below if Lessor elects to exercise its rights under said paragraph), in which event Lessee's obligation to pay Basic Rent with respect to such Unit hereunder due for any periods subsequent to the date of such sale shall terminate (except to the extent that Basic Rent is to be included in computations under paragraph (e) or (f) below if Lessor elects to exercise its rights under either of said paragraphs);

(d) hold, keep idle or lease to others any Unit as Lessor in its sole discretion may determine, free and clear of any rights of Lessee and without any duty to account to Lessee with respect to such action or inaction or for any proceeds with respect thereto, except that Lessee's obligation to pay Basic Rent with respect to such Unit due for any periods subsequent to the date upon which Lessee shall have been deprived of possession and use of such Unit pursuant to this Section 15 shall be reduced by the net proceeds, if any, received by Lessor from leasing such Unit to any Person other than Lessee;

(e) whether or not Lessor shall have exercised, or shall thereafter at any time exercise, any of its rights under paragraph (a), (b), (c) or (d) above with respect to any Unit, Lessor, by written notice to Lessee specifying a payment date (which date shall be a Determination Date for the purposes of computing Stipulated Loss Value) which shall be not less than 30 days after the date of such notice, may demand that Lessee pay to Lessor, and Lessee shall pay to Lessor, on the payment date specified in such notice, as liquidated damages for loss of a bargain and not as a penalty (in lieu of the Basic Rent for such Unit due after the payment date specified in such notice), all Rent due and payable, or accrued, for such Unit as of the payment date specified in such notice (exclusive of any in advance Basic Rent due on such date) plus whichever of the following amounts Lessor, in its sole discretion, shall specify in such notice: (i) an amount with respect to each such Unit which represents the excess of the present value, at the time of such payment date, of all rentals for such Unit which would otherwise have accrued hereunder

from such payment date for the remainder of the Basic Term or any Renewal Term then in effect over the then present value of the then Fair Market Rental Value of such Unit (taking into account its actual condition) for such period computed by discounting from the

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end of such Term to such payment date rentals which Lessor reasonably estimates to be obtainable for the use of such Unit during such period, such present value to be computed in each case on a basis of a per annum discount at the Debt Rate, compounded semiannually from the respective dates upon which rentals would have been payable hereunder had this Lease not been terminated; or (ii) an amount equal to the excess, if any, of the Stipulated Loss Value for such Unit computed as of the payment date specified in such notice over the Fair Market Sales Value of such Unit (taking into account its actual condition) as of the payment date specified in such notice; or (iii) if Lessor shall not have sold such Unit pursuant to the exercise of its rights under paragraph (c) above with respect to such Unit, an amount equal to the higher of Stipulated Loss Value for such Unit computed as of the payment date specified in such notice or the Fair Market Sales Value of such Unit (assuming it is in the condition required by this Lease) as of the payment date specified in such notice; and upon payment by Lessee pursuant to said clause (iii) of such Stipulated Loss Value or Fair Market Sales Value, as the case may be, and of all other amounts payable by Lessee under this Lease and under the other Operative Agreements in respect of such Unit, Lessor shall transfer "as is" and "where is" and without recourse or warranty all right, title and interest of Lessor in and to such Unit to Lessee or as it may direct, and Lessor shall execute and deliver such documents evidencing such transfer as Lessee shall reasonably request;

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

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

In addition, Lessee shall be liable, except as otherwise provided above, for any and all unpaid Rent due hereunder before or during the exercise of any of the foregoing remedies (exclusive of any in advance Basic Rent due on such date), and for legal fees and other costs and expenses incurred by reason of the occurrence of any Lease Event of Default or the exercise of Lessor's remedies with respect thereto, including without limitation the repayment in full of any costs and expenses necessary to be expended in repairing any Unit in order to cause it to be in compliance with all maintenance and regulatory standards imposed by this Lease.

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Section 15.2 Cumulative Remedies. The remedies in this Lease provided in favor of Lessor shall not be deemed exclusive, but shall be cumulative and shall be in addition to all other remedies in its favor existing at law or in equity. Lessee hereby waives any mandatory requirements of law, now or hereafter in effect, which might limit or modify any of the remedies herein provided, to the extent that such waiver is permitted by law. Lessee hereby waives any and all existing or future claims of any right to assert any

offset or counterclaim against the Rent payments due hereunder, and agrees to make the rent payments regardless of any offset or counterclaim or claim which may be asserted by Lessee on its behalf in connection with the lease of the Equipment. Lessee further agrees that Lessee's obligations to pay all Rent (including, without limitation, all Basic Rent and Supplemental Rent) and its obligations to maintain the Equipment pursuant to Section 8 hereof and to maintain the insurance pursuant to Section 12 hereof shall constitute monetary obligations of the Lessee for all purposes of Section 365 of the Bankruptcy Code. To the extent permitted by applicable law, Lessee hereby waives any rights now or hereafter conferred by statute or otherwise that may require Lessor to sell, lease or otherwise use the Equipment in mitigation of Lessor's damages as set forth in Section 15.1 or that may otherwise limit or modify any of Lessor's rights and remedies provided in this Section 15.

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

Section 15.4 Notice of Lease Default. Lessee agrees to furnish to Lessor, Owner Participant and the Indenture Trustee, promptly upon any officer acquiring actual knowledge of any condition which constituted or constitutes a Lease Default under this Lease, written notice specifying such condition and the nature and status thereof.

Section 15.5 Lessee's Duty to Furnish Information with Respect to Subleases. Upon the declaration of a Lease Event of Default pursuant to Section 14(a), (b), (d) (with respect to the Units affected thereby), (g) or (h), Lessor may request that Lessee deliver to Lessor, and upon such request Lessee agrees that it will promptly provide to Lessor, a detailed list of all Units that are then being subleased by Lessee, the identity of the sublessees with respect to such Units, the identity of an employee or other agent of each such sublessee with whom Lessee regularly communicates with in respect of such Units and the most recent known location of such Units.

Section 15.6 Lessee's Duty to Return Equipment Upon Default. If Lessor or any assignee of Lessor shall terminate this Lease pursuant to this Section 15 and shall have provided to Lessee the written demand specified in Section 15.1(b), Lessee shall forthwith deliver possession of the Equipment to Lessor (except where Lessor has received all amounts payable

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by Lessee pursuant to any notice provided by Lessor under Section 15.1(e)(iii)). For the purpose of delivering possession of any Unit to Lessor as above required, Lessee shall at its own cost, expense and risk (except as hereinafter stated):

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

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

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

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

All amounts earned in respect of the Equipment after the date of termination of this Lease pursuant to this Section 15, but not exceeding amounts actually received therefor, shall be paid to Lessor or, so long as the Indenture shall not have been discharged pursuant to its terms, the Indenture Trustee, and, if received by Lessee, shall be promptly turned over to Lessor or

the Indenture Trustee as aforesaid. In the event any Unit is not assembled, delivered and stored as hereinabove provided within 15 days after the termination of the leasing of such Unit pursuant to Section 15, Lessee shall, in addition, pay to Lessor or the Indenture Trustee as aforesaid as liquidated damages and not as a penalty, for each day thereafter an amount equal to the amount, if any, by which the higher of (i) an amount equal to 110% of the daily equivalent of the Basic Rent in effect immediately prior to the expiration of the Lease for such Unit and (ii) 125% of the Fair Market Rental Value for such Unit for each such day exceeds the amount, if any, received by Lessor or the Indenture Trustee as aforesaid (either directly or from Lessee) for such day for such Unit pursuant to the preceding sentence.

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

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Section 16. Filings; Further Assurances.

Section 16.1 Filings. This Lease or a counterpart or copy hereof or evidence hereof may be filed or recorded in any public office as may be necessary or appropriate to protect the interest of Lessor, Owner Participant or the Indenture Trustee herein or in the Units. On or prior to the Closing Date Lessee will cause this Lease, the Lease Supplements dated the Closing Date, the Indenture and the Indenture Supplements dated the Closing Date (i) to be duly filed and recorded with the STB in accordance with 49 U.S.C. Section 11301, (ii) to be deposited with the Registrar General of Canada pursuant to Section 90 of the Railway Act of Canada (and all necessary actions shall have been taken for publication of such deposit in The Canada Gazette in accordance with said Section 90) and (iii) will furnish Lessor, the Indenture Trustee and Owner Participant proof thereof.

Section 16.2 Further Assurances. Lessee will duly execute and deliver to Lessor such further documents and assurances and take such further action as Lessor may from time to time reasonably request or as may be required by applicable law or regulation in order to effectively carry out the intent and purpose of this Lease and to establish and protect the rights and remedies created or intended to be created in favor of Lessor, Owner Participant and the Indenture Trustee hereunder, including, without limitation, the execution and delivery of supplements or amendments hereto, in recordable form, subjecting to this Lease any Replacement Unit and the recording or filing of counterparts hereof or thereof in accordance with the laws of such jurisdiction as Lessor may from time to time deem advisable.

Section 16.3 Other Filings. If, at any time during the Lease Term, Mexico, or one or more states in Mexico, or any of the Canadian provinces establishes a state or provincial or other system for filing and perfecting the security and/or ownership interests of entities such as Lessor and/or the Indenture Trustee, at the time that Lessee takes such action with respect to other equipment similar to the Equipment (whether owned or leased by Lessee) and also upon the request of Lessor, at the direction of the Owner Participant, or the Indenture Trustee, Lessee shall cause any and all of the Operative Agreements to be recorded with or under such system and shall cause all other filings and recordings and all such other action required under such system to be effected and taken, in order to perfect and protect the respective right, title and interests of Lessor, Owner Participant and the Indenture Trustee.

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

Section 17. Lessor's Right to Perform.

If Lessee fails to make any payment required to be made by it hereunder or fails to perform or comply with any of its other agreements contained herein, Lessor may itself make such payment or perform or comply with such agreement, after giving not less than five

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Business Days' prior notice thereof to Lessee (except in the event that an Indenture Default resulting from a Lease Default or a Lease Event of Default shall have occurred and be continuing, in which event Lessor may effect such payment, performance or compliance to the extent necessary to cure such Indenture Default with notice given concurrently with such payment, performance or compliance), but shall not be obligated hereunder to do so, and the amount of such payment and of the reasonable expenses of Lessor incurred in connection with such payment or the performance of or compliance with such agreement, as the case may be, together with interest thereon at the Late Rate from such date of payment, to the extent permitted by applicable law, shall be deemed to be Supplemental Rent, payable by Lessee to Lessor on demand.

Section 18. Assignment.

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

Section 18.2 Assignment by Lessee. Except as otherwise provided in Section 8.3 or in the case of any requisition for use by any governmental authority or any agency or instrumentality thereof referred to in Section 11.1, Lessee will not, without the prior written consent of Lessor and the Indenture Trustee (which consent shall not be unreasonably withheld), assign any of its rights hereunder, except as provided herein and in the Participation Agreement; provided that Lessee may assign its rights and/or obligations hereunder to any corporation in accordance with the provisions of Section 6.8 of the Participation Agreement or to any corporation which is an Affiliate of Lessee, provided that in the case of an assignment to an Affiliate, (a) Lessor shall have received an instrument or instruments reasonably satisfactory to it, Owner Participant and the Indenture Trustee under which such Affiliate assumes the obligations of Lessee hereunder, and (b) Lessee irrevocably and unconditionally guarantees, pursuant to an agreement in form and substance reasonably satisfactory to Lessor, Owner Participant and the Indenture Trustee, such assignee's performance of all of such obligations as primary obligor and not as a surety.

Section 18.3 Sublessee's Performance and Rights. Any obligation imposed on Lessee in this Lease shall require only that Lessee perform or cause to be performed such obligation, even if stated herein as a direct obligation, and the performance of any such obligation by any permitted assignee, sublessee or transferee under an assignment, sublease or transfer agreement then in effect and permitted by the terms of this Lease shall constitute performance by Lessee and discharge such obligation by Lessee. Except as otherwise expressly

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provided herein, any right granted to Lessee in this Lease shall grant Lessee the right to (a) exercise such right or permit such right to be exercised by any such assignee or transferee, or (b) in Lessee's capacity as sublessor pursuant to any sublease permitted pursuant to Section 8.3 hereof, permit any sublessee to exercise substantially equivalent rights under any such sublease as are granted to Lessee under this Lease; provided, however, that Lessee's right to terminate this Lease pursuant to Section 10 and Lessee's purchase and renewal options set forth in Section 22 may be exercised only by Lessee itself

or by any assignee or transferee of, or successor to, Lessee in a transaction permitted by Section 6.8 of the Participation Agreement; provided, further, that nothing in this Section 18.3 shall or shall be deemed to (i) create any privity of contract between any such sublessee, on the one hand, and any of Lessor, any Owner Participant or any subsequent transferee or Affiliate of any such Person, on the other hand, (ii) create any duty or other liability of any nature whatsoever on the part of any of Lessor, any Owner Participant or any subsequent transferee or Affiliate of any such Person, to any such sublessee or any Affiliate thereof, or (iii) modify or waive any term or provision of Section 8.3 hereof, which Section 8.3 shall control if any conflict arises between any of the provisions thereof and this Section 18.3. The inclusion of specific references to obligations or rights of any such assignee, sublessee or transferee in certain provisions of this Lease shall not in any way prevent or diminish the application of the provisions of the two sentences immediately preceding with respect to obligations or rights in respect of which specific reference to any such assignee, sublessee or transferee has not been made in this Lease.

Section 19. Net Lease, etc.

This Lease is a net lease and Lessee's obligation to pay all Rent payable hereunder shall be absolute, unconditional and irrevocable and shall not be affected by any circumstance of any character including, without limitation, (i) any set-off, abatement, counterclaim, suspension, recoupment, reduction, rescission, defense or other right that Lessee may have against Lessor, Owner Participant, the Indenture Trustee or any holder of an Equipment Note or Pass Through Certificate, any vendor or manufacturer of any Unit, or any other Person for any reason whatsoever, (ii) any defect in or failure of title, merchantability, condition, design, compliance with specifications, operation or fitness for use of all or any part of any Unit, (iii) any damage to, or removal, abandonment, requisition, taking, condemnation, loss, theft or destruction of all or any part of any Unit or any interference, interruption, restriction, curtailment or cessation in the use or possession of any Unit by Lessee or any other Person for any reason whatsoever or of whatever duration, (iv) any insolvency, bankruptcy, reorganization or similar proceeding by or against Lessee, Lessor, Owner Participant, the Indenture Trustee, any holder of an Equipment Note or Pass Through Certificate or any other Person, (v) the invalidity, illegality or unenforceability of this Lease, any other Operative Agreement, or any other instrument referred to herein or therein or any other infirmity herein or therein or any lack of right, power or authority of Lessee, Lessor, Owner Participant, the Indenture Trustee, any holder of an Equipment Note or Pass Through Certificate or any other Person to enter into this Lease or any other Operative Agreement or to perform the obligations hereunder or thereunder or consummate the transactions contemplated hereby or thereby or any doctrine of force

majeure, impossibility, frustration or failure of consideration, (vi) the breach or failure of any warranty or representation made in this Lease or any other Operative Agreement by Lessee, Lessor, Owner Participant, the Indenture Trustee, any holder of an Equipment Note or Pass Through Certificate or any other Person, (vii) the requisitioning, seizure or other taking of title to or use of such Unit by any government or governmental authority or otherwise, whether or not by reason of any act or omission of Lessor, Lessee or the Indenture Trustee, or any other deprivation or limitation of use of such Unit in any respect or for any length of time, whether or not resulting from accident and whether or not without fault on the part of Lessee, or (viii) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing. To the extent permitted by applicable law, Lessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender this Lease with respect to any Unit, except in accordance with the express terms hereof. If for any reason whatsoever this Lease shall be terminated in whole or in part by operation of law or otherwise, except as specifically provided herein, Lessee nonetheless agrees, to the maximum extent permitted by law, to pay to Lessor or to the Indenture Trustee, as the case may be, an amount equal to each installment of Basic Rent and all Supplemental Rent due and owing, at the time such payment would have become due and payable in accordance with the terms hereof had this Lease not been terminated in whole or in part. Each payment of Rent made by Lessee hereunder shall be final and Lessee shall not seek or have any right to recover all or any part of such payment from Lessor or any Person for any reason whatsoever. Nothing contained herein shall be construed to waive any claim which Lessee might have under any

of the Operative Agreements or otherwise or to limit the right of Lessee to make any claim it might have against Lessor or any other Person or to pursue such claim in such manner as Lessee shall deem appropriate.

Section 20. Notices.

Unless otherwise expressly specified or permitted by the terms hereof, all communications and notices provided for herein shall be in writing or by facsimile capable of creating a written record, and any such notice shall become effective (i) upon personal delivery thereof, including, without limitation, by overnight mail or courier service, (ii) in the case of notice by United States mail, certified or registered, postage prepaid, return receipt requested, upon receipt thereof, or (iii) in the case of notice by such facsimile, upon confirmation of receipt thereof, provided such transmission is promptly further confirmed in writing by either of the methods set forth in clause (i) or (ii), in each case addressed to the following Person at its

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respective address set forth below or at such other address as such Person may from time to time designate by written notice to the other Persons listed below:

If to Lessor: First Security Bank, N.A.
79 South Main Street
Salt Lake City, Utah 84111
Attention: Corporate Trust Services
Fax No.: (801) 246-5053
Confirmation No.: (801) 246-5630

With copies to Owner Participant.

If to Owner Participant: Dreyfus Service Corporation
c/o Mellon Financial Services Corporation #4
One Mellon Bank Center, Suite 4444
Pittsburgh, Pennsylvania 15258-0001
Attention: President
Fax No.: (412) 234-5062
Confirmation No.: (412) 234-5061

With copies to:

Dreyfus Service Corporation
200 Park Avenue
New York, New York 10166
Attention: William V. Healey
Facsimile: (212) 922-6880
Confirmation No.: (212) 922-6760

[AMSOUTH LEASING CORPORATION
1900 FIFTH AVENUE NORTH
8TH FLOOR
BIRMINGHAM, ALABAMA 35203
ATTENTION: PRESIDENT
FACSIMILE: (205) 307-4124
CONFIRMATION NO.: (205) 326-5780]

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If to the Indenture Trustee: The First National Bank of Chicago
One First National Plaza, Suite 0126
Chicago, Illinois 60670-0126
Attention: Corporate Trust Services Division
(GATC Trust No. 96-1)
Fax No.: (312) 407-1708
Confirmation No.: (312) 407-1892

If to Lessee: General American Transportation Corporation
500 West Monroe Street

Chicago, Illinois 60661
Attention: Treasurer
(GATC Trust No. 96-1)
Fax No.: (312) 621-6645
Confirmation No.: (312) 621-6200

Section 21. Concerning the Indenture Trustee.

Section 21.1 Limitation of the Indenture Trustee's Liabilities. Notwithstanding any provision herein or in any of the Operative Agreements to the contrary, the Indenture Trustee's obligation to take or refrain from taking any actions, or to use its discretion (including, but not limited to, the giving or withholding of consent or approval and the exercise of any rights or remedies under such Operative Agreements), and any liability therefor, shall, in addition to any other limitations provided herein or in the other Operative Agreements, be limited by the provisions of the Indenture, including, but not limited to, Article VI thereof.

Section 21.2 Right, Title and Interest of the Indenture Trustee Under Lease. It is understood and agreed that the right, title and interest of the Indenture Trustee in, to and under this Lease and the Rent due and to become due hereunder shall by the express terms granting and conveying the same be subject to the interest of Lessee in and to the Equipment.

Section 22. Purchase Options; Renewal Options.

Section 22.1 Early Purchase Option. Provided that no Lease Default pursuant to Sections 14(a), 14(b), 14(g) or 14(h) or Lease Event of Default shall have occurred and be continuing either at the time of the notice described below or on the Early Purchase Date (unless (i) Lessor shall have waived such Lease Event of Default or Lease Default solely for the purpose of this Section 22.1, (ii) in the case of a Lease Event of Default under Section 14(c), 14(d), 14(e), 14(f) or 14(i), Lessee shall have properly made a Special Purchase Defeasance and after giving effect to the purchase described below, no such Lease Event of Default shall be continuing or (iii) in the case of a Lease Event of Default under Section 14(g) or 14(h), Lessee

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shall have obtained a final, nonappealable order of a United States court having appropriate bankruptcy jurisdiction over Lessee which (x) authorizes such purchase and (y) is in form and substance satisfactory to Lessor and Indenture Trustee) and Lessee shall have duly given the notice required by the next succeeding sentence, Lessee shall have the right and, upon the giving of such notice, the obligation to purchase any or all of the Units in a Basic Group then leased hereunder (as specified in such notice) on the Early Purchase Date for such Units at a price equal to the Early Purchase Price of such Units, provided that if Lessee elects to purchase some but less than all of the Units in any Functional Group, Lessee shall exercise such purchase with respect to at least 25 Units, no fewer than 25 Units shall remain in such Functional Group as a result of such purchase and the determination as to which Units are to be purchased shall be made on a random or other basis (in each case reasonably acceptable to Lessor) without discrimination based on maintenance status, operating condition of the Units in question or otherwise and such notice shall describe such manner in which Lessee proposes to determine the Units in such Functional Group which will be purchased. Lessee shall give Lessor written notice not less than 90 days prior to the Early Purchase Date for the related Units of its election to exercise the purchase option provided for in this Section 22.1, which notice shall be irrevocable. Payment of the Early Purchase Price, together with all other amounts due and owing by Lessee under the Operative Agreements, with respect to such Units, including, without limitation, all unpaid Basic Rent therefor due and payable on or prior to the Early Purchase Date (exclusive of any in advance Basic Rent due on such date) and any Make-Whole Amount with respect to the Equipment Notes then being prepaid, shall be made on the Early Purchase Date at the place of payment specified in Section 3.6 hereof in immediately available funds against delivery of a Bill of Sale transferring and assigning to Lessee all right, title and interest of Lessor in and to such Units on an "as-is" "where-is" basis and containing a warranty against Lessor's Liens. [AMSOUTH: PROVIDED, HOWEVER, THAT LESSEE SHALL HAVE THE OPTION OF SPECIFYING IN SUCH NOTICE UNDER THIS SECTION 22.1 ITS ELECTION TO DEFER PAYMENT OF THE DEFERRED PORTION OF THE EARLY PURCHASE PRICE FOR SUCH UNITS IN THREE (3) INSTALLMENTS IN THE AMOUNTS SET FORTH ON SCHEDULE 6 TO THE PARTICIPATION AGREEMENT ON THE DEFERRED PORTION PAYMENT DATES, WHICH DEFERRED PORTION (i) MAY BE PREPAID BY LESSEE AT ANY TIME

IN WHOLE AND (ii) WILL BE SECURED IN FAVOR OF LESSOR BY A PERFECTED FIRST PRIORITY SECURITY INTEREST IN THE APPLICABLE UNITS PURSUANT TO A SECURITY AGREEMENT IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO LESSOR; AND PROVIDED, FURTHER, THAT THE PORTION OF THE EARLY PURCHASE PRICE PAYABLE BY LESSEE ON THE EARLY PURCHASE DATE IN THE EVENT OF ANY SUCH ELECTION BY LESSEE, UNDER ANY CIRCUMSTANCES AND IN ANY EVENT, TOGETHER WITH OTHER AMOUNTS OF SUPPLEMENTAL RENT PAID BY LESSEE ON SUCH DATE WILL BE AT LEAST SUFFICIENT TO PAY IN FULL, AS OF THE DATE OF PAYMENT THEREOF, THE AGGREGATE UNPAID PRINCIPAL OF, THE MAKE WHOLE AMOUNT IF ANY, AND ALL UNPAID INTEREST OF THE EQUIPMENT NOTES ISSUED IN RESPECT OF SUCH UNITS AND ALL OTHER AMOUNTS OWED BY LESSEE UNDER THE OPERATIVE AGREEMENTS WITH RESPECT TO SUCH UNITS AND PROVIDED, FURTHER, THAT LESSEE MAY NOT ELECT TO PAY INSTALLMENTS IF IT HAS ELECTED TO EXERCISE ITS OPTION UNDER CLAUSE (ii) OF THE NEXT PARAGRAPH.] Lessor shall not be required to make any other representation or warranty as to the condition of such Units or any other matters, and may specifically disclaim any such representations or warranties. In the event of any such purchase and receipt by Lessor of all of the amounts provided in this Section 22.1, the obligation of

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Lessee to pay Basic Rent hereunder for such Units shall cease and the Lease Term for such Units shall end.

If the Lessee elects to exercise the purchase option provided for in this Section 22.1, the Lessee shall, as the purchase price therefor, in the sole discretion of the Lessee, either (i) pay the Early Purchase Price, as specified in the paragraph above, with respect to such Units, together with all other amounts due and owing by the Lessee under the Operative Agreements, or (ii) pay the difference between the Early Purchase Price and the portion of the outstanding principal amount of the Equipment Notes which relates to such Units as of the Early Purchase Date and assume on a full recourse basis, and indemnify the Lessor against, all of the Owner Trustee's obligations under the Indenture in respect of such portion of the indebtedness evidenced by such Equipment Notes; provided, that, following such assumption, the purchased Units shall remain subject to the lien of a separate indenture similar to the Indenture pursuant to Section 3.06 of the Indenture. The Lessee will make the payments required by foregoing clause (i) or assume such portion of the indebtedness evidenced by the Equipment Notes which relates to such Units as provided in foregoing clause (ii) on the Early Purchase Date in immediately available funds against delivery of a bill of sale transferring and assigning to the Lessee all right, title and interest of the Lessor in and to the Units on an "as-is" "where-is" basis and containing a warranty against Lessor's Liens. In such event, the costs of preparing the bill of sale and all other documentation relating to such purchase and the costs of any necessary filings related thereto will be borne by the Lessee. If the Lessee shall fail to fulfill its obligations under this second paragraph of Section 22.1, all of the Lessee's obligations under the Lease and the Operative Agreements, including, without limitation, the Lessee's obligation to pay installments of Rent, with respect to the Units in question shall continue.

Section 22.2 Election to Retain or Return Equipment at End of Basic or Renewal Term. Not less than 180 days prior to the end of the Basic Term, the end of any Fixed Rate Renewal Term or the end of any Fair Market Renewal Term, Lessee shall give Lessor irrevocable written notice of its decision to return or retain any or all of the Units at the end of the Basic Term or such Renewal Term, provided that if Lessee elects to retain less than all of the Units in a Functional Group, Lessee must return at least 25 Units from such Functional Group to Lessor and the determination as to which Units are to be retained shall be made on a random or other basis (in each case reasonably acceptable to Lessor) without discrimination based on maintenance status, operating condition of the Units in question or otherwise, and Lessee shall describe in such notice such manner in which it proposes to determine the Units in such Functional Group which will be retained. If Lessee elects to retain some or all of the Units, Lessee shall comply with Section 22.3 and/or 22.4 hereof, as it may elect in accordance with the provisions thereof including the notice requirements stated therein. If Lessee fails to give the 180 days' notice required by this Section 22.2, Lessee shall be deemed to have irrevocably elected to return all of the Units at the end of the Basic Term or the applicable Renewal Term, as the case may be, in accordance with Section 6.

Section 22.3 Purchase Options. Provided that no Lease Default pursuant to Sections 14(a), 14(b), 14(g) or 14(h) or Lease Event of Default shall have occurred and be continuing either at the time of notice or the expiration of the Lease Term (unless (i) Lessor shall have waived such Lease Event of Default or Lease Default solely for the purpose of this Section 22.3, (ii) in the case of a Lease Event of Default under Section 14(c), 14(d), 14(e), 14(f) or 14(i), Lessee shall have properly made a Special Purchase Defeasance and after giving effect to the purchase described below, no such Lease Event of Default shall be continuing or (iii) in the case of a Lease Event of Default under Section 14(g) or 14(h), Lessee shall have obtained a final, nonappealable order of a United States court having appropriate bankruptcy jurisdiction over Lessee which (x) authorizes such purchase and (y) is in form and substance satisfactory to Lessor and Indenture Trustee) and Lessee shall have duly given the notice required by Section 22.2 and by the next succeeding sentence of this Section 22.3, Lessee shall have the right and, upon the giving of such notice under this Section 22.3, the obligation to purchase any or all of the Units (as specified in such notice, and subject to the minimum number of Units and the criteria for selection of such Units referred to in Section 22.1) either (x) at the expiration of the Basic Term at a price equal to the Basic Term Purchase Price of such Units or (y) at the expiration of the Basic Term or any Renewal Term at a price equal to the Fair Market Sales Value of such Units. Lessee shall give Lessor written notice not less than 90 days prior to the end of the Basic Term, the Fixed Rate Renewal Term or the Fair Market Renewal Term, as the case may be, of its election to exercise the purchase option provided for in this Section 22.3 (but in any event subject to the minimum number of Units referred to in Section 22.1), which notice shall be irrevocable. Payment of the purchase price, together with all other amounts due and owing by Lessee under the Operative Agreements, shall be made at the place of payment specified in Section 3.6 hereof in immediately available funds against delivery of a Bill of Sale transferring and assigning to Lessee all right, title and interest of Lessor in and to such Units on an "as-is" "where-is" basis and containing a warranty against Lessor's Liens. Lessor shall not be required to make any other representation or warranty as to the condition of such Units or any other matters, and may specifically disclaim any such representations or warranties.

Section 22.4 Renewal Options. Provided that no Lease Default pursuant to Sections 14(a), 14(b), 14(g) or 14(h) or Lease Event of Default shall have occurred and be continuing either at the time of notice or the expiration of the Lease Term (unless Lessor shall have waived such Lease Event of Default or Lease Default solely for the purpose of this Section 22.4) and Lessee shall have duly given the notice required by Section 22.2, Lessee shall have the right and, upon the giving of a notice under this Section 22.4 as below provided, the obligation to lease pursuant to this Lease any or all of the Units (as specified in such notice, and subject to the minimum number of Units and the criteria for selection of such Units referred to in Section 22.1) at the expiration of the Basic Term or any applicable Renewal Term which Lessee has not elected to purchase pursuant to Section 22.3, which obligation may be fulfilled by Lessee electing to renew this Lease under either of the following Section 22.4(a) or (b):

(a) Fixed Rate. Lessee may give Lessor written notice not less than 90 days prior to the end of the Basic Term (or, in the circumstances described in the fourth sentence of

this Section 22.4(a), the then Fixed Rate Renewal Term) that Lessee elects to renew this Lease under this Section 22.4(a) with respect to any or all of the Units (as specified in such notice, and subject to the minimum number of Units and the criteria for selection of such Units referred to in Section 22.1) then leased hereunder, for a term of one or more years as Lessee shall specify in such notice (the "Fixed Rate Renewal Term"), but in no event longer than the Outside Fixed Renewal Date, which notice shall be irrevocable. In such event, promptly following such notice, a determination in accordance with Section 22.5 shall be made of the date such that (1) the period from the Closing Date to such date would not exceed 80% of the useful life of such Units from and after the Closing Date, and (2) the Fair Market Sales Value (determined without regard to inflation or deflation) on such date would not be less than 20% of the Equipment Cost of such Units. Such date shall thereafter be the latest date to which this Lease may be renewed pursuant to this Section 22.4(a) (the

"Outside Fixed Renewal Date"). Lessee shall promptly following the determination of the Outside Fixed Renewal Date give Lessor written notice of the term (the "Fixed Rate Renewal Term") which Lessee selects for its initial renewal under this Section 22.4(a), which shall be (i) in the case of the Basic Group designated as Group I, five years from the end of the Basic Term and (ii) in the case of the Basic Group designated as Group II, two years from the end of the Basic Term [AMSOUTH: ONE OR MORE YEARS AS LESSEE SHALL SELECT], but in no event longer than the Outside Fixed Renewal Date. If Lessee selects a Fixed Rate Renewal Term such that the period following such term until the Outside Fixed Renewal Date is longer than one year, then Lessee may elect one or more further renewals of one or more years pursuant to this Section 22.4(a) so long as no such term extends beyond the Outside Fixed Renewal Date. The Basic Rent for each Unit during any Fixed Rate Renewal Term (the "Fixed Rent") shall be 75% of the average of the semiannual Basic Rent installments payable hereunder for such Unit during the Basic Term, payable semiannually in arrears. Each Fixed Rate Renewal Term shall commence immediately upon the expiration of the Basic Term or the preceding Fixed Rate Renewal Term, as the case may be.

(b) Fair Market. Lessee may give Lessor written notice not less than 90 days prior to the end of the Basic Term, a Fixed Rate Renewal Term or a Fair Market Renewal Term (subject to the limitations otherwise provided in this Section 22.4(b)) that Lessee elects to renew this Lease under this Section 22.4(b) with respect to any or all of the Units (as specified in such notice, and subject to the minimum number of Units and the criteria for selection of such Units referred to in Section 22.1) then leased hereunder for a term of one or more years as Lessee shall specify in such notice (the "Fair Market Renewal Term"), which notice shall be irrevocable. The Basic Rent for the Units leased during the Fair Market Renewal Term shall be the Fair Market Rental Value thereof, payable semiannually in arrears. The Fair Market Renewal Term shall commence immediately upon the expiration of the Base Term or the preceding Fixed Rate Renewal Term or Fair Market Renewal Term, as the case may be.

Section 22.5 Appraisal. Promptly following Lessee's written notice pursuant to Section 22.2 of its election to retain any Units at the end of the Basic Term or a Renewal Term, as the case may be, Lessor and Lessee shall determine the remaining useful life (based on the actual condition of a reasonable sampling of such Units and determined pursuant to the appraisal

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procedure set forth in the definition of Fair Market Sales Value) and the Fair Market Sales Value and Fair Market Rental Value of the Units to be retained, in each case assuming the Units are in the condition required by this Lease.

Section 22.6 Stipulated Loss Value and Termination Value During Renewal Term. All of the provisions of this Lease, other than Section 10, shall be applicable during any renewal term for such Units, except as specified in the next sentence. During any Renewal Term, the Stipulated Loss Value and Termination Value of any Unit shall be determined on the basis of the Fair Market Sales Value of such Unit as of the first day of such Renewal Term, reduced in equal monthly increments to the Fair Market Sales Value of such Unit as of the last day of such Renewal Term; provided that in no event during any Fixed Rate Renewal Term shall the Stipulated Loss Value and Termination Value of any Unit be less than 20% of the Equipment Cost of such Unit.

Section 23. Limitation of Lessor's Liability.

It is expressly agreed and understood that all representations, warranties and undertakings of Lessor hereunder (except as expressly provided herein) shall be binding upon Lessor only in its capacity as Owner Trustee under the Trust Agreement and in no case shall First Security Bank, N.A. be personally liable for or on account of any statements, representations, warranties, covenants or obligations stated to be those of Lessor hereunder, except that Lessor (or any successor Owner Trustee) shall be personally liable for its gross negligence or wilful misconduct and for its breach of its covenants, representations and warranties contained herein to the extent covenanted or made in its individual capacity.

Section 24. Investment of Security Funds.

Any moneys received by Lessor or the Indenture Trustee pursuant to Section 12.2 which are required to be paid to Lessee after completion of repairs to be made pursuant to Section 12.2 or pursuant to Section 11.4(a) or 11.5, as the case may be, until paid to Lessee as provided in Section 11.4(a),

11.5 or 12.2 or the curing of a Lease Default or Lease Event of Default or as otherwise applied as provided herein or in the Trust Agreement and Indenture, shall be invested at the risk and expense of Lessee in Specified Investments by Lessor (unless the Indenture shall not have been discharged, in which case, by the Indenture Trustee as provided in Section 6.04(b) of the Indenture) from time to time as directed by telephone (and confirmed promptly thereafter in writing) by Lessee if such investments are reasonably available for purchase. There shall be promptly remitted to Lessee, so long as no Lease Default relating to Section 14(a), (b), (g) or (h) or Lease Event of Default shall have occurred and be continuing, any gain (including interest received) realized as the result of any such investment (net of any fees, commissions and other expenses, if any, incurred in connection with such investment) and Lessee will promptly pay to Lessor or the Indenture Trustee, as the case may be, on demand, the amount of any loss realized as the result of any such investment (together with any fees, commissions and other expenses, if any, incurred in connection with such investment), such

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amount to be disposed of in accordance with the terms of the Trust Agreement and the Indenture.

Section 25. Miscellaneous.

Section 25.1 Governing Law; Severability. This Lease, and any extensions, amendments, modifications, renewals or supplements hereto shall be governed by and construed in accordance with the internal laws and decisions of the State of New York; provided, however, that the parties shall be entitled to all rights conferred by any applicable Federal statute, rule or regulation. Whenever possible, each provision of this Lease shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Lease shall be prohibited by or invalid under the laws of any jurisdiction, such provision, as to such jurisdiction, shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Lease in any other jurisdiction.

Section 25.2 Execution in Counterparts. This Lease may be executed in any number of counterparts, each executed counterpart constituting an original and in each case such counterparts shall constitute but one and the same instrument; provided, however, that to the extent that this Lease constitutes chattel paper (as such term is defined in the Uniform Commercial Code) no security interest in this Lease may be created through the transfer or possession of any counterpart hereof other than the counterpart bearing the receipt therefor executed by the Indenture Trustee on the signature page hereof, which counterpart shall constitute the only "original" hereof for purposes of the Uniform Commercial Code.

Section 25.3 Headings and Table of Contents; Section References. The headings of the sections of this Lease and the Table of Contents are inserted for purposes of convenience only and shall not be construed to affect the meaning or construction of any of the provisions hereof. All references herein to numbered sections, unless otherwise indicated, are to sections of this Lease.

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

Section 25.5 True Lease. It is the intent of the parties to this Lease that it will be a true lease and not a "conditional sale," and that Lessor shall at all times be considered to be the owner of each Unit which is the subject of this Lease for the purposes of all Federal, state, city and local income taxes or for franchise taxes measured by income, and that this Lease conveys to Lessee no right, title or interest in any Unit except as lessee. Nothing contained in this Section 25.5 shall be construed to limit Lessee's use or operation of any Unit or constitute a representation, warranty or covenant by Lessee as to tax consequences.

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Section 25.6 Amendments and Waivers. No term, covenant, agreement or condition of this Lease may be terminated, amended or compliance therewith waived (either generally or in a particular instance, retroactively or prospectively) except by an instrument or instruments in writing executed by each party hereto and except as may be permitted by the terms of the Indenture.

Section 25.7 Survival. All warranties, representations, indemnities and covenants made by either party hereto, herein or in any certificate or other instrument delivered by such party or on the behalf of any such party under this Lease, shall be considered to have been relied upon by the other party hereto and shall survive the consummation of the transactions contemplated hereby on the Closing Date regardless of any investigation made by either such party or on behalf of either such party, and to the extent having accrued and not been paid or relating to or otherwise arising in connection with the transactions contemplated by the Operative Agreements during the Lease Term, shall survive the expiration or other termination of this Lease or any other Operative Agreement.

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

Section 25.9 Directly or Indirectly. Where any provision in this Lease refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

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

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

Lessor:

First Security Bank, N.A., not in its individual capacity except as otherwise expressly provided but solely as Owner Trustee

By: _____

Name:
Title:

Lessee:

General American Transportation Corporation

By: _____

Name:
Title

State of)
) SS
County of)

On this ____ day of August, 1996, before me personally appeared _____, to me personally known, who being by me duly sworn, say that he is _____ of First Security Bank, N.A., that said instrument was signed on such date on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

[Notarial Seal]

My commission expires:

State of Illinois)
) SS
County of Cook)

On this ____ day of August, 1996, before me personally appeared _____, to me personally known, who being by me duly sworn, say that he is the _____ of General American Transportation Corporation, that said instrument was signed on such date on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

[Notarial Seal]

My commission expires:

EXHIBIT A

LEASE SUPPLEMENT NO. _____
(GATC TRUST NO. 96-1)

This Lease Supplement No. ____, dated as of _____, between First Security Bank, N.A., a national banking association, not in its individual capacity but solely as Owner Trustee under the Trust Agreement ("Lessor"), and General American Transportation Corporation, a New York corporation ("Lessee");

Witnesseth:

Lessor and Lessee have heretofore entered into that certain Equipment Lease Agreement (GATC Trust No. 96-1) dated as of August 28, 1996

(the "Lease"). The terms used herein are used with the meanings specified in the Lease.

The Lease provides for the execution and delivery of one or more Lease Supplements substantially in the form hereof for, among other things, the purpose of particularly describing all or a portion of the Units of Equipment to be leased to Lessee under the Lease.

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

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

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

3. To the extent that this Lease Supplement constitutes chattel paper (as such term is defined in the Uniform Commercial Code) no security interest in this Lease Supplement may be created through the transfer or possession of any counterpart hereof other than the counterpart bearing the receipt therefor executed by the Indenture Trustee on the signature page hereof, which counterpart shall constitute the only "original" hereof for purposes of the Uniform Commercial Code.

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

5. This Lease Supplement may be executed in any number of counterparts, each executed counterpart constituting an original but all together one and the same instrument.

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

First Security Bank, N.A., not in its individual capacity but solely as Owner Trustee

By: _____

Name:
Title:

General American Transportation Corporation

By: _____

Name:
Title:

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State of)
) SS
County of)

On this ____ day of August, 1996, before me personally appeared _____, to me personally known, who being by me duly sworn, say that he is _____ of First Security Bank, N.A., that said instrument was signed on such date on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

[Notarial Seal]

My commission expires:

State of Illinois)
) SS
County of Cook)

On this ____ day of August, 1996, before me personally appeared _____, to me personally known, who being by me duly sworn, say that he is _____ of General American Transportation Corporation, that said instrument was signed on such date on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

[Notarial Seal]

My commission expires:

Appendix A
Participation Agreement
Equipment Lease Agreement
Trust Indenture and Security Agreement
Trust Agreement
(GATC Trust No. 96-1)

DEFINITIONS

General Provisions

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

Unless the context otherwise requires, (i) references to agreements shall be deemed to mean and include such agreements as the same may be amended, supplemented and otherwise modified from time to time, and (ii) references to parties to agreements shall be deemed to include the permitted successors and assigns of such parties.

Defined Terms

"AAR" shall mean the Association of American Railroads or any successor thereto.

"Affiliate" of any Person shall mean any other Person which directly or indirectly controls, or is controlled by, or is under a common control with, such Person. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of

a Person, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" shall have meanings correlative to the foregoing.

"After-Tax Basis" shall mean, with respect to any payment received or accrued by any Person, that the amount of such payment is supplemented by a further payment or payments so that the sum of all such payments, after reduction for all Taxes payable by such Person imposed by any taxing authority, shall be equal to the payment due to such Person.

"Alternative Minimum Tax" shall mean the alternative minimum tax imposed under Section 55 of the Code.

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

"Average Life Date" shall mean, with respect to an Equipment Note, 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.

"Bankruptcy Code" shall mean the United States Bankruptcy Reform Act of 1978, as amended from time to time, 11 U.S.C. Section 101 et. seq.

"Basic Group" shall mean each of the two basic groups of Equipment so designated in Schedule 1 to the Participation Agreement.

"Basic Prospectus" shall mean the prospectus contained in the Registration Statement when the most recent post-effective amendment thereto became effective.

"Basic Rent" shall mean, with respect to any Unit, all rent payable by the Lessee to the Lessor pursuant to Section 3.2 of the Lease for the Basic Term for such Unit, and all rent payable pursuant to Section 22.4 of the Lease for any Renewal Term for such Unit.

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

"Basic Term Commencement Date" shall mean August 28, 1996.

"Basic Term Expiration Date" shall mean (i) with respect to the Units related to Lease Supplement No. I, August 28, 20__, and (ii) with respect to the Units related to Lease Supplement No. II, August 28, 20__.

"Basic Term Purchase Price" shall mean, with respect to any Unit, the amount equal to the product of the percentage set forth in Schedule 7 to the Participation Agreement applicable to such Unit and the Equipment Cost for such Unit.

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

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

"Business Day" shall mean any day other than a Saturday, Sunday or a day on which commercial banking institutions are authorized or required by law, regulation or executive order to be closed in New York, New York, Chicago, Illinois, Pittsburgh, Pennsylvania, Birmingham, Alabama, the city and state in which the principal corporate trust office of the Owner Trustee

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is located, or, until the Lien of the Indenture has been discharged, the city

and state in which the principal corporate trust office of the Indenture Trustee is located.

"Certificateholder" means the Person in whose name a Pass Through Certificate is registered in the register for Pass Through Certificates of a particular series.

"Claims" shall have the meaning specified in Section 7.2 of the Participation Agreement.

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

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

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

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

[AMSOUTH: "DEFERRED PORTION" SHALL MEAN THAT PORTION OF THE EARLY PURCHASE PRICE, THE PAYMENT OF WHICH MAY BE DEFERRED BY THE LESSEE PAST THE APPLICABLE EARLY PURCHASE DATE FOR SUCH UNIT OR UNITS, AS SET FORTH IN SCHEDULE 6 TO THE PARTICIPATION AGREEMENT.]

[AMSOUTH: "DEFERRED PORTION PAYMENT DATES" SHALL MEAN THE DEFERRED PORTION PAYMENT DATES SPECIFIED ON SCHEDULE 6 TO THE PARTICIPATION AGREEMENT FOR A RELATED BASIC GROUP OF UNITS.]

"Determination Date" shall mean the 28th day of any calendar month.

"Early Purchase Date" shall mean the early purchase date specified on Schedule 6 to the Participation Agreement for a related Basic Group of Units.

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

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

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"Equipment Cost" shall mean, for each Unit, the purchase price therefor paid by the Owner Trustee to the Lessee pursuant to Section 2 of the Participation Agreement and as set forth in Schedule 1 to the Participation Agreement with respect to such Unit. Notwithstanding anything in the Operative Agreements to the contrary, the Equipment Cost for any Replacement Unit shall be deemed to be the Equipment Cost or deemed Equipment Cost of the Unit it replaced.

"Equipment Notes" shall mean the Equipment Notes, each to be substantially in the form therefor set forth in Section 2.01 of the Indenture, issued by the Owner Trustee pursuant to Section 2.02 of the Indenture, and authenticated by the Indenture Trustee, in principal amounts, maturities and bearing interest at the rates and payable as provided in Section 2.02 of the Indenture and secured as provided in the Granting Clause of the Indenture, and shall include any Equipment Notes issued in exchange therefor or replacement thereof pursuant to Section 2.07 or 2.08 of the Indenture. A "related" Equipment Note, when used with respect to any Unit or Units of Equipment, shall mean one of the Equipment Notes issued with respect to the Lease Supplement under which such Unit or Units of Equipment is or are leased.

"ERISA" shall mean the Employee Retirement Income Security Act of

1974, as amended from time to time, or any successor law.

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

"Excepted Property" shall mean (i) all indemnity payments (including, without limitation, payments pursuant to Section 7 of the Participation Agreement and payments under the Tax Indemnity Agreement) to which the Owner Participant, the Owner Trustee, as trustee or in its individual capacity, or any of their respective successors, permitted assigns, directors, officers, employees, servants and agents is entitled pursuant to the Operative Agreements, (ii) any right, title or interest of the Owner Trustee, as trustee or in its individual capacity, or the Owner Participant to any payment which by the terms of Section 17 of the Lease or any corresponding payment under Section 3.3 of the Lease shall be payable to or on behalf of the Owner Trustee, as trustee or in its individual capacity, or to the Owner Participant, as the case may be, (iii) any insurance proceeds payable under insurance maintained by the Owner Trustee, as trustee or in its individual capacity, or the Owner Participant pursuant to Section 12.5 of the Lease, (iv) any insurance proceeds payable to or on behalf of the Owner Trustee, as trustee or in its individual capacity, or to the Owner Participant, under any public liability insurance maintained by Lessee pursuant to Section 12 of the Lease (which shall include the amount of any self-insured retention paid by the Lessee) or by any other Person, (v) Transaction Costs or other amounts or expenses paid or payable to, or for the benefit of Owner Trustee, as trustee or in its individual capacity, or Owner Participant pursuant to the Participation Agreement or the Trust Agreement, (vi) all right, title and interest of Owner Participant or Owner Trustee, as trustee or in its individual capacity, in or relating to any portion of the Units and any other property (tangible or intangible), rights, titles or interests to the extent any of the foregoing has been released from the Lien of the Indenture pursuant to the terms thereof, (vii) upon termination of the Indenture pursuant to the terms thereof with respect to any Unit, all remaining amounts which shall have been paid or are payable by Lessee and calculated on the basis of Stipulated Loss Value,

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(viii) any rights of the Owner Participant or the Owner Trustee, as trustee and in its individual capacity, to demand, collect, sue for, or otherwise receive and enforce payment of the foregoing amounts, (ix) any amount payable to the Owner Participant by any Transferee as the purchase price of the Owner Participant's interest in the Trust Estate in compliance with the terms of the Participation Agreement and the Trust Agreement and (x) the respective rights of the Owner Trustee, as trustee and in its individual capacity, or the Owner Participant to the proceeds of and interest on the foregoing.

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

"Fair Market Rental Value" or "Fair Market Sales Value" with respect to any Unit of Equipment shall mean the cash rent or cash price obtainable for such Unit in an arm's length lease or sale between an informed and willing lessee or purchaser under no compulsion to lease or purchase, as the case may be, and an informed and willing lessor or seller, under no compulsion to lease or sell, as the case may be, as the same shall be specified by agreement between Lessor and Lessee. If the parties are unable to agree upon a Fair Market Rental Value and/or a Fair Market Sales Value within 30 days after delivery of notice by Lessee pursuant to Section 22.2 of the Lease, or otherwise where such determination is required, within a reasonable period of time, such value shall be determined by appraisal. Lessee will within 15 days after such 30-day period provide Lessor the name of an appraiser that would be satisfactory to Lessee, and Lessor and Lessee will consult with the intent of selecting a mutually acceptable appraiser. If a mutually acceptable appraiser is selected, the Fair Market Rental Value or the Fair Market Sales Value, as the case may be, shall be determined by such appraiser and Lessee shall bear the cost thereof. If Lessee and Lessor are unable to agree upon a single appraiser within such 15-day period, two independent qualified appraisers, one chosen by Lessee and one chosen by Lessor shall jointly determine such value and Lessor shall bear the cost of the appraiser selected by Lessor and Lessee shall bear the cost of the appraiser selected by Lessee. If such appraisers cannot agree on the amount of such value within 15 days of appointment, one independent qualified appraiser shall be chosen by the American Arbitration Association. All three appraisers shall make a determination within a period of 15 days following appointment, and shall promptly communicate such

determination in writing to Lessor and Lessee. If there shall be a panel of three appraisers, the three appraisals shall be averaged and such average shall be the Fair Market Rental Value or Fair Market Sales Value, as the case may be. The determination made shall be conclusively binding on both the Lessor and Lessee. If there shall be a panel of three appraisers, Lessee and Lessor shall equally share the cost of the third appraiser. If such appraisal is pursuant to Section 6.1(e) or is in connection with the exercise of remedies set forth in Section 15 of the Lease, Lessee shall pay the costs of such appraisal. Notwithstanding any of the foregoing, for the purposes of Section 15 of the Lease, the Fair Market Rental Value or the Fair Market Sales Value, as the case may be, shall be zero with respect to any Unit if Lessor is unable to recover possession of such Unit in accordance with the terms of paragraph (b) of Section 15.1 of the Lease.

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"Final Prospectus" shall mean the prospectus supplement relating to the Pass Through Certificates that was first filed pursuant to Rule 424(b) promulgated pursuant to the Securities Act of 1933, as amended, together with the Basic Prospectus.

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

"FRA" shall mean the Federal Railroad Administration or any successor thereto.

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

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

"Income Tax" shall have the meaning specified in Section 7.1(l) of the Participation Agreement.

"Indemnified Person" shall have the meaning specified in Section 7.2(b) of the Participation Agreement.

"Indenture" or "Trust Indenture" shall mean the Trust Indenture and Security Agreement (GATC Trust No. 96-1), dated as of August 28, 1996 between the Owner Trustee, in the capacities described therein, and the Indenture Trustee. The term "Indenture" shall include, except where the context otherwise requires, each Indenture Supplement entered into pursuant to the terms of the Indenture.

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

"Indenture Estate" shall have the meaning specified in the Granting Clause of the Indenture.

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"Indenture Event of Default" shall have the meaning specified in Section 4.01 of the Indenture.

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

"Indenture Supplement" shall mean an Indenture Supplement (GATC Trust No. 96-1) dated the Closing Date or the date that any Replacement Unit is subjected to the lien and security interest of the Indenture, substantially in the form of Exhibit A to the Indenture, between the Owner Trustee, in the capacities described therein, and the Indenture Trustee, covering the Units delivered on the Closing Date or such Replacement Unit, as the case may be. A "related" Indenture Supplement, when used with respect to any Unit or Units of Equipment, shall mean the Indenture Supplement under which such Unit or Units of Equipment is or are included in the Indenture Estate.

"Indenture Trustee" shall mean The First National Bank of Chicago, a national banking association, as trustee under the Indenture and its successors thereunder.

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

"Interchange Rules" shall mean the interchange rules or supplements thereto of the Mechanical Division of the Association of American Railroads, as the same may be in effect from time to time.

"Investment Banker" shall mean an independent investment banking institution of national standing appointed by Lessee or, if the Indenture Trustee does not receive notice of such appointment 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, appointed by the Indenture Trustee.

"Late Rate" shall mean the lesser of 2% over the Debt Rate and the maximum interest rate from time to time permitted by law.

"Lease" or "Lease Agreement" or "Equipment Lease" shall mean the Equipment Lease Agreement (GATC Trust No. 96- 1), relating to the Equipment, dated as of August 28, 1996, between the Owner Trustee, in the capacities described therein, as Lessor, and the Lessee. The term "Lease" shall, except where the context otherwise requires, include each Lease Supplement entered into pursuant to the terms of the Lease.

"Lease Default" shall mean a Lease Event of Default or an event which with notice or lapse of time or both would become a Lease Event of Default.

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

"Lease Supplement" shall mean a Lease Supplement (GATC Trust No. 96-1), dated the Closing Date or the date that any Replacement Unit is subjected to the Lease, substantially in the form of Exhibit A to the Lease, between the Lessor and the Lessee, covering the Units delivered on the Closing Date or such Replacement Unit, as the case may be. A "related" Lease Supplement, when used with respect to any Unit or Units of Equipment, shall mean the Lease Supplement under which such Unit or Units of Equipment is or are leased.

"Lease Term" shall mean, with respect to any Unit, the Basic Term applicable to such Unit and any Renewal Term applicable to such Unit then in effect.

"Lessee" shall mean General American Transportation Corporation, a New York corporation, and its successors and permitted assigns.

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

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

Lease.

"Lessor's Liens" means any Lien affecting, on or in respect of the Equipment, the Lease or the Trust Estate arising as a result of (i) claims against Lessor (in its individual capacity or as Owner Trustee) or the Owner Participant, not related to the transactions contemplated by the Operative Agreements, or (ii) acts or omissions of the Lessor (in its individual capacity or as Owner Trustee) or the Owner Participant not related to the transactions contemplated by the Operative Agreements or in breach of any covenant or agreement of such Person set forth in any of the Operative Agreements, or (iii) taxes imposed against the Lessor (in its individual capacity or as Owner Trustee) or the Owner Participant or the Trust Estate which are not indemnified against by the Lessee pursuant to the Participation Agreement or under the Tax Indemnity Agreement.

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

"Limited Use Property" shall have the meaning set forth in Rev. Proc. 76-30, 1976-2 C.B. 647.

"Loan Participant" shall mean and include each registered holder from time to time of an Equipment Note issued under the Indenture, including, so long as it holds any Equipment Notes issued thereunder, the Pass Through Trustee under the Pass Through Trust Agreement.

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

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affected by such decision or action, excluding any Equipment Notes held by the Owner Participant or the Lessee or an Affiliate of the Owner Participant or the Lessee unless all Equipment Notes are so held.

"Make-Whole Amount" shall mean, with respect to the principal amount of any Equipment Note to be prepaid on any prepayment date, the amount which the Investment Banker determines as of the third Business Day prior to such prepayment date to 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 semi-annually on each August 28 and February 28 at a rate equal to the Treasury Rate plus 0.5%, based on a 360-day year of twelve 30-day months, over (ii) the aggregate unpaid principal amount of such Equipment Note plus 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) of this definition shall be determined after deducting the principal installment, if any, due on such prepayment date.

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

"Net Economic Return" shall mean the pattern of earnings within a 10% variance during any calendar year, net after-tax book yield and total after-tax cash flow [AMSOUTH: (BUT NOT THE PATTERN OF EARNINGS)] expected by the original Owner Participant with respect to the Equipment (both through the Early Purchase Date and the Basic Term Expiration Date), utilizing the multiple investment sinking fund method of analysis and the same assumptions as used by such Owner Participant in making the computations of Basic Rent, Stipulated Loss Value, Termination Value, Basic Term Purchase Price and Early Purchase Price initially set forth in Schedules 3, 4, 6 and 7 to the Participation Agreement.

"Non-Severable Modification" shall mean any Modification that is not readily removable without impairing the value, utility or remaining useful life of the Equipment or any Unit immediately prior to removal of such modification, other than in a de minimis nature.

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

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"Operative Agreements" shall mean the Participation Agreement, the Bill of Sale, the Trust Agreement, the Pass Through Trust Agreement, the Pass Through Trust Supplements, the Pass Through Certificates, the Equipment Notes, the Lease, the Lease Supplements, the Indenture, the Indenture Supplements, the Tax Indemnity Agreement and the Underwriting Agreement.

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

"Owner Participant" shall mean Dreyfus Service Corporation, a New York corporation [AMSOUTH LEASING CORPORATION, AN ALABAMA BANKING CORPORATION], and its successors and permitted assigns.

"Owner Participant Agreements" shall mean the Operative Agreements to which the Owner Participant is or will be a party.

"Owner Trustee" shall mean First Security Bank, N.A., a national banking association, not in its individual capacity but solely as Owner Trustee under the Trust Agreement and its successors thereunder.

"Owner Trustee Agreements" shall mean the Operative Agreements to which the Owner Trustee, either in its individual or fiduciary capacity, is or will be a party.

"Parent" means GATX Corporation, a New York corporation, and its successors and assigns.

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

"Participation Agreement" shall mean the Participation Agreement (GATC Trust No. 96-1) dated as of August 28, 1996, among the Lessee, the Pass Through Trustee, the Owner Participant, the Owner Trustee and the Indenture Trustee.

"Pass Through Certificates" shall mean the Pass Through Certificates issued pursuant to each of the Pass Through Trust Supplements and the Pass Through Trust Agreement.

"Pass Through Trust Agreement" shall mean the Pass Through Trust Agreement, dated as of August 1, 1992, between the Lessee and the Pass Through Trustee.

"Pass Through Trust Supplement" shall mean either of Trust Supplement No. 6 dated as of August 28, 1996 or Trust Supplement No. 7 dated as of August 28, 1996, each between the Lessee and the Pass Through Trustee, each of which supplements the Pass Through Trust Agreement (i) by creating a separate trust for the holders of certain Pass Through Certificates, (ii) by authorizing the issuance of such Pass Through Certificates and (iii) by establishing the terms of such Pass Through Certificates.

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"Pass Through Trustee" shall mean The First National Bank of Chicago,

a national banking association, in its capacity as trustee under the Pass Through Trust Agreement, as supplemented by the Pass Through Trust Supplements, and each other person which may from time to time be acting as successor trustee under the Pass Through Trust Agreement, as supplemented by the Pass Through Trust Supplement.

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

"Permitted Liens" with respect to the Equipment and each Unit thereof shall mean: (i) the interests of the Lessee and the Owner Trustee under the Lease and the Lease Supplements; (ii) the interest of the Lessee and any sublessee as provided in any sublease permitted pursuant to Section 8.3 of the Lease; (iii) any Liens thereon for taxes, assessments, levies, fees and other governmental and similar charges not due and payable or the amount or validity of which is being contested in good faith by appropriate proceedings so long as there exists no material risk of sale, forfeiture, loss, or loss of or interference with use or possession of any Unit or interference with the payment of Rent; (iv) any Liens of mechanics, suppliers, materialmen, laborers, employees, repairmen and other like Liens arising in the ordinary course of Lessee's (or if a sublease is then in effect, any sublessee's) business securing obligations which are not due and payable or the amount or validity of which is being contested in good faith by appropriate proceedings so long as there exists no material risk of sale, forfeiture, loss, or loss of or interference with use or possession of any Unit or interference with the payment of Rent; (v) the Lien and security interest granted to the Indenture Trustee under and pursuant to the Indenture, and the respective rights of the Loan Participant, the Indenture Trustee, the Owner Participant and the Owner Trustee under the Operative Agreements; (vi) Liens arising out of any judgment or award against the Lessee (or any sublessee permitted pursuant to Section 8.3 of the Lease) with respect to which an appeal or proceeding for review is being presented in good faith and for the payment of which adequate reserves have been provided as required by generally accepted accounting principles or other appropriate provisions have been made and with respect to which there shall have been secured a stay of execution pending such appeal or proceeding for review and there exists no material risk of sale, forfeiture, loss, or loss of or interference with the use or possession of any Unit or any interest therein or interference with the payment of Rent, and (vii) salvage rights of insurers under insurance policies maintained pursuant to Section 12 of the Lease.

"Permitted Subleases" shall have the meaning specified in Section 8.3 of the Lease.

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

"Preliminary Final Prospectus" shall mean any preliminary prospectus supplement to the Basic Prospectus which describes the Pass Through Certificates and the offering thereof and is used prior to the filing of the Final Prospectus, together with the Basic Prospectus.

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"Premium Termination Date" shall mean (i) in the case of the Series of Equipment Notes designated as Series A for Lease Supplement No. I, August 28, 20__, (ii) in the case of the Series of Equipment Notes designated as Series B for Lease Supplement No. I, August 28, 20__, (iii) in the case of the Series of Equipment Notes designated as Series A for Lease Supplement No. II, August 28, 20__, and (iv) in the case of the Series of Equipment Notes designated as Series B for Lease Supplement No. II August 28, 20__.

"Pricing Date" shall mean the date on which the Underwriting Agreement is executed by the Lessee and the Underwriters.

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

"Registration Statement" shall mean the registration statement filed by the Lessee (File Number 33-64697), including incorporated documents, exhibits and financial statements, as amended at the time of the Closing Date, including any post-effective amendment thereto which has become effective prior to the Closing Date.

"Related Indemnatee Group" shall have the meaning specified in Section 7.2(b) of the Participation Agreement.

"Related Transaction" means the additional leveraged lease transaction with respect to which the Pass Through Trustee has agreed to acquire the equipment notes to be issued pursuant to the participation agreement dated as of August 28, 1996 among the Lessee, the Pass Through Trustee, AmSouth Leasing Corporation, the Owner Trustee and the Indenture Trustee.

"Remaining Weighted Average Life" shall mean, with respect to any date of prepayment or any date of determination of any Equipment Note, 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 date or date of determination to but excluding the scheduled payment date of such principal payment by (b) the unpaid principal amount of such Equipment Note.

"Renewal Term" shall mean, with respect to any Unit, any term in respect of which the Lessee shall have exercised its option to renew the Lease for such Unit pursuant to Section 22.4 thereof, including any Fixed Rate Renewal Term or Fair Market Renewal Term.

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

"Rent Payment Date" or "Payment Date" shall mean each August 28 and February 28 of each year occurring during the Lease Term, commencing February 28, 1997, provided that if any such date shall not be a Business Day, then "Rent Payment Date" or "Payment Date" shall mean the next succeeding Business Day.

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"Replacement Unit" shall mean a covered hopper car or tank car, as the case may be, which shall have been leased under the Lease pursuant to Section 11.4 of the Lease.

"Required Modification" shall have the meaning specified in Section 9.1 of the Lease.

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

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

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

"Series" shall mean each of the two series of Equipment Notes for each Lease Supplement so designated in Exhibit B to the Indenture.

"Severable Modification" shall mean any Modification that is readily removable without causing material damage to the Equipment or any Unit and without diminishing the value, utility or useful life of such Unit below the value, utility or useful life of such Unit immediately prior to such Modification, assuming that such Unit was then in the condition required to be maintained by the terms of the Lease, other than in a de minimis nature.

"Special Purchase Defeasance" shall mean, with respect to any election by Lessee to purchase Units under Section 22.1 or 22.3 of the Lease, the deposit by Lessee with the Indenture Trustee prior to the date as of which Lessor shall have declared the Lease to be in default as a result of a Lease Event of Default under Section 14(c), 14(d), 14(e), 14(f) or 14(i) of the Lease (in circumstances where such Lease Event of Default occurs after the date of Lessee's notice to purchase under Sections 22.1 or 22.3 but before the Early Purchase Date or the expiration of the Basic Term or any Renewal Term, as applicable), of an amount sufficient to pay (i) the Early Purchase Price, together with all other amounts due and owing by the Lessee under the Operative Agreements, with respect to those Units which Lessee has elected to purchase on

the Early Purchase Date under Section 22.1 of the Lease, or (ii) the Basic Term Purchase Price or Fair Market Sales Value, as the case may be, together with all other amounts due and owing by the Lessee under the Operative Agreements, with respect to those Units which Lessee has elected to purchase at the expiration of the Basic Term or any Renewal Term, as applicable, under Section 22.3 of the Lease. All amounts deposited by Lessee with the Indenture Trustee in connection with a Special Purchase Defeasance shall be held and invested by the Indenture Trustee in accordance with Section 6.04(b) of the Indenture pending consummation of the purchase of the related Units on the Early Purchase Date or upon the expiration of the Basic Term or the related Renewal Term, as applicable.

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"Specified Investments" shall mean (i) direct obligations of the United States of America and agencies thereof for which the full faith and credit of the United States 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 the 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) and (iii) above; provided that if all of the above investments are unavailable, the entire amount to be invested may be used to purchase Federal funds from an entity described in (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.

"STB" shall mean the Surface Transportation Board of the United States Department of Transportation or any successor thereto.

"Stipulated Loss Value" for any Unit as of any date of determination shall mean the amount determined by multiplying the Equipment Cost for such Unit by the percentage set forth in Schedule 4 to the Participation Agreement opposite the Rent Payment Date or the Determination Date, as applicable, on which such Stipulated Loss Value is being determined for the Basic Group to which such Unit belongs; provided that during any Renewal Term, "Stipulated Loss Value" shall be determined as provided in Section 22.6 of the Lease. Anything contained in the Lease or in the Participation Agreement to the contrary notwithstanding, Stipulated Loss Value for such Unit (both before and after any adjustment pursuant to Section 2.6 of the Participation Agreement) will, under any circumstances and in any event, be an amount which, together with any other amounts required to be paid by Lessee under the Lease in connection with an Event of Loss, will be at least sufficient to pay in full as of the date of payment thereof the aggregate unpaid principal of the Equipment Notes issued in respect of such Unit, together with all unpaid interest and Make-Whole Amount, if any, thereon accrued to the date on which such amount is paid in accordance with the terms hereof and all other amounts then due to the holders of the Equipment Notes.

"Storage Period" shall have the meaning specified in Section 6.1(c) (i) of the Lease.

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

"Supplemental Rent" shall mean all amounts, liabilities and obligations (other than Basic Rent) which the Lessee is obligated to pay under the Operative Agreements to or on behalf of

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any of the other parties thereto, including, but not limited to, Termination Value and Stipulated Loss Value payments.

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

"Tax Indemnitee" shall have the meaning specified in Section 7.1 of the Lease.

"Tax Indemnity Agreement" shall mean the Tax Indemnity Agreement dated as of August 28, 1996 (GATC Trust No. 96-1) between the Lessee and the Owner Participant.

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

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

"Termination Value" for any Unit as of any date of determination shall mean the amount determined by multiplying the Equipment Cost for such Unit by the percentage set forth in Schedule 4 to the Participation Agreement opposite the Rent Payment Date or the Determination Date, as applicable, on which such Termination Value is being determined for the Basic Group to which such Unit belongs; provided that during any Renewal Term, "Termination Value" shall be determined as provided in Section 22.6 of the Lease. Anything contained in the Lease or in the Participation Agreement to the contrary notwithstanding, Termination Value for such Unit (both before and after any adjustment pursuant to Section 2.6 of the Participation Agreement) will, under any circumstances and in any event, be an amount which, together with any other amounts required to be paid by Lessee under the Lease in connection with such termination, will be at least sufficient to pay in full as of the date of payment thereof the aggregate unpaid principal of the Equipment Notes issued in respect of such Unit, together with all unpaid interest and Make-Whole Amount, if any, thereon accrued to the date on which such amount is paid in accordance with the terms thereof and all other amounts then due to the holders of the Equipment Notes.

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

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

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

"Treasury Rate" shall mean with respect to prepayment of each Equipment Note, 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 for United States Treasury securities maturing on the Average Life Date 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)

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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 for 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.

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

"Trust Agreement" shall mean that certain Trust Agreement (GATC Trust No. 96-1), dated as of August 28, 1996, between the Owner Participant and the

Owner Trustee.

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

"Trustee" shall mean each of the Owner Trustee, the Indenture Trustee or the Pass Through Trustee and "Trustees" shall mean the Owner Trustee, Indenture Trustee and the Pass Through Trustee, collectively.

"Underwriters" shall mean Morgan Stanley & Co. Incorporated and Salomon Brothers Inc.

"Underwriting Agreement" shall mean that certain Underwriting Agreement between the Lessee and the Underwriters, pertaining to the sale of the Pass Through Certificates.

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

TRUST AGREEMENT

Dated as of August 28, 1996

Between

Dreyfus Service Corporation [AMSOUTH LEASING CORPORATION],
Owner Participant

and

First Security Bank, N.A.,
Owner Trustee

Covered Hoppers and Tank Cars

GATC Trust No. 96-1

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TRUST AGREEMENT

This Trust Agreement is entered into as of August 28, 1996 between Dreyfus Service Corporation, a New York corporation [AMSOUTH LEASING CORPORATION, AN ALABAMA BANKING CORPORATION], (the "Owner Participant"), and First Security Bank, N.A., a national banking association, (in its individual capacity, "Trust Company," and otherwise not in its individual capacity but solely as trustee hereunder, the "Owner Trustee"). In consideration of the mutual agreements herein contained, the agreements contained in the other Operative Agreements and the acceptance by Trust Company of the trusts hereby created, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1. Definitions. The capitalized terms used in this Trust Agreement have the meanings given in Appendix A unless otherwise defined herein or unless the context otherwise requires. For all purposes hereof, the following terms shall have the following meanings:

"Accepted Equipment" means all of the Accepted Units.

"Accepted Unit" means each Unit that has been purchased by the Owner Trustee pursuant to the Participation Agreement and any Replacement Unit.

"Actual Knowledge" of Trust Company or the Owner Trustee means actual knowledge of, including any written notices received by, a responsible officer in the Corporate Trust Administration of Trust Company.

Section 1.2. Interpretation. Unless otherwise indicated, references in this Trust Agreement to Sections, subsections, paragraphs and Appendices are to Sections, subsections, paragraphs and Appendices of this Trust Agreement. The terms "hereof," "herein," "hereby," "hereto" and "hereunder" refer to this Trust Agreement, taken as a whole. References to a given agreement or instrument are references to such agreement or instrument as originally entered into, as modified, amended, supplemented and restated through the date as of which such reference is made.

ARTICLE II AUTHORITY; DECLARATION OF TRUST

Section 2.1. Authority to Execute and Perform Various Documents. The Owner Participant hereby authorizes and directs the Owner Trustee to, and the Owner Trustee agrees for the benefit of the Owner Participant that it will, (i) execute and deliver the Participation

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Agreement, (ii) on the Closing Date, upon receipt of the confirmation by the Owner Participant pursuant to Section 2.4 of the Participation Agreement, execute and deliver the Operative Agreements contemplated by the Participation Agreement to be executed and delivered by the Owner Trustee on the Closing Date, in the respective forms thereof in which delivered by the Owner Participant to the Owner Trustee for execution and delivery, and to take the other actions contemplated to be taken by the Owner Trustee on the Closing Date in Section 2 of the Participation Agreement, (iii) execute and deliver any other agreement, instrument or certificate contemplated by the Operative Agreements as the Owner Participant from time to time may direct in writing, (iv) subject to the terms of this Trust Agreement, exercise the rights (upon written instructions received from the Owner Participant) and perform the duties of the Owner Trustee under each of the documents, agreements, instruments and certificates referred to in clauses (i) through (iii) of this Section 2.1 as set forth in such documents, agreements, instruments and certificates, and (v) subject to the terms of this Trust Agreement, take such other action in connection with the foregoing as the Owner Participant may from time to time direct in writing.

Section 2.2. Declaration of Trust. The Trust Company hereby declares that it will hold as Owner Trustee all estate, right, title and interest of the Owner Trustee in and to the Accepted Equipment and the Owner Trustee Agreements, and any other property contributed by the Owner Participant pursuant to the terms of any of the Operative Agreements, including without limitation all amounts of Rent, insurance proceeds and requisition, indemnity or other payments of any kind, but specifically excluding Excepted Property (collectively, the "Trust Estate"), upon the trusts set forth herein and for the use and benefit of the Owner Participant as sole beneficiary, subject, however, to the provisions of and the Lien created by the Indenture.

ARTICLE III DISTRIBUTIONS AND PAYMENTS

Section 3.1. Payments to the Indenture Trustee. Until the Lien of the Indenture shall have been discharged pursuant to the terms thereof, all Basic Rent, Supplemental Rent, insurance proceeds and requisition or other payments of any kind (other than payments constituting Excepted Property and other than payments received from the Indenture Trustee) for or with respect to any Accepted Unit payable to the Owner Trustee shall be payable directly to the Indenture Trustee for distribution in accordance with the provisions of the Indenture, and if any such amount or payment is received by the Owner Trustee, such amount or payment upon receipt thereof shall be paid over to the Indenture Trustee without deduction, set-off or adjustment of any kind for distribution in accordance with the provisions of the Indenture.

Section 3.2. Payments to the Owner Trustee; Other Parties. Any payment of the type referred to in Section 3.1 (other than payments constituting Excepted Property) received by the Owner Trustee after the

Indenture shall have been discharged pursuant to the terms thereof, any payment received from the Indenture Trustee other than as specified in Section 3.4 and any other amount received as part of the Trust Estate and for the application or distribution of which no

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provision is made herein shall be distributed forthwith upon receipt by the Owner Trustee in the following order of priority: first, so much of such payment as shall be required to reimburse the Owner Trustee for any expenses not otherwise reimbursed as to which the Owner Trustee is entitled to be so reimbursed pursuant to the provisions hereof shall be retained by the Owner Trustee; second, so much of the remainder for which provision as to the application thereof is contained in the Lease, any of the other Operative Agreements or any of the other Owner Trustee Agreements shall be applied and distributed in accordance with the terms of the Lease, such other Operative Agreement or such other Owner Trustee Agreement, as the case may be; and third, the balance, if any, shall be paid to the Owner Participant.

Section 3.3. Certain Distributions to the Owner Participant.
All amounts from time to time distributable by the Indenture Trustee to the Owner Participant pursuant to the terms of the Indenture shall, if paid to the Owner Trustee, be distributed by the Owner Trustee to the Owner Participant.

Section 3.4. Excepted Property. Anything in this Trust Agreement to the contrary notwithstanding, any amounts or payments constituting Excepted Property received by the Owner Trustee shall be paid promptly by the Owner Trustee to the Person to whom such amounts or payments are payable pursuant to the terms of the Operative Agreements.

Section 3.5. Method of Payment.

(a) All amounts payable to the Owner Participant or to the Indenture Trustee pursuant to this Trust Agreement shall be paid by the Owner Trustee, if to the Owner Participant, by transferring such amount in immediately available funds to the account of the Owner Participant specified in Schedule 2 to the Participation Agreement or, if to the Indenture Trustee, in the manner specified in the Indenture. The Owner Trustee shall pay such amounts on the day received, or on the next succeeding Business Day if the funds to be so paid shall not have been received by the Owner Trustee by 1:00 p.m. New York time, provided that the Owner Trustee shall use reasonable efforts to invest overnight in Specified Investments at the direction and for the benefit of the Owner Participant all funds received by it at or later than 1:00 p.m. New York time.

(b) Notwithstanding the foregoing, the Owner Trustee will pay, if so requested by the Owner Participant in writing, any or all amounts in immediately available funds payable by the Owner Trustee hereunder to the Owner Participant either (i) by crediting such amount or amounts to an account or accounts maintained by the Owner Participant with Trust Company, (ii) by payment to such account at such financial institution as the Owner Participant may from time to time direct in writing or (iii) by mailing an official bank check or checks in such amount or amounts payable to the Owner Participant at such address as the Owner Participant may from time to time designate in writing.

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ARTICLE IV CERTAIN DUTIES OF THE OWNER TRUSTEE

Section 4.1. Notice of Certain Events. In the event that the Owner Trustee shall have Actual Knowledge of any Lease Default, Lease Event of Default, Indenture Default, Indenture Event of Default or Event of Loss, the Owner Trustee shall give prompt telephonic notice thereof (promptly confirmed in writing) to the Owner Participant, the Lessee and the Indenture Trustee unless such Lease Default, Lease Event of Default, Indenture Default, Indenture Event of Default or Event of Loss, as the case may be, has been remedied before the giving of such notice and the Owner Trustee has Actual Knowledge that such

Lease Default, Lease Event of Default, Indenture Default, Indenture Event of Default or Event of Loss has been so remedied. Subject to the terms of Section 4.3, the Owner Trustee shall take or refrain from taking such action with respect thereto, not inconsistent with the provisions of the Operative Agreements, with respect thereto as the Owner Trustee shall be instructed in writing by the Owner Participant.

Section 4.2. Action Upon Instructions. Subject to the terms of Sections 4.1 and 4.3, upon the written instructions at any time and from time to time of the Owner Participant, the Owner Trustee will take such of the following actions as may be specified in such instructions: (i) give such notice or direction or exercise such right, remedy or power under the Owner Trustee Agreements with respect thereto or to any Accepted Equipment, including, without limitation, the right to transfer, assign or convey the Owner Trustee's interest in the Owner Trustee Agreements or any Accepted Unit, or take such other action with respect to the Owner Trustee Agreements or any Accepted Unit as shall be specified in such instructions; and (ii) after the expiration or earlier termination of the Lease with respect to any Accepted Unit, convey all of the Owner Trustee's right, title and interest in and to such Accepted Unit to the Owner Participant or for such amount, on such terms and to such purchaser or purchasers as shall be designated in such instructions, or net lease such Accepted Unit as designated in such instructions; provided, however, that if such instructions have not been delivered to the Owner Trustee prior to the expiration of one year following such expiration or earlier termination of the Lease, the Owner Trustee shall transfer title to such right, title and interest to the Owner Participant.

Section 4.3. Indemnification. The Owner Trustee shall not be required to take or refrain from taking any action under Section 4.1 or 4.2 (other than the actions specified in the first sentence of Sections 3.1 and 4.1 and the last sentence of Section 4.4) unless the Owner Trustee shall have been indemnified, in manner and form reasonably satisfactory to the Owner Trustee, against any liability, fee, cost or expense (including, without limitation, reasonable attorneys' fees) which may be incurred or charged in connection therewith, other than any such liability, fee, cost or expense arising as a result of any action or circumstance for which the Owner Trustee is answerable or accountable pursuant to the third sentence of Section 5.1. The Owner Trustee shall not be required to take any action under any Operative Agreement or any Owner Trustee Agreement (other than the actions specified in the first sentence of Section 4.1

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or in the second sentence of Section 4.4) if the Owner Trustee reasonably shall determine, or shall have been advised by counsel, that such action is likely to result in unindemnified personal liability to the Owner Trustee or is contrary to the terms hereof or of any documents contemplated hereby to which the Owner Trustee is a party, or otherwise contrary to law, and the Owner Trustee in such case shall deliver promptly to the Owner Participant written notice of the basis of its refusal to act.

Section 4.4. No Duties Except as Specified. The Owner Trustee shall not have any duty or obligation to manage, control, use, make any payment in respect of, register, record, insure, inspect, sell, dispose of or otherwise deal with any Accepted Unit or any other part of the Trust Estate, or to otherwise take or refrain from taking any action under, or in connection with, any Owner Trustee Agreement or any of the other Operative Agreements, except as expressly provided by the terms of this Trust Agreement, the Indenture or the Owner Trustee Agreements or in written instructions from the Owner Participant received pursuant to Section 4.1 or 4.2; and no implied duties or obligations shall be read into this Trust Agreement against the Owner Trustee. Notwithstanding and without limiting the foregoing, Trust Company agrees that it will promptly (without any right to indemnification hereunder) take all action necessary to discharge any Lessor's Lien attributable to Trust Company on any part of the Trust Estate or Indenture Estate. Trust Company agrees to indemnify, protect, save and keep harmless the Owner Participant from and against any loss, cost or expense (including reasonable legal fees and expenses) incurred by the Owner Participant as a result of the imposition or enforcement of any such Lessor's Lien against the Accepted Units, any interest herein or on the Trust Estate or the Indenture Estate resulting from the Lessor's Liens attributable to Trust Company.

Section 4.5. No Action Except Under Specified Agreements or Instructions. The Owner Trustee shall have no right, power or authority to,

and the Owner Trustee agrees that it will not, manage, control, use, sell, dispose of or otherwise deal with any Accepted Unit or any other part of the Trust Estate except as (i) expressly provided by the terms of this Trust Agreement, (ii) expressly required by the terms of any Owner Trustee Agreement or (iii) expressly directed or authorized in written instructions from the Owner Participant pursuant to Section 4.1 or 4.2.

Section 4.6. Tax Returns; Records. The Owner Trustee shall be responsible for the keeping of all appropriate books and records relating to the receipt and disbursement of all money which it may receive or be entitled to hereunder or under any agreement contemplated hereby. The Owner Trustee agrees at the expense of the Lessee to file an application with the Internal Revenue Service for a taxpayer identification number with respect to the trust created by this Trust Agreement. The Owner Participant shall be responsible for causing to be prepared all income tax returns required to be filed by the Owner Participant. The Owner Trustee shall be responsible for causing to be prepared, at the request of the Owner Participant and the expense of the Lessee, all income tax returns required to be filed with respect to the trusts created hereby and shall execute and file such returns. The Owner Trustee and the Owner Participant, upon request, will furnish each other with all such information as may be reasonably

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required in connection with the preparation of such tax returns; provided that the Owner Trustee shall send a completed copy of such return to the Owner Participant not more than 60 nor less than 30 days prior to the due date of the return (provided that the Owner Trustee shall have timely received all necessary information to complete and deliver to the Owner Participant such return). The Owner Trustee shall keep copies of all returns delivered to or filed by it.

Section 4.7. Absence of Certain Duties. Except in accordance with written instructions furnished pursuant to Sections 4.1 and 4.2, and except as expressly provided in any Owner Trustee Agreement, and without limiting the generality of Section 4.4, the Owner Trustee shall not have any duty to (i) file, record or deposit any Operative Agreement or Owner Trustee Agreement, including without limitation this Trust Agreement, or any other document, or to maintain any such filing, recording or deposit, or to refile, re-record or redeposit any such document, except that the Owner Trustee shall, upon written request by the Lessee or the Owner Participant, sign and file such documents as Lessee or the Owner Participant prepares as necessary to maintain the filing and recordation for the Lease, any Lease Supplement, the Indenture and any Indenture Supplement in the name of the Owner Trustee with the STB pursuant to 49 U.S.C. Section 11301 of the Interstate Commerce Act or Registrar General of Canada pursuant to Section 90 of the Railway Act of Canada, or as otherwise required under applicable law, and to the extent that such documents for that purpose are supplied by the Lessee pursuant to any of the Operative Agreements, timely submit any and all such documents and reports with respect to the Accepted Units which may from time to time be required by the STB, the AAR, or any other authority having jurisdiction, (ii) obtain insurance with respect to any Accepted Unit or to effect or maintain any such insurance, other than to receive and promptly forward to the Owner Participant any notices, policies, certificates or binders furnished to the Owner Trustee by the Lessee or its insurance brokers, (iii) maintain or mark any Accepted Unit, (iv) pay or discharge any tax, assessment or other governmental charge, or any Lien or encumbrance of any kind, owing with respect to or assessed or levied against any part of the Trust Estate, except as provided in Sections 4.4 or 5.1 hereof, and Section 6.3 of the Participation Agreement (v) confirm, verify, investigate or inquire into the failure to receive any reports or financial statements of the Lessee, (vi) inspect the Accepted Equipment at any time, or ascertain or inquire as to the performance or observance of any of the covenants of the Lessee or any other Person under any Operative Agreement or Owner Trustee Agreement with respect to any Accepted Unit or any other part of the Trust Estate or (vii) manage, control, use, sell, dispose of or otherwise deal with any Accepted Unit or any other part of the Trust Estate, or any part thereof, except as provided in clauses (i), (ii) and (iii) of Section 4.5 or in Section 3.5(a).

Section 4.8. Furnishing of Documents. The Owner Trustee will furnish to the Owner Participant, promptly upon receipt thereof, duplicates or copies of all reports, notices, requests, demands, opinions, certificates, financial statements and any other instruments furnished to the Owner Trustee under any Operative Agreement or any Owner Trustee Agreement, unless the Owner

Trustee shall have determined that the same already has been furnished to the Owner Participant.

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ARTICLE V
THE OWNER TRUSTEE

Section 5.1. Acceptance of Trusts and Duties. Trust Company accepts the trusts hereby created and agrees to perform the same on the terms of this Trust Agreement. Trust Company also agrees to disburse all moneys actually received by it constituting part of the Trust Estate pursuant to the terms of this Trust Agreement. Trust Company shall not be answerable or accountable under any circumstances except (i) for its own willful misconduct or gross negligence (including, without limitation, in connection with any activities of the Owner Trustee in violation of Section 4.5), (ii) in the case of the breach or inaccuracy of any of its representations or warranties contained in any Operative Agreement given expressly in its individual capacity and not in its capacity as a trustee hereunder, (iii) as arising from its failure to perform obligations expressly undertaken by it in the penultimate and last sentence of Section 4.4 hereof or expressly undertaken by it in its individual capacity under the Participation Agreement, (iv) for any Taxes based on or measured by any fees, commissions or compensation received by it for acting as Owner Trustee in connection with any of the transactions contemplated by the Operative Agreements or (v) for its failure to disburse or invest funds in accordance with the terms hereof or the Lease or for any negligence or willful misconduct of the Owner Trustee arising out of its obligations under Sections 4.1, 4.6 or 8.2.

Section 5.2. No Representations or Warranties as to Equipment or Documents.

(a) NEITHER TRUST COMPANY NOR THE OWNER TRUSTEE MAKES ANY REPRESENTATION OR WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE DESIGN, OPERATION OR CONDITION OF ANY UNIT OR ANY PART THEREOF, THE MERCHANTABILITY THEREOF OR THE FITNESS THEREOF FOR ANY PARTICULAR PURPOSE, TITLE TO ANY UNIT OR ANY PART THEREOF, THE QUALITY OF THE MATERIALS OR WORKMANSHIP THEREOF OR CONFORMITY THEREOF TO SPECIFICATIONS, OR THE PRESENCE OR ABSENCE OF ANY LATENT OR OTHER DEFECTS, WHETHER OR NOT DISCOVERABLE, except that Trust Company hereby represents and warrants that (i) on the Closing Date for such Accepted Unit, the Owner Trustee shall have received whatever title thereto was conveyed to it by the Lessee and (ii) while a part of the Trust Estate, such Accepted Unit shall be free and clear of Lessor's Liens attributable to it.

(b) Neither Trust Company nor the Owner Trustee makes any representation or warranty as to the validity or enforceability of any Operative Agreement, or as to the correctness of any statement therein, except to the extent that any such representation, warranty or statement is expressly made therein or in any written certificate delivered pursuant thereto by the Owner Trustee or Trust Company and except that Trust Company hereby represents and warrants that this Trust Agreement has been duly executed and delivered by Trust Company and each of the Owner Trustee Agreements has been or will be executed and delivered by officers

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of the Owner Trustee who are or will be duly authorized to execute and deliver documents on its behalf, and that each of this Agreement and each of the other Owner Trustee Agreements constitutes (assuming the due authorization, execution, and delivery of this Agreement and each such other agreement by the other parties thereto) the legal, valid and binding obligation of the Trust Company (or the Owner Trustee if expressly stated therein) enforceable against it in accordance with its terms except as limited by bankruptcy, insolvency, reorganization or other similar laws or equitable principles of general application to or affecting the enforcement of creditors rights generally from time to time in effect.

Section 5.3. No Segregation of Moneys; No Interest. Except as required by Section 2.4 of the Participation Agreement, moneys received by the

Owner Trustee hereunder need not be segregated in any manner except to the extent required by law, and such moneys may be deposited under such general conditions as may be prescribed by law, and the Owner Trustee shall not be liable for any interest thereon.

Section 5.4. Reliance; Advice of Counsel. The Owner Trustee shall not incur any liability to anyone in acting upon any signature, instrument, notice, resolution, request, consent, order, certificate, report, opinion, bond or other document or paper reasonably believed by it in good faith to be genuine and reasonably believed by it in good faith to be signed by the proper party or parties. Any request, direction, order or demand of the Owner Participant or the Lessee mentioned herein or in any other Operative Agreement to which the Owner Trustee is a party shall be sufficiently evidenced by an Officer's Certificate of the Owner Participant or the Lessee, as the case may be. The Owner Trustee may accept in good faith a certified copy of a resolution of the Board of Directors or other governing body of any corporate party as conclusive evidence that such resolution has been duly adopted by such body and that the same is in full force and effect. As to any fact or matter the manner of ascertainment of which is not specifically prescribed herein, the Owner Trustee may for all purposes hereof rely on an Officer's Certificate of the relevant party as to such fact or matter, and such Officer's Certificate shall constitute full protection to the Owner Trustee for any action taken or omitted to be taken by it in good faith in reliance thereon. In the administration of the trusts hereunder, the Owner Trustee may execute any of the trusts or powers hereof and perform its powers and duties hereunder directly or through agents or attorneys, and may consult with counsel, accountants and other skilled persons to be selected and employed by it (other than persons regularly employed by it), and the Owner Trustee shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the written advice or opinion within the scope of the competence of any such counsel, accountants or other skilled persons and not contrary to this Trust Agreement, except for the use of due care in the appointment of counsel, accountants or other skilled persons.

Section 5.5. Not Acting in Individual Capacity. Trust Company is entering into this Agreement and accepting the trust created hereby in its individual capacity. Otherwise, except as provided in this Trust Agreement and in the other Operative Agreements, Trust Company agrees to act solely as trustee hereunder and not in its individual capacity; and all Persons having

any claim against the Owner Trustee by reason of the transactions contemplated by the Operative Agreements or the Owner Trustee Agreements shall look only to the Trust Estate (or a part thereof, as the case may be) for payment or satisfaction thereof, except as specifically provided in this Trust Agreement and except to the extent the Owner Trustee otherwise shall agree in any Owner Trustee Agreement.

ARTICLE VI INDEMNIFICATION

Section 6.1. Indemnification of Trust Company. The Owner Participant agrees to assume liability for, and to indemnify and hold harmless Trust Company against and from any and all liabilities, obligations, losses, damages, taxes (excluding any taxes, fees or other charges payable by Trust Company or measured by any compensation received by Trust Company for its services hereunder), penalties, claims, actions, suits, proceedings, costs, expenses and disbursements of any kind and nature whatsoever, including, without limitation, the reasonable fees and expenses of counsel (collectively, "Trust Expenses") which may be imposed on, incurred by or asserted against Trust Company whether or not also indemnified by any other Person (provided, however, that to the extent Trust Company shall have actually received any payment in the nature of an indemnity payment from any such other Person relating to a claim hereunder, Trust Company shall not be entitled to the amount of any such payment pursuant to this Section 6.1) in any way relating to or arising out of (i) the administration of the Trust Estate or the action or inaction of Trust Company hereunder or under the other Operative Agreements, (ii) any Accepted Equipment or any part thereof, (iii) the Operative Agreements or any of them, or the enforcement by Trust Company of any of its rights under the Operative Agreements, or (iv) the design, manufacture, financing, refinancing, installation, acceptance, rejection, ownership, delivery, nondelivery, lease, sublease, possession, control, use, operation, condition, modification, servicing, maintenance, repair, improvement, replacement, sale,

return or other disposition of the Accepted Equipment, any Accepted Unit or any part thereof including, without limitation, (A) any inadequacy or deficiency or defect therein, including latent defects, whether or not discoverable or any claim based on negligence or arising from any violation of law or for strict liability in tort or any claim for patent, trademark or copyright tort or any claim for patent, trademark or copyright infringement, and (B) any loss or damage to property or the environment or injury or death to any Person; except only that the Owner Participant shall not be required to indemnify Trust Company for Trust Expenses arising or resulting from any of the matters described in clauses (i) through (v) of the last sentence of Section 5.1; provided that the Owner Participant shall be liable under this Section 6.1 only to the extent that the Owner Trustee is indemnified by the Lessee pursuant to Section 7 of the Participation Agreement (with the exception of the limitations to Lessee's indemnification obligations set forth in Sections 7.2(d)(i), 7.2(d)(iv) to the extent relating to any such transfer by the Owner Participant or transfer by the Owner Trustee at the direction of the Owner Participant and 7.2(d)(vi) (when the Owner Trustee is acting on instructions from the Owner Participant) of the Participation Agreement); provided, further, that before asserting its right to indemnification pursuant to this Section 6.1, the Owner Trustee shall first demand its corresponding right to indemnification, if any, pursuant to

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Section 7 of the Participation Agreement (but need not exhaust any or all remedies available thereunder), and the Owner Participant shall have the right to pursue any such remedies against the Lessee which are not pursued by the Owner Trustee. The indemnities contained in this Section 6.1 shall survive the termination of this Trust Agreement. To secure the foregoing indemnities, the Owner Trustee shall be entitled to apply any amount otherwise distributable to the Owner Participant pursuant to Section 3.2 against any such indemnity which has not been paid when due. The indemnities contained in this Section 6.1 extend to Trust Company only and shall not be construed as indemnities of the Trust Estate. The payor of any indemnity under this Section 6.1 shall be subrogated to any right of the Person indemnified in respect of the matter as to which such indemnity was paid.

Section 6.2. Expenses. The Owner Participant shall pay, or reimburse the Owner Trustee for, all reasonable expenses of the Owner Trustee, including, without limitation, the reasonable expenses and disbursements of such agents, representatives, experts and counsel as the Owner Trustee may employ in connection with the exercise and performance of its rights and duties under the Operative Agreements, unless and to the extent that the Owner Trustee otherwise receives payment or reimbursement pursuant to any Operative Agreement, whether or not the transactions contemplated hereby are consummated; provided that the Owner Participant shall have no obligation hereunder to the extent Lessee is not obligated to pay such amounts pursuant to Section 2.5 of the Participation Agreement. The Owner Trustee agrees to look first to the Lessee for such payment pursuant to Section 2.5 of the Participation Agreement. Except as provided herein, the Owner Trustee and Trust Company shall have no right to compensation with respect to the transactions contemplated by the Operative Agreements.

ARTICLE VII TERMINATION OF TRUST AGREEMENT

Section 7.1. Termination of Trust Agreement.

(a) Subject to the terms of the Participation Agreement, the Indenture and Section 7.2, this Trust Agreement and the trusts created hereby shall terminate and the Trust Estate shall be distributed to the Owner Participant, and this Trust Agreement shall be of no further force or effect, upon the earlier of (i) the sale or other final disposition by the Owner Trustee of all property constituting part of the Trust Estate and the final distribution by the Owner Trustee of all moneys or other property or proceeds constituting part of the Trust Estate in accordance with the terms of Article III and (ii) twenty-one (21) years less one day after the death of the last survivor of all of the descendants living on the date of this Trust Agreement of Joseph P. Kennedy, the late ambassador of the United States to Great Britain, but if any rights, privileges or options hereunder shall be or become valid under applicable law for a period subsequent to the twenty-first anniversary of the death of such last survivor (or, without limiting the generality of the foregoing, if legislation shall become effective providing for the validity or permitting the effective grant of such rights, privileges

and options for a period in gross exceeding the period for which such rights, privileges and options are hereinabove stated to

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extend and be valid), then such rights, privileges or options shall not terminate as aforesaid but shall extend to and continue in effect, but only if such nontermination and extension shall then be valid under applicable law, until such time as the same shall cease to be valid under applicable law.

(b) Except as expressly provided in Section 7.2, the Owner Participant shall not be entitled to revoke or terminate this Trust Agreement or the trust created hereby. Except as otherwise provided herein, the Owner Participant may not withdraw any of the Trust Estate until the Lien of the Indenture on the Trust Estate shall have been discharged pursuant to the terms thereof.

Section 7.2. Termination at Option of the Owner Participant. The provisions of Section 7.1 notwithstanding, this Trust Agreement and the trusts created hereby shall terminate and the Trust Estate shall be distributed to the Owner Participant, and this Trust Agreement shall be of no further force and effect, upon the election of the Owner Participant by notice to the Owner Trustee to revoke the trusts created hereby; provided that, in addition to the giving of such notice, the Owner Participant, with the cooperation of the Owner Trustee, shall execute and deliver such written agreements and instruments and take such actions as shall be necessary in order to cause the succession of the Owner Participant to all the rights, title, interests, duties and liabilities of the Owner Trustee under the Operative Agreements (other than obligations attributable to any gross negligence or willful misconduct of Trust Company or any breach by the Owner Trustee of its obligations under the Operative Agreements); provided, however, that until the Lien of the Indenture on the Trust Estate shall have been discharged pursuant to the terms thereof the Owner Participant may not revoke such trusts without the consent of the Indenture Trustee. The written agreements and instruments referred to in the preceding sentence shall be reasonably satisfactory in form and substance to the Owner Trustee and shall release the Owner Trustee from all further obligations of the Owner Trustee hereunder and under the agreements and other instruments mentioned in the preceding sentence.

ARTICLE VIII
SUCCESSOR OWNER TRUSTEES, CO-OWNER TRUSTEES
AND SEPARATE OWNER TRUSTEES

Section 8.1. Resignation of the Owner Trustee; Appointment of Successor.

(a) The Owner Trustee may resign as the Owner Trustee at any time without cause by giving at least thirty (30) days' prior written notice to the Owner Participant, the Indenture Trustee and the Lessee, such resignation to be effective on the acceptance of appointment by a successor to the Owner Trustee under paragraph (b) of this Section 8.1. In addition, the Owner Participant at any time may remove the Owner Trustee without cause by an instrument in writing delivered to the Owner Trustee, the Indenture Trustee and the Lessee, such removal to be effective upon the acceptance of appointment by a successor to the Owner Trustee under paragraph (b) of this Section 8.1. In case of the resignation or removal of the

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Owner Trustee, the Owner Participant may appoint a successor to the Owner Trustee by an instrument in writing, signed by the Owner Participant. If a successor to the Owner Trustee shall not have been appointed within thirty (30) days after the giving of written notice of such resignation or the delivery of the written instrument with respect to such removal, the Owner Trustee or the Owner Participant may apply to any court of competent jurisdiction to appoint a successor to the Owner Trustee to act until such time, if any, as a successor shall have been appointed as above provided in this Section 8.1. Any successor to the Owner Trustee so appointed by such court shall immediately and without further act be superseded by any successor to the Owner Trustee appointed as

above provided in this Section 8.1.

(b) Any successor Owner Trustee, however appointed, shall execute and deliver to the predecessor Owner Trustee an instrument accepting such appointment and shall give the Owner Participant, the Indenture Trustee and Lessee written notice of such acceptance. Upon the execution and delivery of such instrument, such successor Owner Trustee, without further act, shall become vested with all the estates, properties, rights, powers, duties and trusts of the predecessor Owner Trustee in the trusts hereunder with like effect as if originally named a trustee herein; provided, however, that upon the written request of such successor Owner Trustee, such predecessor Owner Trustee shall execute and deliver an instrument transferring to such successor Owner Trustee, upon the trusts herein expressed, all the estates, properties, rights, powers, duties and trusts of such predecessor trustee as the Owner Trustee hereunder, and such predecessor trustee shall duly assign, transfer, deliver and pay over to such successor Owner Trustee all moneys or other property then held by such predecessor trustee as the Owner Trustee upon the trusts herein expressed. Upon the appointment of any successor Owner Trustee hereunder, the predecessor Owner Trustee, pursuant to written instructions of the Owner Participant, will execute all documents and take all reasonable action within its control in order to cause title to the Trust Estate to be transferred to the successor Owner Trustee.

(c) Any successor Owner Trustee, however appointed, shall be a bank or trust company incorporated and doing business within the United States of America and having a combined capital and surplus of at least \$100,000,000, if there be such an institution willing, able and legally qualified to perform the duties of the Owner Trustee hereunder upon reasonable or customary terms.

(d) Any corporation into which the Owner Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Owner Trustee shall be a party, or any corporation to which substantially all the corporate trust business of the Owner Trustee may be transferred, shall be, subject to compliance with the terms of paragraph (c) of this Section 8.1, the Owner Trustee under this Trust Agreement without further act; provided, that such corporation shall in no event be the Indenture Trustee.

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Section 8.2. Additional and Separate Trustees.

(a) If the Owner Trustee or the Owner Participant shall conclude that it is necessary or prudent in order to conform to the law of any jurisdiction in which all or any part of the Trust Estate shall be situated, or to make or defend any claim or bring or defend any suit with respect to the Trust Estate or any Operative Agreement, or pursuant to advice of counsel satisfactory to it, or if the Owner Trustee shall have been instructed to do so by the Owner Participant, the Owner Trustee shall appoint another Person to act as additional or separate trustee for all or any part of the Trust Estate with such property, title, right, power or duty of the Owner Trustee as the Owner Trustee and the Owner Participant may determine. In case any such additional trustee or separate trustee shall resign or be removed, all the assets, property, rights, powers or duties of such additional trustee or separate trustee, as the case may be, so far as permitted by any applicable law, shall vest in and be exercised by a new successor to such additional trustee, appointed in the manner otherwise provided in this Trust Agreement.

(b) In the event that either the Owner Participant or the Owner Trustee shall determine to appoint another Person as additional or separate trustee, the Owner Trustee and the Owner Participant shall execute and deliver an agreement supplemental hereto, and all other instruments and agreements necessary or proper to constitute another bank or trust company, or one or more Persons approved by the Owner Trustee and the Owner Participant, either to act as an additional trustee or trustees of all or any part of the Trust Estate, jointly with the Owner Trustee, or to act as separate trustee or trustees of all or any part of the Trust Estate, in any such case with such powers of the Owner Trustee as may be provided in such agreement supplemental hereto, and to vest in such bank, trust company or Person as such additional trustee or separate trustee, as the case may be, any property, title, right or power of the Owner Trustee deemed necessary or proper by the Owner Trustee or the Owner Participant, subject to the remaining provisions of this Section 8.2. The Owner Trustee may execute, deliver and perform any deed, conveyance,

assignment or other instrument in writing as may be required by an additional trustee or separate trustee for more fully and certainly vesting in and confirming to such person any property, title, right or power which, by the terms of such agreement supplemental hereto, are expressed to be conveyed or conferred to or upon such additional trustee or separate trustee, and the Owner Participant shall, upon the Owner Trustee's request, join therein and execute, acknowledge and deliver the same.

(c) Every additional trustee and separate trustee hereunder shall, to the extent permitted by law, be appointed to act and the Owner Trustee shall act, subject to the following provisions and conditions:

(i) all powers, duties, obligations and rights conferred or imposed upon the Owner Trustee in respect of the receipt, custody, investment and payment of moneys, shall be exercised solely by the Owner Trustee;

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

(iii) no power hereby given to, or which may be exercised by, any such additional trustee or separate trustee shall be exercised hereunder by such additional trustee or separate trustee except jointly with, or with the consent of, the Owner Trustee; and

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

(d) If at any time the Owner Trustee and the Owner Participant shall deem it no longer necessary or prudent in order to conform to any applicable law or shall be advised by its counsel that it is no longer necessary or prudent in the interest of the Owner Trustee and the Owner Participant to maintain the appointment of such additional or separate trustee as provided herein, the Owner Trustee and the Owner Participant shall execute and deliver any agreement supplemental hereto and all other instruments and agreements necessary or proper to remove any such additional or separate trustee. The Owner Participant, at any time, by an instrument in writing may remove any separate trustee or additional trustee.

(e) Any additional trustee or separate trustee may at any time by an instrument in writing constitute the Owner Trustee its agent or attorney-in-fact with full power and authority, to the extent which may be authorized by applicable law, to do all acts and things and exercise all discretion which it is authorized or permitted to do or exercise, for and in its behalf and in its name. In case any such additional trustee or separate trustee shall die, become incapable of acting, resign or be removed, all the assets, property, rights, powers, trusts, duties and obligations of such additional trustee or separate trustee, as the case may be, so far as permitted by law, shall vest in and be exercised by the Owner Trustee without necessity of any act by any party and without the appointment of a new successor to such additional or separate trustee, unless and until a successor is appointed in the manner provided in this Section 8.2.

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ARTICLE IX
SUPPLEMENTS AND AMENDMENTS

Section 9.1. Supplements and Amendments. Subject to Section 9.05 of the Indenture, at the written request of the Owner Participant (and subject to the provisions of Sections 6.5 and 6.6 of the Participation Agreement), this Trust Agreement and each other Owner Trustee Agreement shall be amended by a written instrument signed by Trust Company and the Owner Participant; provided, however, if in the reasonable opinion of Trust Company any instrument required to be so executed adversely affects any right, duty or liability of, or immunity or indemnity in favor of, Trust Company under this Trust Agreement or any of the documents contemplated hereby to which it is a party, or would cause or result in any conflict with or breach of any term, condition or provision of, or default under, its charter documents or by-laws, Trust Company in its reasonable discretion may decline to execute such instrument, unless the Trust Company is indemnified therefor under Section 4.3, as determined by the Trust Company in its reasonable discretion.

ARTICLE X
MISCELLANEOUS

Section 10.1. No Legal Title to Trust Estate in the Owner Participant. The Owner Participant shall not have legal title to any part of the Trust Estate. No transfer, by operation of law or otherwise, of any right, title and interest of the Owner Participant in and to the Trust Estate or hereunder, or insolvency, dissolution or other termination of the Owner Participant, shall operate to terminate this Trust Agreement or the trusts created hereby or entitle any successor or transferee to an accounting or to the transfer to it of legal title to any part of the Trust Estate.

Section 10.2. Sale of Accepted Equipment by the Owner Trustee is Binding. Any sale, transfer or other conveyance of any Accepted Unit or part thereof by the Owner Trustee made pursuant to the terms of this Trust Agreement or the Lease shall bind the Owner Participant and shall be effective to transfer or convey all right, title and interest of the Owner Trustee and the Owner Participant in and to such Accepted Unit or part thereof, as the case may be. No purchaser or other grantee shall be required to inquire as to the authorization, necessity, expediency or regularity of such sale or conveyance or as to the application of any sale or other proceeds with respect thereto by the Owner Trustee.

Section 10.3. Notices. Unless otherwise expressly specified or permitted by the terms hereof, all notices hereunder shall be given as provided in Section 10.4 of the Participation Agreement.

Section 10.4. Severability. If any term or provision of this Trust Agreement is invalid or unenforceable in any jurisdiction, such term or provision shall be ineffective to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable any remaining

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terms and provisions hereof, and any such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 10.5. Separate Counterparts. This Trust Agreement may be executed by the parties hereto in any number of counterparts and by the parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, and all of which shall together constitute but one and the same instrument.

Section 10.6. Waivers, etc. No term or provision hereof may be changed, waived, discharged or terminated orally, but may be changed, waived, discharged or terminated by an instrument in writing, and any waiver of the terms hereof shall be effective only in the specific instance and for the specific purpose given.

Section 10.7. Successors and Assigns. This Trust Agreement, including the terms and provisions hereof, shall be binding upon the Owner Participant and Trust Company or the Owner Trustee, whichever is applicable pursuant to the terms hereof, and their respective successors and assigns, and inure to the benefit of the Owner Participant and Trust Company or the Owner

Trustee, whichever is applicable pursuant to the terms hereof, and their respective successors and permitted assigns, all as herein provided. Any request, notice, direction, consent, waiver or other instrument or action by the Owner Participant shall bind the successors and assigns of the Owner Participant.

Section 10.8. Transfer of Owner Participant's Interest. All provisions of Section 6.1 of the Participation Agreement shall (with the same force and effect as if set forth in full, mutatis mutandis, in this Section 10.8) be applicable to any assignment, conveyance or other transfer by the Owner Participant of any of its right, title or interest in and to the Trust Estate or this Trust Agreement or any other Operative Agreement.

Section 10.9. Actions of the Owner Participants. If at any time prior to the termination of this Trust Agreement there is more than one Owner Participant, then during such time, if any action is required to be taken by the Owner Participant, such action shall be taken by or on behalf of all Owner Participants and whenever any direction, authorization, approval, consent, instruction or other action is permitted to be given or taken by the Owner Participant it shall be given or taken only upon such percentage agreement of the Owner Participants as all Owner Participants may instruct the Owner Trustee.

Section 10.10. Headings; Table of Contents. The division of this Trust Agreement into sections, the provision of a table of contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof.

Section 10.11. Governing Law. The terms of this Trust Agreement and the rights and obligations of the parties hereto shall be governed by, and construed in accordance with, the

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laws of the State of Utah applicable to contracts made and to be performed entirely within such state.

Section 10.12. Benefit. Nothing herein, whether express or implied, shall be construed to give any Person other than the Owner Trustee, the Indenture Trustee and the Owner Participant any legal or equitable right, remedy or claim under or in respect of this Trust Agreement.

Section 10.13. Performance by the Owner Participant. Any obligation of Trust Company or the Owner Trustee hereunder or under any other Operative Agreement or other document contemplated hereby, may be performed by the Owner Participant and any such performance shall not be construed as a revocation of the trusts created hereby.

Section 10.14. Conflict with Operative Agreements. If this Trust Agreement (or any instructions given by the Owner Participant pursuant hereto) shall require that any action be taken with respect to any matter or any other Operative Agreement (or any instruction duly given in accordance with the terms thereof) shall require that a different action be taken with respect to such matter, and such actions shall be mutually exclusive, the provisions of such other Operative Agreement, in respect thereof, shall control.

Section 10.15. Limitation on Owner Participant's Liability. The Owner Participant shall not have any liability for the performance of this Trust Agreement, except as expressly set forth herein.

Section 10.16. Identification of Trust. The trust created hereunder may be referred to for convenience as GATC Trust No. 96-1.

In Witness Whereof, the parties hereto have each caused this Trust Agreement to be duly executed and delivered as of the day and year first above written.

FIRST SECURITY BANK, N.A.

By: _____
Name: _____
Title: _____

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DREYFUS SERVICE CORPORATION
[AMSOUTH LEASING CORPORATION]

By: _____
Name: _____
Title: _____

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Appendix A
Participation Agreement
Equipment Lease Agreement
Trust Indenture and Security Agreement
Trust Agreement
(GATC Trust No. 96-1)

DEFINITIONS

General Provisions

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

Unless the context otherwise requires, (i) references to agreements shall be deemed to mean and include such agreements as the same may be amended, supplemented and otherwise modified from time to time, and (ii) references to parties to agreements shall be deemed to include the permitted successors and assigns of such parties.

Defined Terms

"AAR" shall mean the Association of American Railroads or any successor thereto.

"Affiliate" of any Person shall mean any other Person which directly or indirectly controls, or is controlled by, or is under a common control with, such Person. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" shall have meanings correlative to the foregoing.

"After-Tax Basis" shall mean, with respect to any payment received or accrued by any Person, that the amount of such payment is supplemented by a further payment or payments so that the sum of all such payments, after reduction for all Taxes payable by such Person imposed by any taxing authority, shall be equal to the payment due to such Person.

"Alternative Minimum Tax" shall mean the alternative minimum tax imposed under Section 55 of the Code.

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

"Average Life Date" shall mean, with respect to an Equipment Note, 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.

"Bankruptcy Code" shall mean the United States Bankruptcy Reform Act of 1978, as amended from time to time, 11 U.S.C. Section 101 et. seq.

"Basic Group" shall mean each of the two basic groups of Equipment so designated in Schedule 1 to the Participation Agreement.

"Basic Prospectus" shall mean the prospectus contained in the Registration Statement when the most recent post-effective amendment thereto became effective.

"Basic Rent" shall mean, with respect to any Unit, all rent payable by the Lessee to the Lessor pursuant to Section 3.2 of the Lease for the Basic Term for such Unit, and all rent payable pursuant to Section 22.4 of the Lease for any Renewal Term for such Unit.

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

"Basic Term Commencement Date" shall mean August 28, 1996.

"Basic Term Expiration Date" shall mean (i) with respect to the Units related to Lease Supplement No. I, August 28, 20__, and (ii) with respect to the Units related to Lease Supplement No. II, August 28, 20__.

"Basic Term Purchase Price" shall mean, with respect to any Unit, the amount equal to the product of the percentage set forth in Schedule 7 to the Participation Agreement applicable to such Unit and the Equipment Cost for such Unit.

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

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

"Business Day" shall mean any day other than a Saturday, Sunday or a day on which commercial banking institutions are authorized or required by law, regulation or executive order to be closed in New York, New York, Chicago, Illinois, Pittsburgh, Pennsylvania, Birmingham, Alabama, the city and state in which the principal corporate trust office of the Owner Trustee

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is located, or, until the Lien of the Indenture has been discharged, the city and state in which the principal corporate trust office of the Indenture Trustee is located.

"Certificateholder" means the Person in whose name a Pass Through Certificate is registered in the register for Pass Through Certificates of a particular series.

"Claims" shall have the meaning specified in Section 7.2 of the Participation Agreement.

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

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

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

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

[AMSOUTH: "DEFERRED PORTION" SHALL MEAN THAT PORTION OF THE EARLY

PURCHASE PRICE, THE PAYMENT OF WHICH MAY BE DEFERRED BY THE LESSEE PAST THE APPLICABLE EARLY PURCHASE DATE FOR SUCH UNIT OR UNITS, AS SET FORTH IN SCHEDULE 6 TO THE PARTICIPATION AGREEMENT.]

[AMSOUTH: "DEFERRED PORTION PAYMENT DATES" SHALL MEAN THE DEFERRED PORTION PAYMENT DATES SPECIFIED ON SCHEDULE 6 TO THE PARTICIPATION AGREEMENT FOR A RELATED BASIC GROUP OF UNITS.]

"Determination Date" shall mean the 28th day of any calendar month.

"Early Purchase Date" shall mean the early purchase date specified on Schedule 6 to the Participation Agreement for a related Basic Group of Units.

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

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

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"Equipment Cost" shall mean, for each Unit, the purchase price therefor paid by the Owner Trustee to the Lessee pursuant to Section 2 of the Participation Agreement and as set forth in Schedule 1 to the Participation Agreement with respect to such Unit. Notwithstanding anything in the Operative Agreements to the contrary, the Equipment Cost for any Replacement Unit shall be deemed to be the Equipment Cost or deemed Equipment Cost of the Unit it replaced.

"Equipment Notes" shall mean the Equipment Notes, each to be substantially in the form therefor set forth in Section 2.01 of the Indenture, issued by the Owner Trustee pursuant to Section 2.02 of the Indenture, and authenticated by the Indenture Trustee, in principal amounts, maturities and bearing interest at the rates and payable as provided in Section 2.02 of the Indenture and secured as provided in the Granting Clause of the Indenture, and shall include any Equipment Notes issued in exchange therefor or replacement thereof pursuant to Section 2.07 or 2.08 of the Indenture. A "related" Equipment Note, when used with respect to any Unit or Units of Equipment, shall mean one of the Equipment Notes issued with respect to the Lease Supplement under which such Unit or Units of Equipment is or are leased.

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

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

"Excepted Property" shall mean (i) all indemnity payments (including, without limitation, payments pursuant to Section 7 of the Participation Agreement and payments under the Tax Indemnity Agreement) to which the Owner Participant, the Owner Trustee, as trustee or in its individual capacity, or any of their respective successors, permitted assigns, directors, officers, employees, servants and agents is entitled pursuant to the Operative Agreements, (ii) any right, title or interest of the Owner Trustee, as trustee or in its individual capacity, or the Owner Participant to any payment which by the terms of Section 17 of the Lease or any corresponding payment under Section 3.3 of the Lease shall be payable to or on behalf of the Owner Trustee, as trustee or in its individual capacity, or to the Owner Participant, as the case may be, (iii) any insurance proceeds payable under insurance maintained by the Owner Trustee, as trustee or in its individual capacity, or the Owner Participant pursuant to Section 12.5 of the Lease, (iv) any insurance proceeds payable to or on behalf of the Owner Trustee, as trustee or in its individual capacity, or to the Owner Participant, under any public liability insurance maintained by Lessee pursuant to Section 12 of the Lease (which shall include the amount of any self-insured retention paid by the Lessee) or by any other Person, (v) Transaction Costs or other amounts or expenses paid or payable to, or for the benefit of Owner Trustee, as trustee or in its individual capacity, or Owner Participant pursuant to the Participation Agreement or the Trust

Agreement, (vi) all right, title and interest of Owner Participant or Owner Trustee, as trustee or in its individual capacity, in or relating to any portion of the Units and any other property (tangible or intangible), rights, titles or interests to the extent any of the foregoing has been released from the Lien of the Indenture pursuant to the terms thereof, (vii) upon termination of the Indenture pursuant to the terms thereof with respect to any Unit, all remaining amounts which shall have been paid or are payable by Lessee and calculated on the basis of Stipulated Loss Value,

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(viii) any rights of the Owner Participant or the Owner Trustee, as trustee and in its individual capacity, to demand, collect, sue for, or otherwise receive and enforce payment of the foregoing amounts, (ix) any amount payable to the Owner Participant by any Transferee as the purchase price of the Owner Participant's interest in the Trust Estate in compliance with the terms of the Participation Agreement and the Trust Agreement and (x) the respective rights of the Owner Trustee, as trustee and in its individual capacity, or the Owner Participant to the proceeds of and interest on the foregoing.

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

"Fair Market Rental Value" or "Fair Market Sales Value" with respect to any Unit of Equipment shall mean the cash rent or cash price obtainable for such Unit in an arm's length lease or sale between an informed and willing lessee or purchaser under no compulsion to lease or purchase, as the case may be, and an informed and willing lessor or seller, under no compulsion to lease or sell, as the case may be, as the same shall be specified by agreement between Lessor and Lessee. If the parties are unable to agree upon a Fair Market Rental Value and/or a Fair Market Sales Value within 30 days after delivery of notice by Lessee pursuant to Section 22.2 of the Lease, or otherwise where such determination is required, within a reasonable period of time, such value shall be determined by appraisal. Lessee will within 15 days after such 30-day period provide Lessor the name of an appraiser that would be satisfactory to Lessee, and Lessor and Lessee will consult with the intent of selecting a mutually acceptable appraiser. If a mutually acceptable appraiser is selected, the Fair Market Rental Value or the Fair Market Sales Value, as the case may be, shall be determined by such appraiser and Lessee shall bear the cost thereof. If Lessee and Lessor are unable to agree upon a single appraiser within such 15-day period, two independent qualified appraisers, one chosen by Lessee and one chosen by Lessor shall jointly determine such value and Lessor shall bear the cost of the appraiser selected by Lessor and Lessee shall bear the cost of the appraiser selected by Lessee. If such appraisers cannot agree on the amount of such value within 15 days of appointment, one independent qualified appraiser shall be chosen by the American Arbitration Association. All three appraisers shall make a determination within a period of 15 days following appointment, and shall promptly communicate such determination in writing to Lessor and Lessee. If there shall be a panel of three appraisers, the three appraisals shall be averaged and such average shall be the Fair Market Rental Value or Fair Market Sales Value, as the case may be. The determination made shall be conclusively binding on both the Lessor and Lessee. If there shall be a panel of three appraisers, Lessee and Lessor shall equally share the cost of the third appraiser. If such appraisal is pursuant to Section 6.1(e) or is in connection with the exercise of remedies set forth in Section 15 of the Lease, Lessee shall pay the costs of such appraisal. Notwithstanding any of the foregoing, for the purposes of Section 15 of the Lease, the Fair Market Rental Value or the Fair Market Sales Value, as the case may be, shall be zero with respect to any Unit if Lessor is unable to recover possession of such Unit in accordance with the terms of paragraph (b) of Section 15.1 of the Lease.

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"Final Prospectus" shall mean the prospectus supplement relating to the Pass Through Certificates that was first filed pursuant to Rule 424(b) promulgated pursuant to the Securities Act of 1933, as amended, together with the Basic Prospectus.

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

"FRA" shall mean the Federal Railroad Administration or any successor thereto.

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

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

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

"Indemnified Person" shall have the meaning specified in Section 7.2(b) of the Participation Agreement.

"Indenture" or "Trust Indenture" shall mean the Trust Indenture and Security Agreement (GATC Trust No. 96-1), dated as of August 28, 1996 between the Owner Trustee, in the capacities described therein, and the Indenture Trustee. The term "Indenture" shall include, except where the context otherwise requires, each Indenture Supplement entered into pursuant to the terms of the Indenture.

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

"Indenture Estate" shall have the meaning specified in the Granting Clause of the Indenture.

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"Indenture Event of Default" shall have the meaning specified in Section 4.01 of the Indenture.

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

"Indenture Supplement" shall mean an Indenture Supplement (GATC Trust No. 96-1) dated the Closing Date or the date that any Replacement Unit is subjected to the lien and security interest of the Indenture, substantially in the form of Exhibit A to the Indenture, between the Owner Trustee, in the capacities described therein, and the Indenture Trustee, covering the Units delivered on the Closing Date or such Replacement Unit, as the case may be. A "related" Indenture Supplement, when used with respect to any Unit or Units of Equipment, shall mean the Indenture Supplement under which such Unit or Units of Equipment is or are included in the Indenture Estate.

"Indenture Trustee" shall mean The First National Bank of Chicago, a national banking association, as trustee under the Indenture and its successors thereunder.

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

"Interchange Rules" shall mean the interchange rules or supplements thereto of the Mechanical Division of the Association of American Railroads, as

the same may be in effect from time to time.

"Investment Banker" shall mean an independent investment banking institution of national standing appointed by Lessee or, if the Indenture Trustee does not receive notice of such appointment 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, appointed by the Indenture Trustee.

"Late Rate" shall mean the lesser of 2% over the Debt Rate and the maximum interest rate from time to time permitted by law.

"Lease" or "Lease Agreement" or "Equipment Lease" shall mean the Equipment Lease Agreement (GATC Trust No. 96-1), relating to the Equipment, dated as of August 28, 1996, between the Owner Trustee, in the capacities described therein, as Lessor, and the Lessee. The term "Lease" shall, except where the context otherwise requires, include each Lease Supplement entered into pursuant to the terms of the Lease.

"Lease Default" shall mean a Lease Event of Default or an event which with notice or lapse of time or both would become a Lease Event of Default.

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

"Lease Supplement" shall mean a Lease Supplement (GATC Trust No. 96-1), dated the Closing Date or the date that any Replacement Unit is subjected to the Lease, substantially in the form of Exhibit A to the Lease, between the Lessor and the Lessee, covering the Units delivered on the Closing Date or such Replacement Unit, as the case may be. A "related" Lease Supplement, when used with respect to any Unit or Units of Equipment, shall mean the Lease Supplement under which such Unit or Units of Equipment is or are leased.

"Lease Term" shall mean, with respect to any Unit, the Basic Term applicable to such Unit and any Renewal Term applicable to such Unit then in effect.

"Lessee" shall mean General American Transportation Corporation, a New York corporation, and its successors and permitted assigns.

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

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

"Lessor's Liens" means any Lien affecting, on or in respect of the Equipment, the Lease or the Trust Estate arising as a result of (i) claims against Lessor (in its individual capacity or as Owner Trustee) or the Owner Participant, not related to the transactions contemplated by the Operative Agreements, or (ii) acts or omissions of the Lessor (in its individual capacity or as Owner Trustee) or the Owner Participant not related to the transactions contemplated by the Operative Agreements or in breach of any covenant or agreement of such Person set forth in any of the Operative Agreements, or (iii) taxes imposed against the Lessor (in its individual capacity or as Owner Trustee) or the Owner Participant or the Trust Estate which are not indemnified against by the Lessee pursuant to the Participation Agreement or under the Tax Indemnity Agreement.

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

"Limited Use Property" shall have the meaning set forth in Rev. Proc. 76-30, 1976-2 C.B. 647.

"Loan Participant" shall mean and include each registered holder from time to time of an Equipment Note issued under the Indenture, including, so long as it holds any Equipment Notes issued thereunder, the Pass Through Trustee under the Pass Through Trust Agreement.

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

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affected by such decision or action, excluding any Equipment Notes held by the Owner Participant or the Lessee or an Affiliate of the Owner Participant or the Lessee unless all Equipment Notes are so held.

"Make-Whole Amount" shall mean, with respect to the principal amount of any Equipment Note to be prepaid on any prepayment date, the amount which the Investment Banker determines as of the third Business Day prior to such prepayment date to 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 semi-annually on each August 28 and February 28 at a rate equal to the Treasury Rate plus 0.5%, based on a 360-day year of twelve 30-day months, over (ii) the aggregate unpaid principal amount of such Equipment Note plus 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) of this definition shall be determined after deducting the principal installment, if any, due on such prepayment date.

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

"Net Economic Return" shall mean the pattern of earnings within a 10% variance during any calendar year, net after-tax book yield and total after-tax cash flow [AMSOUTH: (BUT NOT THE PATTERN OF EARNINGS)] expected by the original Owner Participant with respect to the Equipment (both through the Early Purchase Date and the Basic Term Expiration Date), utilizing the multiple investment sinking fund method of analysis and the same assumptions as used by such Owner Participant in making the computations of Basic Rent, Stipulated Loss Value, Termination Value, Basic Term Purchase Price and Early Purchase Price initially set forth in Schedules 3, 4, 6 and 7 to the Participation Agreement.

"Non-Severable Modification" shall mean any Modification that is not readily removable without impairing the value, utility or remaining useful life of the Equipment or any Unit immediately prior to removal of such modification, other than in a de minimis nature.

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

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"Operative Agreements" shall mean the Participation Agreement, the Bill of Sale, the Trust Agreement, the Pass Through Trust Agreement, the Pass Through Trust Supplements, the Pass Through Certificates, the Equipment Notes, the Lease, the Lease Supplements, the Indenture, the Indenture Supplements, the Tax Indemnity Agreement and the Underwriting Agreement.

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

"Owner Participant" shall mean Dreyfus Service Corporation, a New York corporation [AMSOUTH LEASING CORPORATION, AN ALABAMA BANKING CORPORATION], and its successors and permitted assigns.

"Owner Participant Agreements" shall mean the Operative Agreements to which the Owner Participant is or will be a party.

"Owner Trustee" shall mean First Security Bank, N.A., a national banking association, not in its individual capacity but solely as Owner Trustee under the Trust Agreement and its successors thereunder.

"Owner Trustee Agreements" shall mean the Operative Agreements to which the Owner Trustee, either in its individual or fiduciary capacity, is or will be a party.

"Parent" means GATX Corporation, a New York corporation, and its successors and assigns.

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

"Participation Agreement" shall mean the Participation Agreement (GATC Trust No. 96-1) dated as of August 28, 1996, among the Lessee, the Pass Through Trustee, the Owner Participant, the Owner Trustee and the Indenture Trustee.

"Pass Through Certificates" shall mean the Pass Through Certificates issued pursuant to each of the Pass Through Trust Supplements and the Pass Through Trust Agreement.

"Pass Through Trust Agreement" shall mean the Pass Through Trust Agreement, dated as of August 1, 1992, between the Lessee and the Pass Through Trustee.

"Pass Through Trust Supplement" shall mean either of Trust Supplement No. 6 dated as of August 28, 1996 or Trust Supplement No. 7 dated as of August 28, 1996, each between the Lessee and the Pass Through Trustee, each of which supplements the Pass Through Trust Agreement (i) by creating a separate trust for the holders of certain Pass Through Certificates, (ii) by authorizing the issuance of such Pass Through Certificates and (iii) by establishing the terms of such Pass Through Certificates.

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"Pass Through Trustee" shall mean The First National Bank of Chicago, a national banking association, in its capacity as trustee under the Pass Through Trust Agreement, as supplemented by the Pass Through Trust Supplements, and each other person which may from time to time be acting as successor trustee under the Pass Through Trust Agreement, as supplemented by the Pass Through Trust Supplement.

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

"Permitted Liens" with respect to the Equipment and each Unit thereof shall mean: (i) the interests of the Lessee and the Owner Trustee under the Lease and the Lease Supplements; (ii) the interest of the Lessee and any sublessee as provided in any sublease permitted pursuant to Section 8.3 of the Lease; (iii) any Liens thereon for taxes, assessments, levies, fees and other governmental and similar charges not due and payable or the amount or validity of which is being contested in good faith by appropriate proceedings so long as there exists no material risk of sale, forfeiture, loss, or loss of or interference with use or possession of any Unit or interference with the payment of Rent; (iv) any Liens of mechanics, suppliers, materialmen, laborers, employees, repairmen and other like Liens arising in the ordinary course of Lessee's (or if a sublease is then in effect, any sublessee's) business securing obligations which are not due and payable or the amount or validity of which is being contested in good faith by appropriate proceedings so long as there exists no material risk of sale, forfeiture, loss, or loss of or interference with use or possession of any Unit or interference with the payment of Rent; (v) the Lien and security interest granted to the Indenture Trustee under and pursuant to the Indenture, and the respective rights of the

Loan Participant, the Indenture Trustee, the Owner Participant and the Owner Trustee under the Operative Agreements; (vi) Liens arising out of any judgment or award against the Lessee (or any sublessee permitted pursuant to Section 8.3 of the Lease) with respect to which an appeal or proceeding for review is being presented in good faith and for the payment of which adequate reserves have been provided as required by generally accepted accounting principles or other appropriate provisions have been made and with respect to which there shall have been secured a stay of execution pending such appeal or proceeding for review and there exists no material risk of sale, forfeiture, loss, or loss of or interference with the use or possession of any Unit or any interest therein or interference with the payment of Rent, and (vii) salvage rights of insurers under insurance policies maintained pursuant to Section 12 of the Lease.

"Permitted Subleases" shall have the meaning specified in Section 8.3 of the Lease.

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

"Preliminary Final Prospectus" shall mean any preliminary prospectus supplement to the Basic Prospectus which describes the Pass Through Certificates and the offering thereof and is used prior to the filing of the Final Prospectus, together with the Basic Prospectus.

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"Premium Termination Date" shall mean (i) in the case of the Series of Equipment Notes designated as Series A for Lease Supplement No. I, August 28, 20__, (ii) in the case of the Series of Equipment Notes designated as Series B for Lease Supplement No. I, August 28, 20__, (iii) in the case of the Series of Equipment Notes designated as Series A for Lease Supplement No. II, August 28, 20__, and (iv) in the case of the Series of Equipment Notes designated as Series B for Lease Supplement No. II August 28, 20__.

"Pricing Date" shall mean the date on which the Underwriting Agreement is executed by the Lessee and the Underwriters.

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

"Registration Statement" shall mean the registration statement filed by the Lessee (File Number 33-64697), including incorporated documents, exhibits and financial statements, as amended at the time of the Closing Date, including any post-effective amendment thereto which has become effective prior to the Closing Date.

"Related Indemnitee Group" shall have the meaning specified in Section 7.2(b) of the Participation Agreement.

"Related Transaction" means the additional leveraged lease transaction with respect to which the Pass Through Trustee has agreed to acquire the equipment notes to be issued pursuant to the participation agreement dated as of August 28, 1996 among the Lessee, the Pass Through Trustee, AmSouth Leasing Corporation, the Owner Trustee and the Indenture Trustee.

"Remaining Weighted Average Life" shall mean, with respect to any date of prepayment or any date of determination of any Equipment Note, 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 date or date of determination to but excluding the scheduled payment date of such principal payment by (b) the unpaid principal amount of such Equipment Note.

"Renewal Term" shall mean, with respect to any Unit, any term in respect of which the Lessee shall have exercised its option to renew the Lease for such Unit pursuant to Section 22.4 thereof, including any Fixed Rate Renewal Term or Fair Market Renewal Term.

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

"Rent Payment Date" or "Payment Date" shall mean each August 28 and February 28 of each year occurring during the Lease Term, commencing February

28, 1997, provided that if any such date shall not be a Business Day, then "Rent Payment Date" or "Payment Date" shall mean the next succeeding Business Day.

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"Replacement Unit" shall mean a covered hopper car or tank car, as the case may be, which shall have been leased under the Lease pursuant to Section 11.4 of the Lease.

"Required Modification" shall have the meaning specified in Section 9.1 of the Lease.

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

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

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

"Series" shall mean each of the two series of Equipment Notes for each Lease Supplement so designated in Exhibit B to the Indenture.

"Severable Modification" shall mean any Modification that is readily removable without causing material damage to the Equipment or any Unit and without diminishing the value, utility or useful life of such Unit below the value, utility or useful life of such Unit immediately prior to such Modification, assuming that such Unit was then in the condition required to be maintained by the terms of the Lease, other than in a de minimis nature.

"Special Purchase Defeasance" shall mean, with respect to any election by Lessee to purchase Units under Section 22.1 or 22.3 of the Lease, the deposit by Lessee with the Indenture Trustee prior to the date as of which Lessor shall have declared the Lease to be in default as a result of a Lease Event of Default under Section 14(c), 14(d), 14(e), 14(f) or 14(i) of the Lease (in circumstances where such Lease Event of Default occurs after the date of Lessee's notice to purchase under Sections 22.1 or 22.3 but before the Early Purchase Date or the expiration of the Basic Term or any Renewal Term, as applicable), of an amount sufficient to pay (i) the Early Purchase Price, together with all other amounts due and owing by the Lessee under the Operative Agreements, with respect to those Units which Lessee has elected to purchase on the Early Purchase Date under Section 22.1 of the Lease, or (ii) the Basic Term Purchase Price or Fair Market Sales Value, as the case may be, together with all other amounts due and owing by the Lessee under the Operative Agreements, with respect to those Units which Lessee has elected to purchase at the expiration of the Basic Term or any Renewal Term, as applicable, under Section 22.3 of the Lease. All amounts deposited by Lessee with the Indenture Trustee in connection with a Special Purchase Defeasance shall be held and invested by the Indenture Trustee in accordance with Section 6.04(b) of the Indenture pending consummation of the purchase of the related Units on the Early Purchase Date or upon the expiration of the Basic Term or the related Renewal Term, as applicable.

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"Specified Investments" shall mean (i) direct obligations of the United States of America and agencies thereof for which the full faith and credit of the United States 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

the 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) and (iii) above; provided that if all of the above investments are unavailable, the entire amount to be invested may be used to purchase Federal funds from an entity described in (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.

"STB" shall mean the Surface Transportation Board of the United States Department of Transportation or any successor thereto.

"Stipulated Loss Value" for any Unit as of any date of determination shall mean the amount determined by multiplying the Equipment Cost for such Unit by the percentage set forth in Schedule 4 to the Participation Agreement opposite the Rent Payment Date or the Determination Date, as applicable, on which such Stipulated Loss Value is being determined for the Basic Group to which such Unit belongs; provided that during any Renewal Term, "Stipulated Loss Value" shall be determined as provided in Section 22.6 of the Lease. Anything contained in the Lease or in the Participation Agreement to the contrary notwithstanding, Stipulated Loss Value for such Unit (both before and after any adjustment pursuant to Section 2.6 of the Participation Agreement) will, under any circumstances and in any event, be an amount which, together with any other amounts required to be paid by Lessee under the Lease in connection with an Event of Loss, will be at least sufficient to pay in full as of the date of payment thereof the aggregate unpaid principal of the Equipment Notes issued in respect of such Unit, together with all unpaid interest and Make-Whole Amount, if any, thereon accrued to the date on which such amount is paid in accordance with the terms hereof and all other amounts then due to the holders of the Equipment Notes.

"Storage Period" shall have the meaning specified in Section 6.1(c) (i) of the Lease.

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

"Supplemental Rent" shall mean all amounts, liabilities and obligations (other than Basic Rent) which the Lessee is obligated to pay under the Operative Agreements to or on behalf of

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any of the other parties thereto, including, but not limited to, Termination Value and Stipulated Loss Value payments.

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

"Tax Indemnitee" shall have the meaning specified in Section 7.1 of the Lease.

"Tax Indemnity Agreement" shall mean the Tax Indemnity Agreement dated as of August 28, 1996 (GATC Trust No. 96-1) between the Lessee and the Owner Participant.

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

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

"Termination Value" for any Unit as of any date of determination shall mean the amount determined by multiplying the Equipment Cost for such Unit by the percentage set forth in Schedule 4 to the Participation Agreement opposite the Rent Payment Date or the Determination Date, as applicable, on which such Termination Value is being determined for the Basic Group to which such Unit belongs; provided that during any Renewal Term, "Termination Value" shall be determined as provided in Section 22.6 of the Lease. Anything contained in the

Lease or in the Participation Agreement to the contrary notwithstanding, Termination Value for such Unit (both before and after any adjustment pursuant to Section 2.6 of the Participation Agreement) will, under any circumstances and in any event, be an amount which, together with any other amounts required to be paid by Lessee under the Lease in connection with such termination, will be at least sufficient to pay in full as of the date of payment thereof the aggregate unpaid principal of the Equipment Notes issued in respect of such Unit, together with all unpaid interest and Make-Whole Amount, if any, thereon accrued to the date on which such amount is paid in accordance with the terms thereof and all other amounts then due to the holders of the Equipment Notes.

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

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

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

"Treasury Rate" shall mean with respect to prepayment of each Equipment Note, 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 for United States Treasury securities maturing on the Average Life Date 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)

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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 for 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.

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

"Trust Agreement" shall mean that certain Trust Agreement (GATC Trust No. 96-1), dated as of August 28, 1996, between the Owner Participant and the Owner Trustee.

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

"Trustee" shall mean each of the Owner Trustee, the Indenture Trustee or the Pass Through Trustee and "Trustees" shall mean the Owner Trustee, Indenture Trustee and the Pass Through Trustee, collectively.

"Underwriters" shall mean Morgan Stanley & Co. Incorporated and Salomon Brothers Inc.

"Underwriting Agreement" shall mean that certain Underwriting Agreement between the Lessee and the Underwriters, pertaining to the sale of the Pass Through Certificates.

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

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