Section 1: 10-Q (10-Q)

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

(Mark One)

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2018

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____ .

Commission File Number 1-6903

TRINITY INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

Delaware	**75-0225040**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
2525 N. Stemmons Freeway, Dallas, Texas	**75207-2401**
(Address of principal executive offices)	(Zip Code)

(214) 631-4420

(Registrant's telephone number, including area code)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☑ Accelerated filer ☐ Non-accelerated filer ☐ (Do not check if a smaller reporting company)

Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

At July 13, 2018 the number of shares of common stock outstanding was 147,714,883.

TRINITY INDUSTRIES, INC.

FORM 10-Q

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PART I

Item 1. *Financial Statements*
Trinity Industries, Inc. and Subsidiaries
Consolidated Statements of Operations
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
	(in millions, except per share amounts)			
Revenues:				
Manufacturing	**$ 729.1**	$ 713.6	**$ 1,386.1**	$ 1,412.3
Leasing	**213.2**	191.9	**387.5**	370.5
	942.3	905.5	**1,773.6**	1,782.8
Operating costs:				
Cost of revenues:				
Manufacturing	**599.6**	590.1	**1,136.3**	1,166.7
Leasing	**118.5**	92.2	**211.9**	175.8
	718.1	682.3	**1,348.2**	1,342.5
Selling, engineering, and administrative expenses:				
Manufacturing	**54.4**	61.5	**107.6**	118.1
Leasing	**12.6**	13.1	**24.8**	23.9
Other	**43.4**	38.4	**82.9**	73.5
	110.4	113.0	**215.3**	215.5
Gains on dispositions of property:				
Net gains on railcar lease fleet sales owned more than one year at the time of sale	**9.5**	23.7	**11.6**	23.7
Other	**2.2**	0.7	**2.4**	2.0
	11.7	24.4	**14.0**	25.7
Total operating profit	**125.5**	134.6	**224.1**	250.5
Other (income) expense:				
Interest income	**(3.7)**	(2.3)	**(7.6)**	(4.0)
Interest expense	**43.8**	45.7	**90.1**	90.7
Other, net	**(0.7)**	(0.1)	**(0.9)**	—
	39.4	43.3	**81.6**	86.7
Income before income taxes	**86.1**	91.3	**142.5**	163.8
Provision for income taxes	**20.6**	37.3	**35.4**	58.1
Net income	**65.5**	54.0	**107.1**	105.7
Net income attributable to noncontrolling interest	**1.4**	2.9	**2.8**	8.6
Net income attributable to Trinity Industries, Inc.	**$ 64.1**	$ 51.1	**$ 104.3**	$ 97.1
Net income attributable to Trinity Industries, Inc. per common share:				
Basic	**$ 0.43**	$ 0.34	**$ 0.70**	$ 0.64
Diluted	**$ 0.43**	$ 0.33	**$ 0.68**	$ 0.63
Weighted average number of shares outstanding:				
Basic	**146.2**	149.1	**146.7**	148.9
Diluted	**147.0**	151.0	**150.2**	151.0
Dividends declared per common share	**$ 0.13**	$ 0.13	**$ 0.26**	$ 0.24

See accompanying notes to consolidated financial statements.

Trinity Industries, Inc. and Subsidiaries
Consolidated Statements of Comprehensive Income
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	**2017**	**2018**	**2017**
		(in millions)		
Net income	**$ 65.5**	$ 54.0	**$ 107.1**	$ 105.7
Other comprehensive income (loss):				
Derivative financial instruments:				
Unrealized losses arising during the period, net of tax expense (benefit) of $(0.2), $-, $-, and $-	**(0.9)**	(0.2)	**(0.1)**	(0.2)
Reclassification adjustments for losses included in net income, net of tax expense (benefit) of $(0.2), $-, $0.1, and $(0.3)	**0.3**	1.2	**1.3**	2.2
Currency translation adjustment	**(0.8)**	0.5	**(1.5)**	0.8
Defined benefit plans:				
Amortization of net actuarial losses, net of tax benefit of $0.2, $0.5, $0.6, and $0.9	**0.9**	0.7	**1.7**	1.5
	(0.5)	2.2	**1.4**	4.3
Comprehensive income	**65.0**	56.2	**108.5**	110.0
Less: comprehensive income attributable to noncontrolling interest	**1.8**	3.6	**3.6**	10.1
Comprehensive income attributable to Trinity Industries, Inc.	**$ 63.2**	$ 52.6	**$ 104.9**	$ 99.9

See accompanying notes to consolidated financial statements.

Trinity Industries, Inc. and Subsidiaries
Consolidated Balance Sheets

	June 30, 2018	December 31, 2017
	(unaudited)	
	(in millions)	
ASSETS		
Cash and cash equivalents	**$ 612.7**	$ 778.6
Short-term marketable securities	**25.0**	319.5
Receivables, net of allowance	**356.1**	369.7
Income tax receivable	**34.6**	29.0
Inventories:		
Raw materials and supplies	**300.4**	296.7
Work in process	**149.2**	179.0
Finished goods	**136.8**	164.9
	586.4	640.6
Restricted cash, including partially-owned subsidiaries of $42.0 and $62.9	**142.2**	195.2
Property, plant, and equipment, at cost, including partially-owned subsidiaries of $2,005.7 and $1,985.9	**8,864.1**	8,385.2
Less accumulated depreciation, including partially-owned subsidiaries of $444.6 and $418.0	**(2,375.9)**	(2,250.5)
	6,488.2	6,134.7
Goodwill	**789.4**	780.3
Other assets	**320.1**	295.6
	$ 9,354.7	$ 9,543.2
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable	**$ 205.3**	$ 175.4
Accrued liabilities	**435.0**	440.0
Debt:		
Recourse	**424.4**	866.8
Non-recourse:		
Wholly-owned subsidiaries	**1,473.0**	1,024.8
Partially-owned subsidiaries	**1,329.9**	1,350.8
	3,227.3	3,242.4
Deferred income	**19.1**	20.5
Deferred income taxes	**734.0**	743.2
Other liabilities	**66.2**	63.7
	4,686.9	4,685.2
Stockholders’ equity:		
Preferred stock – 1.5 shares authorized and unissued	**—**	—
Common stock – 400.0 shares authorized	**1.5**	1.6
Capital in excess of par value	**237.2**	482.5
Retained earnings	**4,203.4**	4,123.4
Accumulated other comprehensive loss	**(122.9)**	(104.8)
Treasury stock	**(1.6)**	(1.6)
	4,317.6	4,501.1
Noncontrolling interest	**350.2**	356.9
	4,667.8	4,858.0
	$ 9,354.7	$ 9,543.2

See accompanying notes to consolidated financial statements.

Trinity Industries, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
(unaudited)

	Six Months Ended June 30,	
	2018	**2017**
	(in millions)	
Operating activities:		
Net income	**$ 107.1**	$ 105.7
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**152.6**	146.5
Stock-based compensation expense	**19.0**	13.8
Provision for deferred income taxes	**36.2**	116.4
Net gains on railcar lease fleet sales owned more than one year at the time of sale	**(11.6)**	(23.7)
Gains on dispositions of property and other assets	**(2.4)**	(2.0)
Non-cash interest expense	**12.6**	14.7
Other	**(0.7)**	(0.6)
Changes in assets and liabilities:		
(Increase) decrease in receivables	**31.8**	(52.8)
(Increase) decrease in inventories	**26.1**	39.6
(Increase) decrease in other assets	**(26.4)**	(0.9)
Increase (decrease) in accounts payable	**29.9**	11.0
Increase (decrease) in accrued liabilities	**(27.8)**	(4.9)
Increase (decrease) in other liabilities	**1.9**	(26.7)
Net cash provided by operating activities	**348.3**	336.1
Investing activities:		
(Increase) decrease in short-term marketable securities	**294.5**	55.1
Proceeds from dispositions of property and other assets	**5.5**	6.0
Proceeds from railcar lease fleet sales owned more than one year at the time of sale	**56.4**	92.4
Capital expenditures – leasing, net of sold lease fleet railcars owned one year or less with a net cost of $24.8 and $5.6	**(503.2)**	(271.6)
Capital expenditures – manufacturing and other	**(33.9)**	(43.4)
Acquisitions, net of cash acquired	**(25.0)**	(5.3)
Other	**1.3**	(2.1)
Net cash required by investing activities	**(204.4)**	(168.9)
Financing activities:		
Payments to retire debt	**(674.6)**	(98.3)
Proceeds from issuance of debt	**478.0**	299.4
Shares repurchased	**(102.2)**	(41.9)
Dividends paid to common shareholders	**(39.3)**	(33.5)
Purchase of shares to satisfy employee tax on vested stock	**(11.3)**	(14.0)
Distributions to noncontrolling interest	**(10.3)**	(16.9)
Other	**(3.1)**	(0.1)
Net cash (required) provided by financing activities	**(362.8)**	94.7
Net (decrease) increase in cash, cash equivalents, and restricted cash	**(218.9)**	261.9
Cash, cash equivalents, and restricted cash at beginning of period	**973.8**	741.6
Cash, cash equivalents, and restricted cash at end of period	**$ 754.9**	$ 1,003.5

See accompanying notes to consolidated financial statements.

Trinity Industries, Inc. and Subsidiaries
Consolidated Statement of Stockholders' Equity
(unaudited)

	Common Stock					Treasury Stock				
	Shares	$0.01 Par Value	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Loss	Shares	Amount	Trinity Stockholders' Equity	Noncontrolling Interest	Total Stockholders' Equity
					(in millions, except par value)					
Balances at December 31, 2017	150.9	$ 1.6	$ 482.5	$ 4,123.4	$ (104.8)	(0.1)	$ (1.6)	$ 4,501.1	$ 356.9	$ 4,858.0
Cumulative effect of adopting accounting standards (see Note 1)	—	—	—	14.7	(18.7)	—	—	(4.0)	—	(4.0)
Net income	—	—	—	104.3	—	—	—	104.3	2.8	107.1
Other comprehensive income	—	—	—	—	0.6	—	—	0.6	0.8	1.4
Cash dividends on common stock	—	—	—	(39.0)	—	—	—	(39.0)	—	(39.0)
Restricted shares, net	0.2	—	22.3	—	—	(0.4)	(14.7)	7.6	—	7.6
Shares repurchased	—	—	—	—	—	(3.0)	(100.1)	(100.1)	—	(100.1)
Stock options exercised	—	—	0.1	—	—	—	—	0.1	—	0.1
Distributions to noncontrolling interest	—	—	—	—	—	—	—	—	(10.3)	(10.3)
Retirement of treasury stock	(3.4)	—	(114.8)	—	—	3.4	114.8	—	—	—
Redemption of convertible subordinated notes (see Note 11)	—	—	(152.9)	—	—	—	—	(152.9)	—	(152.9)
Other	—	(0.1)	—	—	—	—	—	(0.1)	—	(0.1)
Balances at June 30, 2018	147.7	$ 1.5	$ 237.2	$ 4,203.4	$ (122.9)	(0.1)	$ (1.6)	$ 4,317.6	$ 350.2	$ 4,667.8

See accompanying notes to consolidated financial statements.

Trinity Industries, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
(Unaudited)

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The foregoing consolidated financial statements are unaudited and have been prepared from the books and records of Trinity Industries, Inc. and its consolidated subsidiaries (“Trinity,” “Company,” “we,” or “our”) including the accounts of its wholly-owned subsidiaries and its partially-owned subsidiaries, TRIP Rail Holdings LLC (“TRIP Holdings”) and RIV 2013 Rail Holdings LLC ("RIV 2013"), in which the Company has a controlling interest. In our opinion, all normal and recurring adjustments necessary for a fair presentation of the financial position of the Company as of June 30, 2018, and the results of operations for the three and six months ended June 30, 2018 and 2017, and cash flows for the six months ended June 30, 2018 and 2017, have been made in conformity with generally accepted accounting principles. All significant intercompany accounts and transactions have been eliminated. Because of seasonal and other factors, the results of operations for the six months ended June 30, 2018 may not be indicative of expected results of operations for the year ending December 31, 2018. These interim financial statements and notes are condensed as permitted by the instructions to Form 10-Q and should be read in conjunction with the audited consolidated financial statements of the Company included in its Form 10-K for the year ended December 31, 2017.

Stockholders' Equity

In December 2017, the Company’s Board of Directors authorized a $500 million share repurchase program effective January 1, 2018 through December 31, 2019. Under the program, 1,451,171 and 2,970,674 shares, respectively, were repurchased during the three and six months ended June 30, 2018, at a cost of approximately $50.1 million and $100.1 million, respectively, leaving a remaining authorization of $400.0 million. Certain shares of stock repurchased during June 2018, totaling $3.8 million, were cash settled in July 2018 in accordance with normal settlement practices. Under the Company's previous program that expired on December 31, 2017, 1,942,200 shares were repurchased during the three and six months ended June 30, 2017, at a cost of approximately $52.4 million.

Revenue Recognition

Revenue is measured based on the allocation of the transaction price in a contract to satisfied performance obligations. The transaction price does not include any amounts collected on behalf of third parties. The Company recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. The following is a description of principal activities from which the Company generates its revenue, separated by reportable segments. Payments for our products and services are generally due within normal commercial terms. For a further discussion regarding the Company’s reportable segments, see Note 4 Segment Information.

Rail Group

The Rail Group recognizes revenue when the customer has submitted its certificate of acceptance and legal title of the railcar has passed to the customer. Certain long-term contracts for the sales of railcars include price adjustments based on steel-price indices; this amount represents variable consideration for which we are constrained and we do not estimate these amounts prior to the time the railcar is delivered, at which time the pricing becomes fixed.

Construction Products Group

The Construction Products Group recognizes revenue when the customer has accepted the product and legal title of the product has passed to the customer.

Inland Barge Group

The Inland Barge Group recognizes revenue when the customer has accepted the product and legal title of the product has passed to the customer.

Energy Equipment Group

Within the Energy Equipment Group, revenue is recognized for our wind tower and certain utility structure product lines over time as the products are manufactured using an input approach based on the costs incurred relative to the total estimated costs of production. We recognize revenue over time for these products as they are highly customized to the needs of an individual customer resulting in no alternative use to the Company if not purchased by the customer after the contract is executed, and we have the right to bill the customer for our work performed to date plus at least a reasonable profit margin for work performed. For all other products, revenue is recognized when the customer has accepted the product and legal title of the product has passed to the customer.

Railcar Leasing and Management Services Group

Revenue from rentals and operating leases, including contracts that contain non-level fixed rental payments, is recognized monthly on a straight-line basis. Revenue is recognized from the sales of railcars from the lease fleet on a gross basis in leasing revenues and cost of revenues if the railcar has been owned for one year or less at the time of sale. Sales of railcars from the lease fleet owned for more than one year are recognized as a net gain or loss from the disposal of a long-term asset. Revenue from servicing, maintenance, and management agreements is recognized as each performance period occurs.

Fees for shipping and handling are recorded as revenue. The Company has elected to account for shipping and handling costs as activities to fulfill the promise to transfer the good. The fees and costs of shipping and handling activities are accrued if the related performance obligation has been satisfied.

Unsatisfied Performance Obligations

The following table includes estimated revenue expected to be recognized in future periods related to performance obligations that are unsatisfied or partially satisfied as of June 30, 2018 and the percentage of the outstanding performance obligations as of June 30, 2018 expected to be delivered during the remainder of 2018:

	Unsatisfied performance obligations at June 30, 2018	
	Total Amount	Percent expected to be delivered in 2018
	(in millions)	
Rail Group:		
Railcars:		
External Customers	$ 1,922.8	
Leasing Group	741.5	
	$ 2,664.3	34%
Components and maintenance services	$ 66.4	63%
Inland Barge Group	$ 198.4	44%
Energy Equipment Group:		
Wind towers and utility structures	$ 780.1	37%
Other	$ 53.2	86%
Railcar Leasing and Management Services Group	$ 124.7	10%

The remainder of the unsatisfied performance obligations for the Rail Group are expected to be delivered through 2023. The remainder of the unsatisfied performance obligations for the Inland Barge Group and wind towers and utility structures are expected to be delivered through 2020. Unsatisfied performance obligations for the Railcar Leasing and Management Services Group are related to servicing, maintenance, and management agreements and are expected to be performed through 2024. Substantially all other unsatisfied performance obligations beyond 2018 are expected to be delivered during 2019.

Financial Instruments

The Company considers all highly liquid debt instruments to be either cash and cash equivalents if purchased with a maturity of three months or less, or short-term marketable securities if purchased with a maturity of more than three months and less than one year. The Company intends to hold its short-term marketable securities until they are redeemed at their maturity date and believes that under the "more likely than not" criteria, the Company will not be required to sell the securities before recovery of their amortized cost bases, which may be at maturity.

Financial instruments that potentially subject the Company to a concentration of credit risk are primarily cash investments including restricted cash, short-term marketable securities, and receivables. The Company places its cash investments and short-term marketable securities in bank deposits and investment grade, short-term debt instruments and limits the amount of credit exposure to any one commercial issuer. Concentrations of credit risk with respect to receivables are limited due to control procedures that monitor the credit worthiness of customers, the large number of customers in the Company's customer base, and their dispersion across different industries and geographic areas. As receivables are generally unsecured, the Company maintains an allowance for doubtful accounts based upon the expected collectibility of all receivables. Receivable balances determined to be uncollectible are charged against the allowance. The carrying values of cash, short-term marketable securities (using level two inputs), receivables, and accounts payable are considered to be representative of their respective fair values.

Restricted Cash

Restricted cash consists of cash and cash equivalents held either as collateral for the Company's non-recourse debt and lease obligations or as security for the performance of certain product sales agreements. As such, they are restricted in use.

Recent Accounting Pronouncements

On January 1, 2018, the Company adopted Accounting Standards Update No. 2014-09, "Revenue from Contracts with Customers," ("ASU 2014-09") which provides common revenue recognition guidance for U.S. generally accepted accounting principles. Under ASU 2014-09, an entity recognizes revenue when it transfers promised goods or services to customers in an amount that reflects what it expects to receive in exchange for the goods or services. It also requires additional detailed disclosures to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

The Company applied ASU 2014-09 to all contracts that were not complete as of January 1, 2018 using the modified retrospective method of adoption, resulting in a reduction to retained earnings of $4.0 million, net of tax, as of January 1, 2018 related to the cumulative effect of applying this standard. Therefore, the comparative information for the three and six months ended June 30, 2017 has not been adjusted and continues to be reported under ASC Topic 605.

The primary impact of adopting the standard is a change in the timing of revenue recognition for our wind towers and certain utility structures product lines within our Energy Equipment Group. Previously, the Company recognized revenue when the product was delivered. Under ASU 2014-09, revenue is recognized over time as the products are manufactured. Revenue recognition policies in our other business segments remain substantially unchanged.

The following tables summarize the impact of adopting ASU 2014-09 on the Company's consolidated financial statements as of June 30, 2018 and for the three and six months then ended:

	As Reported	Adjustments	Balance without adjustment for adoption of ASU 2014-09
		(in millions)	
Consolidated Statement of Operations			
For the three months ended June 30, 2018:			
Revenues - manufacturing	$ 729.1	$ (3.3)	$ 725.8
Cost of revenues - manufacturing	599.6	(2.9)	596.7
Operating profit	125.5	(0.4)	125.1
Income before income taxes	86.1	(0.4)	85.7
Provision for income taxes	20.6	(0.1)	20.5
Net income	65.5	(0.3)	65.2
Net income attributable to Trinity Industries, Inc.	64.1	(0.3)	63.8
For the six months ended June 30, 2018:			
Revenues - manufacturing	$ 1,386.1	14.7	1,400.8
Cost of revenues - manufacturing	1,136.3	11.1	1,147.4
Operating profit	224.1	3.6	227.7
Income before income taxes	142.5	3.6	146.1
Provision for income taxes	35.4	0.8	36.2
Net income	107.1	2.8	109.9
Net income attributable to Trinity Industries, Inc.	104.3	2.8	107.1
Consolidated Balance Sheet			
Receivables, net of allowance	$ 356.1	$ (12.0)	$ 344.1
Inventories:			
Raw materials and supplies	300.4	—	300.4
Work in process	149.2	15.7	164.9
Finished goods	136.8	0.8	137.6
Accrued liabilities	435.0	(4.3)	430.7
Deferred income taxes	734.0	2.0	736.0
Retained earnings	4,203.4	6.8	4,210.2
Consolidated Statement of Cash Flows			
For the six months ended June 30, 2018:			
Operating activities:			
Net income	$ 107.1	$ 2.8	$ 109.9
Provision for deferred income taxes	36.2	0.8	37.0
(Increase) decrease in receivables	31.8	4.1	35.9
(Increase) decrease in inventories	26.1	11.1	37.2
Increase (decrease) in accrued liabilities	(27.8)	(18.8)	(46.6)
Net cash provided by operating activities	348.3	—	348.3

In February 2016, the FASB issued Accounting Standards Update No. 2016-02, "Leases", ("ASU 2016-02") which amends the existing accounting standards for lease accounting, including requiring lessees to recognize most leases on their balance sheets and making targeted changes to lessor accounting. ASU 2016-02 will become effective for public companies during interim and annual reporting periods beginning after December 15, 2018, with early adoption permitted. The Company plans to adopt ASU 2016-02 effective January 1, 2019. We are continuing to assess the potential effects of the new standard, including its effects on our consolidated financial statements.

In November 2016, the FASB issued Accounting Standards Update No. 2016-18, "Restricted Cash", ("ASU 2016-18") which clarifies how entities should present restricted cash and restricted cash equivalents in the statement of cash flows. The new guidance requires a reconciliation of totals in the statement of cash flows to the related cash and cash equivalents and restricted cash captions in the balance sheet. The Company adopted ASU

2016-18 effective January 1, 2018. Amounts previously reported have been adjusted to reflect this change.

In March 2017, the FASB issued Accounting Standards Update No. 2017-07, “Compensation - Retirement Benefits: Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost”, (“ASU 2017-07”) which changes how companies that sponsor defined benefit pension plans present the related net periodic benefit cost in the income statement. The service cost component of the net periodic benefit cost will continue to be presented in the same income statement line items, however other components of the net periodic benefit cost will be presented as a component of other income and excluded from operating profit. The Company adopted ASU 2017-07 effective January 1, 2018. Amounts previously reported have been adjusted to reflect this change.

In February 2018, the FASB issued Accounting Standards Update No. 2018-02, “Income Statement - Reporting Comprehensive Income: Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income”, (“ASU 2018-02”) which gives entities the option to reclassify from Accumulated Other Comprehensive Loss ("AOCL") to retained earnings the stranded tax effects resulting from the Tax Cuts and Jobs Act (the"Act") enacted on December 22, 2017. ASU 2018-02 will become effective for public companies during interim and annual reporting periods beginning after December 15, 2018, with early adoption permitted. The Company elected to adopt ASU 2018-02 as of January 1, 2018 resulting in a reclassification adjustment from AOCL, increasing retained earnings by $18.7 million for the six months ended June 30, 2018.

Reclassifications

Certain prior year balances have been reclassified in the Notes to Consolidated Financial Statements to conform to the 2018 presentation.

Note 2. Acquisitions and Divestitures

In March 2018, we completed the acquisition of certain assets of an inland barge business which was recorded as a business combination, based on preliminary valuations of the acquired assets and liabilities at their acquisition date fair value using level three inputs. Such assets and liabilities were not significant in relation to assets and liabilities at the consolidated or segment level. See Note 3 Fair Value Accounting for a discussion of inputs in determining fair value.

In May 2017, we completed the acquisition of the assets of a lightweight aggregates business in our Construction Products Group. The purchase price of the acquisition was not significant.

There was no divestiture activity for the three and six months ended June 30, 2018 and 2017.

Note 3. Fair Value Accounting

Assets and liabilities measured at fair value on a recurring basis are summarized below:

	Fair Value Measurement as of June 30, 2018 (in millions)			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets:				
Cash equivalents	**$ 456.9**	**$ —**	**$ —**	**$ 456.9**
Restricted cash	**142.2**	**—**	**—**	**142.2**
Equity instruments[1]	**—**	**1.3**	**—**	**1.3**
Interest rate hedge[1]	**—**	**2.7**	**—**	**2.7**
Total assets	**$ 599.1**	**$ 4.0**	**$ —**	**$ 603.1**

	Fair Value Measurement as of December 31, 2017 (in millions)			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets:				
Cash equivalents	$ 113.1	$ —	$ —	$ 113.1
Restricted cash	195.2	—	—	195.2
Equity instruments[1]	—	1.3	—	1.3
Interest rate hedge[1]	—	1.6	—	1.6
Total assets	$ 308.3	$ 2.9	$ —	$ 311.2

[1] Included in other assets on the consolidated balance sheet.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for that asset or liability in an orderly transaction between market participants on the measurement date. An entity is required to establish a fair value hierarchy that maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. The three levels of inputs that may be used to measure fair value are listed below:

Level 1 – This level is defined as quoted prices in active markets for identical assets or liabilities. The Company’s cash equivalents and restricted cash are instruments of the U.S. Treasury or highly-rated money market mutual funds.

Level 2 – This level is defined as observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. The Company's fuel derivative instruments, which are commodity swaps, are valued using energy and commodity market data. Interest rate hedges are valued at exit prices obtained from each counterparty. See Note 7 Derivative Instruments and Note 11 Debt. The equity instruments consist of warrants for the purchase of certain publicly-traded equity securities and are valued using the Black-Scholes-Merton option pricing model and certain assumptions regarding the exercisability of the options under the related agreement.

Level 3 – This level is defined as unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The carrying amounts and estimated fair values of our long-term debt are as follows:

	June 30, 2018		December 31, 2017	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
	(in millions)			
Recourse:				
Senior notes	**$ 399.7**	**$ 384.2**	$ 399.7	$ 400.3
Convertible subordinated notes	**—**	**—**	449.4	715.0
Less: unamortized discount	**—**		(8.2)	
	—		441.2	
Capital lease obligations	**26.8**	**26.8**	28.3	28.3
Other	**0.4**	**0.4**	0.5	0.5
	426.9	**411.4**	869.7	1,144.1
Less: unamortized debt issuance costs	**(2.5)**		(2.9)	
	424.4		866.8	
Non-recourse:				
2006 secured railcar equipment notes	**147.0**	**152.0**	158.5	165.7
2009 secured railcar equipment notes	**163.3**	**177.2**	166.2	169.6
2010 secured railcar equipment notes	**261.7**	**266.9**	266.9	281.9
2017 promissory notes	**286.0**	**286.0**	293.6	293.6
2018 secured railcar equipment notes	**482.2**	**487.0**	—	—
TILC warehouse facility	**151.1**	**151.1**	150.7	150.7
TRL 2012 secured railcar equipment notes	**392.3**	**369.6**	402.8	390.4
TRIP Master Funding secured railcar equipment notes	**951.2**	**974.7**	962.5	1,007.6
	2,834.8	**2,864.5**	2,401.2	2,459.5
Less: unamortized debt issuance costs	**(31.9)**		(25.6)	
	2,802.9		2,375.6	
Total	**$ 3,227.3**	**$ 3,275.9**	$ 3,242.4	$ 3,603.6

The estimated fair values of our senior notes and convertible subordinated notes were based on a quoted market price in a market with little activity as of June 30, 2018 and December 31, 2017 (Level 2 input). The estimated fair values of our 2006, 2009, 2010, 2012, and 2018 secured railcar equipment notes and TRIP Rail Master Funding LLC (“TRIP Master Funding”) secured railcar equipment notes are based on our estimate of their fair value as of June 30, 2018 and December 31, 2017 using unobservable input values provided by a third party (Level 3 inputs). The respective carrying values of our Trinity Industries Leasing Company (“TILC”) warehouse facility and 2017 promissory notes approximate fair value because the interest rate adjusts to the market interest rate (Level 3 input). The fair values of all other financial instruments are estimated to approximate carrying value. See Note 11 Debt for a description of the Company's long-term debt.

Note 4. Segment Information

The Company reports operating results in five principal business segments: (1) the Rail Group, which manufactures and sells railcars and related parts, components, and maintenance services; (2) the Construction Products Group, which manufactures and sells highway products, trench shields, shoring products, and services for infrastructure-related projects, and produces and sells construction aggregates; (3) the Inland Barge Group, which manufactures and sells barges and related products for inland waterway services; (4) the Energy Equipment Group, which manufactures and sells products for energy-related businesses, including structural wind towers, steel utility structures for electricity transmission and distribution, storage and distribution containers, and tank heads for pressure and non-pressure vessels; and (5) the Railcar Leasing and Management Services Group (“Leasing Group”), which owns and operates a fleet of railcars as well as provides third-party fleet leasing, management, maintenance, and administrative services. The segment All Other includes our captive insurance and transportation companies; legal, environmental, and maintenance costs associated with non-operating facilities; and other peripheral businesses. Gains and losses from the sale of property, plant, and equipment related to manufacturing and dedicated to the specific manufacturing operations of a particular segment are included in the operating profit of that respective segment. Gains and losses from the sale of property, plant, and equipment that can be utilized by multiple segments are included in operating profit of the All Other segment.

Sales and related net profits ("deferred profit") from the Rail Group to the Leasing Group are recorded in the Rail Group and eliminated in consolidation and reflected in the "Eliminations - Lease subsidiary" line in the table below. Sales between these groups are recorded at prices comparable to those charged to external customers, taking into consideration quantity, features, and production demand. Amortization of deferred profit on railcars sold to the Leasing Group is included in the operating profit of the Leasing Group, resulting in the recognition of depreciation expense based on the Company's original manufacturing cost of the railcars. Sales of railcars from the lease fleet are included in the Leasing Group, with related gains and losses computed based on the net book value of the original manufacturing cost of the railcars.

The financial information for these segments is shown in the tables below. We operate principally in North America.

Three Months Ended June 30, 2018

	Revenues			Operating Profit (Loss)
	External	Intersegment	Total	
		(in millions)		
Railcars			**$ 483.8**	
Components and maintenance services			**91.4**	
Rail Group	**$ 346.9**	**$ 228.3**	**575.2**	**$ 57.7**
Highway products			**71.7**	
Construction aggregates			**61.1**	
Other			**22.8**	
Construction Products Group	**153.4**	**2.2**	**155.6**	**31.4**
Inland Barge Group	**42.9**	**—**	**42.9**	**2.9**
Wind towers and utility structures			**133.0**	
Other			**66.3**	
Energy Equipment Group	**183.9**	**15.4**	**199.3**	**13.1**
Leasing and management			**184.2**	
Sales of leased railcars owned one year or less at the time of sale			**29.2**	
Railcar Leasing and Management Services Group	**213.2**	**0.2**	**213.4**	**91.8**
All Other	**2.0**	**21.3**	**23.3**	**(3.0)**
Segment Totals before Eliminations and Corporate	**942.3**	**267.4**	**1,209.7**	**193.9**
Corporate	**—**	**—**	**—**	**(43.4)**
Eliminations – Lease subsidiary	**—**	**(228.3)**	**(228.3)**	**(24.5)**
Eliminations – Other	**—**	**(39.1)**	**(39.1)**	**(0.5)**
Consolidated Total	**$ 942.3**	**$ —**	**$ 942.3**	**$ 125.5**

Three Months Ended June 30, 2017

	Revenues			Operating Profit (Loss)
	External	Intersegment	Total	
		(in millions)		
Railcars			$ 407.3	
Components and maintenance services			58.6	
Rail Group	$ 335.4	$ 130.5	465.9	$ 36.7
Highway products			65.6	
Construction aggregates			52.2	
Other			13.5	
Construction Products Group	130.7	0.6	131.3	22.2
Inland Barge Group	33.5	—	33.5	0.5
Wind towers and utility structures			166.5	
Other			72.0	
Energy Equipment Group	212.2	26.3	238.5	24.1
Leasing and management			185.0	
Sales of leased railcars owned one year or less at the time of sale			7.1	
Railcar Leasing and Management Services Group	191.9	0.2	192.1	110.8
All Other	1.8	20.9	22.7	(5.7)

Segment Totals before Eliminations and Corporate	905.5	178.5	1,084.0	188.6
Corporate	—	—	—	(38.4)
Eliminations – Lease subsidiary	—	(130.6)	(130.6)	(14.4)
Eliminations – Other	—	(47.9)	(47.9)	(1.2)
Consolidated Total	$ 905.5	$ —	$ 905.5	$ 134.6

Six Months Ended June 30, 2018

	Revenues			Operating Profit (Loss)
	External	Intersegment	Total	
		(in millions)		
Railcars			$ 1,004.9	
Components and maintenance services			168.8	
Rail Group	$ 649.3	$ 524.4	1,173.7	$ 116.6
Highway products			126.5	
Construction aggregates			113.7	
Other			40.4	
Construction Products Group	276.8	3.8	280.6	50.8
Inland Barge Group	73.7	—	73.7	2.2
Wind towers and utility structures			280.5	
Other			145.5	
Energy Equipment Group	383.1	42.9	426.0	34.4
Leasing and management			358.8	
Sales of leased railcars owned one year or less at the time of sale			29.2	
Railcar Leasing and Management Services Group	387.5	0.5	388.0	162.9
All Other	3.2	44.9	48.1	(6.3)
Segment Totals before Eliminations and Corporate	1,773.6	616.5	2,390.1	360.6
Corporate	—	—	—	(82.9)
Eliminations – Lease subsidiary	—	(524.4)	(524.4)	(53.2)
Eliminations – Other	—	(92.1)	(92.1)	(0.4)
Consolidated Total	$ 1,773.6	$ —	$ 1,773.6	$ 224.1

Six Months Ended June 30, 2017

	Revenues			Operating Profit (Loss)
	External	Intersegment	Total	
		(in millions)		
Railcars			$ 832.4	
Components and maintenance services			111.8	
Rail Group	$ 621.4	$ 322.8	944.2	$ 87.2
Highway products			129.1	
Construction aggregates			101.8	
Other			23.5	
Construction Products Group	251.6	2.8	254.4	37.7
Inland Barge Group	96.2	—	96.2	6.8
Wind towers and utility structures			347.3	
Other			146.6	
Energy Equipment Group	440.0	53.9	493.9	53.7
Leasing and management			363.9	
Sales of leased railcars owned one year or less at the time of sale			7.1	
Railcar Leasing and Management Services Group	370.5	0.5	371.0	195.8
All Other	3.1	42.4	45.5	(10.3)

Segment Totals before Eliminations and Corporate	1,782.8	422.4	2,205.2	370.9
Corporate	—	—	—	(73.5)
Eliminations – Lease subsidiary	—	(322.8)	(322.8)	(43.8)
Eliminations – Other	—	(99.6)	(99.6)	(3.1)
Consolidated Total	$ 1,782.8	$ —	$ 1,782.8	$ 250.5

Note 5. Partially-Owned Leasing Subsidiaries

The Company, through its wholly-owned subsidiary, TILC, formed two subsidiaries, TRIP Holdings and RIV 2013, for the purpose of providing railcar leasing in North America. Each of TRIP Holdings and RIV 2013 are direct, partially-owned subsidiaries of TILC in which the Company has a controlling interest. Each is governed by a seven-member board of representatives, two of whom are designated by TILC. TILC is the agent of each of TRIP Holdings and RIV 2013 and as such, has been delegated the authority, power, and discretion to take certain actions on behalf of the respective companies.

At June 30, 2018, the Company's carrying value of its investment in TRIP Holdings and RIV 2013 totaled $189.6 million. The Company's weighted average ownership interest in TRIP Holdings and RIV 2013 is 38% while the remaining 62% weighted average interest is owned by third-party investor-owned funds. The Company's investments in its partially-owned leasing subsidiaries are eliminated in consolidation.

Each of TRIP Holdings and RIV 2013 has wholly-owned subsidiaries that are the owners of railcars acquired from the Company's Rail and Leasing Groups. These wholly-owned subsidiaries are TRIP Master Funding (wholly-owned by TRIP Holdings) and Trinity Rail Leasing 2012 LLC ("TRL 2012," wholly-owned by RIV 2013). Railcar purchases by these subsidiaries were funded by secured borrowings and capital contributions from TILC and third-party equity investors. TILC is the contractual servicer for TRIP Master Funding and TRL 2012, with the authority to manage and service each entity's owned railcars. The Company's controlling interest in each of TRIP Holdings and RIV 2013 results from its combined role as both equity member and agent/servicer. The noncontrolling interest included in the accompanying consolidated balance sheets represents the non-Trinity equity interest in these partially-owned subsidiaries.

Trinity has no obligation to guarantee performance under any of the partially-owned subsidiaries' (or their respective subsidiaries') debt agreements, guarantee any railcar residual values, shield any parties from losses, or guarantee minimum yields.

The assets of each of TRIP Master Funding and TRL 2012 may only be used to satisfy the particular subsidiary's liabilities, and the creditors of each of TRIP Master Funding and TRL 2012 have recourse only to the particular subsidiary's assets. Each of TILC and the third-party equity investors receive distributions from TRIP Holdings and RIV 2013, when available, in proportion to its respective equity interests, and has an interest in the net assets of the partially-owned subsidiaries upon a liquidation event in the same proportion. TILC is paid fees for the services it provides to TRIP Master Funding and TRL 2012 and has the potential to earn certain incentive fees. TILC and the third-party equity investors have commitments to provide additional equity funding to TRIP Holdings that expire in May 2019 contingent upon certain returns on investment in TRIP Holdings and other conditions being met. There are no remaining equity commitments with respect to RIV 2013.

See Note 11 Debt regarding the debt of TRIP Holdings and RIV 2013 and their respective subsidiaries.

Note 6. Railcar Leasing and Management Services Group

The Railcar Leasing and Management Services Group owns and operates a fleet of railcars as well as provides third-party fleet leasing, management, maintenance, and administrative services. Selected consolidating financial information for the Leasing Group is as follows:

	June 30, 2018			
	Leasing Group			
	Wholly-Owned Subsidiaries	Partially-Owned Subsidiaries	Manufacturing/ Corporate	Total
	(in millions)			
Cash, cash equivalents, and short-term marketable securities	**$ 4.8**	**$ —**	**$ 632.9**	**$ 637.7**
Property, plant, and equipment, net	**$ 4,547.1**	**$ 1,816.0**	**$ 961.5**	**$ 7,324.6**
Net deferred profit on railcars sold to the Leasing Group				**(836.4)**
Consolidated property, plant, and equipment, net				**$ 6,488.2**
Restricted cash	**$ 100.1**	**$ 42.0**	**$ 0.1**	**$ 142.2**
Debt:				
Recourse	**$ 26.8**	**$ —**	**$ 400.4**	**$ 427.2**
Less: unamortized discount	**—**	**—**	**(0.3)**	**(0.3)**
Less: unamortized debt issuance costs	**—**	**—**	**(2.5)**	**(2.5)**
	26.8	**—**	**397.6**	**424.4**
Non-recourse	**1,491.6**	**1,343.5**	**—**	**2,835.1**
Less: unamortized discount	**(0.3)**	**—**	**—**	**(0.3)**
Less: unamortized debt issuance costs	**(18.3)**	**(13.6)**	**—**	**(31.9)**
	1,473.0	**1,329.9**	**—**	**2,802.9**
Total debt	**$ 1,499.8**	**$ 1,329.9**	**$ 397.6**	**$ 3,227.3**
Net deferred tax liabilities	**$ 672.7**	**$ 0.8**	**$ 40.8**	**$ 714.3**

	December 31, 2017			
	Leasing Group			
	Wholly-Owned Subsidiaries	Partially-Owned Subsidiaries	Manufacturing/ Corporate	Total
	(in millions)			
Cash, cash equivalents, and short-term marketable securities	$ 3.3	$ —	$ 1,094.8	$ 1,098.1
Property, plant, and equipment, net	$ 4,147.5	$ 1,824.6	$ 972.7	$ 6,944.8
Net deferred profit on railcars sold to the Leasing Group				(810.1)
Consolidated property, plant, and equipment, net				$ 6,134.7
Restricted cash	$ 132.2	$ 62.9	$ 0.1	$ 195.2
Debt:				
Recourse	$ 28.3	$ —	$ 849.9	$ 878.2
Less: unamortized discount	—	—	(8.5)	(8.5)
Less: uamortized debt issuance costs	—	—	(2.9)	(2.9)
	28.3	—	838.5	866.8
Non-recourse	1,035.9	1,365.3	—	2,401.2
Less: unamortized debt issuance costs	(11.1)	(14.5)	—	(25.6)
	1,024.8	1,350.8	—	2,375.6
Total debt	$ 1,053.1	$ 1,350.8	$ 838.5	$ 3,242.4
Net deferred tax liabilities	$ 653.7	$ 0.8	$ 69.4	$ 723.9

Net deferred profit on railcars sold to the Leasing Group consists of intersegment profit that is eliminated in consolidation and is, therefore, not allocated to an operating segment. See Note 5 Partially-Owned Leasing Subsidiaries and Note 11 Debt for a further discussion regarding the Company's investment in its partially-owned leasing subsidiaries and the related indebtedness. See Note 13 Income Taxes for a discussion of the effects of the Act on net deferred tax liabilities. See Note 19 Financial Statements of Guarantors of the Senior Notes for a discussion of subsidiary guarantees of the Senior Notes.

	Three Months Ended June 30,			Six Months Ended June 30,		
	2018	2017	Percent Change	2018	2017	Percent Change
	($ in millions)			($ in millions)		
Revenues:						
Leasing and management	**$ 184.2**	$ 185.0	**(0.4)%**	**$ 358.8**	$ 363.9	**(1.4)%**
Sales of railcars owned one year or less at the time of sale	**29.2**	7.1	*	**29.2**	7.1	*
Total revenues	**$ 213.4**	$ 192.1	**11.1**	**$ 388.0**	$ 371.0	**4.6**
Operating profit:						
Leasing and management	**$ 77.9**	$ 85.6	**(9.0)**	**$ 146.9**	$ 170.6	**(13.9)**
Railcar sales:						
Railcars owned one year or less at the time of sale	**4.4**	1.5	*	**4.4**	1.5	*
Railcars owned more than one year at the time of sale	**9.5**	23.7	*	**11.6**	23.7	*
Total operating profit	**$ 91.8**	$ 110.8	**(17.1)**	**$ 162.9**	$ 195.8	**(16.8)**
Operating profit margin:						
Leasing and management	**42.3%**	46.3%		**40.9%**	46.9%	
Railcar sales	*	*		*	*	
Total operating profit margin	**43.0%**	57.7%		**42.0%**	52.8%	
Selected expense information[(1)]:						
Depreciation	**$ 47.0**	$ 43.1	**9.0**	**$ 92.1**	$ 85.2	**8.1**
Maintenance and compliance	**$ 25.0**	$ 23.9	**4.6**	**$ 51.4**	$ 44.4	**15.8**
Rent	**$ 9.9**	$ 9.9	**—**	**$ 20.0**	$ 20.0	**—**
Interest	**$ 32.3**	$ 31.3	**3.2**	**$ 63.8**	$ 61.9	**3.1**

* Not meaningful

[(1)] Depreciation, maintenance and compliance, and rent expense are components of operating profit. Amortization of deferred profit on railcars sold from the Rail Group to the Leasing Group is included in the operating profit of the Leasing Group resulting in the recognition of depreciation expense based on the Company's original manufacturing cost of the railcars. Interest expense is not a component of operating profit and includes the effect of hedges.

During the six months ended June 30, 2018 and 2017, the Company received proceeds from the sales of leased railcars as follows:

	Six Months Ended June 30,	
	2018	2017
	(in millions)	
Leasing Group:		
Railcars owned one year or less at the time of sale	**$ 29.2**	$ 7.1
Railcars owned more than one year at the time of sale	**56.4**	92.4
Rail Group	**—**	—
	$ 85.6	$ 99.5

Equipment consists primarily of railcars leased by third parties. The Leasing Group purchases equipment manufactured predominantly by the Rail Group and enters into lease contracts with third parties with terms generally ranging from one to twenty years. The Leasing Group primarily enters into operating leases. Future contractual minimum rental revenues on leases are as follows:

	Remaining six months of 2018	2019	2020	2021	2022	Thereafter	Total
				(in millions)			
Future contractual minimum rental revenue	$ 258.4	$ 451.9	$ 367.7	$ 261.0	$ 197.0	$ 370.4	$ 1,906.4

Debt. *Wholly-owned subsidiaries.* The Leasing Group's debt at June 30, 2018 consisted primarily of non-recourse debt. As of June 30, 2018, Trinity's wholly-owned subsidiaries included in the Leasing Group held equipment with a net book value of $2,311.7 million which is pledged as collateral for Leasing Group debt held by those subsidiaries, including equipment with a net book value of $40.0 million securing capital lease obligations. The net book value of unpledged equipment at June 30, 2018 was $2,169.8 million. See Note 11 Debt for the form, maturities, and descriptions of Leasing Group debt.

Partially-owned subsidiaries. Debt owed by TRIP Holdings and RIV 2013 and their respective subsidiaries is nonrecourse to Trinity and TILC. Creditors of each of TRIP Holdings and RIV 2013 and their respective subsidiaries have recourse only to the particular subsidiary's assets. TRIP Master Funding equipment with a net book value of $1,269.2 million is pledged as collateral for the TRIP Master Funding debt. TRL 2012 equipment with a net book value of $546.8 million is pledged solely as collateral for the TRL 2012 secured railcar equipment notes. See Note 5 Partially-Owned Leasing Subsidiaries for a description of TRIP Holdings and RIV 2013.

Off Balance Sheet Arrangements. In prior years, the Leasing Group completed a series of financing transactions whereby railcars were sold to one or more separate independent owner trusts ("Trusts"). Each of the Trusts financed the purchase of the railcars with a combination of debt and equity. In each transaction, the equity participant in each of the respective Trusts is considered to be the primary beneficiary of the Trust and therefore, the accounts of the Trusts, including the debt related to each of the Trusts, are not included as part of the consolidated financial statements. The Leasing Group, through wholly-owned, qualified subsidiaries, leased railcars from the Trusts under operating leases with terms of 22 years, and subleased the railcars to independent third-party customers under shorter term operating rental agreements. Under the terms of the operating lease agreements between the subsidiaries and the remaining Trusts, the Leasing Group has the option to purchase, at a predetermined fixed price, certain railcars from the remaining Trusts in 2019. In January 2018, the Leasing Group provided the Trusts with an irrevocable twelve-month notice of intent to exercise their option to purchase all of the Trusts' railcars for $223.6 million. The purchase option is for January 2019, however may be accelerated into the fourth quarter of 2018.

These Leasing Group subsidiaries had total assets as of June 30, 2018 of $138.9 million, including cash of $48.6 million and railcars of $62.9 million. The subsidiaries' cash, railcars, and an interest in each sublease are pledged to collateralize the lease obligations to the Trusts and are included in the consolidated financial statements of the Company. Trinity does not guarantee the performance of the subsidiaries' lease obligations. Certain ratios and cash deposits must be maintained by the Leasing Group's subsidiaries in order for excess cash flow, as defined in the agreements, from the lease to third parties to be available to Trinity. Future operating lease obligations of the Leasing Group's subsidiaries as well as future contractual minimum rental revenues related to these leases due to the Leasing Group are as follows:

	Remaining six months of 2018	2019	2020	2021	2022	Thereafter	Total
				(in millions)			
Future operating lease obligations of Trusts' railcars	$ 14.6	$ 28.8	$ 26.1	$ 26.1	$ 24.9	$ 93.1	$ 213.6
Future contractual minimum rental revenues of Trusts' railcars	$ 20.9	$ 29.7	$ 19.8	$ 14.5	$ 9.9	$ 8.1	$ 102.9

Operating Lease Obligations. Future amounts due as well as future contractual minimum rental revenues related to operating leases other than leases discussed above are as follows:

	Remaining six months of 2018	2019	2020	2021	2022	Thereafter	Total
				(in millions)			
Future operating lease obligations	$ 5.9	$ 9.7	$ 7.7	$ 7.6	$ 6.8	$ 7.1	$ 44.8
Future contractual minimum rental revenues	$ 5.6	$ 8.6	$ 5.7	$ 3.9	$ 3.2	$ 1.3	$ 28.3

Operating lease obligations totaling $3.8 million are guaranteed by Trinity Industries, Inc. and certain subsidiaries. See Note 6 of the December 31, 2017 Consolidated Financial Statements filed on Form 10-K for a detailed explanation of these financing transactions.

Note 7. Derivative Instruments

We may use derivative instruments to mitigate the impact of changes in interest rates, both in anticipation of future debt issuances and to offset interest rate variability of certain floating rate debt issuances outstanding. We also may use derivative instruments to mitigate the impact of changes in natural gas and diesel fuel prices and changes in foreign currency exchange rates. Derivative instruments that are designated and qualify as cash flow hedges are accounted for in accordance with applicable accounting standards. See Note 3 Fair Value Accounting for discussion of how the Company valued its commodity hedges and interest rate swap at June 30, 2018. See Note 11 Debt for a description of the Company's debt instruments.

Interest rate hedges

			Included in accompanying balance sheet at June 30, 2018		
	Notional Amount	Interest Rate[1]	Asset / (liability)	AOCL – loss/ (income)	Noncontrolling Interest
			(in millions, except %)		
Expired hedges:					
2006 secured railcar equipment notes	**$ 200.0**	**4.87%**	**$ —**	**$ (0.3)**	**$ —**
2018 secured railcar equipment notes	**$ 249.3**	**4.41%**	**$ —**	**$ 1.4**	**$ —**
TRIP Holdings warehouse loan	**$ 788.5**	**3.60%**	**$ —**	**$ 3.5**	**$ 4.7**
TRIP Master Funding secured railcar equipment notes	**$ 34.8**	**2.62%**	**$ —**	**$ 0.3**	**$ 0.4**
Open hedge:					
2017 promissory notes	**$ 171.6**	**3.00%**	**$ 2.7**	**$ (0.4)**	**$ —**

[1] Weighted average fixed interest rate, except for 2017 promissory notes. Interest rate cap for 2017 promissory notes.

	Effect on interest expense - increase/(decrease)				
	Three Months Ended June 30,		Six Months Ended June 30,		Expected effect during next twelve months
	2018	2017	2018	2017	
			(in millions)		
2006 secured railcar equipment notes	**$ —**	$ —	**$ (0.1)**	$ (0.1)	**$ (0.1)**
TRIP Holdings warehouse loan	**$ 0.5**	$ 1.1	**$ 1.2**	$ 2.3	**$ 2.0**
TRIP Master Funding secured railcar equipment notes	**$ —**	$ 0.1	**$ 0.1**	$ 0.3	**$ 0.2**

During 2005 and 2006, we entered into interest rate swap derivatives in anticipation of issuing our 2006 Secured Railcar Equipment Notes. These derivative instruments, with a notional amount of $200.0 million, were settled in 2006 and fixed the interest rate on a portion of the related debt issuance. These derivative instrument transactions are being accounted for as cash flow hedges with changes in the fair value of the instruments of $4.5 million in income recorded in AOCL through the date the related debt issuance closed in 2006. The balance is being amortized to interest expense over the term of the related debt.

Between 2007 and 2009, TRIP Holdings, as required by the TRIP Warehouse Loan, entered into interest rate swap derivatives, all of which qualified as cash flow hedges, to reduce the effect of changes in variable interest rates in the TRIP Warehouse Loan. In July 2011, these interest rate hedges were terminated in connection with the refinancing of the TRIP Warehouse Loan. Balances included in AOCL at the date the hedges were terminated are being amortized over the life of the terminated hedge with $2.0 million of additional interest expense expected to be recognized during the twelve months following June 30, 2018.

In July 2011, TRIP Holdings' wholly-owned subsidiary, TRIP Master Funding, entered into an interest rate swap derivative instrument, expiring in 2021, with an initial notional amount of $94.1 million to reduce the effect of changes in variable interest rates associated with the Class A-1b notes of the TRIP Master Funding secured railcar equipment notes. The TRIP Master Funding interest rate hedge was terminated in August 2017 in connection with the refinancing of the related indebtedness. The effect on interest expense is due to amortization of the AOCL balance. The balance included in AOCL at the date the hedge was terminated is being amortized over the life of the terminated hedge with $0.2 million of additional interest expense expected to be recognized during the twelve months following June 30, 2018.

In May 2017, TRL 2017 purchased an interest rate cap derivative, which qualified as a cash flow hedge, to limit the Libor component of the interest rate on the 2017 promissory notes to a maximum rate of 3%. The effect on interest expense is primarily the result of amortization of the cost of the derivative and is not expected to be significant during the twelve months following June 30, 2018.

In May 2018, Trinity Rail Leasing 2018 LLC ("TRL-2018") purchased an interest rate swaption derivative for $1.4 million to hedge the risk of potential interest rate increases prior to the TRL-2018 debt issuance. The effect on interest expense is due to amortization of the AOCL balance. The balance included in AOCL is being amortized over the life of the terminated hedge with $0.2 million of additional interest expense expected to be recognized during the twelve months following June 30, 2018.

See Note 11 Debt regarding the related debt instruments.

Other Derivatives

Natural gas and diesel fuel

We maintain a program to mitigate the impact of fluctuations in the price of natural gas and diesel fuel. For those instruments that do not qualify for hedge accounting treatment, any changes in their valuation are recorded directly to the consolidated statement of operations. The effect on operating profit for these instruments was not significant. The amount recorded in the consolidated balance sheet as of June 30, 2018 for these instruments was not significant.

Note 8. Property, Plant, and Equipment

The following table summarizes the components of property, plant, and equipment as of June 30, 2018 and December 31, 2017.

	June 30, 2018	December 31, 2017
	(in millions)	
Manufacturing/Corporate:		
Land	**$ 121.9**	$ 122.1
Buildings and improvements	**670.6**	668.1
Machinery and other	**1,247.1**	1,223.6
Construction in progress	**37.5**	32.6
	2,077.1	2,046.4
Less accumulated depreciation	**(1,115.6)**	(1,073.7)
	961.5	972.7
Leasing:		
Wholly-owned subsidiaries:		
Machinery and other	**10.7**	10.7
Equipment on lease	**5,461.2**	4,995.7
	5,471.9	5,006.4
Less accumulated depreciation	**(924.8)**	(858.9)
	4,547.1	4,147.5
Partially-owned subsidiaries:		
Equipment on lease	**2,340.7**	2,317.7
Less accumulated depreciation	**(524.7)**	(493.1)
	1,816.0	1,824.6
Deferred profit on railcars sold to the Leasing Group	**(1,025.6)**	(985.2)
Less accumulated amortization	**189.2**	175.1
	(836.4)	(810.1)
	$ 6,488.2	$ 6,134.7

Note 9. Goodwill

Goodwill by segment is as follows:

	June 30, 2018	December 31, 2017
		(as reported)
	(in millions)	
Rail Group	**$ 134.6**	$ 134.6
Construction Products Group	**136.0**	136.0
Inland Barge Group	**9.9**	—
Energy Equipment Group	**507.1**	507.9
Railcar Leasing and Management Services Group	**1.8**	1.8
	$ 789.4	$ 780.3

The increase in the Inland Barge Group goodwill during the six months ended June 30, 2018 is due to an acquisition. See Note 2 Acquisitions and Divestitures. Changes in goodwill in the Energy Equipment Group during the six months ended June 30, 2018 resulted from fluctuations in foreign currency exchange rates.

Note 10. Warranties

The changes in the accruals for warranties for the three and six months ended June 30, 2018 and 2017 are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
	(in millions)			
Beginning balance	**$ 12.2**	$ 14.0	**$ 12.7**	$ 15.7
Warranty costs incurred	**(1.1)**	(2.4)	**(2.6)**	(4.1)
Warranty originations and revisions	**1.8**	4.0	**3.1**	4.8
Warranty expirations	**—**	(0.8)	**(0.3)**	(1.6)
Ending balance	**$ 12.9**	$ 14.8	**$ 12.9**	$ 14.8

Note 11. Debt

The following table summarizes the components of debt as of June 30, 2018 and December 31, 2017:

	June 30, 2018	December 31, 2017
	(in millions)	
Corporate – Recourse:		
Revolving credit facility	**$ —**	$ —
Senior notes, net of unamortized discount of $0.3 and $0.3	**399.7**	399.7
Convertible subordinated notes, net of unamortized discount of $- and $8.2	**—**	441.2
Other	**0.4**	0.5
	400.1	841.4
Less: unamortized debt issuance costs	**(2.5)**	(2.9)
	397.6	838.5
Leasing – Recourse:		
Capital lease obligations	**26.8**	28.3
Total recourse debt	**424.4**	866.8
Leasing – Non-recourse:		
Wholly-owned subsidiaries:		
2006 secured railcar equipment notes	**147.0**	158.5
2009 secured railcar equipment notes	**163.3**	166.2
2010 secured railcar equipment notes	**261.7**	266.9
2017 promissory notes	**286.0**	293.6
2018 secured railcar equipment notes, net of unamortized discount of $0.3 and $-	**482.2**	—
TILC warehouse facility	**151.1**	150.7
	1,491.3	1,035.9
Less: unamortized debt issuance costs	**(18.3)**	(11.1)
	1,473.0	1,024.8
Partially-owned subsidiaries:		
TRL 2012 secured railcar equipment notes	**392.3**	402.8
TRIP Master Funding secured railcar equipment notes	**951.2**	962.5
	1,343.5	1,365.3
Less: unamortized debt issuance costs	**(13.6)**	(14.5)
	1,329.9	1,350.8
Total non–recourse debt	**2,802.9**	2,375.6
Total debt	**$ 3,227.3**	$ 3,242.4

We have a $600.0 million unsecured corporate revolving credit facility that matures in May 2020. As of June 30, 2018, we had letters of credit issued under our revolving credit facility in an aggregate principal amount of $78.8 million, leaving $521.2 million available for borrowing. Other than these letters of credit, there were no borrowings under our revolving credit facility as of June 30, 2018, or during the six month period then ended. Of the outstanding letters of credit as of June 30, 2018, substantially all are expected to expire in 2019. The majority of our letters of credit obligations

support the Company’s various insurance programs and generally renew by their terms each year. Trinity’s revolving credit facility requires the maintenance of ratios related to minimum interest coverage for the leasing and manufacturing operations and maximum leverage. As of June 30, 2018, we were

in compliance with all such financial covenants. Borrowings under the credit facility bear interest at a defined index rate plus a margin and are guaranteed by certain 100%-owned subsidiaries of the Company.

The Company's Convertible Subordinated Notes due 2036 (the “Notes”) bear an interest rate of 3 7/8% per annum on the principal amount payable semi-annually in arrears on June 1 and December 1 of each year. On April 23, 2018, the Company issued a Notice of Redemption with respect to the Notes to redeem the Notes on June 1, 2018 at a redemption price in cash equal to 100% of their principal amount plus accrued but unpaid interest (including any contingent interest), if any, to but excluding June 1, 2018. In connection therewith, the Company also announced that holders of the Notes would have the right to convert their Notes into the Company’s common stock subject to certain terms, conditions and adjustments specified in the Notes and the indenture pursuant to which the Notes were issued, no later than May 30, 2018 (the “Conversion Deadline”), at a current conversion rate equivalent to 41.4390 shares per each $1,000 principal amount of the Notes. Immediately prior to the Redemption Date, the aggregate principal amount of Notes outstanding was approximately $449.3 million.

Prior to the Conversion Deadline, holders of approximately $448.5 million aggregate principal amount of the Notes submitted notices for conversion of their Notes. As a result, on June 1, 2018, the Company redeemed the remaining approximately $0.8 million aggregate principal amount of the Notes for an aggregate cash amount of approximately $0.8 million, including the accrued and unpaid interest to, but excluding, June 1, 2018. Pursuant to the terms of the indenture governing the Notes, the settlement of the Notes submitted for conversion occurred on various dates between May 30, 2018 and July 3, 2018. The Company elected to exercise its rights to settle the converting Notes in cash rather than in shares of common stock or a combination of cash and shares of common stock. As of July 3, 2018, the Company had completed conversion settlements for the remaining Notes, for an aggregate cash amount of approximately $646.6 million. Following the redemption and settlement of the conversions, there were no Notes outstanding under the indenture, and the indenture was satisfied and discharged in accordance with its terms.

The Notes were originally recorded net of unamortized discount to reflect their underlying economics by capturing the value of the conversion option at the time of issuance as borrowing costs. As of December 31, 2017, capital in excess of par value included $92.5 million related to the estimated value of the Notes’ conversion options, in accordance with ASC 470-20. Debt discount recorded in the consolidated balance sheet was amortized through June 1, 2018 to yield an effective annual interest rate of 8.42% based upon the estimated market interest rate for comparable non-convertible debt as of the issuance date of the Notes. Upon redemption of the Notes, a charge to capital in excess of par value in the amount of $152.9 million, net of tax, was recorded equal to the redemption amount in excess of the par value of the Notes representing the fair value of the conversion option redeemed.

Total interest expense recognized on the Notes for the three and six months ended June 30, 2018 and 2017 is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
	(in millions)			
Coupon rate interest	**$ 2.8**	$ 4.3	**$ 7.2**	$ 8.7
Amortized debt discount	**3.3**	4.6	**8.2**	9.1
	$ 6.1	$ 8.9	**$ 15.4**	$ 17.8

See Note 17 Earnings Per Common Share for an explanation of the effects of the Notes on earnings per share. The Company has not entered into any derivatives transactions associated with these notes.

The TILC warehouse loan facility, established to finance railcars owned by TILC, had $151.1 million in outstanding borrowings as of June 30, 2018. In March 2018, the facility, previously totaling $1.0 billion, was extended through March 2021 at a reduced amount of $750.0 million at the Company's election. Under the renewed facility, the entire unused facility amount of $598.9 million was available as of June 30, 2018 based on the amount of warehouse-eligible, unpledged equipment. The warehouse loan facility is a non-recourse obligation and is secured by a portfolio of railcars and operating leases, certain cash reserves, and other assets acquired and owned by the warehouse loan facility trust. The principal and interest of this indebtedness are paid from the cash flows of the underlying leases. Advances under the renewed facility bear interest at a defined index rate plus a margin, for an all-in interest rate of 3.74% at June 30, 2018. Amounts outstanding at maturity, absent renewal, are payable under the renewed facility in March 2022.

In June 2018, TRL-2018, a Delaware limited liability company and a limited purpose, indirect wholly-owned subsidiary of the Company owned through TILC, issued $482.5 million in Secured Railcar Equipment Notes ("the TRL-2018 Secured Railcar Equipment Notes"). The TRL-2018 Secured Railcar Equipment Notes consisted of two classes of notes with (i) an aggregate principal amount of $200.0 million of TRL-2018's Series 2018-1 Class A-1 Secured Railcar Equipment Notes (the "Class A-1 Notes"), and (ii) an aggregate principal amount of $282.5 million of TRL-2018's Series 2018-1 Class A-2 Secured Railcar Equipment Notes (the “Class A-2 Notes”). The TRL-2018 Secured Railcar Equipment Notes were issued pursuant to a Master Indenture, dated June 20, 2018 between TRL-2018 and Wilmington Trust Company, as indenture trustee. The Class A-1 Notes bear interest at a fixed rate of 3.82%, are payable monthly, and have a stated final maturity date of June 17, 2048. The Class A-2 Notes bear interest at a fixed rate of 4.62%, are payable monthly, and have a stated final maturity date of June 17, 2048. The Notes are

obligations of TRL-2018 only, secured by a portfolio of railcars and operating leases thereon acquired and owned by TRL-2018, certain cash reserves, and other assets of TRL-2018.

Terms and conditions of other debt, including recourse and non-recourse provisions, are described in Note 11 of the December 31, 2017 Consolidated Financial Statements filed on Form 10-K.

The remaining principal payments under existing debt agreements as of June 30, 2018, are as follows:

	Remaining six months of 2018	2019	2020	2021	2022	Thereafter
	(in millions)					
Recourse:						
Corporate	$ 0.1	$ 0.1	$ 0.2	$ —	$ —	$ 400.0
Leasing – capital lease obligations (Note 6)	1.9	24.9	—	—	—	—
Non-recourse – leasing (Note 6):						
2006 secured railcar equipment notes	13.9	28.0	29.8	29.2	29.9	16.2
2009 secured railcar equipment notes	3.6	11.2	6.6	13.4	14.1	114.4
2010 secured railcar equipment notes	4.7	7.6	14.2	20.1	21.0	194.1
2017 promissory notes	7.6	15.1	15.1	15.1	15.1	218.0
2018 secured railcar equipment notes	10.0	20.0	20.0	20.0	20.0	392.5
TILC warehouse facility	3.1	6.1	6.1	6.1	1.5	—
Facility termination payments - TILC warehouse facility	—	—	—	—	128.2	—
TRL 2012 secured railcar equipment notes	11.8	21.9	19.3	19.9	19.6	299.8
TRIP Master Funding secured railcar equipment notes	9.0	23.8	32.9	40.4	41.8	803.3
Total principal payments	$ 65.7	$ 158.7	$ 144.2	$ 164.2	$ 291.2	$ 2,438.3

Note 12. Other, Net

Other, net (income) expense consists of the following items:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
	(in millions)			
Foreign currency exchange transactions	**$ 1.3**	$ (0.3)	**$ 2.2**	$ 1.3
Gain on equity investments	**(0.4)**	—	**(0.3)**	—
Pension cost	**(1.2)**	(0.6)	**(2.3)**	(1.3)
Other	**(0.4)**	0.8	**(0.5)**	—
Other, net	**$ (0.7)**	$ (0.1)	**$ (0.9)**	$ —

Pension cost, previously included in operating profit, represents the non-service cost components of pension cost as a result of the adoption of ASU 2017-07. See Note 1 Summary of Significant Accounting Policies. Other for the three and six months ended June 30, 2018 includes $0.2 million in income and $0.1 million in expense related to the change in fair value of certain equity instruments. Other for the three and six months ended June 30, 2017 includes $1.5 million and $1.1 million, respectively, in expense related to the change in fair value of certain equity instruments.

Note 13. Income Taxes

The provision for income taxes results in effective tax rates that differ from the statutory rates. The following is a reconciliation between the statutory U.S. federal income tax rate and the Company's effective income tax rate on income before income taxes:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	**2017**	**2018**	**2017**
Statutory rate	**21.0 %**	35.0 %	**21.0 %**	35.0 %
State taxes	**1.8**	1.5	**1.8**	1.5
Changes in state tax laws	**2.0**	0.1	**1.2**	—
Noncontrolling interest in partially-owned subsidiaries	**(0.2)**	(0.7)	**(0.1)**	(0.6)
Changes in valuation allowance and reserves	**0.2**	0.2	**1.0**	0.2
Settlements with tax authorities	**—**	—	**—**	(3.5)
Equity compensation	**(3.3)**	3.0	**(2.1)**	1.5
Other, net	**2.4**	1.8	**2.0**	1.4
Effective rate	**23.9 %**	40.9 %	**24.8 %**	35.5 %

Our effective tax rate reflects the Company's estimate for its state income tax expense, income attributable to the noncontrolling interests in partially-owned leasing subsidiaries for which no income tax expense is provided, excess tax benefits or deficiencies related to equity compensation, and the impact of the completion of income tax audits that resulted in a net tax benefit. See Note 5 Partially-Owned Leasing Subsidiaries for a further explanation of activities with respect to our partially-owned leasing subsidiaries.

The Act was enacted on December 22, 2017. The Act reduces the U.S. federal corporate income tax rate from 35.0% to 21.0%, requires companies to pay a one-time transition tax on earnings of certain foreign subsidiaries that were previously tax deferred and creates new taxes on certain foreign-sourced earnings. In December 2017, we recorded a tax benefit after the initial assessment of the tax effects of the Act, and we will continue refining this amount throughout 2018. During the six months ended June 30, 2018, we adjusted our initial assessment of the tax effects of the Act to record an additional benefit related to the transition tax. We are still analyzing certain aspects of the Act and refining our calculations, which could potentially affect the measurement of our deferred tax balance or give rise to new deferred tax amounts in future periods of 2018.The impact of the Act may differ from our estimate due to changes in the regulations, rulings, guidance, and interpretations issued by the Internal Revenue Service ("IRS") and the FASB as well as interpretations and assumptions made by the Company. For the items for which we were able to determine a reasonable estimate, we recognized an additional provisional net expense of $0.2 million and benefit of $0.3 million, respectively, for the three and six months ended June 30, 2018, which is included as a component of income tax expense. The calculation of our estimated annual effective tax rate includes the estimated impact of provisions of the Act, such as interest limitations, and foreign limitations or inclusions. These estimates could change as additional information becomes available on these provisions of the Act.

Taxing authority examinations

The 2014-2016 tax years have been reviewed by the IRS with no significant adjustments. The 2014-2017 tax years remain open.

We have various subsidiaries in Mexico that file separate tax returns and are subject to examination by taxing authorities at different times. The entities are generally open for their 2010 tax years and forward.

Unrecognized tax benefits

The change in unrecognized tax benefits for the six months ended June 30, 2018 and 2017 was as follows:

	Six Months Ended June 30,	
	2018	**2017**
	(in millions)	
Beginning balance	**$ 8.2**	$ 28.2
Additions for tax positions of prior years	**1.6**	0.1
Settlements	**(1.5)**	(23.3)
Ending balance	**$ 8.3**	$ 5.0

Additions for tax positions related to prior years of $1.6 million and $0.1 million recorded in the six months ended June 30, 2018 and 2017, respectively, are due to a state filing position. Settlements during the six months ended June 30, 2018 were related to state tax audits while settlements during the six months ended June 30, 2017 were due to the resolution of our 2006-2009 income tax years.

The total amount of unrecognized tax benefits including interest and penalties at June 30, 2018 and 2017, that would affect the Company's overall effective tax rate if recognized was $10.4 million and $5.3 million, respectively. There is a reasonable possibility that unrecognized federal and state tax benefits will decrease by $5.2 million by June 30, 2019, due to settlements and lapses in statutes of limitations for assessing tax for tax years in which an extension was not requested by the taxing authority.

Trinity accounts for interest expense and penalties related to income tax issues as income tax expense. Accordingly, interest expense and penalties associated with an uncertain tax position are included in the income tax provision. The total amount of accrued interest and penalties as of June 30, 2018 and December 31, 2017 was $4.3 million and $4.1 million, respectively. Income tax expense included zero and a decrease of $0.2 million in interest expense and penalties related to uncertain tax positions for the three and six months ended June 30, 2018, respectively. Income tax expense included an increase of $0.1 million and a decrease of $5.3 million in interest expense and penalties related to uncertain tax positions for the three and six months ended June 30, 2017, respectively.

Note 14. Employee Retirement Plans

The following table summarizes the components of net retirement cost for the Company:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	**2017**	**2018**	**2017**
	(in millions)			
Expense Components				
Service cost	**$ 0.1**	$ 0.1	**$ 0.1**	$ 0.2
Interest	**4.6**	4.9	**9.1**	9.8
Expected return on plan assets	**(6.9)**	(6.8)	**(13.7)**	(13.6)
Amortization of actuarial loss	**1.1**	1.2	**2.3**	2.4
Defined benefit expense	**(1.1)**	(0.6)	**(2.2)**	(1.2)
Profit sharing	**4.4**	3.8	**8.8**	7.8
Multiemployer plan	**0.5**	0.4	**1.1**	1.0
Net expense	**$ 3.8**	$ 3.6	**$ 7.7**	$ 7.6

Trinity contributed $3.0 million and $3.7 million to the Company's defined benefit pension plans for the three and six months ended June 30, 2018, respectively. Trinity contributed $0.9 million and $0.9 million to the Company's defined benefit pension plans for the three and six months ended June 30, 2017, respectively. Total contributions to the Company's defined benefit pension plans in 2018 are expected to be approximately $18.4 million. The Company participates in a multiemployer defined benefit plan under the terms of a collective-bargaining agreement that covers certain union-represented employees. The Company contributed $0.5 million and $1.1 million to the multiemployer plan for the three and six months ended June 30, 2018, respectively. The Company contributed $0.3 million and $0.9 million to the multiemployer plan for the three and six months ended June 30, 2017, respectively. Total contributions to the multiemployer plan for 2018 are expected to be approximately $2.3 million.

Note 15. Accumulated Other Comprehensive Loss

Changes in AOCL for the six months ended June 30, 2018 are as follows:

	Currency translation adjustments	Unrealized gain/ (loss) on derivative financial instruments	Net actuarial gains/(losses) of defined benefit plans	Accumulated Other Comprehensive Loss
		(in millions)		
Balances at December 31, 2017	$ (22.4)	$ 0.3	$ (82.7)	$ (104.8)
Other comprehensive loss, net of tax, before reclassifications	(1.5)	(0.1)	—	(1.6)
Amounts reclassified from accumulated other comprehensive loss, net of tax expense (benefit) of $-, $0.1, $(0.6), and $(0.5)	—	1.3	1.7	3.0
Less: noncontrolling interest	—	(0.8)	—	(0.8)
Other comprehensive income (loss)	(1.5)	0.4	1.7	0.6
Cumulative effect of adopting accounting standard (see Note 1)	(0.2)	0.1	(18.6)	(18.7)
Balances at June 30, 2018	$ (24.1)	$ 0.8	$ (99.6)	$ (122.9)

See Note 7 Derivative Instruments for information on the reclassification of amounts in AOCL into earnings. Reclassifications of unrealized before-tax losses on derivative financial instruments are included in interest expense in the consolidated statements of operations. Reclassifications of before-tax net actuarial gains/(losses) of defined benefit plans are included in other, net (income) expense.

Note 16. Stock-Based Compensation

Stock-based compensation totaled approximately $10.7 million and $19.0 million for the three and six months ended June 30, 2018, respectively. Stock-based compensation totaled approximately $8.6 million and $16.2 million for the three and six months ended June 30, 2017, respectively.

Note 17. Earnings Per Common Share

Basic net income attributable to Trinity Industries, Inc. per common share is computed by dividing net income attributable to Trinity remaining after allocation to unvested restricted shares by the weighted average number of basic common shares outstanding for the period. Except when the effect would be antidilutive, the calculation of diluted net income attributable to Trinity per common share includes 1) the net impact of unvested restricted shares and shares that could be issued under outstanding stock options and 2) the incremental shares calculated by dividing the value of the conversion obligation in excess of the Convertible Subordinated Notes' aggregate principal amount by the average price of the Company's common stock during the period. See Note 11 Debt for further explanation of the Company's Convertible Subordinated Notes. Total weighted average restricted shares and antidilutive stock options were 6.0 million and 5.9 million shares for the three and six months ended June 30, 2018, respectively. Total weighted average restricted shares and antidilutive stock options were 6.6 million and 6.5 million shares for the three and six months ended June 30, 2017, respectively.

The computation of basic and diluted net income attributable to Trinity Industries, Inc. follows.

	Three Months Ended June 30, 2018			Three Months Ended June 30, 2017		
	Income (Loss)	Average Shares	EPS	Income (Loss)	Average Shares	EPS
	(in millions, except per share amounts)					
Net income attributable to Trinity Industries, Inc.	**$ 64.1**			$ 51.1		
Unvested restricted share participation	**(1.1)**			(1.1)		
Net income attributable to Trinity Industries, Inc. – basic	**63.0**	**146.2**	**$ 0.43**	50.0	149.1	$ 0.34
Effect of dilutive securities:						
Nonparticipating unvested restricted shares and stock options	**—**	**0.8**		—	0.3	
Convertible subordinated notes	**—**	**—**		—	1.6	
Net income attributable to Trinity Industries, Inc. – diluted	**$ 63.0**	**147.0**	**$ 0.43**	$ 50.0	151.0	$ 0.33

	Six Months Ended June 30, 2018			Six Months Ended June 30, 2017		
	Income (Loss)	Average Shares	EPS	Income (Loss)	Average Shares	EPS
	(in millions, except per share amounts)					
Net income attributable to Trinity Industries, Inc.	**$ 104.3**			$ 97.1		
Unvested restricted share participation	**(1.9)**			(2.3)		
Net income attributable to Trinity Industries, Inc. – basic	**102.4**	**146.7**	**$ 0.70**	94.8	148.9	$ 0.64
Effect of dilutive securities:						
Nonparticipating unvested restricted shares and stock options	**—**	**0.8**		—	0.4	
Convertible subordinated notes	**—**	**2.7**		—	1.7	
Net income attributable to Trinity Industries, Inc. – diluted	**$ 102.4**	**150.2**	**$ 0.68**	$ 94.8	151.0	$ 0.63

Note 18. Contingencies

Highway products litigation

We previously reported the filing of a False Claims Act (“FCA”) complaint in the United States District Court for the Eastern District of Texas, Marshall Division (“District Court”) styled Joshua Harman, on behalf of the United States of America, Plaintiff/Relator v. Trinity Industries, Inc., Defendant, Case No. 2:12-cv-00089-JRG (E.D. Tex.). In this case, in which the U.S. Government declined to intervene, the relator, Mr. Joshua Harman, alleged the Company violated the FCA pertaining to sales of the Company's ET-Plus® System, a highway guardrail end-terminal system (“ET Plus”). On October 20, 2014, a trial in this case concluded with a jury verdict stating that the Company and its subsidiary, Trinity Highway Products, LLC (“Trinity Highway Products”), “knowingly made, used or caused to be made or used, a false record or statement material to a false or fraudulent claim" and awarding $175.0 million in damages. On June 9, 2015 the District Court entered judgment on the verdict in the total amount of $682.4 million, comprised of $175.0 million in damages, which amount is automatically trebled under the FCA to $525.0 million plus $138.4 million in civil penalties and $19.0 million in costs and attorneys' fees.

On September 29, 2017, the United States Court of Appeals for the Fifth Circuit ("Fifth Circuit") reversed the District Court's $682.4 million judgment and rendered judgment as a matter of law in favor of the Company and Trinity Highway Products. On October 27, 2017, Mr. Harman filed a Petition for Rehearing En Banc in the Fifth Circuit, which was denied by the Fifth Circuit on November 14, 2017. On February 12, 2018, the relator, Mr. Joshua Harman, filed a petition for certiorari with the United States Supreme Court, seeking a review of the Fifth Circuit's decision. Mr. Harman's petition for certiorari remains pending.

Further appellate review would continue to result in legal expenses that are expensed as incurred. We remain confident in the performance of the product at issue in this matter, and we maintain that the allegations in the case are baseless and without merit.

Based on information currently available to the Company and previously disclosed, including, but not limited to the significance of the successful completion of eight post-verdict crash tests of the ET Plus in 2015, the favorable findings and conclusions published in 2015 by two joint task forces of the Federal Highway Administration and the American Association of State Highway and Transportation Officials regarding the ET Plus end terminal system, the Fifth Circuit's unanimous panel opinion reversing the $682.4 million judgment and rendering judgment in favor of the Company, and the Fifth Circuit's subsequent denial of Mr. Harman's Petition for Rehearing En Banc, we do not believe that a loss is probable in this matter, therefore no accrual has been included in the accompanying consolidated financial statements.

State, county, and municipal actions

Mr. Harman has also filed thirteen separate state qui tam actions pursuant to: the Virginia Fraud Against Taxpayers Act (Commonwealth of Virginia ex rel. Joshua M. Harman v. Trinity Industries, Inc. and Trinity Highway Products, LLC, Case No. CL13-698, in the Circuit Court, Richmond, Virginia); the Indiana False Claims and Whistleblower Protection Act (State of Indiana ex rel. Joshua M. Harman Qui Tam v. Trinity Industries, Inc., and Trinity Highway Products, LLC, Case No. 49D06-1407-PL-024117, in the Sixth Court of Marion County, Indiana); the Delaware False Claims and Reporting Act (State of Delaware ex rel. Joshua M. Harman v. Trinity Industries, Inc., and Trinity Highway Products, LLC, Civ. No. N14C-06-227 MMJ CCLD, in the Superior Court of the State of Delaware In and For New Castle County); the Iowa False Claims Act (State of Iowa ex rel. Joshua M. Harman v. Trinity Industries, Inc., and Trinity Highway Products, LLC, Case No. CVCV048309, in the Iowa District Court for Polk County); the Rhode Island False Claims Act (State of Rhode Island ex rel. Joshua M. Harman v. Trinity Industries, Inc., and Trinity Highway Products, LLC, Case No. 14-3498, in the Superior Court for the State of Rhode Island and Providence Plantations); the Tennessee False Claims Act (State of Tennessee ex rel. Joshua M. Harman v. Trinity Industries, Inc., and Trinity Highway Products, LLC, Case No. 14C2652, in the Circuit Court for Davidson County, Tennessee); the Minnesota False Claims Act (State of Minnesota ex rel. Joshua M. Harman Qui Tam v. Trinity Industries, Inc., and Trinity Highway Products, LLC, Case No. 62-CV-14-3457, in the Second Judicial District Court, Ramsey County, Minnesota); the Montana False Claims Act (State of Montana ex rel. Joshua M. Harman v. Trinity Industries, Inc., and Trinity Highway Products, LLC, Case No. DV 14-0692, in the Montana Thirteenth Judicial District Court for Yellowstone County); the Georgia Taxpayer Protection False Claims Act (State of Georgia ex rel. Joshua M. Harman v. Trinity Industries, Inc., and Trinity Highway Products, LLC, Case No. 1:15-CV-1260, in the U.S. District Court for the Northern District of Georgia); the Florida False Claims Act (State of Florida ex rel. Joshua M. Harman Qui Tam v. Trinity Industries, Inc., and Trinity Highway Products, LLC, Case No. 2014-CA-000596, in the Circuit Court of the Second Judicial Circuit in and for Leon County, Florida); the Illinois False Claims Act (State of Illinois ex rel. Joshua M. Harman Qui Tam v. Trinity Industries, Inc. and Trinity Highway Products, LLC, Case No. 2014 L 000098, in the Circuit Court for the Sixth Judicial District, Sangamon County, Illinois); the Massachusetts False Claims Act (Commonwealth of Massachusetts ex rel. Joshua M. Harman Qui Tam v. Trinity Industries, Inc. and Trinity Highway Products, LLC, Case No. 1484-CV-02364, in the Superior Court Department of the Trial Court); and the Nevada False Claims Act (State of Nevada ex rel. Joshua M. Harman V. Trinity Industries, Inc. and Trinity Highway Products, LLC, Case No. A-14-699028-C, in the District Court for Clark County, Nevada). In each of these thirteen cases, Mr. Harman is alleging the Company violated the respective states' false claims act pertaining to sales of the ET Plus, and he is seeking damages, civil penalties, attorneys' fees, costs and interest. Also, the respective states' Attorneys General filed Notices of Election to Decline Intervention in all of these matters, with the exception of the Commonwealth of Virginia Attorney General who intervened in the Virginia matter. At this time, the above-referenced state qui tam cases, with the exception of the Nevada and the Massachusetts state qui tam cases, are stayed.

The Company believes these state qui tam lawsuits are without merit and intends to vigorously defend all allegations. Other states could take similar or different actions, and could be considering similar state false claims or other litigation against the Company.

The Company has been served in a lawsuit filed November 5, 2015, titled Jackson County, Missouri, individually and on behalf of a class of others similarly situated vs. Trinity Industries, Inc. and Trinity Highway Products, LLC, Case No. 1516-CV23684 (Circuit Court of Jackson County, Missouri). The case is being brought by plaintiff for and on behalf of itself and all Missouri counties with a population of 10,000 or more persons, including the City of St. Louis, and the State of Missouri's transportation authority. The plaintiff alleges that the Company and Trinity Highway Products did not disclose design changes to the ET Plus and these allegedly undisclosed design changes made the ET Plus allegedly defective, unsafe, and unreasonably dangerous. The plaintiff alleges product liability negligence, product liability strict liability, and negligently supplying dangerous instrumentality for supplier's business purposes. The plaintiff seeks compensatory damages, interest, attorneys' fees and costs, and in the alternative plaintiff seeks a declaratory judgment that the ET Plus is defective, the Company's conduct was unlawful, and class-wide costs

and expenses associated with removing and replacing the ET Plus throughout Missouri. On December 6, 2017, the Court granted plaintiff's Motion for Class Certification, certifying a class of Missouri counties with populations of 10,000 or more persons, including the City of St. Louis and the State of Missouri's transportation authority that have or had ET Plus guardrail end terminals with 4-inch wide guide channels installed on roadways they own or maintain. On December 18, 2017, the Company and Trinity Highway Products filed a petition for permission to appeal the Order of Class Certification in the Missouri Court of Appeals for the Western District. On March 6, 2018, the Missouri Court of Appeals denied Trinity's petition for permission to appeal the Order of Class Certification. On March 15, 2018, the Company and Trinity Highway Products filed a Petition for Writ of Prohibition with the Missouri Supreme Court, seeking review of the Order of Class Certification. On May 1, 2018, the Missouri Supreme Court denied Trinity's Petition for Writ of Prohibition seeking review of the Order of Class Certification.

The Company believes this lawsuit is without merit and intends to vigorously defend all allegations. While the financial impacts of these state, county, and municipal actions are currently unknown, they could be material.

Based on the information currently available to the Company, we currently do not believe that a loss is probable in any one or more of the actions described under "State, county, and municipal actions," therefore no accrual has been included in the accompanying consolidated financial statements. Because of the complexity of these actions as well as the current status of certain of these actions, we are not able to estimate a range of possible losses with respect to any one or more of these actions.

Product liability cases

The Company is currently defending a number of product liability lawsuits in several different states that are alleged to involve the ET Plus as well as other products manufactured by Trinity Highway Products. These cases are diverse in light of the randomness of collisions in general and the fact that each accident involving a roadside device such as an end terminal, or any other fixed object along the highway has its own unique facts and circumstances. As previously disclosed, Report 350 recognizes that performance of even the most carefully researched and tested roadside device is subject to physical laws and the crash worthiness of vehicles. The Company believes the District Court judgment in the FCA case, coupled with the media attention such judgment generated, caused the plaintiff’s bar to seek out individuals involved in collisions with a Trinity Highway Products manufactured product as potential clients, which resulted in additional product liability lawsuits being filed against the Company. The Company carries general liability insurance to mitigate the impact of adverse judgment exposures in these product liability cases. To the extent that the Company believes that a loss is probable with respect to these product liability cases, the accrual for such losses is included in the amounts described below under "Other matters".

Shareholder class actions

On January 11, 2016, the previously reported cases styled Thomas Nemky, Individually and On Behalf of All Other Similarly Situated v. Trinity Industries, Inc., Timothy R. Wallace, and James E. Perry, Case No. (2:15-CV-00732) (“Nemky”) and Richard J. Isolde, Individually and On Behalf of All Other Similarly Situated v. Trinity Industries, Inc., Timothy R. Wallace, and James E. Perry, Case No. (3:15-CV-2093) ("Isolde"), were consolidated in the District Court for the Northern District of Texas, with all future filings to be filed in the Isolde case. On March 9, 2016, the Court appointed the Department of the Treasury of the State of New Jersey and its Division of Investment and the Plumbers and Pipefitters National Pension Fund and United Association Local Union Officers & Employees’ Pension Fund as co-lead plaintiffs ("Lead Plaintiffs). On May 11, 2016, the Lead Plaintiffs filed their Consolidated Complaint alleging defendants Trinity Industries, Inc., Timothy R. Wallace, James E. Perry, and Gregory B. Mitchell violated Section 10(b) of the Securities Exchange Act of 1934, Rule 10b-5 promulgated thereunder, and defendants Mr. Wallace and Mr. Perry violated Section 20(a) of the Securities Exchange Act of 1934 by making materially false and misleading statements and/or by failing to disclose material facts about Trinity's ET Plus and the FCA case styled Joshua Harman, on behalf of the United States of America, Plaintiff/Relator v. Trinity Industries, Inc., Defendant, Case No. 2:12-cv-00089-JRG (E.D. Tex.). On August 18, 2016, Trinity, Mr. Wallace, Mr. Perry, and Mr. Mitchell filed motions to dismiss Lead Plaintiffs Consolidated Complaint, which remain pending. On March 13, 2017, the Court granted defendant’s motion to stay and administratively close proceedings pending Fifth Circuit appeal. The Isolde matter is stayed and remains administratively closed pending the conclusion of the appeal in the Joshua Harman FCA case.

Trinity, Mr. Wallace, Mr. Perry, and Mr. Mitchell deny and intend to vigorously defend against the allegations in the Isolde case. Based on the information available to the Company, we currently do not believe that a loss is probable with respect to this shareholder class action; therefore no accrual has been included in the accompanying consolidated financial statements. Because of the complexity of these actions as well as the current status of certain of these actions, we are not able to estimate a range of possible losses with respect to these matters.

Stockholder books and records requests

The Company has received multiple requests from stockholders pursuant to the Delaware General Corporation Law to review certain of the Company's books and records related to the ET Plus and the FCA case styled Joshua Harman, on behalf of the United States of America, Plaintiff/Relator v. Trinity Industries, Inc., Defendant, Case No. 2:12-cv-00089-JRG (E.D. Tex.). The stockholders' stated purpose for seeking access to the Company's books and records is to investigate the possibility of whether the directors or officers of the Company committed breaches of fiduciary duty or other wrongdoing. In accordance with the Company's

obligations under the Delaware law when such requests are properly filed, the Company has provided books and records to some of those stockholders.

Other matters

The Company is involved in claims and lawsuits incidental to our business arising from various matters including product warranty, personal injury, environmental issues, workplace laws, and various governmental regulations. The Company evaluates its exposure to such claims and suits periodically and establishes accruals for these contingencies when a range of loss can be reasonably estimated. The range of reasonably possible losses for such matters, taking into consideration our rights in indemnity and recourse to third parties is $5.1 million to $26.4 million. This range includes any amount related to the Highway Products litigation matters described above in the section titled “Product liability cases.” At June 30, 2018, total accruals of $23.0 million, including environmental and workplace matters described below, are included in accrued liabilities in the accompanying consolidated balance sheet. The Company believes any additional liability would not be material to its financial position or results of operations.

Trinity is subject to remedial orders and federal, state, local, and foreign laws and regulations relating to the environment and the workplace. The Company has reserved $3.0 million to cover our probable and estimable liabilities with respect to the investigations, assessments, and remedial responses to such matters, taking into account currently available information and our contractual rights to indemnification and recourse to third parties. However, estimates of liability arising from future proceedings, assessments, or remediation are inherently imprecise. Accordingly, there can be no assurance that we will not become involved in future litigation or other proceedings involving the environment and the workplace or, if we are found to be responsible or liable in any such litigation or proceeding, that such costs would not be material to the Company. We believe that we are currently in substantial compliance with environmental and workplace laws and regulations.

Note 19. Financial Statements for Guarantors of the Senior Notes

The Company’s Senior Notes are fully and unconditionally and jointly and severally guaranteed by certain of Trinity’s 100%-owned subsidiaries: Trinity Industries Leasing Company; Trinity Marine Products, Inc.; Trinity North American Freight Car, Inc.; Trinity Rail Group, LLC; Trinity Tank Car, Inc.; Trinity Meyer Utility Structures, LLC; and Trinity Structural Towers, Inc. (collectively, the "Combined Guarantor Subsidiaries”). The Senior Notes indenture agreement includes customary provisions for the release of the guarantees by the Combined Guarantor Subsidiaries upon the occurrence of certain allowed events including the release of one or more of the Combined Guarantor Subsidiaries as guarantor under the Company's revolving credit facility. See Note 11 Debt. The Senior Notes are not guaranteed by any remaining 100%-owned subsidiaries of the Company or partially-owned subsidiaries (“Combined Non-Guarantor Subsidiaries”).

As of June 30, 2018, assets held by the Combined Non-Guarantor Subsidiaries included $110.7 million of restricted cash that was not available for distribution to Trinity Industries, Inc. (“Parent”), $4,182.3 million of equipment securing certain non-recourse debt, $66.2 million of equipment securing certain lease obligations held by the Combined Non-Guarantor Subsidiaries, and $311.3 million of assets located in foreign locations. As of December 31, 2017, assets held by the Combined Non-Guarantor Subsidiaries included $143.0 million of restricted cash that was not available for distribution to the Parent, $3,509.1 million of equipment securing certain non-recourse debt, $66.2 million of equipment securing certain lease obligations held by the Combined Non-Guarantor Subsidiaries, and $317.3 million of assets located in foreign locations.

Condensed Consolidating Statement of Operations and Comprehensive Income
Three Months Ended June 30, 2018

	Parent	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	Eliminations	Consolidated
			(in millions)		
Revenues	$ —	$ 549.3	$ 524.1	$ (131.1)	$ 942.3
Cost of revenues	0.5	453.2	404.0	(139.6)	718.1
Selling, engineering, and administrative expenses	41.5	34.9	34.0	—	110.4
Gains on dispositions of property	1.3	7.6	2.8	—	11.7
	40.7	480.5	435.2	(139.6)	816.8
Operating profit (loss)	(40.7)	68.8	88.9	8.5	125.5
Other (income) expense	(0.6)	7.8	32.2	—	39.4
Equity in earnings of subsidiaries, net of taxes	97.4	21.5	—	(118.9)	—
Income before income taxes	57.3	82.5	56.7	(110.4)	86.1
Provision (benefit) for income taxes	(6.8)	17.0	15.4	(5.0)	20.6
Net income	64.1	65.5	41.3	(105.4)	65.5
Net income attributable to noncontrolling interest	—	—	—	1.4	1.4
Net income attributable to controlling interest	$ 64.1	$ 65.5	$ 41.3	$ (106.8)	$ 64.1
Net income	$ 64.1	$ 65.5	$ 41.3	$ (105.4)	$ 65.5
Other comprehensive income (loss)	0.1	—	(0.6)	—	(0.5)
Comprehensive income	64.2	65.5	40.7	(105.4)	65.0
Comprehensive income attributable to noncontrolling interest	—	—	—	1.8	1.8
Comprehensive income attributable to controlling interest	$ 64.2	$ 65.5	$ 40.7	$ (107.2)	$ 63.2

Condensed Consolidating Statement of Operations and Comprehensive Income
Six Months Ended June 30, 2018

	Parent	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	Eliminations	Consolidated
			(in millions)		
Revenues	$ —	$ 1,032.3	$ 1,035.1	$ (293.8)	$ 1,773.6
Cost of revenues	0.7	850.0	805.3	(307.8)	1,348.2
Selling, engineering, and administrative expenses	79.3	67.4	68.6	—	215.3
Gains on dispositions of property	1.4	9.5	3.1	—	14.0
	78.6	907.9	870.8	(307.8)	1,549.5
Operating profit (loss)	(78.6)	124.4	164.3	14.0	224.1
Other (income) expense	1.8	15.9	63.9	—	81.6
Equity in earnings of subsidiaries, net of taxes	181.6	46.8	—	(228.4)	—
Income before income taxes	101.2	155.3	100.4	(214.4)	142.5
Provision (benefit) for income taxes	(3.1)	27.4	20.7	(9.6)	35.4
Net income	104.3	127.9	79.7	(204.8)	107.1
Net income attributable to noncontrolling interest	—	—	—	2.8	2.8
Net income attributable to controlling interest	$ 104.3	$ 127.9	$ 79.7	$ (207.6)	$ 104.3
Net income	$ 104.3	$ 127.9	$ 79.7	$ (204.8)	$ 107.1
Other comprehensive income (loss)	0.4	—	1.0	—	1.4
Comprehensive income	104.7	127.9	80.7	(204.8)	108.5
Comprehensive income attributable to noncontrolling interest	—	—	—	3.6	3.6

Comprehensive income attributable to controlling interest	**$ 104.7**	**$ 127.9**	**$ 80.7**	**$ (208.4)**	**$ 104.9**

Condensed Consolidating Statement of Operations and Comprehensive Income

Three Months Ended June 30, 2017

	Parent	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	Eliminations	Consolidated
			(in millions)		
Revenues	$ —	$ 564.7	$ 473.4	$ (132.6)	$ 905.5
Cost of revenues	1.4	455.8	364.6	(139.5)	682.3
Selling, engineering, and administrative expenses	36.0	33.9	43.1	—	113.0
Gains on dispositions of property	0.1	20.9	3.4	—	24.4
	37.3	468.8	404.3	(139.5)	770.9
Operating profit (loss)	(37.3)	95.9	69.1	6.9	134.6
Other (income) expense	5.0	8.6	29.7	—	43.3
Equity in earnings of subsidiaries, net of taxes	103.1	26.1	—	(129.2)	—
Income before income taxes	60.8	113.4	39.4	(122.3)	91.3
Provision (benefit) for income taxes	9.7	31.5	9.8	(13.7)	37.3
Net income	51.1	81.9	29.6	(108.6)	54.0
Net income attributable to noncontrolling interest	—	—	—	2.9	2.9
Net income attributable to controlling interest	$ 51.1	$ 81.9	$ 29.6	$ (111.5)	$ 51.1
Net income	$ 51.1	$ 81.9	$ 29.6	$ (108.6)	$ 54.0
Other comprehensive income (loss)	1.2	—	1.0	—	2.2
Comprehensive income	52.3	81.9	30.6	(108.6)	56.2
Comprehensive income attributable to noncontrolling interest	—	—	—	3.6	3.6
Comprehensive income attributable to controlling interest	$ 52.3	$ 81.9	$ 30.6	$ (112.2)	$ 52.6

Condensed Consolidating Statement of Operations and Comprehensive Income

Six Months Ended June 30, 2017

	Parent	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	Eliminations	Consolidated
			(in millions)		
Revenues	$ —	$ 1,116.2	$ 937.2	$ (270.6)	$ 1,782.8
Cost of revenues	3.8	899.5	721.4	(282.2)	1,342.5
Selling, engineering, and administrative expenses	68.9	64.7	81.9	—	215.5
Gains on dispositions of property	0.6	21.0	4.1	—	25.7
	72.1	943.2	799.2	(282.2)	1,532.3
Operating profit (loss)	(72.1)	173.0	138.0	11.6	250.5
Other (income) expense	11.2	15.2	60.3	—	86.7
Equity in earnings of subsidiaries, net of taxes	162.3	43.2	—	(205.5)	—
Income before income taxes	79.0	201.0	77.7	(193.9)	163.8
Provision (benefit) for income taxes	(18.1)	70.5	19.5	(13.8)	58.1
Net income	97.1	130.5	58.2	(180.1)	105.7
Net income attributable to noncontrolling interest	—	—	—	8.6	8.6
Net income attributable to controlling interest	$ 97.1	$ 130.5	$ 58.2	$ (188.7)	$ 97.1
Net income	$ 97.1	$ 130.5	$ 58.2	$ (180.1)	$ 105.7
Other comprehensive income (loss)	2.2	—	2.1	—	4.3
Comprehensive income	99.3	130.5	60.3	(180.1)	110.0
Comprehensive income attributable to noncontrolling interest	—	—	—	10.1	10.1

Comprehensive income attributable to controlling interest	$ 99.3	$ 130.5	$ 60.3	$ (190.2)	$ 99.9

Condensed Consolidating Balance Sheet

June 30, 2018

	Parent	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	Eliminations	Consolidated
			(in millions)		
Assets:					
Cash and cash equivalents	**$ 590.8**	**$ 2.7**	**$ 50.7**	**$ (31.5)**	**$ 612.7**
Short-term marketable securities	**25.0**	**—**	**—**	**—**	**25.0**
Receivables, net of allowance	**—**	**159.0**	**197.6**	**(0.5)**	**356.1**
Income tax receivable	**29.7**	**—**	**4.9**	**—**	**34.6**
Inventory	**—**	**339.7**	**255.1**	**(8.4)**	**586.4**
Property, plant, and equipment, net	**45.7**	**2,063.3**	**4,898.9**	**(519.7)**	**6,488.2**
Investments in and advances to subsidiaries	**5,719.3**	**3,443.9**	**352.1**	**(9,515.3)**	**—**
Restricted cash	**—**	**—**	**110.7**	**31.5**	**142.2**
Goodwill and other assets	**180.4**	**592.8**	**342.7**	**(6.4)**	**1,109.5**
	$ 6,590.9	**$ 6,601.4**	**$ 6,212.7**	**$ (10,050.3)**	**$ 9,354.7**
Liabilities:					
Accounts payable	**$ 10.5**	**$ 68.7**	**$ 126.7**	**$ (0.6)**	**$ 205.3**
Accrued liabilities	**247.9**	**55.1**	**132.0**	**—**	**435.0**
Debt	**397.2**	**26.8**	**2,803.3**	**—**	**3,227.3**
Deferred income	**—**	**17.8**	**1.3**	**—**	**19.1**
Deferred income taxes	**—**	**724.4**	**28.7**	**(19.1)**	**734.0**
Advances from subsidiaries	**1,203.5**	**—**	**—**	**(1,203.5)**	**—**
Other liabilities	**64.0**	**0.7**	**1.5**	**—**	**66.2**
Total stockholders' equity	**4,667.8**	**5,707.9**	**3,119.2**	**(8,827.1)**	**4,667.8**
	$ 6,590.9	**$ 6,601.4**	**$ 6,212.7**	**$ (10,050.3)**	**$ 9,354.7**

Condensed Consolidating Balance Sheet

December 31, 2017

	Parent	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	Eliminations	Consolidated
			(in millions)		
Assets:					
Cash and cash equivalents	$ 763.9	$ 1.6	$ 65.3	$ (52.2)	$ 778.6
Short-term marketable securities	319.5	—	—	—	319.5
Receivables, net of allowance	1.1	204.2	164.4	—	369.7
Income tax receivable	24.0	—	5.0	—	29.0
Inventory	—	413.6	236.8	(9.8)	640.6
Property, plant, and equipment, net	47.6	2,310.7	4,293.0	(516.6)	6,134.7
Investments in and advances to subsidiaries	5,515.2	3,049.7	255.5	(8,820.4)	—
Restricted cash	—	—	143.0	52.2	195.2
Goodwill and other assets	159.2	590.9	326.3	(0.5)	1,075.9
	$ 6,830.5	$ 6,570.7	$ 5,489.3	$ (9,347.3)	$ 9,543.2
Liabilities:					
Accounts payable	$ 7.5	$ 65.9	$ 102.2	$ (0.2)	$ 175.4
Accrued liabilities	236.5	59.1	144.9	(0.5)	440.0
Debt	838.1	28.3	2,376.0	—	3,242.4
Deferred income	—	19.1	1.4	—	20.5
Deferred income taxes	53.8	683.2	5.9	0.3	743.2
Advances from subsidiaries	775.2	—	—	(775.2)	—

Other liabilities	61.4	0.7	1.6	—	63.7
Total stockholders' equity	4,858.0	5,714.4	2,857.3	(8,571.7)	4,858.0
	$ 6,830.5	$ 6,570.7	$ 5,489.3	$ (9,347.3)	$ 9,543.2

Condensed Consolidating Statement of Cash Flows

Six Months Ended June 30, 2018

	Parent	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	Eliminations	Consolidated
			(in millions)		
Operating activities:					
Net income	$ 104.3	$ 127.9	$ 79.7	$ (204.8)	$ 107.1
Equity in earnings of subsidiaries, net of taxes	(181.6)	(46.8)	—	228.4	—
Other	(12.1)	189.2	90.8	(26.7)	241.2
Net cash provided (required) by operating activities	(89.4)	270.3	170.5	(3.1)	348.3
Investing activities:					
(Increase) decrease in short-term marketable securities	294.5	—	—	—	294.5
Proceeds from railcar lease fleet sales owned more than one year	—	700.1	4.0	(647.7)	56.4
Proceeds from dispositions of property and other assets	0.1	1.8	3.6	—	5.5
Capital expenditures – leasing	—	(462.3)	(688.6)	647.7	(503.2)
Capital expenditures – manufacturing and other	(2.6)	(8.7)	(22.6)	—	(33.9)
Acquisitions, net of cash acquired	—	—	(25.0)	—	(25.0)
(Increase) decrease in investment in partially-owned subsidiaries	—	4.9	—	(4.9)	—
Other	—	1.0	0.3	—	1.3
Net cash provided (required) by investing activities	292.0	236.8	(728.3)	(4.9)	(204.4)
Financing activities:					
Payments to retire debt	(619.7)	(1.5)	(53.4)	—	(674.6)
Proceeds from issuance of debt	—	—	478.0	—	478.0
Shares repurchased	(102.2)	—	—	—	(102.2)
Dividends paid to common shareholders	(39.3)	—	—	—	(39.3)
Purchase of shares to satisfy employee tax on vested stock	(11.3)	—	—	—	(11.3)
Distributions to noncontrolling interest	—	—	(10.3)	—	(10.3)
Distributions to controlling interest in partially-owned subsidiaries	—	—	4.9	(4.9)	—
Change in intercompany financing between entities	396.8	(504.5)	94.8	12.9	—
Other	—	—	(3.1)	—	(3.1)
Net cash provided (required) by financing activities	(375.7)	(506.0)	510.9	8.0	(362.8)
Net increase (decrease) in cash, cash equivalents, and restricted cash	(173.1)	1.1	(46.9)	—	(218.9)
Cash, cash equivalents, and restricted cash at beginning of period	763.9	1.6	208.3	—	973.8
Cash, cash equivalents, and restricted cash at end of period	$ 590.8	$ 2.7	$ 161.4	$ —	$ 754.9

Condensed Consolidating Statement of Cash Flows

Six Months Ended June 30, 2017

	Parent	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	Eliminations	Consolidated
			(in millions)		
Operating activities:					
Net income	$ 97.1	$ 130.5	$ 58.2	$ (180.1)	$ 105.7
Equity in earnings of subsidiaries, net of taxes	(162.3)	(43.2)	—	205.5	—
Other	(11.4)	161.9	88.5	(8.6)	230.4
Net cash provided (required) by operating activities	(76.6)	249.2	146.7	16.8	336.1
Investing activities:					
(Increase) decrease in short-term marketable securities	55.1	—	—	—	55.1
Proceeds from railcar lease fleet sales owned more than one year	—	446.2	9.6	(363.4)	92.4
Proceeds from dispositions of property and other assets	—	1.0	5.0	—	6.0
Capital expenditures – leasing	—	(268.2)	(366.8)	363.4	(271.6)
Capital expenditures – manufacturing and other	(5.0)	(7.9)	(30.5)	—	(43.4)
Acquisitions, net of cash acquired	—	—	(5.3)	—	(5.3)
(Increase) decrease in investment in partially-owned subsidiaries	—	11.2	—	(11.2)	—
Other	—	—	(2.1)	—	(2.1)
Net cash provided (required) by investing activities	50.1	182.3	(390.1)	(11.2)	(168.9)
Financing activities:					
Payments to retire debt	—	(1.8)	(96.5)	—	(98.3)
Proceeds from issuance of debt	—	—	299.4	—	299.4
Shares repurchased	(41.9)	—	—	—	(41.9)
Dividends paid to common shareholders	(33.5)	—	—	—	(33.5)
Purchase of shares to satisfy employee tax on vested stock	(14.0)	—	—	—	(14.0)
Distributions to noncontrolling interest	—	—	(16.9)	—	(16.9)
Distributions to controlling interest in partially-owned subsidiaries	—	—	(11.2)	11.2	—
Change in intercompany financing between entities	362.0	(428.3)	83.2	(16.9)	—
Other	—	—	(0.1)	—	(0.1)
Net cash provided (required) by financing activities	272.6	(430.1)	257.9	(5.7)	94.7
Net increase (decrease) in cash, cash equivalents, and restricted cash	246.1	1.4	14.5	(0.1)	261.9
Cash, cash equivalents, and restricted cash at beginning of period	537.9	5.2	198.4	0.1	741.6
Cash, cash equivalents, and restricted cash at end of period	$ 784.0	$ 6.6	$ 212.9	$ —	$ 1,003.5

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to provide management's perspective on our financial condition, results of operations, liquidity, and certain other factors that may affect our future results. Our MD&A is presented in the following sections:

- Executive Summary
- Results of Operations
- Liquidity and Capital Resources
- Contractual Obligations and Commercial Commitments
- Recent Accounting Pronouncements
- Forward-Looking Statements

Our MD&A should be read in conjunction with the unaudited consolidated financial statements of Trinity Industries, Inc. and subsidiaries ("Trinity," "Company," "we," and "our") and related Notes in Part I, Item 1 of the Quarterly Report on Form 10-Q and Item 8, Financial Statements and Supplementary Data, of the Annual Report on Form 10-K for the year-ended December 31, 2017.

Executive Summary

In December 2017, the Company announced that its Board of Directors unanimously approved a plan to pursue a spin-off of the Company's infrastructure-related businesses to Trinity stockholders. The separation is planned as a tax-free spin-off transaction to the Company's stockholders for U.S. federal income tax purposes. The transaction is expected to result in two separate public companies: (1) Trinity, the currently existing company, which will be comprised primarily of Trinity's rail-related businesses and (2) a new infrastructure company, Arcosa, Inc. ("Arcosa"), focused on infrastructure-related products and services.

Completion of the spin-off will be subject to, among other things, the effectiveness of appropriate filings with the Securities and Exchange Commission, final approval from the Company's Board of Directors, and other customary conditions. The Company may, at any time and for any reason until the proposed transaction is complete, abandon the separation or modify or change its terms. The separation is expected to be completed in the fourth quarter of 2018, but there can be no assurance regarding the ultimate timing of the separation or that the separation will ultimately occur. See information in Item 1A "Risk Factors"of our 2017 10-K under the heading "Risks Related to the Proposed Spin-Off of our Infrastructure-Related Businesses" for a description of some of the risks and uncertainties associated with the proposed transaction.

The Company's revenues for the three and six months ended June 30, 2018 were $942.3 million and $1,773.6 million, respectively, representing an increase of 4.1% and a decrease of 0.5%, respectively, compared to the same periods in 2017. Operating profit for the three and six months ended June 30, 2018 totaled $125.5 million and $224.1 million, respectively, representing a decrease of 6.8% and 10.5%, respectively, for the same periods in 2017. Revenues and operating profit in our Rail Group increased for the three and six months ended June 30, 2018, when compared to the prior year periods, as a result of higher railcar deliveries. When compared to the same periods in 2017, revenues and operating profit in our Construction Products Group increased for the three and six months ended June 30, 2018 primarily due to higher volumes in our construction aggregates business in addition to higher revenues resulting from an acquisition. Revenues and operating profit from the Inland Barge Group were higher over the three months ended June 30, 2018 when compared to the same period last year due to increased barge deliveries with lower deliveries resulting in decreased revenues and operating profit over the six months ended June 30, 2018. The Energy Equipment Group recorded lower revenues and operating profit for the three and six months ended June 30, 2018 resulting primarily from lower volumes in our wind towers product line. Revenues from the Leasing Group increased for the three and six months ended June 30, 2018, when compared to the prior year periods, primarily due to increased railcar sales. Operating profit from the Leasing Group decreased for the three and six months ended June 30, 2018 primarily due to lower average rental rates, higher fleet maintenance and compliance costs, and a change in mix of railcars sold from the lease fleet. The effect of the required adoption of new revenue accounting rules effective January 1, 2018 was to increase revenues and operating profit by $3.3 million and $0.4 million, respectively, for the three months ended June 30, 2018 and decrease revenues and operating profit by $14.7 million and $3.6 million, respectively, for the six months ended June 30, 2018. See Note 1 of the Consolidated Financial Statements.

Selling, engineering, and administrative expenses including transaction costs related to the Company's proposed spin-off totaling $10.4 million and $18.3 million, decreased by 2.3% and 0.1%, respectively, for the three and six months ended June 30, 2018, respectively, when compared to the prior year periods primarily resulting from lower litigation-related costs and reduced bad debt expense.

Net income for the three and six months ended June 30, 2018 was $65.5 million and $107.1 million, respectively, compared with $54.0 million and $105.7 million, respectively, for the same periods in 2017. Net income attributable to Trinity Industries, Inc. common stockholders for the three and six months ended June 30, 2018 was $64.1 million and $104.3 million, respectively, compared with $51.1 million and $97.1 million, respectively, for the prior year periods.

Our Rail, Inland Barge, and Leasing Groups and our structural wind towers, utility structures, and storage and distribution containers businesses operate in cyclical industries. Additionally, results in our Construction Products Group are affected by seasonal fluctuations with the second and third quarters historically being the quarters with the highest revenues. Due to their transactional nature, railcar sales from the lease fleet are the primary driver of fluctuations in results in the Railcar Leasing and Management Services Group.

As of June 30, 2018 and 2017 our unsatisfied performance obligations, or backlog, with respect to railcars in our Rail Group, barges in our Inland Barge Group and wind towers and utility structures in our Energy Equipment Group were as follows:

	June 30, 2018	June 30, 2017
	(in millions)	
Rail Group (railcars)		
External Customers	**$ 1,922.8**	$ 1,722.0
Leasing Group	**741.5**	992.8
	$ 2,664.3	$ 2,714.8
Inland Barge Group	**$ 198.4**	$ 90.7
Wind towers and utility structures	**$ 780.1**	$ 1,073.9

For the six months ended June 30, 2018, our rail manufacturing businesses received orders for 13,025 railcars, including orders for 4,800 railcars resulting from an extension of the supply agreement with GATX through 2023. The change in unsatisfied performance obligations as of June 30, 2018 compared with June 30, 2017 reflects the value of orders taken, net of cancellations, executory contract change orders and price modifications, and orders delivered during the period. The orders included in unsatisfied performance obligations from the Leasing Group are fully supported by lease commitments with external customers. The final amount dedicated to the Leasing Group may vary by the time of delivery as customers may alternatively choose to purchase railcars as external sales from the Rail Group. Approximately 34% of unsatisfied performance obligations for railcars in the Rail Group are expected to be delivered during the year ending December 31, 2018 with the remainder expected to be delivered through 2023. Approximately 44% of unsatisfied performance obligations for barges in the Inland Barge Group are expected to be delivered during the year ending December 31, 2018 with the remainder expected to be delivered through 2020. Approximately 37% of unsatisfied performance obligations for wind towers and utility structures are expected to be delivered during the year ending December 31, 2018 with the remainder expected to be delivered through 2020.

During the six months ended June 30, 2018 and 2017, the Company received proceeds from the sales of leased railcars as follows:

	Six Months Ended June 30,	
	2018	2017
	(in millions)	
Leasing Group:		
Railcars owned one year or less at the time of sale	**$ 29.2**	$ 7.1
Railcars owned more than one year at the time of sale	**56.4**	92.4
Rail Group	**—**	—
	$ 85.6	$ 99.5

In March 2018, we completed the acquisition of certain assets of an inland barge business.

The TILC warehouse loan facility, established to finance railcars owned by TILC, had $151.1 million in outstanding borrowings as of June 30, 2018. In March 2018, the facility, previously totaling $1.0 billion, was extended through March 2021 at a reduced amount of $750.0 million at the Company's election. Under the renewed facility, the entire unused facility amount of $598.9 million was available as of June 30, 2018 based on the amount of warehouse-eligible, unpledged equipment. The warehouse loan facility is a non-recourse obligation and is secured by a portfolio of railcars and operating leases, certain cash reserves, and other assets acquired and owned by the warehouse loan facility trust. The principal and interest of this indebtedness are paid from the cash flows of the underlying leases. Advances under the renewed facility bear interest at a defined index rate plus a margin, for an all-in interest rate of 3.74% at June 30, 2018. Amounts outstanding at maturity, absent renewal, are payable under the renewed facility in March 2022.

In June 2018, TRL-2018, a Delaware limited liability company and a limited purpose, indirect wholly-owned subsidiary of the Company owned through TILC, issued $482.5 million of TRL-2018 Secured Railcar Equipment Notes. The TRL-2018 Secured Railcar Equipment Notes consisted of two classes of notes with (i) an aggregate principal amount of $200.0 million of Class A-1 Notes, and (ii) an aggregate principal amount of $282.5 million of Class A-2 Notes. The TRL-2018 Secured Railcar Equipment Notes were issued pursuant to a Master Indenture, dated June 20, 2018 between TRL-2018 and Wilmington Trust Company, as indenture trustee. The Class A-1 Notes bear interest at a fixed rate of 3.82%, are payable monthly, and have a stated final maturity date of June 17, 2048. The Class A-2 Notes bear interest at a fixed rate of 4.62%, are payable monthly, and have a stated final

maturity date of June 17, 2048. The Notes are obligations of TRL-2018 only, secured by a portfolio of railcars and operating leases thereon acquired and owned by TRL-2018, certain cash reserves, and other assets of TRL-2018.

On April 23, 2018, the Company issued a Notice of Redemption with respect to the Convertible Subordinated Notes due 2036 (the “Notes”) to redeem the Notes on June 1, 2018 at a redemption price in cash equal to 100% of their principal amount plus accrued but unpaid interest (including any contingent interest), if any, to but excluding June 1, 2018. In connection therewith, the Company also announced that holders of the Notes would have the right to convert their Notes into the Company’s common stock subject to certain terms, conditions and adjustments specified in the Notes and the indenture pursuant to which the Notes were issued, no later than May 30, 2018 (the “Conversion Deadline”), at a current conversion rate equivalent to 41.4390 shares per each $1,000 principal amount of the Notes. Immediately prior to the Redemption Date, the aggregate principal amount of Notes outstanding was approximately $449.3 million.

Prior to the Conversion Deadline, holders of approximately $448.5 million aggregate principal amount of the Notes submitted notices for conversion of their Notes. As a result, on June 1, 2018, the Company redeemed the remaining approximately $0.8 million aggregate principal amount of the Notes for an aggregate cash amount of approximately $0.8 million, including the accrued and unpaid interest to, but excluding, June 1, 2018. Pursuant to the terms of the indenture governing the Notes, the settlement of the Notes submitted for conversion occurred on various dates between May 30, 2018 and July 3, 2018. The Company elected to exercise its rights to settle the converting Notes in cash rather than in shares of common stock or a combination of cash and shares of common stock. As of July 3, 2018, the Company had completed conversion settlements for the remaining Notes, for an aggregate cash amount of approximately $646.6 million. Following the redemption and settlement of the conversions, there were no Notes outstanding under the indenture, and the indenture was satisfied and discharged in accordance with its terms. In connection with the election to settle the redemption of the Notes entirely with cash, the Company avoided the issuance of up to 5.7 million shares, valued at approximately $198.1 million and representing the amount in excess of par.

In December 2017, the Company’s Board of Directors authorized a $500 million share repurchase program effective January 1, 2018 through December 31, 2019. Under the program, 1,451,171 and 2,970,674 shares, respectively, were repurchased during the three and six months ended June 30, 2018, at a cost of approximately $50.1 million and $100.1 million, respectively, leaving a remaining authorization of $400.0 million. Certain shares of stock repurchased during June 2018, totaling $3.8 million, were cash settled in July 2018 in accordance with normal settlement practices. Under the Company's previous program that expired on December 31, 2017, 1,942,200 shares were repurchased during the three and six months ended June 30, 2017, at a cost of approximately $52.4 million.

A current summary of the Company's Highway Products litigation is provided in Note 18 of the Consolidated Financial Statements.

Results of Operations

Overall Summary

Revenues

	Three Months Ended June 30, 2018			Three Months Ended June 30, 2017			
	Revenues			Revenues			Percent
	External	Intersegment	Total	External	Intersegment	Total	Change
	($ in millions)						
Rail Group	**$ 346.9**	**$ 228.3**	**$ 575.2**	$ 335.4	$ 130.5	$ 465.9	**23.5 %**
Construction Products Group	**153.4**	**2.2**	**155.6**	130.7	0.6	131.3	**18.5 %**
Inland Barge Group	**42.9**	**—**	**42.9**	33.5	—	33.5	**28.1 %**
Energy Equipment Group	**183.9**	**15.4**	**199.3**	212.2	26.3	238.5	**(16.4)%**
Railcar Leasing and Management Services Group	**213.2**	**0.2**	**213.4**	191.9	0.2	192.1	**11.1 %**
All Other	**2.0**	**21.3**	**23.3**	1.8	20.9	22.7	**2.6 %**
Segment Totals before Eliminations	**942.3**	**267.4**	**1,209.7**	905.5	178.5	1,084.0	**11.6 %**
Eliminations – Lease subsidiary	**—**	**(228.3)**	**(228.3)**	—	(130.6)	(130.6)	
Eliminations – Other	**—**	**(39.1)**	**(39.1)**	—	(47.9)	(47.9)	
Consolidated Total	**$ 942.3**	**$ —**	**$ 942.3**	$ 905.5	$ —	$ 905.5	**4.1 %**

	Six Months Ended June 30, 2018			Six Months Ended June 30, 2017			
	Revenues			Revenues			Percent
	External	Intersegment	Total	External	Intersegment	Total	Change
	($ in millions)						
Rail Group	**$ 649.3**	**$ 524.4**	**$ 1,173.7**	$ 621.4	$ 322.8	$ 944.2	**24.3 %**
Construction Products Group	**276.8**	**3.8**	**280.6**	251.6	2.8	254.4	**10.3**
Inland Barge Group	**73.7**	**—**	**73.7**	96.2	—	96.2	**(23.4)**
Energy Equipment Group	**383.1**	**42.9**	**426.0**	440.0	53.9	493.9	**(13.7)**
Railcar Leasing and Management Services Group	**387.5**	**0.5**	**388.0**	370.5	0.5	371.0	**4.6**
All Other	**3.2**	**44.9**	**48.1**	3.1	42.4	45.5	**5.7**
Segment Totals before Eliminations	**1,773.6**	**616.5**	**2,390.1**	1,782.8	422.4	2,205.2	**8.4**
Eliminations – Lease subsidiary	**—**	**(524.4)**	**(524.4)**	—	(322.8)	(322.8)	
Eliminations – Other	**—**	**(92.1)**	**(92.1)**	—	(99.6)	(99.6)	
Consolidated Total	**$ 1,773.6**	**$ —**	**$ 1,773.6**	$ 1,782.8	$ —	$ 1,782.8	**(0.5)**

Our revenues for the three and six months ended June 30, 2018 increased by 4.1% and decreased by 0.5%, respectively, from the prior year periods. Revenues from our Rail Group increased for the three and six months ended June 30, 2018 primarily as a result of higher railcar deliveries to our Leasing Group as well as external customers. Revenues from our Construction Products Group increased for the three and six months ended June 30, 2018 primarily due to higher volumes in our construction aggregates business and higher volumes in the Group's other businesses primarily as a result of our trench shoring products acquisition in 2017. Increased barge deliveries resulted in higher revenues in our Inland Barge Group for the three months ended June 30, 2018 with reduced barge deliveries leading to lower revenues for the six months ended June 30, 2018. Revenues in our Energy Equipment Group were lower for the three months ended June 30, 2018 primarily due to reduced volumes in our wind towers product line and lower pricing in our utility structures product line. For the six months ended June 30, 2018, revenues for the Energy Equipment Group decreased primarily as a result of lower wind towers volumes. Revenue in our Energy Equipment Group was also higher for the three months ended June 30, 2018 and lower for the six months ended June 30, 2018 due to the required adoption of new revenue accounting rules. See Note 1 of the Consolidated Financial Statements. Revenues from our Leasing Group increased for the three and six months ended June 30, 2018 when compared to the prior year periods primarily as a result of higher railcar sales from the lease fleet and additions to the lease fleet partially offset by lower average rental rates and utilization.

Operating Costs

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
	(in millions)			
Rail Group	**$ 517.5**	$ 429.2	**$ 1,057.1**	$ 857.0
Construction Products Group	**124.2**	109.1	**229.8**	216.7
Inland Barge Group	**40.0**	33.0	**71.5**	89.4
Energy Equipment Group	**186.2**	214.4	**391.6**	440.2
Railcar Leasing and Management Services Group	**121.6**	81.3	**225.1**	175.2
All Other	**26.3**	28.4	**54.4**	55.8
Segment Totals before Eliminations and Corporate Expenses	**1,015.8**	895.4	**2,029.5**	1,834.3
Corporate	**43.4**	38.4	**82.9**	73.5
Eliminations – Lease subsidiary	**(203.8)**	(116.2)	**(471.2)**	(279.0)
Eliminations – Other	**(38.6)**	(46.7)	**(91.7)**	(96.5)
Consolidated Total	**$ 816.8**	$ 770.9	**$ 1,549.5**	$ 1,532.3

Operating costs for the three and six months ended June 30, 2018 increased by 6.0% and 1.1%, respectively, over the same periods in 2017 primarily due to higher shipment levels in our Rail Group and the construction aggregates and other businesses in our Construction Products Group. Operating costs of the Inland Barge Group were higher for the three months ended June 30, 2018 and lower for the six months ended June 30, 2018 as result of changes in barge delivery volumes. Operating costs for the Energy Equipment Group were lower for the three and six months ended June 30, 2018, primarily due to lower wind towers volumes. Operating costs for the Leasing Group for the three and six months ended June 30, 2018 increased primarily due to lower railcar sales from the lease fleet owned more than one year and higher fleet maintenance and compliance costs.

Selling, engineering, and administrative expenses, including Corporate expenses and transaction costs related to the Company's proposed spin-off totaling $10.4 million and $18.3 million, respectively, decreased for the three and six months ended June 30, 2018, by 2.3% and 0.1%, respectively, as result of lower litigation-related costs and reduced bad debt expense. As a percentage of revenue, selling, engineering, and administrative expenses were 11.7% and 12.1%, respectively, for the three and six months ended June 30, 2018 as compared to 12.5% and 12.1%, respectively, for the same periods in 2017.

Operating Profit (Loss)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
	(in millions)			
Rail Group	**$ 57.7**	$ 36.7	**$ 116.6**	$ 87.2
Construction Products Group	**31.4**	22.2	**50.8**	37.7
Inland Barge Group	**2.9**	0.5	**2.2**	6.8
Energy Equipment Group	**13.1**	24.1	**34.4**	53.7
Railcar Leasing and Management Services Group	**91.8**	110.8	**162.9**	195.8
All Other	**(3.0)**	(5.7)	**(6.3)**	(10.3)
Segment Totals before Eliminations and Corporate Expenses	**193.9**	188.6	**360.6**	370.9
Corporate	**(43.4)**	(38.4)	**(82.9)**	(73.5)
Eliminations – Lease subsidiary	**(24.5)**	(14.4)	**(53.2)**	(43.8)
Eliminations – Other	**(0.5)**	(1.2)	**(0.4)**	(3.1)
Consolidated Total	**$ 125.5**	$ 134.6	**$ 224.1**	$ 250.5

Operating profit for the three and six months ended June 30, 2018 decreased by 6.8% and 10.5%, respectively, when compared to the same periods in 2017. Operating profit in our Rail Group increased for the three and six months ended June 30, 2018 as a result of higher railcar deliveries. Operating profit in the Construction Products Group increased for the three and six months ended June 30, 2018 when compared to prior year periods primarily due to higher volumes in our construction aggregates business and higher volumes in the Group's other businesses as a result of the trench shoring products acquisition in the third quarter of 2017. Operating profit for the three and six months ended June 30, 2018 also decreased over the prior year periods as a result of lower volumes in the wind towers product line of our Energy Equipment Group and, for the three months ended June 30, 2018, production inefficiencies and an unfavorable product mix in the Group's utility structures product line. Operating profit in our Energy Equipment Group was also higher for the three months ended June 30, 2018 and lower for the six months ended June 30, 2018 due to the required adoption of the new revenue accounting rules. See Note 1 of the Consolidated Financial Statements. Operating profit in our Leasing Group decreased for the three and six months ended June 30, 2018 over the prior year periods primarily as a result of a change in mix of railcars sold from the lease fleet, lower average rental rates and increased fleet maintenance and compliance expenses.

For a further discussion of revenues, costs, and the operating results of individual segments, see *Segment Discussion* below.

Other Income and Expense. Other income and expense is summarized in the following table:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	**2017**	**2018**	**2017**
		(in millions)		
Interest income	**$ (3.7)**	$ (2.3)	**$ (7.6)**	$ (4.0)
Interest expense	**43.8**	45.7	**90.1**	90.7
Other, net	**(0.7)**	(0.1)	**(0.9)**	—
Consolidated Total	**$ 39.4**	$ 43.3	**$ 81.6**	$ 86.7

Income Taxes. The provision for income taxes results in effective tax rates that differ from the statutory rates. The following is a reconciliation between the statutory U.S. federal income tax rate and the Company's effective income tax rate on income before income taxes:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	**2017**	**2018**	**2017**
Statutory rate	**21.0 %**	35.0 %	**21.0 %**	35.0 %
State taxes	**1.8**	1.5	**1.8**	1.5
Changes in state tax laws	**2.0**	0.1	**1.2**	—
Noncontrolling interest in partially-owned subsidiaries	**(0.2)**	(0.7)	**(0.1)**	(0.6)
Changes in valuation allowance and reserves	**0.2**	0.2	**1.0**	0.2
Settlements with tax authorities	**—**	—	**—**	(3.5)
Equity compensation	**(3.3)**	3.0	**(2.1)**	1.5
Other, net	**2.4**	1.8	**2.0**	1.4
Effective rate	**23.9 %**	40.9 %	**24.8 %**	35.5 %

Our effective tax rate reflects the Company's estimate for its state income tax expense, income attributable to the noncontrolling interests in partially-owned leasing subsidiaries for which no income tax expense is provided, excess tax benefits or deficiencies related to equity compensation, and the impact of the completion of income tax audits that resulted in a net tax benefit. See Note 5 Partially-Owned Leasing Subsidiaries for a further explanation of activities with respect to our partially-owned leasing subsidiaries.

The Tax Cuts and Jobs Act (the "Act") was enacted on December 22, 2017. The Act reduces the U.S. federal corporate income tax rate from 35.0% to 21.0%, requires companies to pay a one-time transition tax on earnings of certain foreign subsidiaries that were previously tax deferred and creates new taxes on certain foreign-sourced earnings. In December 2017, we recorded a tax benefit after the initial assessment of the tax effects of the Act, and we will continue refining this amount throughout 2018. During the six months ended June 30, 2018, we adjusted our initial assessment of the tax effects of the Act to record an additional benefit related to the transition tax. We are still analyzing certain aspects of the Act and refining our calculations, which could potentially affect the measurement of our deferred tax balance or give rise to new deferred tax amounts in future periods of 2018.The impact of the Act may differ from our estimate due to changes in the regulations, rulings, guidance, and interpretations issued by the Internal Revenue Service ("IRS") and the FASB as well as interpretations and assumptions made by the Company. For the items for which we were able to determine a reasonable estimate, we recognized an additional provisional net expense of $0.2 million and benefit of $0.3 million, respectively, for the three and six months ended June 30, 2018, which is included as a component of income tax expense. The calculation of our estimated annual effective tax rate includes the estimated impact of provisions of the

Act, such as interest limitations, and foreign limitations or inclusions. These estimates could change as additional information becomes available on these provisions of the Act.

Income tax payments, net of refunds received, during the six months ended June 30, 2018 totaled $5.7 million. The total net income tax receivable position at June 30, 2018 amounted to $29.1 million.

See Note 13 of the Consolidated Financial Statements for a further discussion of income taxes.

Segment Discussion

Rail Group

	Three Months Ended June 30,			Six Months Ended June 30,		
	2018	2017	Percent Change	2018	2017	Percent Change
	($ in millions)			($ in millions)		
Revenues:						
Railcars	**$ 483.8**	$ 407.3	**18.8%**	**$ 1,004.9**	$ 832.4	**20.7 %**
Components and maintenance services	**91.4**	58.6	**56.0**	**168.8**	111.8	**51.0**
Total revenues	**575.2**	465.9	**23.5**	**1,173.7**	944.2	**24.3**
Operating costs:						
Cost of revenues	**502.1**	414.0	**21.3**	**1,027.9**	827.6	**24.2**
Selling, engineering, and administrative costs	**15.4**	15.2	**1.3**	**29.2**	29.4	**(0.7)**
Operating profit	**$ 57.7**	$ 36.7	**57.2**	**$ 116.6**	$ 87.2	**33.7**
Operating profit margin	**10.0%**	7.9%		**9.9%**	9.2%	

As of June 30, 2018 and 2017 our Rail Group backlog of railcars was as follows:

	As of June 30,	
	2018	2017
	(in millions)	
External Customers	**$ 1,922.8**	$ 1,722.0
Leasing Group	**741.5**	992.8
Total	**$ 2,664.3**	$ 2,714.8

The changes in the number of railcars in the Rail Group backlog are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Beginning balance	**21,365**	26,420	**22,585**	29,220
Orders received	**8,320**	5,705	**13,025**	6,675
Shipments	**(5,105)**	(4,055)	**(10,830)**	(7,825)
Ending balance[(1)]	**24,580**	27,580	**24,580**	27,580

(1) The ending backlog figures for the six months ended June 30, 2018 reflect the removal of 200 railcars that have not been netted against orders. The ending backlog figures for the three and six months ended June 30, 2017 reflect the removal of 490 railcars that have not been netted against orders.

Revenues and cost of revenues increased for the three months ended June 30, 2018 by 23.5% and 21.3%, respectively, when compared to the prior year period. Revenues and cost of revenues increased for the six months ended June 30, 2018 by 24.3% and 24.2%, respectively, when compared to the prior year period. The increases in revenues and cost of revenues primarily resulted from an increase in railcar unit deliveries with the increase in cost of revenues for the three months ended June 30, 2018 partially offset by improved operational efficiencies.

Total backlog dollars decreased by 1.9% when compared to the prior year period due to a decrease in units. The average selling price in the backlog at June 30, 2018 was 10.1% higher as compared to June 30, 2017 primarily due to product mix changes. Approximately 34% of our railcar backlog is expected to be delivered during 2018 with the remainder to be delivered thereafter into 2023. The backlog dedicated to the Leasing Group is supported by lease commitments with external customers. The final amount dedicated to the Leasing Group may vary by the time of delivery as customers may alternately choose to purchase railcars as external sales from the Rail Group.

During the three months ended June 30, 2018, railcar shipments included sales to the Leasing Group of $200.0 million with a deferred profit of $19.9 million, representing 2,139 railcars, compared to $115.9 million with a deferred profit of $13.6 million, representing 1,145 railcars, in the comparable period in 2017. During the six months ended June 30, 2018, railcar shipments included sales to the Leasing Group of $472.6 million with a deferred profit of $44.4 million, representing 5,366 railcars, compared to $296.9 million with a deferred profit of $42.5 million, representing 2,876 railcars, in the comparable period in 2017. There were no railcar shipments of leased railcars to third parties during the three and six months ended June 30, 2018 or June 30, 2017.

Construction Products Group

	Three Months Ended June 30,			Six Months Ended June 30,		
	2018	2017	Percent Change	2018	2017	Percent Change
	($ in millions)			($ in millions)		
Revenues:						
Highway products	**$ 71.7**	$ 65.6	**9.3 %**	**$ 126.5**	$ 129.1	**(2.0)%**
Construction aggregates	**61.1**	52.2	**17.0**	**113.7**	101.8	**11.7**
Other	**22.8**	13.5	**68.9**	**40.4**	23.5	**71.9**
Total revenues	**155.6**	131.3	**18.5**	**280.6**	254.4	**10.3**
Operating costs:						
Cost of revenues	**110.5**	89.4	**23.6**	**198.8**	178.3	**11.5**
Selling, engineering, and administrative costs	**14.6**	19.9	**(26.6)**	**32.0**	39.0	**(17.9)**
Property disposition gains	**(0.9)**	(0.2)	**350.0**	**(1.0)**	(0.6)	**66.7**
Operating profit	**$ 31.4**	$ 22.2	**41.4**	**$ 50.8**	$ 37.7	**34.7**
Operating profit margin	**20.2%**	16.9%		**18.1%**	14.8%	

Revenues increased by 18.5% and 10.3%, respectively, for the three and six months ended June 30, 2018, when compared to the same periods in 2017 primarily from higher volumes in our construction aggregates businesses and other businesses. The increase in revenues from other businesses was primarily a result of our trench shoring products acquisition in the third quarter of 2017. Cost of revenues increased by 23.6% and 11.5%, respectively, for the three and six months ended June 30, 2018, when compared to the same periods in 2017. Cost of revenues were higher due to higher volumes in our construction aggregates and other businesses, primarily as a result of our trench shoring products acquisition in 2017. Cost of revenues for the three and six months ended June 30, 2018 also included $1.7 million and $3.2 million, respectively, in insurance recoveries related to damages. Selling, engineering, and administrative costs decreased by 26.6% and 17.9%, respectively, for the three and six months ended June 30, 2018, compared to the same periods in 2017, primarily due to decreased legal expenses.

Inland Barge Group

	Three Months Ended June 30,			Six Months Ended June 30,		
	2018	2017	Percent Change	2018	2017	Percent Change
	($ in millions)			($ in millions)		
Revenues	**$ 42.9**	$ 33.5	**28.1%**	**$ 73.7**	$ 96.2	**(23.4)%**
Operating costs:						
Cost of revenues	**37.1**	30.1	**23.3**	**66.0**	83.5	**(21.0)**
Selling, engineering, and administrative costs	**2.9**	2.9	**—**	**5.5**	5.9	**(6.8)**
Operating profit	**$ 2.9**	$ 0.5	**480.0**	**$ 2.2**	$ 6.8	**(67.6)**
Operating profit margin	**6.8%**	1.5%		**3.0%**	7.1%	

Revenues and cost of revenues increased for the three months ended June 30, 2018 by 28.1% and 23.3%, respectively, compared to the same period in 2017 primarily from higher barge deliveries. Revenues and cost of revenues decreased for the six months ended June 30, 2018 by 23.4% and 21.0%, respectively, compared to the same period in 2017 primarily from lower barge deliveries. Selling, engineering, and administrative costs remained unchanged for the three months ended June 30, 2018 and decreased for the six months ended June 30, 2018 compared to the same periods in 2017.

As of June 30, 2018, the backlog for the Inland Barge Group was $198.4 million compared to $90.7 million as of June 30, 2017.

Energy Equipment Group

	Three Months Ended June 30,			Six Months Ended June 30,		
	2018	2017	Percent Change	2018	2017	Percent Change
	($ in millions)			($ in millions)		
Revenues:						
Wind towers and utility structures	**$ 133.0**	$ 166.5	**(20.1)%**	**$ 280.5**	$ 347.3	**(19.2)%**
Other	**66.3**	72.0	**(7.9)**	**145.5**	146.6	**(0.8)**
Total revenues	**199.3**	238.5	**(16.4)**	**426.0**	493.9	**(13.7)**
Operating costs:						
Cost of revenues	**166.8**	192.8	**(13.5)**	**354.1**	400.2	**(11.5)**
Selling, engineering, and administrative costs	**19.4**	21.6	**(10.2)**	**37.5**	40.0	**(6.3)**
Operating profit	**$ 13.1**	$ 24.1	**(45.6)**	**$ 34.4**	$ 53.7	**(35.9)**
Operating profit margin	**6.6%**	10.1%		**8.1%**	10.9%	

Revenues decreased by 16.4% for the three months ended June 30, 2018 when compared to the same period in 2017. Revenues from our wind towers and utility structures product lines decreased by 20.1% driven primarily by reduced volumes in our wind towers product line and lower pricing in our utility structures product line. Revenues from other product lines decreased by 7.9% as a result of decreased shipping volumes. Cost of revenues decreased by 13.5% for the three months ended June 30, 2018 compared to 2017, primarily driven by reduced volumes in our wind towers product line, and partially offset by lower production efficiencies in our utility structures product line. Cost of revenues for the three months ended June 30, 2018 also included a $3.9 million insurance recovery.

Revenues decreased by 13.7% for the six months ended June 30, 2018 when compared to the same period in 2017. Revenues from our wind towers and utility structures product lines decreased by 19.2%, driven primarily by reduced volumes in our wind towers product line. Revenues from other product lines decreased by 0.8%. Cost of revenues decreased by 11.5% for the six months ended June 30, 2018 compared to 2017, driven primarily by reduced volumes.

Selling, engineering, and administrative costs decreased by 10.2% and 6.3%, respectively, for the three and six months ended June 30, 2018 compared to the same periods in 2017 primarily due to decreased bad debt expense related to a single customer.

Revenue and operating profit was also higher by $3.3 million and $0.4 million, respectively, for the three months ended June 30, 2018 and lower by $14.7 million and $3.6 million, respectively, for the six months ended June 30, 2018 due to the required adoption of new revenue accounting rules. See Note 1 of the Consolidated Financial Statements.

The backlog for wind towers and utility structures was $780.1 million and $1.1 billion at June 30, 2018 and 2017, respectively.

Railcar Leasing and Management Services Group

	Three Months Ended June 30,			Six Months Ended June 30,		
	2018	2017	Percent Change	2018	2017	Percent Change
	($ in millions)			($ in millions)		
Revenues:						
Leasing and management	**$ 184.2**	$ 185.0	**(0.4)%**	**$ 358.8**	$ 363.9	**(1.4)%**
Sales of railcars owned one year or less at the time of sale	**29.2**	7.1	*	**29.2**	7.1	*
Total revenues	**$ 213.4**	$ 192.1	**11.1**	**$ 388.0**	$ 371.0	**4.6**
Operating profit:						
Leasing and management	**$ 77.9**	$ 85.6	**(9.0)**	**$ 146.9**	$ 170.6	**(13.9)**
Railcar sales:						
Railcars owned one year or less at the time of sale	**4.4**	1.5	*	**4.4**	1.5	*
Railcars owned more than one year at the time of sale	**9.5**	23.7	*	**11.6**	23.7	*
Total operating profit	**$ 91.8**	$ 110.8	**(17.1)**	**$ 162.9**	$ 195.8	**(16.8)**
Operating profit margin:						
Leasing and management	**42.3%**	46.3%		**40.9%**	46.9%	
Railcar sales	*	*		*	*	
Total operating profit margin	**43.0%**	57.7%		**42.0%**	52.8%	
Selected expense information[(1)]:						
Depreciation	**$ 47.0**	$ 43.1	**9.0**	**$ 92.1**	$ 85.2	**8.1**
Maintenance and compliance	**$ 25.0**	$ 23.9	**4.6**	**$ 51.4**	$ 44.4	**15.8**
Rent	**$ 9.9**	$ 9.9	**—**	**$ 20.0**	$ 20.0	**—**
Interest	**$ 32.3**	$ 31.3	**3.2**	**$ 63.8**	$ 61.9	**3.1**

* Not meaningful

[(1)] Depreciation, maintenance and compliance, and rent expense are components of operating profit. Amortization of deferred profit on railcars sold from the Rail Group to the Leasing Group is included in the operating profit of the Leasing Group resulting in the recognition of depreciation expense based on the Company's original manufacturing cost of the railcars. Interest expense is not a component of operating profit and includes the effect of hedges.

Total revenues increased by 11.1% and 4.6%, respectively, for the three and six months ended June 30, 2018 compared to 2017 primarily due to railcar sales owned one year or less at the time of sale. Leasing and management revenues declined slightly due to lower average rental rates and utilization partially offset by growth in the lease fleet.

During the six months ended June 30, 2018 and 2017, the Company received proceeds from the sales of leased railcars as follows:

	Six Months Ended June 30,	
	2018	2017
	(in millions)	
Leasing Group:		
Railcars owned one year or less at the time of sale	**$ 29.2**	$ 7.1
Railcars owned more than one year at the time of sale	**56.4**	92.4
Rail Group	**—**	—
	$ 85.6	$ 99.5

Operating profit decreased by 17.1% and 16.8%, respectively, for the three and six months ended June 30, 2018 compared to 2017 primarily due to a change in mix of railcars sold from the lease fleet, lower average rental rates and increased fleet maintenance and compliance expense. See Note 6 of the Notes to the Consolidated Financial Statements for a description of lease arrangements with the independent owner trusts.

The Leasing Group generally uses cash or its non-recourse warehouse loan facility to provide initial funding for a portion of the purchase price of the railcars. After initial funding, the Leasing Group may obtain long-term financing for the railcars in the lease fleet through non-recourse asset-backed securities; long-term non-recourse operating leases pursuant to sales/leaseback transactions; long-term recourse debt such as equipment trust certificates; long-term non-recourse promissory notes; or third-party equity. See *Other Investing and Financing Activities*.

Information regarding the Leasing Group's lease fleet, managed or owned through its wholly-owned and partially-owned subsidiaries, follows:

	June 30, 2018	June 30, 2017
Number of railcars:		
Wholly-owned	69,480	62,570
Partially-owned	24,655	24,660
	94,135	87,230
Managed (third-party owned)	27,150	19,495
	121,285	106,725
Company-owned railcars:		
Average age in years	8.7	8.5
Average remaining lease term in years	3.5	3.5
Fleet utilization	97.1%	97.5%

All Other

	Three Months Ended June 30,			Six Months Ended June 30,		
	2018	2017	Percent Change	2018	2017	Percent Change
	($ in millions)			($ in millions)		
Revenues	**$ 23.3**	$ 22.7	**2.6 %**	**$ 48.1**	$ 45.5	**5.7 %**
Operating costs:						
Cost of revenues	**25.6**	26.6	**(3.8)**	**52.5**	52.7	**(0.4)**
Selling, engineering, and administrative costs	**2.0**	1.9	**5.3**	**3.3**	3.7	**(10.8)**
Property disposition gains	**(1.3)**	(0.1)		**(1.4)**	(0.6)	
Operating loss	**$ (3.0)**	$ (5.7)	*	**$ (6.3)**	$ (10.3)	*

* not meaningful

Revenues increased for the three and six months ended June 30, 2018 compared to 2017 primarily due to an increase in internal shipments from our transportation company. Cost of revenues decreased for the three and six months ended June 30, 2018 compared to 2017 primarily due to lower costs of facilities maintenance activities partially offset by higher costs related to an increase in internal shipments from our transportation company.

Corporate

	Three Months Ended June 30,			Six Months Ended June 30,		
	2018	2017	Percent Change	2018	2017	Percent Change
	($ in millions)			($ in millions)		
Operating costs	**$ 43.4**	$ 38.4	**13.0%**	**$ 82.9**	$ 73.5	**12.8%**

The increase in operating costs for the three and six months ended June 30, 2018 compared to 2017 is primarily due to higher consulting and professional fees including transaction costs related to the Company's proposed spin-off totaling $10.4 million and $18.3 million, respectively, partially offset by lower legal and litigation-related expenses which were unrelated to the proposed spin-off.

Liquidity and Capital Resources

Cash Flows

The following table summarizes our cash flows from operating, investing, and financing activities for the six months ended June 30, 2018 and June 30, 2017:

	Six Months Ended June 30,	
	2018	**2017**
	(in millions)	
Total cash provided by (required by):		
Operating activities	**$ 348.3**	$ 336.1
Investing activities	**(204.4)**	(168.9)
Financing activities	**(362.8)**	94.7
Net (decrease) increase in cash, cash equivalents, and restricted cash	**$ (218.9)**	$ 261.9

Operating Activities. Net cash provided by operating activities for the six months ended June 30, 2018 was $348.3 million compared to net cash provided by operating activities of $336.1 million for the six months ended June 30, 2017.

Receivables at June 30, 2018 decreased by $31.8 million or 8.0% since December 31, 2017 primarily due to lower trade receivables in our Rail and Energy Equipment Groups. Raw materials inventory at June 30, 2018 increased by $3.7 million or 1.2% while work in process inventory decreased by $29.8 million or 16.6% primarily in our Rail Group. Finished goods inventory decreased by $28.1 million or 17.0% since December 31, 2017 primarily in our Energy Equipment Group. Accounts payable increased by $29.9 million, while accrued liabilities decreased by $27.8 million from December 31, 2017 primarily due to settlement of certain balances from the previous year end. We continually review reserves related to collectibility as well as the adequacy of lower of cost or net realizable value with regard to accounts receivable and inventory.

Investing Activities. Net cash required by investing activities for the six months ended June 30, 2018 was $204.4 million compared to $168.9 million for the six months ended June 30, 2017. Capital expenditures for the six months ended June 30, 2018 were $537.1 million, which included $528.0 million for additions to the lease fleet less $24.8 million for the cost of sold lease fleet railcars owned one year or less. This compares to $315.0 million of capital expenditures for the same period last year, which included $277.2 million for additions to the lease fleet less $5.6 million for the cost of sold lease fleet railcars owned one year or less. Proceeds from the sale of property, plant, and equipment and other assets totaled $61.9 million for the six months ended June 30, 2018, including railcar sales from the lease fleet owned more than one year at the time of sale totaling $56.4 million. This compares to $98.4 million for the same period in 2017, including railcar sales from the lease fleet owned more than one year at the time of sale totaling $92.4 million. Full-year manufacturing/corporate capital expenditures for 2018 are projected to range between $100.0 million and $135.0 million, excluding capital expenditures related to the proposed spin-off transaction. For 2018, after taking into account deferred profit on new railcar additions and planned modifications to the lease fleet, we anticipate a net investment in our lease fleet to range between $600.0 million and $825.0 million, after taking into account the proceeds from sales of leased railcars. Short-term marketable securities decreased by $294.5 million and $55.1 million for the six months ended June 30, 2018 and 2017, respectively. Net cash required related to acquisitions amounted to $25.0 million and $5.3 million for the six months ended June 30, 2018 and 2017, respectively. There was no divestiture activity for the six months ended June 30, 2018 and 2017.

Financing Activities. Net cash required by financing activities during the six months ended June 30, 2018 was $362.8 million compared to $94.7 million of cash provided by financing activities for the same period in 2017. Additionally, $674.6 million was used to retire debt, including the redemption of the Company's Notes as discussed further below, and we borrowed $478.0 million, net of debt issuance costs, primarily from the issuance by TRL-2018 of secured railcar equipment notes. During the six months ended June 30, 2017, we retired $98.3 million in debt as scheduled and borrowed $299.4 million, net of debt issuance costs, primarily from the issuance by TRL 2017 of promissory notes. Cash used to repurchase the Company's common stock totaled $102.2 million and $41.9 million during the six months ended June 30, 2018 and 2017, respectively. We intend to use our cash and committed credit facilities to fund the operations, expansions, and growth initiatives of the Company. Additionally, we may use our cash and committed credit facilities to retire or repurchase the Company's outstanding debt prior to its stated maturity or repurchase shares of its common stock.

Other Investing and Financing Activities

On April 23, 2018, the Company issued a Notice of Redemption with respect to the Notes to redeem the Notes on June 1, 2018 at a redemption price in cash equal to 100% of their principal amount plus accrued but unpaid interest (including any contingent interest), if any, to but excluding June 1, 2018. In connection therewith, the Company also announced that holders of the Notes would have the right to convert their Notes into the Company’s common stock subject to certain terms, conditions and adjustments specified in the Notes and the indenture pursuant to which the Notes were issued, no later than May 30, 2018 (the “Conversion

Deadline"), at a current conversion rate equivalent to 41.4390 shares per each $1,000 principal amount of the Notes. Immediately prior to the Redemption Date, the aggregate principal amount of Notes outstanding was approximately $449.3 million.

Prior to the Conversion Deadline, holders of approximately $448.5 million aggregate principal amount of the Notes submitted notices for conversion of their Notes. As a result, on June 1, 2018, the Company redeemed the remaining approximately $0.8 million aggregate principal amount of the Notes for an aggregate cash amount of approximately $0.8 million, including the accrued and unpaid interest to, but excluding, June 1, 2018. Pursuant to the terms of the indenture governing the Notes, the settlement of the Notes submitted for conversion occurred on various dates between May 30, 2018 and July 3, 2018. The Company elected to exercise its rights to settle the converting Notes in cash rather than in shares of common stock or a combination of cash and shares of common stock. As of July 3, 2018, the Company had completed conversion settlements for the remaining Notes, for an aggregate cash amount of approximately $646.6 million. Following the redemption and settlement of the conversions, there were no Notes outstanding under the indenture, and the indenture was satisfied and discharged in accordance with its terms.

The TILC warehouse loan facility, established to finance railcars owned by TILC, had $151.1 million in outstanding borrowings as of June 30, 2018. In March 2018, the facility, previously totaling $1.0 billion, was extended through March 2021 at a reduced amount of $750.0 million at the Company's election. Under the renewed facility, the entire unused facility amount of $598.9 million was available as of June 30, 2018 based on the amount of warehouse-eligible, unpledged equipment. The warehouse loan facility is a non-recourse obligation and is secured by a portfolio of railcars and operating leases, certain cash reserves, and other assets acquired and owned by the warehouse loan facility trust. The principal and interest of this indebtedness are paid from the cash flows of the underlying leases. Advances under the renewed facility bear interest at a defined index rate plus a margin, for an all-in interest rate of 3.74% at June 30, 2018. Amounts outstanding at maturity, absent renewal, are payable under the renewed facility in March 2022.

In June 2018, TRL-2018, a Delaware limited liability company and a limited purpose, indirect wholly-owned subsidiary of the Company owned through TILC, issued $482.5 million of TRL-2018 Secured Railcar Equipment Notes. The TRL-2018 Secured Railcar Equipment Notes consisted of two classes of notes with (i) an aggregate principal amount of $200.0 million of Class A-1 Notes, and (ii) an aggregate principal amount of $282.5 million of Class A-2 Notes. The TRL-2018 Secured Railcar Equipment Notes were issued pursuant to a Master Indenture, dated June 20, 2018 between TRL-2018 and Wilmington Trust Company, as indenture trustee. The Class A-1 Notes bear interest at a fixed rate of 3.82%, are payable monthly, and have a stated final maturity date of June 17, 2048. The Class A-2 Notes bear interest at a fixed rate of 4.62%, are payable monthly, and have a stated final maturity date of June 17, 2048. The Notes are obligations of TRL-2018 only, secured by a portfolio of railcars and operating leases thereon acquired and owned by TRL-2018, certain cash reserves, and other assets of TRL-2018.

As of June 30, 2018, we had letters of credit issued under our $600 million revolving credit facility in an aggregate principal amount of $78.8 million, leaving $521.2 million available for borrowing. Other than these letters of credit, there were no borrowings under our revolving credit facility as of June 30, 2018, or for the six month period then ended. Borrowings under the credit facility bear interest at a defined index rate plus a margin and are guaranteed by certain 100%-owned subsidiaries of the Company.

In December 2017, the Company's Board of Directors authorized a $500 million share repurchase program effective January 1, 2018 through December 31, 2019. Under the program, 1,451,171 and 2,970,674 shares, respectively, were repurchased during the three and six months ended June 30, 2018, at a cost of approximately $50.1 million and $100.1 million, respectively, leaving a remaining authorization of $400.0 million. Certain shares of stock repurchased during June 2018, totaling $3.8 million, were cash settled in July 2018 in accordance with normal settlement practices.

During the six months ended June 30, 2018 and 2017, the Company received proceeds from the sales of leased railcars as follows:

	Six Months Ended June 30,	
	2018	**2017**
	(in millions)	
Leasing Group:		
Railcars owned one year or less at the time of sale	**$ 29.2**	$ 7.1
Railcars owned more than one year at the time of sale	**56.4**	92.4
Rail Group	**—**	—
	$ 85.6	$ 99.5

Equity Investment

See Note 5 of the Notes to Consolidated Financial Statements for information about the Company's investment in partially-owned leasing subsidiaries.

Future Operating Requirements

We expect to finance future operating requirements with cash, cash equivalents, and short-term marketable securities; cash flows from operations; and, depending on market conditions, short-term debt, long-term debt, and equity. Debt instruments that the Company has utilized include its revolving credit facility, the TILC warehouse facility, senior notes, convertible subordinated notes, asset-backed securities, non-recourse promissory notes, and sale-leaseback transactions. As of June 30, 2018, the Company had unrestricted cash, cash equivalents, and short-term marketable securities balances of $637.7 million, and $521.2 million available under its revolving credit facility. Under the TILC warehouse facility, $598.9 million was unused and available as of June 30, 2018 based on the amount of warehouse-eligible, unpledged equipment. The Company believes it has access to adequate capital resources to fund operating requirements and is an active participant in the capital markets.

Off Balance Sheet Arrangements

See Note 6 and Note 11 of the Notes to Consolidated Financial Statements for information about off balance sheet arrangements.

Derivative Instruments

We may use derivative instruments to mitigate the impact of changes in interest rates, both in anticipation of future debt issuances and to offset interest rate variability of certain floating rate debt issuances outstanding. We also may use derivative instruments to mitigate the impact of changes in natural gas and diesel fuel prices and changes in foreign currency exchange rates. Derivative instruments that are designated and qualify as cash flow hedges are accounted for in accordance with applicable accounting standards. See Note 3 Fair Value Accounting of the Notes to Consolidated Financial Statements for discussion of how the Company valued its commodity hedges and interest rate swap at June 30, 2018. See Note 11 Debt of the Notes to Consolidated Financial Statements for a description of the Company's debt instruments.

Interest rate hedges

			Included in accompanying balance sheet at June 30, 2018		
	Notional Amount	Interest Rate[1]	Asset / (liability)	AOCL – loss/ (income)	Noncontrolling Interest
			(in millions, except %)		
Expired hedges:					
2006 secured railcar equipment notes	$ 200.0	4.87%	$ —	$ (0.3)	$ —
2018 secured railcar equipment notes	$ 249.3	4.41%	$ —	$ 1.4	$ —
TRIP Holdings warehouse loan	$ 788.5	3.60%	$ —	$ 3.5	$ 4.7
TRIP Master Funding secured railcar equipment notes	$ 34.8	2.62%	$ —	$ 0.3	$ 0.4
Open hedge:					
2017 promissory notes	$ 171.6	3.00%	$ 2.7	$ (0.4)	$ —

[1] Weighted average fixed interest rate, except for 2017 promissory notes. Interest rate cap for 2017 promissory notes.

	Effect on interest expense - increase/(decrease)				
	Three Months Ended June 30,		Six Months Ended June 30,		Expected effect during next twelve months
	2018	2017	2018	2017	
	(in millions)				
2006 secured railcar equipment notes	$ —	$ —	$ (0.1)	$ (0.1)	$ (0.1)
TRIP Holdings warehouse loan	$ 0.5	$ 1.1	$ 1.2	$ 2.3	$ 2.0
TRIP Master Funding secured railcar equipment notes	$ —	$ 0.1	$ 0.1	$ 0.3	$ 0.2

During 2005 and 2006, we entered into interest rate swap derivatives in anticipation of issuing our 2006 Secured Railcar Equipment Notes. These derivative instruments, with a notional amount of $200.0 million, were settled in 2006 and fixed the interest rate on a portion of the related debt issuance. These derivative instrument transactions are being accounted for as cash flow hedges with changes in the fair value of the instruments of $4.5 million in income recorded in AOCL through the date the related debt issuance closed in 2006. The balance is being amortized interest expense over the term of the related debt.

Between 2007 and 2009, TRIP Holdings, as required by the TRIP Warehouse Loan, entered into interest rate swap derivatives, all of which qualified as cash flow hedges, to reduce the effect of changes in variable interest rates in the TRIP Warehouse Loan.

In July 2011, these interest rate hedges were terminated in connection with the refinancing of the TRIP Warehouse Loan. Balances included in AOCL at the date the hedges were terminated are being amortized over the life of the terminated hedge with $2.0 million of additional interest expense expected to be recognized during the twelve months following June 30, 2018.

In July 2011, TRIP Holdings' wholly-owned subsidiary, TRIP Master Funding, entered into an interest rate swap derivative instrument, expiring in 2021, with an initial notional amount of $94.1 million to reduce the effect of changes in variable interest rates associated with the Class A-1b notes of the TRIP Master Funding secured railcar equipment notes. The TRIP Master Funding interest rate hedge was terminated in August 2017 in connection with the refinancing of the related indebtedness. The effect on interest expense is due to amortization of the AOCL balance. The balance included in AOCL at the date the hedge was terminated is being amortized over the life of the terminated hedge with $0.2 million of additional interest expense expected to be recognized during the twelve months following June 30, 2018.

In May 2017, TRL 2017 purchased an interest rate cap derivative, which qualified as a cash flow hedge, to limit the Libor component of the interest rate on the 2017 promissory notes to a maximum rate of 3%. The effect on interest expense is primarily the result of amortization of the cost of the derivative and is not expected to be significant during the twelve months following June 30, 2018.

In May 2018, TRL-2018 purchased an interest rate swaption derivative for $1.4 million to hedge the risk of potential interest rate increases prior to the TRL-2018 debt issuance. The effect on interest expense is due to amortization of the AOCL balance. The balance included in AOCL is being amortized over the life of the terminated hedge with $0.2 million of additional interest expense expected to be recognized during the twelve months following June 30, 2018.

See Note 11 Debt of the Notes to Consolidated Financial Statements for further information regarding the related debt instruments.

Other Derivatives

Natural gas and diesel fuel

We maintain a program to mitigate the impact of fluctuations in the price of natural gas and diesel fuel. For those instruments that do not qualify for hedge accounting treatment, any changes in their valuation are recorded directly to the consolidated statement of operations. The effect on operating profit for these instruments was not significant. The amount recorded in the consolidated balance sheet as of June 30, 2018 for these instruments was not significant.

Contractual Obligation and Commercial Commitments

As of June 30, 2018, contractual obligations related to letters of credit decreased to $78.8 million from $78.9 million from December 31, 2017. Refer to Note 11 of the Consolidated Financial Statements for changes to our outstanding debt and maturities. Contractual obligations that relate to operating leases including sale/leaseback transactions were substantially unchanged as of June 30, 2018. See Note 6 of the Consolidated Financial Statements regarding operating lease obligations.

Recent Accounting Pronouncements

See Note 1 of the Consolidated Financial Statements for information about recent accounting pronouncements.

Forward-Looking Statements

This quarterly report on Form 10-Q (or statements otherwise made by the Company or on the Company's behalf from time to time in other reports, filings with the Securities and Exchange Commission ("SEC"), news releases, conferences, World Wide Web postings or otherwise) contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any statements contained herein that are not historical facts are forward-looking statements and involve risks and uncertainties. These forward-looking statements include expectations, beliefs, plans, objectives, future financial performances, estimates, projections, goals, and forecasts. Trinity uses the words "anticipates," "believes," "estimates," "expects," "intends," "forecasts," "may," "will," "should," and similar expressions to identify these forward-looking statements, including whether or not the spin-off occurs. Potential factors, which could cause our actual results of operations to differ materially from those in the forward-looking statements include, among others:

- market conditions and demand for our business products and services;
- the cyclical nature of industries in which we compete;
- variations in weather in areas where our construction products are sold, used, or installed;
- naturally-occurring events and disasters causing disruption to our manufacturing, product deliveries, and production capacity, thereby giving rise to an increase in expenses, loss of revenue, and property losses;
- the timing of introduction of new products;
- the timing and delivery of customer orders, sales of leased railcars, or a breach of customer contracts;
- the credit worthiness of customers and their access to capital;
- product price changes;
- changes in mix of products sold;
- the costs incurred to align manufacturing capacity with demand and the extent of its utilization;
- the operating leverage and efficiencies that can be achieved by our manufacturing businesses;
- availability and costs of steel, component parts, supplies, and other raw materials;
- competition and other competitive factors;
- changing technologies;
- surcharges and other fees added to fixed pricing agreements for steel, component parts, supplies and other raw materials;
- interest rates and capital costs;
- counter-party risks for financial instruments;
- long-term funding of our operations;
- changes in our stock price resulting in a dilutive impact on earnings per share related to conversion features in our financing instruments;
- taxes;
- the stability of the governments and political and business conditions in certain foreign countries, particularly Mexico;
- changes in import and export quotas and regulations;
- business conditions in emerging economies;
- costs and results of litigation, including trial and appellate costs and supersedeas bonding costs;
- changes in accounting standards or inaccurate estimates or assumptions in the application of accounting policies;
- legal, regulatory, and environmental issues, including compliance of our products with mandated specifications, standards, or testing criteria and obligations to remove and replace our products following installation or to recall our products and install different products manufactured by us or our competitors;
- actions by the executive and legislative branches of the U.S. government relative to federal government budgeting, taxation policies, government expenditures, U.S. borrowing/debt ceiling limits, and trade policies, including tariffs;
- the use of social or digital media to disseminate false, misleading and/or unreliable or inaccurate information;
- the inability to sufficiently protect our intellectual property rights;
- if the proposed spin-off transaction is not completed;
- if the Company does not realize some or all of the benefits expected to result from the spin-off, or if such benefits are delayed;
- the Company's ongoing businesses may be adversely affected and subject to certain risks and consequences as a result of pursuing the spin-off transaction;
- if the proposed spin-off transaction is completed, the trading price of the Company's common stock will decline as it will no longer reflect the value of the infrastructure-related businesses;
- if the distribution of shares of Arcosa, together with certain related transactions, does not qualify as a transaction that is generally tax-free for U.S. federal income tax purposes, the Company's stockholders and the Company could be subject to significant tax liability; and
- if the spin-off transaction does not comply with state and federal fraudulent conveyance laws and legal dividend requirements.

Any forward-looking statement speaks only as of the date on which such statement is made. Except as required by federal securities laws, Trinity undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made. For a discussion of risks and uncertainties which could cause actual results to differ from those contained in the forward-looking statements, see “Risk Factors” in the Company's Annual Report on Form 10-K for the most recent fiscal year.

Item 3. ***Quantitative and Qualitative Disclosures about Market Risk***

There has been no material change in our market risks since December 31, 2017 as set forth in Item 7A of our 2017 Form 10-K. Refer to Item 2, Management's Discussion and Analysis of Financial Condition and Results of Operations, for a discussion of debt-related activity and the impact of hedging activity for the three and six months ended June 30, 2018.

Item 4. ***Controls and Procedures.***

Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures designed to ensure that it is able to collect and record the information it is required to disclose in the reports it files with the SEC, and to process, summarize, and disclose this information within the time periods specified in the rules of the SEC. The Company’s Chief Executive and Chief Financial Officers are responsible for establishing and maintaining these procedures and, as required by the rules of the SEC, evaluating their effectiveness. Based on their evaluation of the Company’s disclosure controls and procedures that took place as of the end of the period covered by this report, the Chief Executive and Chief Financial Officers believe that these procedures are effective to 1) ensure that the Company is able to collect, process, and disclose the information it is required to disclose in the reports it files with the SEC within the required time periods and 2) accumulate and communicate this information to the Company’s management, including its Chief Executive and Chief Financial Officers, to allow timely decisions regarding this disclosure.

Internal Controls over Financial Reporting

The Company maintains a system of internal controls designed to provide reasonable assurance that: transactions are executed in accordance with management’s general or specific authorization; transactions are recorded as necessary 1) to permit preparation of financial statements in conformity with generally accepted accounting principles, and 2) to maintain accountability for assets; access to assets is permitted only in accordance with management’s general or specific authorization; and the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

During the period covered by this report, there have been no changes in the Company’s internal controls over financial reporting that have materially affected or are reasonably likely to materially affect the Company’s internal controls over financial reporting.

PART II

Item 1. ***Legal Proceedings***

The information provided in Note 18 of the Consolidated Financial Statements is hereby incorporated into this Part II, Item 1 by reference.

Item 1A. ***Risk Factors***

There have been no material changes from the risk factors previously disclosed in Item 1A of our 2017 Form 10-K.

Item 2. ***Unregistered Sales of Equity Securities and Use of Proceeds***

This table provides information with respect to purchases by the Company of shares of its Common Stock during the quarter ended June 30, 2018:

Period	Number of Shares Purchased[1]	Average Price Paid per Share [1]	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs [2]	Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs [2]
April 1, 2018 through April 30, 2018	3,311	$ 31.81	—	$ 450,005,818
May 1, 2018 through May 31, 2018	775,433	$ 35.31	465,500	$ 433,527,048
June 1, 2018 through June 30, 2018	992,334	$ 34.01	985,671	$ 400,005,838
Total	1,771,078	$ 34.58	1,451,171	$ 400,005,838

[1] These columns include the following transactions during the three months ended June 30, 2018: (i) the surrender to the Company of 318,924 shares of common stock to satisfy tax withholding obligations in connection with the vesting of restricted stock issued to employees, (ii) the purchase of 983 shares of common stock by the Trustee for assets held in a non-qualified employee profit sharing plan trust, and (iii) the purchase of 1,451,171 shares of common stock on the open market as part of the stock repurchase program.

[2] In December 2017, the Company's Board of Directors authorized a $500 million share repurchase program effective January 1, 2018 through December 31, 2019. Under the program, 1,451,171 shares were repurchased during the three months ended June 30, 2018, at a cost of approximately $50.1 million. Certain shares of stock repurchased during June 2018, totaling $3.8 million, were cash settled in July 2018 in accordance with normal settlement practices. The approximate dollar value of shares that were eligible to be repurchased under such share repurchase program is shown as of the end of such month or quarter.

Item 3. ***Defaults Upon Senior Securities***

None.

Item 4. ***Mine Safety Disclosures***

The information concerning mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K is included in Exhibit 95 to this Form 10-Q.

Item 5. ***Other Information***

None.

Item 6. ***Exhibits***

NO.	DESCRIPTION
3.1	Amended and Restated By-Laws of Trinity Industries, Inc., effective May 7, 2018 (filed herewith)
10.1	Note Purchase Agreement dated June 13, 2018, among Trinity Industries Leasing Company, Trinity Rail Leasing 2018 LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Credit Suisse Securities (USA) LLC, DVB Capital Markets LLC, Credit Agricole Securities (USA) Inc., and Wells Fargo Securities LLC (filed herewith).
10.2	Master Indenture dated June 20, 2018, between Trinity Rail Leasing 2018 LLC and Wilmington Trust Company, as indenture trustee (filed herewith).
10.3	Purchase and Contribution Agreement dated June 20, 2018, between Trinity Industries Leasing Company and Trinity Rail Leasing 2018 LLC (filed herewith).
31.1	Rule 13a-15(e) and 15d-15(e) Certification of the Chief Executive Officer (filed herewith).
31.2	Rule 13a-15(e) and 15d-15(e) Certification of the Chief Financial Officer (filed herewith).
32.1	Certification pursuant to 18U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith).
32.2	Certification pursuant to 18U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith).
95	Mine Safety Disclosure Exhibit (filed herewith).
101.INS	XBRL Instance Document (filed electronically herewith).
101.SCH	XBRL Taxonomy Extension Schema Document (filed electronically herewith).
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document (filed electronically herewith).
101.LAB	XBRL Taxonomy Extension Label Linkbase Document (filed electronically herewith).
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document (filed electronically herewith).
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document (filed electronically herewith).

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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.

TRINITY INDUSTRIES, INC.
Registrant

By /s/ James E. Perry

James E. Perry
Senior Vice President and
Chief Financial Officer
July 26, 2018

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Section 2: EX-3.1 (EXHIBIT 3.1)

Exhibit 3.1

As Amended Effective May 7, 2018

BYLAWS

OF

TRINITY INDUSTRIES, INC.

ARTICLE I.

Offices

Section 1. Registered Office. The registered office shall be located in the City of Wilmington, County of New Castle, State of Delaware.

Section 2. Other Offices. The corporation may also have offices at such other places within or without the State of Delaware as the Board of Directors may from time to time determine, or as the business of the corporation may require.

ARTICLE II.

Meetings of Stockholders

Section 1. Location of Meetings. Meetings of the stockholders for any purpose shall be held at such time and place, either within or without the State of Delaware, as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting or in a duly executed waiver of notice thereof.

Section 2. Annual Meetings of Stockholders. The annual meeting of stockholders shall be held on such date and at such time as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting. Nominations for election to the Board of Directors shall be made at such meeting only by or at the direction of the Board of Directors, by a nominating committee or person appointed by the Board of Directors, or by a stockholder of the corporation entitled to vote for the election of directors at the meeting who complies with the notice procedures set forth in this Section 2 and nominates such

proposed nominee in person or by proxy at the annual meeting of stockholders. Such nominations, other than those made by or at the direction of the Board of Directors, shall be made pursuant to timely notice in writing to the Secretary of the corporation. To be timely, a stockholder's notice shall be delivered to, or mailed and received at, the principal executive offices of the corporation not less than sixty (60) days nor more than ninety (90) days prior to the anniversary date of the immediately preceding annual meeting of stockholders; provided, however, that in the event that the annual meeting is called for a date that is not within thirty (30) days before or after such anniversary date, notice by the stockholder in order to be timely must be so received not later than the close of business on the later of (i) the sixtieth (60th) day prior to such annual meeting or (ii) the tenth (10th) day following the day on which public announcement of the date of such meeting is first made. For purposes of these Bylaws, “public announcement” shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or a comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Securities Exchange Act of 1934, as amended. Such stockholder's notice to the Secretary shall set forth (a) as to each person whom the stockholder proposes to nominate for election or re-election as a director, (i) the name, age, business address and residence address of the person, (ii) the principal

occupation or employment of the person, (iii) the class and number of shares of capital stock of the corporation which are beneficially owned by the person, and (iv) any other information relating to the person that is required to be disclosed in solicitations for proxies for election of directors pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended; and (b) as to the stockholder giving the notice, (i) the name and record address of the stockholder, (ii) the class and number of shares of capital stock of the corporation which are beneficially owned by the stockholder, (iii) a description of all arrangements or understandings between such stockholder and each proposed nominee and any other person or persons (including their names) pursuant to which the nomination(s) are to be made by such stockholder, (iv) a representation that such stockholder intends to appear in person or by proxy at the meeting to nominate the persons named in its notice and (v) any other information relating to such stockholder that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder. To be eligible to be a nominee for election or re-election as a director, a person nominated for election or re-election as a director must deliver a written representation and agreement that such person will comply, if elected or re-elected as a director of the corporation, with all policies and guidelines applicable to all directors of the corporation, including, without limitation, all applicable corporate governance, conflict of interest and confidentiality policies and guidelines. The corporation may require any proposed nominee to furnish such other information as may reasonably be required by the corporation to determine the eligibility of such proposed nominee to serve as director of the corporation. No person shall be eligible for election as a director of the corporation unless nominated in accordance with the procedures set forth herein.

The Chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the foregoing procedure, and if he should so determine, he shall so declare to the meeting and the defective nomination shall be disregarded.

At each annual meeting of the stockholders, only such business shall be conducted as shall have properly been brought before the meeting. To be properly before the meeting, the business to be conducted must be specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, otherwise properly brought before the meeting by or at the direction of the Board of Directors, or otherwise properly brought before the meeting by a stockholder entitled to vote at the meeting. In addition to any other applicable requirements, for business to be properly brought before the meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the Secretary of the corporation and present such business in person or by proxy at the annual meeting of stockholders. To be timely, a stockholder's notice shall be delivered to, or mailed and received at, the principal executive offices of the corporation not less than sixty (60) days nor more than ninety days prior to the anniversary date of the immediately preceding annual meeting of stockholders; provided, however, that in the event that the annual meeting is called for a date that is not within thirty days before or after such anniversary date, notice by the stockholder in order to be timely must be so received not later than the close of business on the later of (i) the sixtieth (60th) day prior to such annual meeting or (ii) the tenth (10th) day following the day on which public announcement of the date of such meeting is first made. A stockholder's notice to the Secretary of the corporation shall set forth as to each matter that the stockholder proposes to bring before the annual meeting, (i) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (ii) the name and record address of the stockholder proposing such business, (iii) the class and number of shares of the corporation which are beneficially owned by the stockholder, (iv) a description of all arrangements or understandings between such stockholder and any other person or persons (including their names) in connection with the proposal of such business by such stockholder and any material interest of such stockholder in such business and (v) a representation that such stockholder intends to appear in person or by proxy at the annual meeting to bring such business before the

meeting. Notwithstanding the foregoing provisions of this Section 2, a stockholder seeking to have a proposal included in the corporation's proxy statement shall comply with the requirements of Regulation 14A under the Securities Exchange Act of 1934, as amended (including, but not limited to, Rule 14a-8 or its successor provision), including the requirements regarding appearance and presentation of the proposal at the stockholder meeting.

Notwithstanding anything in these Bylaws to the contrary, no business shall be conducted at the annual meeting except in accordance with the procedures set forth in this Section 2; provided, however, that nothing in this Section 2 shall be deemed to preclude discussion by any stockholder of any business properly brought before the annual meeting in accordance with the procedures set forth in this Section 2.

The Chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that the business sought to be so conducted was not properly brought before the meeting in accordance with the provisions of this Section 2, and if he should so determine, he shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted.

Section 3. Special Meetings of Stockholders. Special meetings of the stockholders may be called only by the Chief Executive Officer or by the Board of Directors pursuant to a resolution adopted by a majority of the directors constituting the entire Board of Directors.

Section 4. Notice of Meetings. Notice of the place, if any, date and time of all meetings of the stockholders shall be given, not less than ten (10) nor more than sixty (60) days before the date of the meeting (unless a different time is specified by law) by or at the direction of the Chief Executive Officer, the Secretary or the officer calling the meeting to every stockholder entitled to vote at the meeting as of the record date for determining the stockholders entitled to notice of the meeting. Notices of special meetings shall also specify the purpose or purposes for which the meeting has been called. Except as otherwise provided herein or permitted by applicable law, notice to stockholders shall be in writing and delivered personally or mailed to the stockholders at their address appearing on the books of the corporation. Without limiting the manner by which notice otherwise may be given effectively to stockholders, notice of meeting may be given to stockholders by means of electronic transmission in accordance with applicable law. Notice of any meeting need not be given to any stockholder who shall, either before or after the meeting, submits a waiver of notice or who shall attend such meeting, except when the stockholder attends for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

Section 5. Quorum. The holders of a majority of the shares entitled to vote at the meeting, represented in person or by proxy, shall constitute a quorum at meetings of stockholders except as otherwise provided by applicable law or the Certificate of Incorporation.

Section 6. Adjournments. The Chairman of the meeting shall have the power to adjourn the meeting from time to time to reconvene at the same or some other place, if any, and notice need not be given of such adjourned meeting if the time and place, if any, thereof are announced at the meeting at which the adjournment is taken. At such adjourned meeting, any business may be transacted which might have been transacted at the meeting as originally notified. If the adjournment is for more than thirty (30) days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 7. Election of Directors. Each director shall be elected by the vote of the majority of the votes cast with respect to that director’s election at any meeting for the election of directors at which a quorum is present; provided, if the number of persons properly nominated to serve as directors exceeds the number of directors to be elected, then each director of the corporation shall be elected by the vote of a plurality of

the shares present in person or by proxy at the meeting and entitled to vote on the election of directors. For purposes of this Section 7, a majority of votes cast shall mean that the number of shares voted "for" a director's election exceeds 50% of the number of votes cast with respect to the director's election; votes cast shall include votes to withhold authority and exclude abstentions with respect to the director's election.

If a nominee for director is not elected and the nominee is an incumbent director, the director shall promptly tender his or her resignation to the Board of Directors, subject to acceptance by the Board of Directors. The Corporate Governance and Directors Nominating Committee will make a recommendation to the Board of Directors as to whether to accept or reject the tendered resignation, or whether other action should be taken. The Board of Directors will act on the tendered resignation, taking into account the Corporate Governance and Directors Nominating Committee's recommendation, and publicly disclose (by a press release, a filing with the Securities and Exchange Commission or other broadly disseminated means of communication) its decision regarding the tendered resignation and the rationale behind the decision within 90 days from the date of certification of the election results. The Corporate Governance and Directors Nominating Committee in making its recommendation and the Board of Directors in making its decision may each consider any factors or other information that they consider appropriate and relevant. The director who tenders his or her resignation will not participate in the recommendation of the Corporate Governance and Directors Nominating Committee or the decision of the Board of Directors with respect to his or her resignation.

If a director's resignation is accepted by the Board of Directors pursuant to this Bylaw, or if a nominee for director is not elected and the nominee is not an incumbent director, then the Board of Directors may fill the resulting vacancy pursuant to the provisions of Section 2 of Article III of these Bylaws or may decrease the size of the Board of Directors.

Section 8. Voting. Except as provided in Section 7 of this Article with respect to the election of the Board of Directors, at a meeting at which a quorum is present, the vote of the holders of a majority of the shares present in person or represented by proxy at the meeting and entitled to vote shall be the act of the stockholders' meeting, unless the vote of a greater number is required by law or the Certificate of Incorporation. Each outstanding share, regardless of class, shall be entitled to one vote on each matter submitted to a vote at a meeting of stockholders, except to the extent that the voting rights of the shares of any class are limited or denied by the Certificate of Incorporation.

Section 9. Proxies. At any meeting of the stockholders, every stockholder having the right to vote may vote either in person, or by proxy appointed by an instrument in writing as to a particular meeting and any adjournment or adjournments thereof subscribed by such stockholder or by his or her duly authorized attorney-in-fact. A proxy shall be revocable unless expressly provided therein to be irrevocable and unless otherwise provided by law.

Section 10. Stockholder List. The officer or agent having charge of the stock transfer books shall make, at least ten (10) days before each meeting of stockholders, a complete list of the stockholders entitled to vote at such meeting or any adjournment thereof, arranged in alphabetical order, with the address of and number of shares held by each, which list, for a period of ten (10) days prior to such meeting, shall be kept on file at the principal place of business of the corporation, and shall be subject to inspection by any stockholder at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting, and shall be subject to the inspection of any stockholder during the whole time of the meeting. The original stock transfer books shall be prima facie evidence as to who are the stockholders entitled to examine such list or transfer book or to vote at any such meeting of stockholders.

Section 11. Rules of Conduct. The Board of Directors may adopt by resolution such rules and regulations for the conduct of the meeting of the stockholders as it shall deem appropriate. The Chairman of the Board of Directors shall act as Chairman of the meeting and shall preside at all meetings of the stockholders. In the absence of the Chairman of the Board of Directors, the Board of Directors shall designate a person to serve as Chairman of the meeting. Except to the extent inconsistent with these Bylaws or such rules and regulations as adopted by the Board of Directors, the Chairman of the meeting shall have the right and authority to prescribe such rules, regulations and procedures and to do all acts as, in the judgment of such Chairman, are appropriate for the proper conduct of the meeting.

ARTICLE III.

Directors

Section 1. Number of Directors. The number of directors of the corporation shall be ten (10). The directors shall be elected at the annual meeting of the stockholders, except as provided in Section 2 of this Article, and each director elected shall hold office until his or her successor is elected and qualified or until the director's earlier death, resignation, disqualification or removal; provided, that any director may be removed at any time, with or without cause, by the holders of a majority of the shares of capital stock entitled to vote, represented in person or by proxy, at any duly constituted meeting of stockholders called for the purpose of removing any such director or directors. Directors need not be residents of the State of Delaware or stockholders of the corporation.

Section 2. Vacancies. Any vacancy occurring in the Board of Directors may be filled by the vote of a majority of the directors then in office though less than a quorum of the Board of Directors. A director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office. Any newly created directorship(s) resulting from an increase in the authorized number of directors elected by all stockholders entitled to vote as a single class shall be filled by the vote of a majority of the directors then in office, though less than a quorum.

Section 3. Resignations. A director may resign at any time by notice given in writing or by electronic transmission to the corporation. Such resignation shall take effect at the date of receipt of such notice by the corporation or at such later time as is therein specified.

Section 4. Duties of Board of Directors. The business and affairs of the corporation shall be managed by its Board of Directors which may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute, the Certificate of Incorporation, or these Bylaws directed or required to be exercised and done by the stockholders.

Section 5. Locations of Meetings. Meetings of the Board of Directors, regular or special, may be held either within or without the State of Delaware.

Section 6. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and at such place as shall from time to time be determined by the Board of Directors or its Chairman. Written notice of regular meetings of the Board of Directors shall not be required.

Section 7. Special Meetings. Special meetings of the Board of Directors may be held at such time and at such places as may be determined by Chairman of the Board of Directors or the Presiding Director. Special meetings of the Board of Directors may be called upon twenty-four (24) hours' notice to each director, or such shorter period of time as the person calling the meeting deems appropriate in the circumstances, either personally or by email, mail or telephone. Neither the business to be transacted at, nor the purposes

of, any special meeting of the Board of Directors need be specified in the notice or waiver of notice of such special meeting.

Section 8. Quorum. A majority of the total number of Directors then fixed pursuant to Section 1 of Article III of these Bylaws shall constitute a quorum for the transaction of business, and the act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless a greater number is required by applicable law or the Certificate of Incorporation. If a quorum shall not be present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 9. Committees. The Board of Directors may from time to time designate committees of the Board of Directors, with such lawfully delegable powers and duties as it thereby confers, to serve at the pleasure of the Board of Directors and shall, for those committees and any others provided for herein, elect a director or directors to serve as the member or members, designating, if it desires, other directors as alternate members who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of any members of any committee and any alternate member in his or her place, the member or members of the committee present at the meeting and not disqualified from voting, whether or not he or she or they constitute a quorum, may by unanimous vote appoint another member of the Board of Directors to act at the meeting in the place of the absent or disqualified member.

Section 10. Committee Meetings. Each committee may determine the procedural rules for meeting and conducting its business and shall act in accordance therewith, except as otherwise provided herein or required by law. Adequate provision shall be made for notice to members of all meetings. At least one-half of the members shall constitute a quorum, unless a greater percentage is specified in the committee's charter. All matters shall be determined by a majority vote of the members present. Action to be taken by any committee without a meeting if all members thereof consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of the proceedings of such committee. Such filing shall be in proper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

ARTICLE IV.

Notices

Section 1. Notices. If mailed, notices to directors and stockholders shall be in writing and delivered personally or mailed to the directors or stockholders at their addresses appearing on the books of the corporation and such notice shall be deemed to be given when deposited in the United States mail with postage thereon prepaid. Without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders may be given by electronic transmission in the manner provided in Section 232 of the Delaware General Corporation Law or any successor provision thereto.

Section 2. Waivers. Whenever any notice is required to be given to any stockholder or director under the provisions of the statutes, the Certificate of Incorporation or these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

Section 3. Attendance. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

ARTICLE V.

Officers

Section 1. Positions. Except as other provided in these Bylaws, all references to officers shall apply to both elected officers and appointed officers. The elected officers of the corporation shall consist of a Chief Executive Officer, President, Chief Financial Officer, a Secretary and a Treasurer and, in addition, one or more Senior Vice Presidents or Vice Presidents, as determined by the Board of Directors. One individual person may hold multiple offices.

Section 2. Appointment. The elected officers, and any other officers which the Board of Directors consider should be elected, shall be appointed or elected by the Board of Directors at its first meeting after each annual meeting of stockholders or at such other time and place determined by the Board and at such other times as determined by the Board of Directors to fill vacancies in elected offices. Such other officers and assistant officers and agents that are not otherwise elected by the Board of Directors may be appointed by the Chief Executive Officer of the corporation, including, with respect to each Business Group, a Chairman, a President, and one or more Vice Presidents.

Section 3. Resignation; Removal. The elected and appointed officers of the corporation shall hold office until their respective successors shall have been appointed or elected pursuant to these Bylaws and shall have qualified or until their earlier death, resignation, disqualification or removal. Any elected officer may be removed from office by a majority vote of the total number of Directors then fixed pursuant to Section 1 of Article III of these Bylaws with or without cause at any time, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Any appointed officer may be removed by the Chief Executive Officer with or without cause at any time, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 4. Chairman. The Chairman of the Board of Directors, if one is elected by the Board of Directors, shall have the powers and duties as shall be prescribed by the Board of Directors. The Chairman of the Board shall preside at all meetings of the stockholders and the Board of Directors, and shall have such other powers and duties as usually pertain to such office or as may be delegated by the Board of Directors.

Section 5. Chief Executive Officer. Unless the Board of Directors shall otherwise delegate such duties, the Chief Executive Officer shall have general supervision, management, direction and control of the business of the corporation, including those listed in Section 2 and Section 3 of this Article, and shall see that all orders and resolutions of the Board of Directors are carried into effect. The Chief Executive Officer or his or her designee shall have the authority to execute bonds, leases, mortgages, promissory notes and other contracts requiring a seal, under the seal of the corporation, except where required or permitted by law to be otherwise signed and executed, and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the corporation. The Chief Executive Officer shall have the general powers and duties of management usually vested in the office of chief executive officer of a corporation and shall perform such other duties and possess such other authority and powers as the Board of Directors may from time to time prescribe.

Section 6. Chief Financial Officer. The Chief Financial Officer shall have general financial supervision, management, direction and control of the business and affairs of the corporation and shall see that all financial orders and resolutions of the Board of Directors are carried into effect. The Chief Financial Officer shall be authorized to execute promissory notes, bonds, mortgages, leases and other contracts requiring a seal, under the seal of the corporation, except where required or permitted by law to be otherwise signed

and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the corporation. The Chief Financial Officer shall have the general financial powers and duties of management usually vested in the office of chief financial officer of a corporation and shall perform such other duties and possess such other authority and powers as the Board of Directors, Chief Executive Officer or Chairman of the Board may from time to time prescribe.

Section 7. President. The President shall have the general powers and duties of management usually vested in the office of president (in circumstances where such corporation also maintains the office of chief executive officer) or chief operating officer of a corporation (including the general supervision of the day-to-day operations of the corporation) and shall perform such other duties and possess such other authority and powers as the Board of Directors, Chief Executive Officer or Chairman of the Board may from time to time prescribe.

Section 8. Vice Presidents. Each Vice President shall have such powers and duties as may be assigned to him by the Board of Directors, the Chairman of the Board of Directors, the Chief Executive Officer, the Chief Financial Officer and the President. Each Vice President, in the order of their seniority, unless otherwise determined by the Board of Directors, shall, in the absence or disability of the Chief Executive Officer or the President, perform the duties and exercise the powers of the Chief Executive Officer or the President during that officer's absence or inability to act. The Vice Presidents shall also have the authority to execute promissory notes, bonds, mortgages, leases and other contracts requiring a seal, under the seal of the corporation, except where required or permitted by law to be otherwise signed and executed, and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the corporation. Each Vice President shall also perform such other duties and have such other powers as the Board of Directors, Chief Executive Officer or President of the corporation shall prescribe.

Section 9. Secretary. The Secretary shall attend all meetings of the Board of Directors and all meetings of the stockholders and shall record all the proceedings of the meetings of the stockholders and of the Board of Directors in a book to be kept for that purpose and shall perform like duties for the standing committees, when requested. The Secretary shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board of Directors. The Secretary shall keep in safe custody the seal of the corporation, and, when authorized by the Board of Directors or directed by the President or any Vice President, affix the same to any instrument requiring it and, when so affixed, it shall be attested by his or her signature or by the signature of the Treasurer or any Assistant Secretary. The Secretary shall also perform such other duties and have such other powers as the Board of Directors, Chief Executive Officer or President of the corporation shall prescribe.

Section 10. Assistant Secretaries. The Assistant Secretaries, in the order of their seniority, unless otherwise determined by the Board of Directors, shall, in the absence or disability of the Secretary, perform the duties and exercise the powers of the Secretary. The Assistant Secretaries shall also perform such other duties and have such other powers as the Board of Directors, Chief Executive Officer or President of the corporation shall prescribe.

Section 11. Treasurer. The Treasurer shall have the custody of the corporate funds and securities and shall deposit all monies and other valuable effects in the name and to the credit of the corporation in such depositaries as may be designated from time to time by the Board of Directors. The Treasurer shall disburse the funds of the corporation as may be ordered by the Board of Directors or Chief Financial Officer, taking proper vouchers for such disbursements, and shall render to the Chief Financial Officer and the Board of Directors at its regular meetings, or when the Board of Directors so requires, an account of all his or her transactions as Treasurer. If required by the Board of Directors, the Treasurer shall give the corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the

faithful performance of the duties of his or her office and for the restoration to the corporation, in case of his or her death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his or her possession or under his or her control belonging to the corporation. The Treasurer shall also perform such other duties and have such other powers as the Board of Directors, Chief Executive Officer, Chief Financial Officer or President of the corporation shall prescribe.

Section 12. Assistant Treasurers. Each Assistant Treasurer, in the order of their seniority, unless otherwise determined by the Board of Directors, shall, in the absence or disability of the Treasurer, perform the duties and exercise the powers of the Treasurer. Each Assistant Treasurer shall also perform such other duties and have such other powers as the Board of Directors, Chief Executive Officer, Chief Financial Officer or President of the corporation shall prescribe.

Section 13. Other Officers. Such other officers and assistant officers and agents as may be deemed necessary may be appointed by the Chief Executive Officer of the corporation, including a Chairman, a President, and one or more Vice Presidents of the respective Business Groups. The President or the Vice Presidents of the Business Group who, in the order of their seniority, unless otherwise determined by the Chief Executive Officer of the corporation, shall perform the duties of the Chairman or President, as the case may be, of the Business Group in the absence or disability of the Chairman or President, as the case may be, of that Business Group. Each President or Vice President, as the case may be, of a Business Group shall perform such other duties and have such other powers as the Chief Executive Officer of the corporation or the Chairman or President, as the case may be, of that Business Group shall prescribe. Business Group officers shall hold office until their respective successors shall have been chosen and shall have qualified or until their earlier death, resignation, disqualification or removal. Any Business Group officer appointed by the Chief Executive Officer may be removed by the Chief Executive Officer with or without cause at any time. Any vacancy occurring in any office of a Business Group by death, resignation, removal or otherwise shall be filled by the Chief Executive Officer of the corporation.

ARTICLE VI.

Indemnification of Directors and Officers

Section 1. Right to Indemnification. Each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she is or was or has agreed to become a director or an officer of the corporation or is or was serving or has agreed to serve at the request of the corporation as a director, officer, or trustee of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (hereinafter, an "indemnitee"), whether the basis of such proceeding is alleged action in an official capacity as a director, officer or trustee or in any other capacity while serving as a director, officer or trustee, shall be indemnified and held harmless by the corporation to the fullest extent permitted by Delaware law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the corporation to provide broader indemnification rights than such law permitted the corporation to provide prior to such amendment), against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) reasonably incurred or suffered by such indemnitee in connection therewith; provided, however, that, except as provided in Section 3 of this Article VI with respect to proceedings to enforce rights to indemnification, the corporation shall indemnify any such indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee only if such proceeding (or part thereof) was authorized by the Board of Directors of the corporation.

Section 2. Right to Advancement of Expenses. In addition to the right to indemnification conferred in Section 1 of this Article VI, an indemnitee shall also have the right to be paid by the corporation the expenses (including attorney's fees) incurred in defending any such proceeding in advance of its final disposition (hereinafter an "advancement of expenses"); provided, however, that, if the Delaware General Corporation Law requires, an advancement of expenses incurred by an indemnitee in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the corporation of an undertaking (hereinafter an "undertaking"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (hereinafter a "final adjudication") that such indemnitee is not entitled to be indemnified for such expenses under this Section 2 or otherwise. The Board of Directors, may, in the manner set forth herein, and upon approval of such indemnitee, authorize the corporation's counsel to represent such indemnitee in any action, suit or proceeding, whether or not the corporation is a party to such action, suit or proceeding.

Section 3. Right of Indemnitee to Bring Suit. If a claim under Section 1 or 2 of this Article VI is not paid in full by the corporation within sixty (60) days after a written claim has been received by the corporation, except in the case of a claim for an advancement of expenses, in which case the applicable period shall be twenty (20) business days, the indemnitee may at any time thereafter bring suit against the corporation to recover the unpaid amount of the claim. To the fullest extent permitted by law, if successful in whole or in part in any such suit (including, without limitation, if the suit is dismissed without prejudice), or in a suit brought by the corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the indemnitee shall be entitled to be paid also the expense of prosecuting or defending such suit. In (i) any suit brought by the indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the indemnitee to enforce a right to an advancement of expenses) it shall be a defense that, and (ii) in any suit brought by the corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the corporation shall be entitled to recover such expenses upon a final adjudication that, the indemnitee has not met any applicable standard for indemnification set forth in the Delaware General Corporation Law. Neither the failure of the corporation (including its directors who are not parties to such action, a committee of such directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such suit that indemnification of the indemnitee is proper in the circumstances because the indemnitee has met the applicable standard of conduct set forth in the Delaware General Corporation Law, nor an actual determination by the corporation (including its directors who are not parties to such action, a committee of such directors, independent legal counsel, or its stockholders) that the indemnitee has not met such applicable standard of conduct, shall create a presumption that the indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the indemnitee, be a defense to such suit. In any suit brought by the indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or brought by the corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Article VI or otherwise shall be on the corporation.

Section 4. Determination Regarding Standard of Conduct. Any indemnification under this Article VI (unless ordered by a court) shall be paid by the corporation unless a determination is made (1) by the Board of Directors by a majority vote of the directors who were not parties to such action, suit or proceeding, even though less than a quorum, (2) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion or (3) by the stockholders, that indemnification is not proper in the circumstances because the indemnitee has not met the requisite standard of conduct under applicable law.

Section 5. Non-Exclusivity of Rights. The rights to indemnification and to the advancement of expenses conferred in this Article VI shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, the corporation's Certificate of Incorporation, Bylaws, agreement, vote of stockholders or directors or otherwise.

Section 6. Insurance. The corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the corporation or another corporation, partnership, limited liability company, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the corporation would have the power to indemnify such person against such expense, liability or loss under the Delaware General Corporation Law.

Section 7. Nature of Rights. The rights conferred upon indemnitees in this Article VI shall be contract rights and such rights shall continue as to an indemnitee who has ceased to be a director, officer or trustee and shall inure to the benefit of the indemnitee's heirs, executors and administrators. Any amendment, alteration or repeal of this Article VI that adversely affects any right of an indemnitee or its successors shall be prospective only and shall not limit, eliminate, or impair any such right with respect to any proceeding involving any occurrence or alleged occurrence of any action or omission to act that took place prior to such amendment or repeal.

Section 8. Severability. If this Article VI or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the corporation shall nevertheless indemnify each director and officer of the corporation as to costs, charges and expenses (including attorneys' fees), judgments, fines and amounts paid in settlement with respect to any action suit or proceeding, whether civil, criminal, administrative or investigative, including an action by or in the right of the corporation, to the full extent permitted by any applicable portion of this Article VI that shall not have been invalidated and to the full extent permitted by applicable law.

ARTICLE VII.

Certificates for Shares; Record Dates; Written Consent

Section 1. Certificates for Shares. Shares of stock of the corporation may be certificated or uncertificated as provided under Delaware General Corporation Law. The corporation shall deliver, upon request, certificates representing all shares to which stockholders are entitled; and such certificates shall be signed by the President or a Vice President, and the Secretary or an Assistant Secretary of the corporation, and may be sealed with the seal of the corporation or a facsimile thereof. No certificate shall be issued for any share until the consideration therefor has been fully paid. Each certificate representing shares shall state upon the face thereof that the corporation is organized under the laws of the State of Delaware, the name of the person to whom issued, the number and class and the designation of the series, if any, which such certificate represents, and the par value of each share represented by such certificate or a statement that the shares are without par value. Except as otherwise provided by law, the rights and obligations of holders of uncertificated shares and the rights and obligations of holders of certificated shares of the same class and series shall be identical.

Section 2. Signatures. The signatures of the President or Vice President, and the Secretary or Assistant Secretary, upon a certificate may be facsimiles if the certificate is countersigned by a transfer agent, or registered by a registrar, other than the corporation or an employee of the corporation. In case any officer who has signed or whose facsimile signature has been placed upon such certificate shall have ceased to be such officer before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer at the date of the issuance.

Section 3. Replacement of Lost Certificates. The Board of Directors may direct a new certificate or certificates to be issued or may register uncertificated shares in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost or destroyed. When authorizing such issue of a new certificate or certificates or the registration of uncertificated shares, the Board of Directors may, in its discretion and as a condition precedent to the issuance or registration thereof, require the owner of such lost or destroyed certificate or certificates, or his or her legal representative, to advertise the same in such manner as it shall require and/or to give the corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost or destroyed.

Section 4. Transfer of Certificates. Upon surrender to the corporation or the transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the corporation to issue a new certificate or register uncertificated shares to the person entitled thereto, cancel the old certificate, and record the transaction upon its books. Upon the receipt of proper transfer instructions of uncertificated shares by the holders thereof in person or by their duly authorized legal representatives, such uncertificated shares shall be cancelled, issuance of new equivalent certificated shares or registration of uncertificated shares shall be made to the stockholder entitled thereto and the transaction shall be recorded on the books of the corporation.

Section 5. Record Dates; Written Consent.

(a) Meetings. For the purpose of determining stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If the Board of Directors so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting. If no record date is fixed by the Board of Directors for the determination of stockholders entitled to notice of or to vote at a meeting of stockholders or any adjournment thereof, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be the close of business on the day next preceding the day on which notice of the meeting of stockholders is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; *provided, however*, that the Board of Directors may fix a new record date for the determination of stockholders entitled to vote at the adjourned meeting and in such case shall also fix the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date that is fixed for the determination of stockholders entitled to vote therewith at the adjourned meeting.

(b) Written Consent.

(i) In order that the corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date on which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than ten (10) days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. Any stockholder of record seeking to have the stockholders authorize or take corporate action by written consent shall, by written notice to the Secretary, request the Board of Directors to fix a record date and in connection therewith, shall provide the information set forth in Section 5(b)(ii) of Article VII. The Board of

Directors shall promptly, but in all events within ten (10) days after the date on which such a request is received, adopt a resolution fixing the record date. If no record date has been fixed by the Board of Directors within ten (10) days of the date upon which such a request is received, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is required by applicable law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business, or any officer or agent of the corporation having custody of the book in which proceedings of stockholders' meeting are recorded, to the attention of the Secretary of the corporation. Delivery shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by applicable law, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the date on which the Board of Directors adopts the resolution taking such prior action.

(ii) To be in proper form for purposes of this Section 5, a request by a stockholder for the Board of Directors to fix a record date shall set forth:

(a) As to any stockholder of record seeking to have the stockholders authorize or take corporate action by written consent, the information set forth in Section 2(b)(i), Section 2(b)(ii), Section 2(b)(iii)(with respect to any written consent for the election or re-election of a director nominee) and Section 2(b)(v) of Article II with respect to such stockholder; and

(b) As to the action or actions proposed to be taken by written consent, (1) a brief description of the action or actions, the reason for taking such action or actions and any material interest in such action or actions of any stockholder of record seeking to have the stockholders authorize or take corporate action by written consent, (2) the text of the resolutions or consent proposed to be acted upon by written consent of the stockholders, (3) a reasonably detailed description of all agreements, arrangements and understandings between any stockholder and any other person or persons (including their name) in connection with the request or such action or actions and (4) if election of directors is one of the actions proposed to be taken by written consent, as to each person whom any stockholder proposed to be elected or re-elected as a director, the information regarding the nominee as set forth in, or required from the nominee by, Section 2 of Article II.

(c) In addition to the requirements of this Section 5, any stockholder seeking to take an action by written consent shall comply with all requirements of applicable law, including all of the requirements of the Securities Exchange Act of 1934, as amended, with respect to such action.

(c) Dividends; Distributions. In order that the corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date on which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than sixty (60) days prior to such action. If no record date has been fixed by the Board

of Directors, the record date for determining stockholders for any such purpose shall be the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

Section 6. Stockholder of Record. The corporation shall be entitled to recognize the exclusive rights of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of the State of Delaware.

ARTICLE VIII.

General Provisions

Section 1. Dividends. The Board of Directors may declare and the corporation may pay dividends on its outstanding shares in cash, property, or its own shares pursuant to law and subject to the provisions of its Certificate of Incorporation.

Section 2. Reserves. Subject to applicable law, the Board of Directors may by resolution create a reserve or reserves out of earned surplus for any purpose or purposes and may abolish any such reserve in the same manner.

Section 3. Reports. The Board of Directors must, when requested by the holders of at least one-third of the outstanding shares of the corporation, present written reports of the business and financial affairs of the corporation.

Section 4. Signatures. All checks or demands for money and notes of the corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate as provided in these Bylaws.

Section 5. Fiscal Year. The fiscal year of the corporation shall be fixed by resolution of the Board of Directors.

Section 6. Corporate Seal. The corporate seal shall have inscribed thereon the name of the corporation and may be used by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced.

Section 7. Conflicts. These Bylaws are adopted subject to any applicable law and the Certificate of Incorporation. Whenever these Bylaws may conflict with applicable law or the Certificate of Incorporation, such conflict shall be resolved in favor of such law or the Certificate of Incorporation.

Section 8. Exclusive Forum. Unless the corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (the "Court of Chancery") shall be the sole and exclusive forum for any stockholder (including a beneficial owner) to bring (i) any derivative action or proceeding brought on behalf of the corporation, (ii) any action asserting a claim of breach of fiduciary duty owed by any director or officer or other employee of the corporation to the corporation or the corporation's stockholders, (iii) any action asserting a claim against the corporation, its directors, officers or employees arising pursuant to any provision of the General Corporation Law of the State of Delaware or the corporation's Certificate of Incorporation or these Bylaws (as either may be amended from time to time), or (iv) any action asserting a claim against the corporation, its directors, officers or employees governed by the internal affairs doctrine, except as to each of (i) through (iv) above, for any claim as to which the Court of Chancery determines that there is an indispensable party not subject to the jurisdiction of the Court of Chancery (and the

indispensable party does not consent to the personal jurisdiction of the Court of Chancery within ten days following such determination), which is vested in the exclusive jurisdiction of a court or forum other than the Court of Chancery or for which the Court of Chancery does not have subject matter jurisdiction. If any provision or provisions of this Section 8 of Article VIII shall be held to be invalid, illegal or unenforceable as applied to any person or entity or circumstance for any reason whatsoever, then, to the fullest extent permitted by law, the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Section 8 of Article VIII (including, without limitation, each portion of any sentence of this Section 8 of Article VIII containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) and the application of such provision to other persons or entities and circumstances shall not in any way be affected or impaired thereby

ARTICLE IX.

Amendments

These Bylaws may be altered, amended or repealed at any regular or special meeting of, or by the unanimous written consent of, the Board of Directors.

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Section 3: EX-10.1 (EXHIBIT 10.1)

Exhibit 10.1

$482,500,000

Trinity Rail Leasing 2018 LLC

Secured Railcar Equipment Notes, Series 2018-1

Class	Principal Amount	Interest Rate
Class A-1……..	$200,000,000	3.82%
Class A-2……..	$282,500,000	4.62%

NOTE PURCHASE AGREEMENT

June 13, 2018

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED ONE BRYANT PARK, 11TH FL
NEW YORK, NY 10036

CREDIT SUISSE SECURITIES (USA) LLC
ELEVEN MADISON AVENUE
NEW YORK, NY 10010

DVB CAPITAL MARKETS LLC
100 PARK AVENUE, SUITE 1301
NEW YORK, NY 10017

CREDIT AGRICOLE SECURITIES (USA) INC.
1301 AVENUE OF THE AMERICA,
NEW YORK, NY 10019

WELLS FARGO SECURITIES LLC.
550 S. TRYON STREET
CHARLOTTE, NC 28202

Dear Ladies and Gentlemen:

1. *Introductory*. Trinity Rail Leasing 2018 LLC, a Delaware limited liability company (the "**Issuer**") and a direct, wholly-owned special purpose subsidiary of Trinity Industries Leasing Company ("**TILC**"), proposes, subject to the terms and conditions stated herein, to issue and sell to Merrill Lynch, Pierce, Fenner & Smith Incorporated ("**BAML**"), Credit Suisse Securities (USA) LLC ("**CS**"), DVB Capital Markets LLC ("**DVB**"), Credit Agricole Securities (USA) Inc. ("**CA**") and Wells Fargo Securities LLC ("**Wells**") (each, an "**Initial Purchaser**" and collectively, the "**Initial Purchasers**") U.S.$200,000,000 principal amount of its Series 2018-1 Class A-1 Secured Railcar Equipment Notes (the "**Class A-1 Notes**") and U.S.$282,500,000 principal amount of its Series 2018-1 Class A-2 Secured Railcar Equipment Notes (the "**Class A-2 Notes**", and together with the Class A-1 Notes, the "**Offered Notes**") to be issued pursuant to the Master Indenture (the "**Master Indenture**"), as supplemented by the Series 2018-1 Supplement thereto (the "**Series 2018-1 Supplemental Indenture**" together with the Master Indenture, the "**Indenture**"), each to be dated on or about June 20, 2018, between the Issuer and Wilmington Trust Company as indenture trustee (the "**Trustee**"). The United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder are herein referred to as the "**Securities Act**." Capitalized terms used but not defined herein shall have the meanings given to such terms in the Offering Circular (as defined below).

2. *Representations and Warranties of the Issuer and TILC. Each of the Issuer and TILC, jointly and severally, represents and warrants to, and agrees with, the Initial Purchasers that, as of the date hereof (unless otherwise indicated below):*

(a) The Issuer has prepared a preliminary offering circular dated June 6, 2018 (the "**Preliminary Offering Circular**"), and the Issuer will prepare a final offering circular dated the date hereof (the "**Offering Circular**"), in each case relating to the Offered Notes to be offered by the Initial Purchasers. The Preliminary Offering Circular and the Offering Circular, together with any General Use Issuer Free Writing Communication (as hereinafter defined) and all amendments and supplements to such documents, are hereinafter collectively referred to as the "**Offering Document**".

The Offering Document at a particular time means the Offering Document in the form actually amended or supplemented and issued at that time. "**Final Offering Document**" means the Offering Document that discloses the offering price and other final terms of the Offered Notes and is dated as of the date of this Note Purchase Agreement (this "**Agreement**") (even if finalized and issued subsequent to the date of this Agreement). "**General Disclosure Package**" means the Preliminary Offering Circular, together with any General Use Issuer Free Writing Communications (as hereinafter defined) at the Applicable Time (as hereinafter defined) considered together with the offering price on the cover page of the Offering Circular and the information contained in **Schedule D** hereto. "**Applicable Time**" means 10:31AM (New York time) on the date of this Agreement. As of its date and as of the Closing Date, the Final Offering Document will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. At the Applicable Time, neither (i) the Preliminary Offering Circular, (ii) the General Disclosure Package, nor (iii) any individual Limited Use Issuer Free Writing Communication (as hereinafter defined), when considered together with the General Disclosure Package, contained, nor as of the Closing Date will contain, any untrue statement of a material fact or omitted, or will omit, to state any material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The preceding two sentences do not apply to statements in or omissions from the Offering Document, the General Disclosure Package or any Limited Use Issuer Free Writing Communication (as hereinafter defined) based upon written information furnished to the Issuer or TILC by the Initial Purchasers specifically for use therein, it being understood and agreed that the only such information is that described as such in Sections 8(b) hereof.

"**Free Writing Communication**" means a written communication (as such term is defined in Rule 405 under the Securities Act) that constitutes an offer to sell or a solicitation of an offer to buy the Offered Notes and is made by means other than the Preliminary Offering Circular or the Offering Circular. "**Issuer Free Writing Communication**" means a Free Writing Communication prepared by or on behalf of, or authorized for distribution to investors by, the Issuer or TILC or used or referred to by the Issuer or TILC, in the form retained in the records of the Issuer or TILC. "**General Use Issuer Free Writing Communication**" means any Issuer Free Writing Communication that is intended for general distribution to prospective investors and is set forth on **Schedule B** hereto. "**Limited Use Issuer Free Writing Communication**"

means any Issuer Free Writing Communication that is not a General Use Issuer Free Writing Communication and is set forth on **Schedule C** hereto.

(b) The Issuer has been duly formed and is a validly existing limited liability company in good standing under the laws of the state of Delaware, with power and authority (as a limited liability company and otherwise) to own its properties and conduct its business as described in the General Disclosure Package or Additional Issuer Information (as hereinafter defined); and the Issuer is duly qualified to do business as a foreign limited liability company in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification.

(c) TILC has been duly incorporated and is a validly existing corporation in good standing under the laws of the state of Delaware, with power and authority (as a corporation and otherwise) to own its properties and conduct its business as described in the General Disclosure Package; and TILC is duly qualified to do business as a foreign corporation in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification.

(d) As of the Closing Date, the Indenture and each other Transaction Document (as defined in Section 5(d)) will have been duly authorized, executed and delivered by the Issuer or TILC, as the case may be; the Offered Notes have been duly authorized by the Issuer, and when the Offered Notes are duly authenticated by the Trustee in accordance with the Indenture and delivered and paid for pursuant to this Agreement, the Offered Notes will have been duly executed, authenticated, issued and delivered by the Issuer and each of the Indenture, each other Transaction Document and the Offered Notes will conform to the description thereof contained in the Final Offering Document and each of the Indenture and the other Transaction Documents (assuming the valid execution and delivery thereof by the other parties thereto) and the Offered Notes will constitute valid and legally binding obligations of the Issuer or TILC, as the case may be, enforceable in accordance with their terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

(e) Except as contemplated by the Transaction Documents, no consent, approval, authorization, order of, filing with, or any other action by any governmental agency or body or any court is required for the consummation of the transactions contemplated by this Agreement or any Transaction Document in connection with the issuance and sale of the Offered Notes.

(f) The execution, delivery and performance of the Indenture, this Agreement and each other Transaction Document and the issuance and sale of the Offered Notes and compliance with the terms and provisions thereof by the Issuer or TILC, as the case may be, will not result in a breach or violation of any of the terms and provisions of, or constitute a default under, or conflict with, (i) any statute, any rule, regulation or order of any governmental agency or body or any court, domestic or foreign, having jurisdiction over the Issuer or TILC or any of their respective properties, or (ii) any agreement or instrument to which the Issuer or TILC is a party or by which the Issuer or TILC is bound or to which any of the properties of the Issuer or TILC are subject, or (iii) the limited liability company agreement or certificate of formation of the

Issuer or the certificate of incorporation or by-laws of TILC. The Issuer has full power and authority to sell the Offered Notes as contemplated by this Agreement.

(g) This Agreement has been duly authorized, executed and delivered by each of the Issuer and TILC.

(h) Except as disclosed in the General Disclosure Package, the Issuer has good and marketable title to all real properties and all other properties and assets owned by it, free from liens, encumbrances and defects that would materially affect the value thereof or materially interfere with the use made or to be made thereof by it; and except as disclosed in the General Disclosure Package, the Issuer holds any leased real or personal property held by it under valid and enforceable leases with no exceptions that would materially interfere with the use made or to be made thereof by it.

(i) Each of the Issuer and TILC possesses all material certificates, authorities or permits issued by appropriate governmental agencies or bodies necessary to conduct the business now operated by it and has not received any notice of proceedings relating to the revocation or modification of any such certificate, authority or permit that, if determined adversely to the Issuer or TILC, as applicable, would individually or in the aggregate have a material adverse effect on the condition (financial or other), business, properties or results of operations of the Issuer or TILC, as applicable, taken as a whole ("**Material Adverse Effect**").

(j) Except as disclosed in the General Disclosure Package, neither the Issuer or TILC is in violation of any statute, any rule, regulation, decision or order of any governmental agency or body or any court, domestic or foreign, relating to the use, disposal or release of hazardous or toxic substances or relating to the protection or restoration of the environment or human exposure to hazardous or toxic substances (collectively, "**environmental laws**"), nor owns or operates any real property contaminated with any substance that is subject to any environmental laws, is liable for any off-site disposal or contamination pursuant to any environmental laws, or is subject to any claim relating to any environmental laws, which violation, contamination, liability or claim would individually or in the aggregate have a Material Adverse Effect; and neither the Issuer or TILC is aware of any pending investigation which might lead to such a claim.

(k) Except as disclosed in the General Disclosure Package, there are no pending actions, suits, proceedings or investigations against or affecting the Issuer or TILC or their respective properties that, if determined adversely to the Issuer or TILC, would individually or in the aggregate have a Material Adverse Effect, or would materially and adversely affect the ability of the Issuer or TILC to perform its obligations under the Indenture, this Agreement, or any other Transaction Document to which it is a party, or would seek to materially and adversely affect the federal income tax attributes of the Offered Notes, or which are otherwise material in the context of the sale of the Offered Notes; and no such actions, suits, proceedings or investigations are threatened or, to the Issuer's or TILC's knowledge, contemplated.

(l) Since March 31, 2018, there has been no material adverse change, nor any development or event involving a prospective material adverse change, in the condition

(financial or other), business, properties or results of operations of TILC and TILC's subsidiaries taken as a whole.

(m) The Issuer is not, and is not controlled by, an "investment company" registered or required to be registered under the Investment Company Act of 1940, as amended (the "**Investment Company Act**") and, after giving effect to the offering and sale of the Offered Notes and the application of proceeds thereof as described in the Offering Document, will not be, and will not be controlled by, an "investment company" registered or required to be registered under the Investment Company Act. The Issuer will not be an "investment company" within the meaning of Section 3(a)(1) of the Investment Company Act, although there may be additional exemptions or exclusions available to the Issuer. The Issuer is not relying on the exemptions set forth in Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act. The Issuer does not constitute a "covered fund" for purposes of the banking regulations adopted under Section 13 of the Bank Holding Company Act of 1956, as amended, commonly known as the "Volcker Rule".

(n) No securities of the same class (within the meaning of Rule 144A(d)(3) under the Securities Act) as the Offered Notes are listed on any national securities exchange registered under Section 6 of the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder ("**Exchange Act**") or quoted in a U.S. automated inter-dealer quotation system. The securities are eligible for resale pursuant to Rule 144A under the Securities Act ("**Rule 144A**"). The General Disclosure Package contains, and the Offering Document will contain, all the information specified in and meeting the requirements of Rule 144A.

(o) No member of the "expanded group" (including any "controlled partnership" with respect thereto), if any, of which the Issuer is a member (or, in the event the Issuer is a disregarded entity for U.S. federal income tax purposes, of which the Issuer's owner is a member or controlled partnership with respect thereto) has purchased, or is purchasing, any of the Offered Notes. For these purposes, "controlled partnership" and "expanded group" are defined in Treasury Regulation sections 1.385-1(c)(1) and 1.385-1(c)(4), respectively.

(p) Assuming the representations of the Initial Purchasers set forth in Section 4(a) and (b) are true and accurate, the offer, sale and delivery of the Offered Notes to the Initial Purchasers and to subsequent purchasers in the manner contemplated by this Agreement and the Offering Document will be exempt from the registration requirements of the Securities Act, and it is not necessary to qualify an indenture in respect of the Offered Notes under the Trust Indenture Act of 1939, as amended (the "**Trust Indenture Act**").

(q) Neither the Issuer or TILC, or any of their respective affiliates, or any person acting on its or their behalf (other than the Initial Purchasers, as to whom no such representation is made) (i) has, within the six-month period prior to the date hereof, offered or sold in the United States or to any U.S. person (as such terms are defined in Regulation S under the Securities Act ("**Regulation S**")) the Offered Notes or any security of the same class or series as the Offered Notes or (ii) has offered or will offer or sell the Offered Notes (A) in the United States by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) under the Securities Act or (B) with respect to any such securities sold in reliance on

Rule 903 of Regulation S, by means of any directed selling efforts within the meaning of Rule 902(c) of Regulation S. The Issuer, TILC, and their respective affiliates and any person acting on its or their behalf (other than the Initial Purchasers, as to whom no such representation is made) have complied and will comply with the offering restrictions requirement of Regulation S. Neither the Issuer or TILC has entered and none will enter into any contractual arrangement with respect to the distribution of the Offered Notes except for this Agreement.

(r) The proceeds to the Issuer from the offering of the Offered Notes and the related transactions will not be used to purchase or carry any security (except as contemplated in Permitted Investments in respect of the Indenture Accounts).

(s) There is no "substantial U.S. market interest" as defined in Rule 902(j) of Regulation S in the Issuer's debt securities.

(t) Except as contemplated in the applicable Engagement Letter (as defined below) and as disclosed in the General Disclosure Package, there are no contracts, agreements or understandings between the Issuer or TILC and any person that would give rise to a valid claim against the Issuer or TILC, or any Initial Purchaser for a brokerage commission, finder's fee or other like payment.

(u) On the Closing Date, the Issuer will own all of its right, title and interest in and to the Railcars, together with the related Leases thereon and certain other related assets specified therein, free and clear of any lien, mortgage, pledge, charge, encumbrance, adverse claim or other security interest (collectively, "**Liens**"), except to the extent permitted in the Indenture or any other Transaction Document, as applicable.

(v) As of the Closing Date, each of the representations and warranties of the Issuer or TILC set forth in each of the Transaction Documents to which they are parties will be true and correct in all material respects.

(w) Any taxes, fees and other governmental charges that would be incurred by reason of the execution and delivery of the Transaction Documents or the execution, delivery and sale of the Offered Notes and that would be due and payable as of the Closing Date have been or will be paid prior to the Closing Date.

(x) Each of the Issuer, TILC, and their respective subsidiaries and, to their knowledge, their respective affiliates, is in compliance, in all material respects, with (i) the Trading with the Enemy Act, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V) and any other enabling legislation or executive order relating thereto, and (ii) the Uniting And Strengthening America By Providing Appropriate Tools Required To Intercept And Obstruct Terrorism (USA Patriot Act of 2001), as may be applicable to each of them. No part of the proceeds of the Offered Notes will be used by the Issuer, any subsidiary of the Issuer or any affiliate of the Issuer, directly or, to the knowledge of the Issuer, indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of (i) the U.S. Foreign Corrupt Practices Act of 1977, as

amended, or, as applicable (ii) the U.K. Bribery Act of 2010, as amended, or (iii) any other anti-bribery or anti-corruption laws, regulations or ordinances in any jurisdiction in which the Issuer or TILC is located or doing business (collectively, the "**Anti-Corruption Laws**").

(y) The operations of the Issuer and TILC and their respective subsidiaries are and have been conducted at all times in material compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the applicable money laundering statutes of all jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "**Money Laundering Laws**"). The Issuer, TILC and their respective subsidiaries (i) have instituted, maintained and are complying with policies, procedures and controls reasonably designed to comply with all Anti-Corruption Laws and Money Laundering Laws and are currently complying with, and will at all times comply with, all Anti-Corruption Laws and Money Laundering Laws, and (ii) are not knowingly and have not been under administrative, civil or criminal investigation with respect to any Anti-Corruption Laws or Money Laundering Laws or received written notice from or made a voluntary disclosure to any governmental entity regarding a possible violation by it of any Anti-Corruption Laws or Money Laundering Laws. The Issuer, TILC and their respective subsidiaries will not fund any repayment of the Offered Notes in violation of any Anti-Corruption Laws or Money Laundering Laws. No part of the proceeds of any Offered Notes will be used by the Issuer, TILC or any of their respective subsidiaries or affiliates directly or to their knowledge, indirectly, in violation of any Anti-Corruption Laws or Money Laundering Laws.

(z) Neither the Issuer or TILC, any of their respective subsidiaries or, to the knowledge of the Issuer or TILC, any director, officer, agent, employee or affiliate of the Issuer or TILC or, to the knowledge of the Issuer or TILC, any of their respective subsidiaries (i) is a person whose property or interest in property is blocked or subject to blocking pursuant to Section 1 of Executive Order 13224 of September 23, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49079 (2001)), (the "Executive Order"), or (ii) engages in any dealings or transactions with blocked persons prohibited by Section 2 of such Executive Order.

(aa) None of the Issuer or TILC, or any of their respective subsidiaries (x) is a person named on the list of Specially Designated Nationals and Blocked Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury ("OFAC") available at: https://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx, or as otherwise published from time to time; (y) is (A) an agency of the government of a country, (B) an organization controlled by a country, or (C) a Person resident in a country that is subject to a sanctions program identified on the list maintained by OFAC and available at: https://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx, or as otherwise published from time to time, as such program may be applicable to such agency, organization or person; or (z) derives more than 10% of its assets or operating income from investments in or transactions with any such country, agency, organization or Person. None of the proceeds from the Offered Notes will be used by the Issuer, TILC, or any of their respective subsidiaries or affiliates to finance any operations, investments or activities in, or

make any payments to, any such country, agency, organization, or Person in violation of Sanctions.

(bb) None of the Issuer, TILC, or any of their respective subsidiaries or, to their knowledge, any of their respective affiliates (i) is a Sanctioned Person (as hereinafter defined), (ii) is controlled by, or is acting on behalf of, a Sanctioned Person, (iii) is knowingly under investigation for an alleged breach of Sanction(s) by the government authority that enforces Sanctions (as hereinafter defined), (iv) will use the proceeds of any Offered Note for the purpose of providing financing to, or otherwise making funds directly or indirectly available to, any Sanctioned Person, or providing financing to or otherwise funding any transaction which would be prohibited by any applicable Sanction or, to the knowledge of the Issuer or TILC, would otherwise cause the Indenture Trustee, any Noteholder or any party to this Agreement or any entity affiliated with any such party, to be in violation of any applicable Sanction, (v) will fund any repayment of the Offered Notes with proceeds derived from any transaction that would be prohibited by applicable Sanctions or, to the knowledge of the Issuer or TILC, would otherwise cause the Indenture Trustee, any Noteholder or any party to this Agreement, to their knowledge, to be in violation of any applicable Sanction, and (vi) will fail to notify the Indenture Trustee and the Initial Purchasers in writing not more than five (5) Business Days after becoming aware of any breach of this clause (bb).

For purposes of this Agreement, a "**Sanction**" means any trade, economic or financial sanctions laws, regulations, embargoes or restrictive measures administered, enacted or enforced by a Sanctions Authority.

"**Sanctions Authority**" means (a) the United States Government, (b) the United Nations Security Council, (c) the European Union, (d) the United Kingdom, (e) the Swiss Secretariat of Economic Affairs, (f) the governments, official institutions or agencies and other relevant sanctions authorities of any of the foregoing in clauses (a) through (e), including OFAC, the US Department of State, and Her Majesty's Treasury or (g) any other governmental authority with jurisdiction over the Issuer, TILC, any of their affiliates or, to the knowledge of the Issuer, TILC, the Indenture Trustee or the Initial Purchasers.

"**Sanctioned Person**" means (a) any Person that is listed on, or owned or controlled by a Person listed on (or a Person acting on behalf of such a Person) (i) the list of "Specially Designated Nationals and Blocked Persons" maintained by OFAC available at http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx or as otherwise published from time to time, the "Sectoral Sanctions Identifications" list maintained by OFAC available at http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/ssi_list.aspx or as otherwise published from time to time, or the "Foreign Sanctions Evaders" list maintained by OFAC available at http://www.treasury.gov/resource-center/sanctions/SDNList/Pages/ fse_list.aspx or as otherwise published from time to time, (ii) the Consolidated List of Financial Sanctions Targets and the Investment Ban List maintained by Her Majesty's Treasury or (iii) any similar list maintained by, or public announcement of a Sanctions designation made by, a Sanctions Authority having jurisdiction over the Issuer or TILC, each as amended, supplemented or substituted from time to time; or (b) (i) an agency of the government of a Sanctioned Jurisdiction, (ii) an organization directly or indirectly controlled

by a Sanctioned Jurisdiction or (iii) a Person resident in (or organized under the laws of) a Sanctioned Jurisdiction (to the extent subject to a Sanctions program administered by OFAC, the European Union or the United Nations), or (iv) a Person who is owned or controlled by, or acting on behalf of such a Person.

"**Sanctioned Jurisdiction**" means any country or territory to the extent that the government of such country or territory is the subject of Sanctions consisting of a general embargo imposed by any Sanctions Authority.

(cc) The operations of the Issuer and TILC and their respective subsidiaries are and have been conducted at all times in material compliance with the USA Patriot Act of 2001, as amended, and the rules and regulations thereunder.

(dd) In connection with any rating for the Notes, the Issuer has provided to each rating agency rating the Notes a written representation that satisfies the requirement of paragraph (a)(3)(iii) of Rule 17g-5 under the Exchange Act ("**Rule 17g-5**"). The Issuer has complied, and as of the Closing Date, the Issuer will comply, in all material respects with the representations, certifications and covenants made by the Issuer to S&P and Kroll (the "**Hired NRSROs**") in connection with the engagement of the Hired NRSROs to issue and monitor a credit rating on the Offered Notes, including any representation provided to the Hired NRSROs by the Issuer in connection with Rule 17g-5, and has made accessible, via a password-protected internet website established and maintained by TILC, to any non-hired nationally recognized statistical rating organization, as contemplated by Rule 17g-5, all information provided to the Hired NRSROs in connection with the issuance and monitoring of the credit ratings on the Offered Notes in accordance with Rule 17g-5. The Issuer shall be solely responsible for compliance with Rule 17g-5 in connection with the issuance, monitoring and maintenance of the credit rating on the Offered Notes. The Initial Purchasers are not responsible for compliance with any aspect of Rule 17g-5 in connection with the Offered Notes.

(ee) Neither the Issuer nor TILC has engaged any third-party due diligence services providers to provide any "due diligence services" (as defined in Rule 17g-10(d)(1) under the Exchange Act), other than the independent accountants engaged for the purpose of delivering the Independent Accountants' Report on Applying Agreed-Upon Procedures, dated on or about June 20, 2018 (such independent accountants, the "**Accountants**", and such report, the "**Report**"), and the only report generated as a result of such engagement is the Report.

(ff) [Reserved].

(gg) The requirements imposed on the "sponsor of a securitization transaction" in accordance with the final rules contained in Regulation RR, 17 C.F.R. §246.1, et seq. (the "**Credit Risk Retention Rules**") implementing the credit risk retention requirements of Section 15G of the Exchange Act, do not apply to TILC, as sponsor (the "**Sponsor**") or the transaction the subject of the Offered Notes.

3. *Purchase, Sale and Delivery of Offered Notes.* (a) On the basis of the representations, warranties and agreements herein contained, but subject to the terms and

conditions herein set forth, the Issuer agrees to sell to the Initial Purchasers, severally and not jointly, and each Initial Purchaser agrees severally and not jointly to purchase from the Issuer, at a purchase price of 99.96316% of the principal amount of Class A-1 Notes and 99.93500% of the principal amount of Class A-2 Notes, the principal amount of Offered Notes set forth opposite the name of such Initial Purchaser in **Schedule A** hereto.

(b) The Issuer will deliver against payment of the purchase price the Offered Notes to be offered and sold by the Initial Purchasers in reliance on Regulation S (the "**Regulation S Notes**"), each in the form of one or more permanent global notes in registered form without interest coupons (the "**Regulation S Global Notes**") which will be deposited with the Trustee as custodian for Cede & Co., as nominee of The Depository Trust Company ("**DTC**") for the respective accounts of the DTC participants for Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**"), and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") and registered in the name of Cede & Co., as nominee for DTC. The Issuer will deliver against payment of the purchase price the Offered Notes to be purchased by the Initial Purchasers hereunder and to be offered and sold by the Initial Purchasers in reliance on Rule 144A under the Securities Act (the "**144A Notes**"), each in the form of one permanent global note in definitive form without interest coupons (the "**Restricted Global Note**") deposited with the Trustee as custodian for DTC and registered in the name of Cede & Co., as nominee for DTC. The Regulation S Global Notes and the Restricted Global Note shall be assigned separate CUSIP numbers. The Global Notes shall include the legend regarding restrictions on transfer set forth under "Transfer Restrictions" in the Final Offering Document. Until the termination of the distribution compliance period (as defined in Regulation S) with respect to the offering of the Offered Notes, interests in the Regulation S Global Notes may only be held by the DTC participants for Euroclear and Clearstream, Luxembourg. Interests in any permanent Global Notes will be held only in book-entry form through Euroclear, Clearstream, Luxembourg or DTC, as the case may be, except in the limited circumstances described in the Final Offering Document.

Payment for the Regulation S Notes and the 144A Notes shall be made by each Initial Purchaser in Federal (same day) funds by or wire transfer to an account at a bank acceptable to it, on June 20, 2018, or at such other time not later than seven full business days thereafter as the Initial Purchasers and the Issuer determine, such time being herein referred to as the "**Closing Date**", against delivery to the Trustee as custodian for DTC of (i) the Regulation S Global Notes representing all of the Regulation S Notes for the respective accounts of the DTC participants for Euroclear and Clearstream, Luxembourg and (ii) the Restricted Global Note representing all of the 144A Notes. The Regulation S Global Notes and the Restricted Global Note will be made available for checking at the office of Vedder Price P.C., 1633 Broadway, New York, New York 10019, at least 24 hours prior to the Closing Date.

(c) The Issuer agrees to pay each Initial Purchaser for its own account all fees and expenses as provided in the applicable engagement letter, fee letter or other written correspondence, dated or communicated on or about the date hereof, among the Issuer, TILC and the applicable Initial Purchaser (each, an "**Engagement Letter**").

4. *Representations by Initial Purchasers; Resale by Initial Purchasers.* (a) Each Initial Purchaser severally represents and warrants to the Issuer that it is an "accredited investor" within the meaning of Regulation D under the Securities Act.

(b) Each Initial Purchaser severally acknowledges that the Offered Notes have not been registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S or pursuant to an exemption from the registration requirements of the Securities Act. Each Initial Purchaser severally represents and agrees that it has offered and sold the Offered Notes, and will offer and sell the Offered Notes (i) as part of its distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date, only in accordance with Rule 903 or Rule 144A. Accordingly, none of the Initial Purchasers nor its affiliates, nor any persons acting on its behalf or their behalf, has engaged or will engage in any directed selling efforts with respect to the Offered Notes, and such Initial Purchaser, its affiliates and all persons acting on its or their behalf have complied and will comply with the offering restrictions requirement of Regulation S. Each Initial Purchaser severally agrees that, at or prior to confirmation of sale of the Offered Notes, other than a sale pursuant to Rule 144A, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases the Offered Notes from it during the restricted period a confirmation or notice to substantially the following effect:

> "The Securities covered hereby have not been registered under the U.S. Securities Act of 1933 (the "Securities Act") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the date of the commencement of the offering and the closing date, except in either case in accordance with Regulation S (or Rule 144A if available) under the Securities Act. Terms used above have the meanings given to them by Regulation S."

Terms used in this subsection (b) have the meanings given to them by Regulation S.

(c) Each Initial Purchaser severally agrees that it and each of its affiliates has not entered and will not enter into any contractual arrangement (other than any agreement among the Initial Purchasers) with respect to the distribution of the Offered Notes except with the prior written consent of the Issuer.

(d) Each Initial Purchaser severally agrees that it and each of its affiliates will not offer or sell the Offered Notes in the United States by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) under the Securities Act, including, but not limited to (i) any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over television or radio, or (ii) any seminar or meeting whose attendees have been invited by any general solicitation or general advertising. Each Initial Purchaser severally agrees, with respect to resales made in reliance on Rule 144A of any of the Offered Notes, to deliver either with the confirmation of such resale or otherwise prior to settlement of such resale a notice to the effect that the resale

of such Offered Notes has been made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A.

(e) Each Initial Purchaser severally agrees that it and each of its affiliates will not communicate or cause to be communicated the Offering Document in Canada or to any resident of Canada and understands that any Canadian residents may not, directly or indirectly, purchase the Offered Notes or any beneficial interest therein from such Initial Purchaser.

(f) Each Initial Purchaser severally represents and agrees that (i) with respect to any oral communications regarding Rating Information with the Hired NRSROs which are initiated by the Hired NRSROs or arranged by such Initial Purchaser in connection with the issuance or monitoring of a credit rating on the Offered Notes, such Initial Purchaser (A) has referred and will refer such oral communication to the Issuer to respond to the Hired NRSROs or (B) has invited and will invite the Issuer to participate in such oral communication and (ii) any communication (other than oral communications) regarding Rating Information or delivery of Rating Information to the Hired NRSROs has been and will immediately be disclosed to the Issuer for the purpose of allowing the Issuer to make accessible to any non-hired nationally recognized statistical rating organization all Rating Information provided to the Hired NRSROs in connection with the issuance and monitoring of the credit rating on the Offered Notes in accordance with Rule 17g-5. "**Rating Information**" means any information provided to a Hired NRSROs for the purpose of (A) determining the initial credit rating for the Offered Notes, including information about the characteristics of the Railcars, related property and the legal structure of the Offered Notes, and (B) undertaking credit rating surveillance on the Offered Notes, including information about the characteristics and performance of the Railcars and related property.

(g) Each Initial Purchaser severally represents and agrees that (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of any Offered Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Offered Notes in, from or otherwise involving the United Kingdom.

(h) Each Initial Purchaser severally represents and agrees that that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Offered Notes to any retail investor in the European Economic Area. For the purposes of this provision, (i) the expression "retail investor" means a person who is one (or more) of the following: (A) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"), (B) a customer within the meaning of Directive 2002/92/EC (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II or (C) not a qualified investor as defined in Directive 2003/71/EC (as amended) and (ii) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Offered Notes to be offered so as to enable an investor to decide to purchase or subscribe the Offered Notes.

5. *Certain Agreements of the Issuer and TILC.* The Issuer and TILC jointly and severally agrees with the Initial Purchasers that:

(a) The Issuer will advise the Initial Purchasers promptly of any proposal to amend or supplement the Offering Document and will not effect such amendment or supplementation without the consent of the Initial Purchasers. If, at any time following delivery of any document included in the Offering Document or any Limited Use Issuer Free Writing Communication and prior to the completion of the resale of the Offered Notes by the Initial Purchasers, there occurs an event or development as a result of which such document included or would include an untrue statement of a material fact or omitted or would omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances prevailing at that subsequent time not misleading, or if it is necessary at any such time to amend or supplement the Offering Document or any Limited Use Free Writing Communication to comply with any applicable law, the Issuer will promptly notify the Initial Purchasers of such event and will promptly prepare, at its own expense, an amendment or supplement which will correct such statement or omission. Neither the Initial Purchasers' consent to, nor the delivery by the Initial Purchasers to offerees or investors of, any such amendment or supplement shall constitute a waiver of any of the conditions set forth in Section 7. The first sentence of this subsection does not apply to statements in or omissions from any document in the General Disclosure Package or any Limited Use Issuer Free Writing Communication in reliance upon and in conformity with written information furnished to the Issuer or TILC by the Initial Purchasers specifically for use therein, it being understood and agreed that the only such information is that described as such in Sections 8(a) and 8(b) hereof.

(b) The Issuer will furnish to each Initial Purchaser copies of each document comprising a part of the Offering Document and each Limited Use Issuer Free Writing Communication, in each case as soon as available and in such quantities as such Initial Purchaser requests, and the Issuer will furnish to each Initial Purchaser on the date hereof three (3) copies of each document comprising a part of the Offering Document and each Limited Use Issuer Free Writing Communication signed by a duly authorized officer of the Issuer, one of which will include the independent accountants' reports in the Offering Document manually signed by such independent accountants. At any time when the Issuer is not subject to Section 13 or 15(d) of the Exchange Act, the Issuer will promptly furnish or cause to be furnished to the Initial Purchasers and, upon request of holders and prospective purchasers of the Offered Notes, to such holders and purchasers, copies of the information (the "**Additional Issuer Information**") required to be delivered to holders and prospective purchasers of the Offered Notes in accordance with Rule 144A(d)(4) under the Securities Act (or any successor provision thereto) in order to permit compliance with Rule 144A in connection with resales by such holders of the Offered Notes. TILC will pay the expenses of printing and distributing to the Initial Purchasers all such documents. Any Additional Issuer Information delivered to any holders and prospective purchasers of the Offered Notes will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(c) The Issuer will arrange for the qualification of the Offered Notes for sale and the determination of their eligibility for investment under the laws of such jurisdictions in the United States as the Initial Purchasers designate and will continue such qualifications in

effect so long as required for the resale of the Offered Notes by the Initial Purchasers, provided that the Issuer will not be required to qualify as a foreign corporation or to file a general consent to service of process in any such jurisdiction.

(d) So long as the Offered Notes are outstanding, if not filed electronically with the Securities and Exchange Commission (the "**Commission**") or posted on the website of TILC, the Issuer will furnish to the Initial Purchasers (i) as soon as available, copies of each report furnished to the Issuer or any of its affiliates, in the case of the Issuer, pursuant to any Operative Agreement (collectively, the "**Transaction Documents**"), by first class mail as soon as practicable after such reports are furnished to the Issuer or any of its affiliates or shareholders, as the case may be, (ii) copies of each amendment to any of the Transaction Documents, (iii) copies of all reports and other communications (financial or other) furnished to the Trustee under the Indenture or to holders of the Offered Notes, and copies of any reports and financial statements, if any, furnished to or filed with the Commission, any governmental or regulatory authority or any national securities exchange, and (iv) from time to time such other information as the Initial Purchasers may reasonably request relating to the Issuer or TILC, or any of their respective affiliates, the Offered Notes and the Transaction Documents. TILC and the Issuer shall make their officers, employees, independent accountants and legal counsel reasonably available upon request by the Initial Purchasers.

(e) During the period of three (3) years after the Closing Date, the Issuer will, upon request, furnish to the Initial Purchasers and any holder of Offered Notes a copy of the restrictions on transfer applicable to the Offered Notes.

(f) During the period of two (2) years after the Closing Date none of the Issuer and TILC will, or will permit any of its affiliates (as defined in Rule 144 under the Securities Act) to, resell any of the Offered Notes that have been reacquired by any of them.

(g) The Issuer or TILC will pay all expenses incidental to the performance of their respective obligations under this Agreement, including but not limited to: (i) all expenses in connection with the execution, issue, authentication, packaging and initial delivery of the Offered Notes, the preparation and printing of this Agreement, the Offered Notes, the documents comprising any part of the Offering Document, each Limited Use Issuer Free Writing Communication and any other document relating to the issuance, offer, sale and delivery of the Offered Notes; (ii) the cost of any advertising approved by the Issuer or TILC in connection with the issue of the Offered Notes; (iii) any expenses (including fees and disbursements of counsel) incurred in connection with qualification of the Offered Notes for sale under the laws of such jurisdictions in the United States as the Initial Purchasers designate and the printing of memoranda relating thereto; (iv) any fees charged by the Hired NRSROs for the rating of the Offered Notes and charged by the Trustee, including the fees and disbursements of counsel for the Trustee in connection with the Indenture; and (v) expenses incurred in distributing the documents comprising any part of the Offering Document (including any amendments and supplements thereto) and any Limited Use Issuer Free Writing Communications to the Initial Purchasers or to prospective purchasers of the Offered Notes. The Issuer and TILC jointly and severally will also pay or reimburse the Initial Purchasers (to the extent incurred by them) for all travel expenses of the Initial Purchasers', the Issuer's, TILC's officers and employees and any other expenses of the Initial Purchasers, the Issuer or

TILC in connection with attending or hosting meetings with prospective purchasers of the Offered Notes from the Initial Purchasers. In addition to the foregoing, but without duplication, the Issuer or TILC will pay to each Initial Purchaser on the Closing Date the amounts in respect of its costs and expenses as set forth in the applicable Engagement Letter as reimbursement of such Initial Purchaser's other expenses, including fees and disbursements of legal counsel retained by the Initial Purchasers consistent with prior approvals of TILC.

(h) In connection with the offering and the sale of the Offered Notes, until the Initial Purchasers shall have notified the Issuer, TILC and the other Initial Purchasers of the completion of the resale of the Offered Notes, neither the Issuer nor TILC or any of their respective affiliates has or will, either alone or with one or more other persons, bid for or purchase for any account in which it or any of its affiliates has a beneficial interest any Offered Notes or attempt to induce any person to purchase any Offered Notes; and neither the Issuer nor TILC or any of their respective affiliates will make bids or purchases for the purpose of creating actual, or apparent, active trading in, or of raising the price of, the Offered Notes.

(i) For a period of 90 days, with respect to the Issuer, and 45 days, with respect to TILC, after the date of the Offering Circular, neither the Issuer nor TILC will offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, or file with the Commission a registration statement under the Securities Act relating to, any United States dollar-denominated asset-backed debt securities issued, sponsored or guaranteed by the Issuer, TILC or any of their respective affiliates and having a maturity of more than one year from the date of issue, or publicly disclose the intention to make any such offer, sale, pledge, disposition or filing, without the prior written consent of the Initial Purchasers. Neither the Issuer nor TILC will at any time offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any securities under circumstances where such offer, sale, pledge, contract or disposition would cause the exemption afforded by Section 4(a)(2) of the Securities Act or the safe harbor of Regulation S thereunder to cease to be applicable to the offer and sale of the Offered Notes.

(j) The Issuer, TILC or any of their respective affiliates, or any person acting on its or their behalf (other than the Initial Purchasers, as to which no agreement is being made pursuant to this clause (j)), shall not sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security that would be integrated with the offer or sale of the Offered Notes in a manner that would require the registration under the Securities Act of the sale of the Offered Notes or that would be integrated with the offer or sale of the Offered Notes for purposes of the rules and regulations of any trading market.

(k) The Issuer and TILC (the "**Indemnitors**") jointly and severally will indemnify and hold harmless the Initial Purchasers against any documentary, stamp or similar issuance tax, including any interest and penalties, on the creation, issuance and sale of the Offered Notes and on the execution and delivery of this Agreement. All payments to be made by the Issuer or TILC under this Agreement shall be made without withholding or deduction for or on account of any present or future taxes, duties or governmental charges whatsoever unless the Issuer or TILC is compelled by law to deduct or withhold such taxes, duties or charges. In that event, the Issuer or TILC, as applicable, shall pay such additional amounts as may be necessary in order that the net amounts received after such withholding or deduction

shall equal the amounts that would have been received if no withholding or deduction had been made; provided that the Indemnitors will not be required to indemnify or gross-up for such taxes and withholdings to the extent imposed as a result of a failure of such Initial Purchaser to provide any duly executed and completed form or document described in the last sentence of this paragraph upon the execution of this Agreement or to be delivered thereafter upon the reasonable request of its Indemnitors which evidences such Initial Purchaser's entitlement to a complete exemption for such taxes and withholdings. Furthermore, the Indemnitors hereby request that each Initial Purchaser hereby provides to them IRS Form W-9 or IRS Form W-8BEN, W-8BEN-E, W-8IMY or W-8ECI, whichever is applicable.

(l) To the extent, if any, that the rating provided with respect to the Offered Notes by the Hired NRSROs is conditional upon the furnishing of documents or the taking of any other action on or prior to the Closing Date by the Issuer or TILC, the Issuer or TILC, as the case may be, shall use its reasonable best efforts to promptly furnish such documents and take any other such action on or prior to the Closing Date.

(m) The cash proceeds of the Offered Notes, together with amounts released from the Liquidity Reserve Account, will be used by the Issuer as follows: (i) to add funds to the Collections Account in connection with the issuance of the Offered Notes, if necessary to assure sufficient funds are available for payments on the first Payment Date; (ii) to pay certain costs of issuance; and (iii) to fund cash payments to TILC as a portion of the purchase price for the Issuer's acquisition of the Railcars from TILC, which purchase price will be equal to the Railcars' Initial Appraised Value.

(n) The Issuer will comply with the representation made by the Issuer to each Hired NRSROs pursuant to paragraph (a)(3)(iii) of Rule 17g-5.

6. *Free Writing Communications*. (a) Each of the Issuer and TILC, jointly and severally, represents and agrees that, without the prior consent of the Initial Purchasers, and each Initial Purchaser severally represents and agrees that, without the prior consent of TILC and the Initial Purchasers, it has not made and will not make any offer relating to the Offered Notes that would constitute an Issuer Free Writing Communication. Any such Issuer Free Writing Communication consented to by TILC and the Initial Purchasers is hereinafter referred to as a "**Permitted Free Writing Communication**." The parties hereto agree that the Issuer Free Writing Communications listed on **Schedules B** and **C** hereto are each Permitted Free Writing Communications.

(a) To the extent it would be an Issuer Free Writing Communication, each of the Issuer and TILC consents to the use by the Initial Purchaser of a Free Writing Communication that (a) contains only information describing the preliminary or final terms of the Offered Notes or the offering thereof, and (b) does not contain any material information about the Issuer or TILC or the securities of any of them that was provided by any of the Issuer and TILC or on behalf of any of them. Any such Free Writing Communication is a Permitted Free Writing Communication for purposes of this Agreement.

7. *Conditions of the Obligations of the Initial Purchasers.* The obligations of the Initial Purchasers to purchase and pay for the Offered Notes will be subject to the accuracy of the

representations and warranties herein on the part of the Issuer and TILC, to the accuracy of the statements of officers of the Issuer and TILC made pursuant to the provisions hereof, to the performance by each of the Issuer and TILC of its obligations hereunder and to the following additional conditions precedent on or prior to the Closing Date:

(a) On the Closing Date, the Initial Purchasers shall have received from a third party that is a nationally recognized accounting firm reasonably satisfactory to the Initial Purchasers a letter or letters, in the form heretofore agreed to regarding the Preliminary Offering Circular and Offering Circular, each dated as of the review date or the date of the Preliminary Offering Circular or Offering Circular, as applicable.

(b) Subsequent to the execution and delivery of this Agreement, there shall not have occurred: (i) any change, or any development or event involving a prospective change, in the condition (financial or other), business, properties or results of operations of the Issuer or TILC and its subsidiaries taken as one enterprise which, in the judgment of the Initial Purchasers or any of their affiliates, is material and adverse and makes it impractical or inadvisable to proceed with completion of the offering or the sale of and payment for the Offered Notes; (ii) any downgrading in the rating of any debt securities of TILC by any "nationally recognized statistical rating organization" (as defined for purposes of Rule 436(g) under the Securities Act), or any public announcement that any such organization has under surveillance or review its rating of any debt securities of TILC (other than an announcement with positive implications of a possible upgrading, and no implication of a possible downgrading, of such rating) or any announcement by such organization that the Issuer or TILC has been placed on negative outlook; (iii) any change in U.S. or international financial, political or economic conditions or currency exchange rates or exchange controls as would, in the judgment of the Initial Purchasers or any of their affiliates, be likely to prejudice materially the success of the proposed issue, sale or distribution of the Offered Notes, whether in the primary market or in respect of dealings in the secondary market; (iv) any material suspension or material limitation of trading in securities generally on the New York Stock Exchange, or any setting of minimum prices for trading on such exchange; (v) any suspension of trading of any securities of the Issuer or TILC or any of its affiliates on any exchange or in the over-the-counter market; (vi) any banking moratorium declared by U.S. Federal or New York authorities; (vii) any major disruption of settlements of securities or clearance services in the United States; or (viii) any attack on, outbreak or escalation of hostilities or act of terrorism involving the United States, any declaration of war by Congress or any other national or international calamity or emergency if, in the judgment of the Initial Purchasers or any of their affiliates, the effect of any such attack, outbreak, escalation, act, declaration, calamity or emergency makes it impractical or inadvisable to proceed with completion of the offering or sale of and payment for the Offered Notes.

(c) The Initial Purchasers shall have received opinions, dated the Closing Date, of (i) Vedder Price P.C., counsel for the Issuer, (ii) the Vice President, General Counsel and Assistant Secretary of TILC, and (iii) such other law firms acceptable to the Initial Purchasers and their counsel, to the effect that:

(i) The Issuer has been duly formed and is a validly existing limited liability company in good standing under the laws of the state of Delaware, with

power and authority (as a limited liability company and otherwise) to own its properties and conduct its business as described in the General Disclosure Package or Additional Issuer Information; and the Issuer is duly qualified to do business as a foreign limited liability company in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification;

(ii) TILC has been duly incorporated and is a validly existing corporation in good standing under the laws of the state of Delaware, with power and authority (as a corporation and otherwise) to own its properties and conduct its business as described in the General Disclosure Package; TILC is duly qualified to do business as a foreign corporation in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification;

(iii) The Indenture and the other Transaction Documents have been duly authorized, executed and delivered by the Issuer or TILC, as applicable; the Offered Notes have been duly authorized, executed, authenticated, issued and delivered and conform to the description thereof contained in the Final Offering Document; and each Transaction Document with respect to which it is a party, constitutes a valid and legally binding obligation of the Issuer or TILC, as applicable, enforceable against the Issuer or TILC, as applicable, in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles;

(iv) The Indenture creates a valid lien upon all of the Collateral (as defined in the Indenture) as granted under the Indenture and subject to the lien thereof, subject only to the exceptions referred to in the Indenture, and will create a similar lien upon all properties and assets that become part of the Collateral after the date of such opinion and required to be subjected to the lien of the Indenture, subject only to the exceptions referred to in the Indenture; the Trustee for the benefit of the holders of the holders of the Offered Notes from time to time will have, upon the filing of certain financing statements, a perfected security interest in the Collateral;

(v) Each of the Issuer and TILC has been duly incorporated or formed, and is an existing corporation or limited liability company in good standing under the laws of the jurisdiction of its incorporation or formation, as applicable, with power and authority (as a corporation and otherwise) to own its properties and conduct its business as described in the General Disclosure Package; and each of the Issuer and TILC is duly qualified to do business as a foreign corporation or limited liability company in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification if the failure to be so qualified would materially and adversely affect its ability to perform its obligations under the Transaction Documents;

(vi) The Issuer is not and, after giving effect to the offering and sale of the Offered Notes and the application of the proceeds thereof as described in the General Disclosure Package, will not be an "investment company" within the meaning of Section 3(a)(1) of the Investment Company Act and will not constitute a "covered fund" for purposes of the banking regulations adopted under Section 13 of the Bank Holding Company Act of 1956, as amended, commonly known as the "Volcker Rule";

(vii) No consent, approval, authorization or order of, or filing with, any governmental agency or body or any court is required for the consummation of the transactions contemplated by this Agreement in connection with the issuance or sale of the Offered Notes, except for security interest filings contemplated by the Transaction Documents and except such as may be required under state securities laws;

(viii) There are no pending actions, suits or proceedings against or affecting the Issuer, TILC or any of their respective subsidiaries, or any of their respective properties that, if determined adversely to the Issuer, TILC or any of their respective subsidiaries, would individually or in the aggregate have a Material Adverse Effect, or would materially and adversely affect the ability of the Issuer or TILC to perform their respective obligations under the Indenture, this Agreement, or any other Transaction Document or which are otherwise material in the context of the sale of the Offered Notes; and no such actions, suits or proceedings are threatened or, to such counsel's knowledge, contemplated;

(ix) The execution, delivery and performance of the Indenture, the other Transaction Documents to which the Issuer or TILC is a party, and this Agreement and the issuance and sale of the Offered Notes and compliance with the terms and provisions thereof will not result in a breach or violation of any of the terms and provisions of, or constitute a default under, any statute, any rule, regulation or order of any governmental agency or body or any court having jurisdiction over the Issuer, TILC, or any of their properties, or any agreement or instrument to which the Issuer or TILC is a party or by which the Issuer or TILC is bound or to which any of the properties of the Issuer or TILC is subject, or the organizational or formation documents of the Issuer or TILC, and the Issuer has full power and authority to authorize, issue and sell the Offered Notes as contemplated by this Agreement;

(x) Such counsel have no reason to believe that (i) the Preliminary Offering Circular or (ii) the Final Offering Document, or any amendment or supplement thereto, as of the Applicable Time and as of the Closing Date, contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein not misleading; and such counsel have no reason to believe that the information specified in a schedule, if any, to such counsel's letter, which information, when taken together with the Preliminary Offering Circular, will comprise the General Disclosure Package, as of the Applicable Time and as of the Closing Date, contained any untrue statement

of a material fact or omitted to state any material fact necessary to make the statements therein not misleading;

(xi) This Agreement has been duly authorized, executed and delivered by each of the Issuer and TILC;

(xii) It is not necessary in connection with (i) the offer, sale and delivery of the Offered Notes by the Issuer to the Initial Purchasers pursuant to this Agreement, or (ii) the resales of the Offered Notes by the Initial Purchasers in the manner contemplated by this Agreement, to register the Offered Notes under the Securities Act or to qualify an indenture in respect thereof under the Trust Indenture Act;

(xiii) The statements in the Preliminary Offering Circular and the Offering Circular under the captions "The Issuer", "The Railcars", "The Lessees", "The Leases", "TILC", "The Servicer", "Description of the Servicing Agreement", "Description of the Administrative Services Agreement", "Description of the Purchase and Contribution Agreement", "Description of the Insurance Agreement", "Description of Hedge Agreements", "Description of the Liquidity Facility Documents" and "Description of the Offered Notes and the Master Indenture", insofar as they purport to summarize certain terms of the Offered Notes and the applicable Transaction Documents, constitute a fair summary of the provisions purported to be summarized; and

(xiv) The statements contained in the Preliminary Offering Circular and the Offering Circular under the captions "Certain Considerations for ERISA and Other Benefit Plans" and "Certain United States Federal Income Tax Considerations", to the extent that they constitute matters of federal law or legal conclusions with respect thereto, while not purporting to discuss all possible consequences of investment in the Offered Notes, are correct in all material respects with respect to those consequences or matters that are discussed therein.

(xv) In a properly presented and decided case, in the event TILC became a debtor in a voluntary or involuntary bankruptcy case under the Bankruptcy Code, the bankruptcy court would not substantially consolidate the assets and liabilities of the Issuer with those of TILC.

(d) The Initial Purchasers shall have received from Mayer Brown LLP, counsel for the Initial Purchasers, such opinion or opinions, dated the Closing Date, with respect to the Final Offering Document and the General Disclosure Package, the exemption from registration for the offer and sale of the Offered Notes to the Initial Purchasers and the resales by the Initial Purchasers as contemplated hereby and other related matters as the Initial Purchasers may require, and the Issuer shall have furnished to such counsel such documents as they request for the purpose of enabling them to pass upon such matters.

(e) The Initial Purchasers shall have received the opinion or opinions of Morris James LLP, special counsel to the Trustee, dated the Closing Date, in form and substance reasonably satisfactory to the Initial Purchasers.

(f) The Initial Purchasers shall have received the opinion of Alvord & Alvord, special STB counsel, dated the Closing Date, in form and substance reasonably satisfactory to the Initial Purchasers.

(g) The Initial Purchasers shall have received the opinion of Fasken Martineau DuMoulin LLP, special Canadian counsel, dated the Closing Date, in form and substance reasonably satisfactory to the Initial Purchasers.

(h) The Initial Purchasers shall have received a copy of each opinion provided to the Hired NRSROs in connection with its rating of the Offered Notes, each of which shall state therein that the Initial Purchasers may rely thereon, in form and substance reasonably satisfactory to the Initial Purchasers.

(i) The Initial Purchasers shall have received a certificate, dated the Closing Date, of the President or any Vice President or a principal financial or accounting officer of each of the Issuer and TILC (it being understood that a certificate of TILC on its own behalf and in its capacity as sole equity member and manager of the Issuer shall be sufficient for purposes of the compliance by the Issuer and TILC with this requirement) in which such officer, to the best of such officer's knowledge, after reasonable investigation, shall state that (i) the representations and warranties of the Issuer and TILC, as the case may be, in this Agreement are true and correct, that each of the Issuer and TILC has complied with all agreements and satisfied all conditions on its part to be performed or satisfied hereunder at or prior to the Closing Date, and that, subsequent to the date of the most recent financial statements of each of the Issuer and TILC, there has been no material adverse change, nor any development or event involving a prospective material adverse change, in the condition (financial or other), business, properties or results of operations of each of the Issuer and TILC and its subsidiaries taken as a whole except as described in such certificate, (ii) nothing has come to such officer's attention that would lead such officer to conclude that the General Disclosure Package included any 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, under the circumstances in which they were made, not misleading and (iii) since the date of the Offering Circular there shall not have been any change in the capital stock of TILC or the membership interests of the Issuer, or the long term debt of the Issuer or TILC except as described in such certificate.

(j) On or before the Closing Date, this Agreement, the Offering Document and each Transaction Document shall be satisfactory in form and substance to the Initial Purchasers, 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 the Initial Purchasers or its counsel on or before the Closing Date.

(k) Each of TILC and the Issuer shall have delivered to the Initial Purchasers a certificate (it being understood that a certificate of TILC in its capacity as sole equity member and manager of the Issuer shall be sufficient for purposes of the Issuer's compliance with this requirement), dated the Closing Date, of its secretary certifying its certificate of incorporation, limited liability company agreement, bylaws or other organizational documents; board or similar resolutions authorizing the execution, delivery and performance of the Transaction Documents to which it is a party, as applicable; and the incumbency of all officers that signed any of the Transaction Documents.

(l) The Initial Purchasers shall have received a certificate from a nationally recognized insurance broker with respect to the public liability insurance required by Section 5.04(f) of the Indenture.

(m) Any Transaction Documents which are required to be executed on or prior to the Closing Date that have not been executed by the date of this Agreement will be subject to a condition precedent that requires such agreements to be in form and substance satisfactory to the Initial Purchasers.

(n) (i) The Hired NRSROs shall have delivered to the Issuer, TILC and the Initial Purchasers a final rating letter setting forth a rating with respect to the Offered Notes of at least "A (sf)" and (ii) subsequent to the execution and delivery of this Agreement the Hired NRSROs shall not have announced in writing (which shall include, without limitation, any press release by such organization) that it has under surveillance or review its rating of any of the Offered Notes (other than an announcement with positive implications of a possible upgrading, and no implication of a possible downgrading, of such rating).

(o) On or prior to the Closing Date, DTC shall have approved as to form the "Regulation S Temporary Global Note" and the "144A Book-Entry Note" as those terms are defined in the Indenture.

(p) On or before the Closing Date the Issuer shall have caused the Indenture (or memorandum thereof) delivered at the Closing Date, to be duly filed, recorded and deposited with the Surface Transportation Board of the United States of America in conformity with 49 U.S.C. §11301 and with the Registrar General of Canada pursuant to Section 90 of the Railway Act of Canada, and the Issuer shall furnish the Initial Purchasers with proof thereof.

Documents described as being "in the agreed form" are documents which are in the form reasonably satisfactory to the Initial Purchasers and Mayer Brown LLP.

The Issuer and TILC will furnish the Initial Purchasers with such conformed copies of such opinions, certificates, letters and documents as the Initial Purchasers reasonably request.

8. *Indemnification and Contribution.* (a) The Issuer and TILC will jointly and severally indemnify and hold harmless (i) each Initial Purchaser and (ii) its respective officers, partners, members, directors, employees and affiliates and each person, if any, who controls such Initial Purchaser, within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (the "**Initial Purchaser Representatives**"), against any losses, claims, damages, liabilities or expenses, joint or several, to which such Initial Purchaser or the Initial Purchaser

Representatives may become subject, under the Securities Act or the Exchange Act or otherwise, insofar as such losses, claims, damages, liabilities or expenses (or actions in respect thereof) relate to, arise out of or are based upon (1) any breach of any of the representations, warranties and covenants of the Issuer or TILC contained herein, (2) any untrue statement or alleged untrue statement of any material fact contained in any document comprising a part of the Offering Document, any Limited Use Issuer Free Writing Communication or any amendment or supplement thereto, or any Additional Issuer Information or (3) any omission or alleged omission to state, in any document comprising a part of the Offering Documents, any Limited Use Issuer Free Writing Communication, or any amendment of or supplement thereto, or any Additional Issuer Information, a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, including, without limitation, any losses, claims, damages, liabilities or expenses arising out of or based upon the Issuer's or TILC's failure to perform its obligations under Section 5 of this Agreement, and will reimburse each Initial Purchaser and the Initial Purchaser Representatives for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability, expense or action as such expenses are incurred; provided, however, that none of the Issuer or TILC will be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement in or omission or alleged omission from any of such documents in reliance upon and in conformity with written information furnished to the Issuer or TILC by such Initial Purchaser specifically for use therein, it being understood and agreed that the only such information consists of the information described as such in subsection (b) below.

(b) Each Initial Purchaser severally and not jointly will indemnify and hold harmless (i) the Issuer and TILC and (ii) their respective directors and officers and each person, if any, who controls the Issuer or TILC within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (the "**Seller Representatives**"), against any losses, claims, damages, liabilities or expenses to which the Issuer, TILC or the Seller Representatives may become subject, under the Securities Act or the Exchange Act or otherwise, insofar as such losses, claims, damages, liabilities or expenses (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in any document comprising a part of the Offering Document, any Limited Use Issuer Free Writing Communication or any amendment or supplement thereto, or any related preliminary offering circular, or arise out of or are based upon the omission or the alleged omission to state therein 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 each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Issuer or TILC by the Initial Purchasers specifically for use therein, and will reimburse any legal or other expenses reasonably incurred by the Issuer, TILC or the Seller Representatives in connection with investigating or defending any such loss, claim, damage, liability, expense or action as such expenses are incurred, it being understood and agreed that the only such information furnished by the Initial Purchasers consists of the following information in the Offering Document: under the caption "Plan of Distribution", the second sentence of the second paragraph, the sixth paragraph, and the second and third sentences of the thirteenth paragraph thereunder; provided, however, that the Initial Purchasers

shall not be liable for any losses, claims, damages, liabilities or expenses arising out of or based upon the Issuer's or TILC's failure to perform its obligations under Section 5(a) of this Agreement.

(c) Promptly after receipt by an indemnified party under this Section of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under subsection (a) or (b) above, notify the indemnifying party of the commencement thereof; but the failure to notify the indemnifying party shall not relieve it from any liability that it may have under subsection (a) or (b) above except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and provided further that the failure to notify the indemnifying party shall not relieve it from any liability that it may have to an indemnified party otherwise than under subsection (a) or (b) above. In case any such action is brought against any indemnified party and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, by written notice delivered to the indemnified party promptly after receiving the aforesaid notice from such indemnified party, to assume the defense thereof with counsel reasonably satisfactory to such indemnified party; provided, however, if the defendants in any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that differing interests may arise between the positions of the indemnifying party and the indemnified party in conducting the defense of any such action or that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party, the indemnified party or parties shall have the right to select separate counsel to assume such legal defenses and to otherwise participate in the defense of such action on behalf of such indemnified party or parties, and the indemnifying party will reimburse any legal expenses incurred by the indemnified party having separate counsel, as incurred. And after any such notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof and approval by the indemnified party of counsel, the indemnifying party will not be liable to such indemnified party under this Section for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation, unless the indemnified party shall have employed separate counsel in accordance with the proviso to the preceding sentence, in which case the reasonable fees and expenses of counsel shall be at the expense of the indemnifying party. The indemnifying party shall not be liable for any settlement of any proceeding effected without its written consent, which will not be unreasonably withheld, 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. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened action in respect of which such indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party unless such settlement includes (i) an unconditional release of such indemnified party from all liability on any claims that are the subject matter of such action and (ii) does not include a statement as to or an admission of fault, culpability or failure to act by or on behalf of such indemnified party.

(d) If the indemnification provided for in this Section is unavailable or insufficient to hold harmless an indemnified party under subsection (a) or (b) above, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages, liabilities or expenses referred to in subsection (a) or (b) above (i) in such proportion as is appropriate to reflect the relative benefits received by the Issuer and TILC on the one hand and the Initial Purchasers on the other from the offering of the Offered Notes or (ii) if the allocation provided by clause (i) above 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 Issuer and TILC on the one hand and the Initial Purchasers on the other in connection with the statements or omissions which resulted in such losses, claims, damages, liabilities or expenses as well as any other relevant equitable considerations. The relative benefits received by the Issuer and TILC on the one hand and the Initial Purchasers on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Issuer bear to the total discounts, commissions and fees received by the Initial Purchasers from the Issuer under this Agreement. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Issuer, TILC or the Initial Purchasers and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The amount paid or payable by an indemnified party as a result of the losses, claims, damages, liabilities or expenses referred to in the first sentence of this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any action or claim which is the subject of this subsection (d). Notwithstanding the provisions of this subsection (d), no Initial Purchaser shall be required to contribute any amount in excess of the total discounts, commissions and fees received by such Initial Purchaser from the Issuer. The obligations of the Initial Purchasers in this subsection (d) to contribute are several in proportion to their respective purchase obligations and not joint.

(e) The obligations of the Issuer and TILC under this Section shall be in addition to any liability which the Issuer or TILC may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls any Initial Purchaser within the meaning of the Securities Act or the Exchange Act; and the obligations of each Initial Purchaser under this Section shall be in addition to any liability which it may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls the Issuer or TILC within the meaning of the Securities Act or the Exchange Act.

9. *Default of Initial Purchasers.* If any one or more Initial Purchasers shall fail to purchase and pay for the Offered Notes agreed to be purchased by such Initial Purchasers (the "**Defaulting Initial Purchasers**") hereunder and such failure to purchase shall constitute a default in the performance of its or their obligations under this Agreement, the non-Defaulting Initial Purchasers (the "**Non-Defaulting Initial Purchasers**") may make arrangements satisfactory to the Issuer for the purchase of the Offered Notes by other persons, including any of the Non-Defaulting Initial Purchasers, but if no such arrangements are made by the Closing Date, the Non-Defaulting Initial Purchasers shall be obligated severally and not jointly to take up and pay for (in the respective proportions that the amount of Offered Notes set forth opposite their names in **Schedule A** bears to the aggregate amount of Offered Notes set forth opposite the names of all the Non-Defaulting

Initial Purchasers) the Offered Notes which the Defaulting Initial Purchasers agreed but failed to purchase; provided, however, that in the event that the aggregate amount of Offered Notes which the Defaulting Initial Purchasers agreed but failed to purchase shall exceed 10% of the aggregate amount of the Offered Notes set forth in **Schedule A**, the Non-Defaulting Initial Purchasers shall have the right to purchase all, but shall not be under any obligation to purchase any, of the Offered Notes. If the Non-Defaulting Initial Purchasers do not purchase all the Offered Notes, this Agreement will terminate without liability on the part of any Non-Defaulting Initial Purchaser, the Issuer or TILC, except as provided in Section 10. As used in this Agreement, the term "Initial Purchaser" includes any person substituted for an Initial Purchaser under this Section. Nothing herein will relieve any Defaulting Initial Purchaser from liability for its default.

10. *Survival of Certain Representations and Obligations.* The respective indemnities, agreements, representations, warranties and other statements of the Issuer, TILC or their respective officers and of the Initial Purchasers set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation, or statement as to the results thereof, made by or on behalf of the Initial Purchasers, the Issuer or TILC, or any of their respective representatives, officers or directors or any controlling person, and will survive delivery of and payment for the Offered Notes. If this Agreement is terminated pursuant to Section 9 or if for any reason the purchase of the Offered Notes by the Initial Purchasers is not consummated, the Issuer and TILC shall remain responsible for the expenses to be paid or reimbursed by them pursuant to Section 5 and the respective obligations of the Issuer, TILC and the Initial Purchasers pursuant to Section 8 shall remain in effect. Further, if the purchase of the Offered Notes by the Initial Purchasers is not consummated for any reason other than solely because of the termination of this Agreement pursuant to Section 9, the Issuer or TILC will reimburse each Initial Purchaser for all out-of-pocket expenses (including fees and disbursements of counsel) reasonably incurred by it in connection with the offering of the Offered Notes.

11. *Notices.* All communications hereunder will be in writing and, if sent to the Initial Purchasers will be mailed, delivered or telegraphed and confirmed to each of the Initial Purchasers at its respective address below:

Bank of America Merrill Lynch One Bryant Park, 11TH Fl. New York, NY 10036 Attn: Ben Merrill	Credit Suisse Securities (USA) LLC Eleven Madison Avenue New York, NY 10010, Attn: SP Finance Group	DVB Capital Markets LLC 100 Park Avenue, Suite 1301 New York, NY 10017 Attn: DVBCF ABS
Credit Agricole Securities (USA) Inc. 1301 Avenue of the Americas New York, NY 10010 Attn: GMD Securitization	Wells Fargo Securities LLC 550 S. Tryon Street Charlotte, NC 28202 Attn: John Fulvimar	

If sent to the Issuer or TILC or, as the case may be, will be mailed, delivered or telegraphed and confirmed to such party at the following address:

c/o Trinity Industries Leasing Company
2525 N. Stemmons Freeway
Dallas, TX 75207
Attention: Vice President Leasing Operations
Re: Trinity Rail Leasing 2018 LLC.

12. *Successors.* This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and the controlling persons referred to in Section 8, and no other person will have any right or obligation hereunder, except that holders of Offered Notes shall be entitled to enforce the agreements for their benefit contained in the second and third sentences of Section 5(b) hereof against the Issuer as if such holders were parties thereto.

13. *Counterparts.* This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same Agreement.

14. *Absence of Fiduciary Relationship.* Each of the Issuer and TILC acknowledges and agrees that:

(a) Each Initial Purchaser has been retained solely to act as an initial purchaser in connection with the initial purchase, offering and resale of the Offered Notes and that no fiduciary, advisory or agency relationship between any of the Issuer or TILC or their respective affiliates, stockholders, creditors or employees, on the one hand, and such Initial Purchaser, on the other hand, has been created in respect of any of the transactions contemplated by this Agreement or the Offering Document, irrespective of whether such Initial Purchaser has advised or is advising the Issuer or TILC on other matters;

(b) the purchase and sale of the Offered Notes pursuant to this Agreement, including the determination of the offering price of the Offered Notes and any related discount and commissions, is an arm's-length commercial transaction among the Initial Purchasers, the Issuer and TILC, and the Issuer and TILC are capable of evaluating and understanding, and do understand and hereby accept, the terms, risks and conditions of the transactions contemplated by this Agreement;

(c) the Issuer and TILC have been advised that the Initial Purchasers and their affiliates are engaged in a broad range of transactions which may involve interests that differ from those of the Issuer and TILC and the Initial Purchasers have no obligation to disclose such interests and transactions to any of the Issuer or TILC by virtue of any fiduciary, advisory or agency relationship; and

(d) each of the Issuer or TILC waives, to the fullest extent permitted by law, any claims it may have against any Initial Purchaser for breach of fiduciary duty or alleged breach of fiduciary duty and agrees that no Initial Purchaser shall have any liability (whether direct or indirect) to any of the Issuer or TILC in respect of such a fiduciary duty claim or to any person asserting a fiduciary duty claim on behalf of or in right of any of the Issuer or TILC, including stockholders, employees or creditors of the Issuer or TILC.

15. *Applicable Law.* This Agreement shall be governed by, and construed in accordance with, the laws of the state of New York without regard to principles of conflicts of laws (other than Section 5-1401 of the New York General Obligations Law).

Each of the Issuer and TILC hereby submits to the exclusive jurisdiction of the courts of the State of New York and the courts of the United States of America for the Southern District of New York, in each case sitting in the Borough of Manhattan in The City of New York and appellate courts from any thereof in any suit, action or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

EACH OF THE PARTIES HERETO HEREBY WAIVES TRIAL BY JURY IN ANY SUIT, ACTION OR PROCEEDING BROUGHT IN CONNECTION WITH THIS AGREEMENT, THE NOTES OR ANY OF THE OTHER TRANSACTION DOCUMENTS, WHICH WAIVER IS INFORMED AND VOLUNTARY.

16. *No Petition in Bankruptcy*. Each Initial Purchaser agrees that, prior to the date which is one year and one day after the payment in full of all outstanding Offered Notes, such Initial Purchaser will not institute against, or join any other Person in instituting against, the Issuer an action in bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or similar proceeding under the laws of the United States or any state of the United States.

17. *Integration.* As to the matters set forth in this Agreement, so long as this Agreement is in full force and effect, the provisions herein shall supersede any and all prior agreements as to such subject matter, except any Engagement Letter and any other fee arrangement entered into between any Initial Purchaser, the Issuer and TILC.

18. *Amendments*. This Agreement may not be amended, waived, discharged or terminated unless such amendment, waiver, discharge or termination is in writing and signed by each of the parties hereto.

19. *Severability*. If any provision of this Agreement is held to be illegal, invalid, or unenforceable, such provision shall be fully severable and this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement, and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement, unless such continued effectiveness of this Agreement, as modified, would be contrary to the basic understandings and intentions of the parties as expressed herein.

20. *USA Patriot Act*. Each of the Issuer and TILC acknowledges that the Initial Purchasers are required by U.S. Federal law, in an effort to help fight the funding of terrorism and money laundering activities, to obtain, verify and record information that identifies each person or corporation who opens an account or enters into a business relationship with a financial institution.

21. *Titles*. BAML is hereby designated as Sole Structuring Agent, BAML and CS are hereby designated as Joint Bookrunners, and DVB, CA and Wells are hereby designated as Co-Managers.

If the foregoing is in accordance with the Initial Purchasers' understanding of our agreement, kindly sign and return to us one of the counterparts hereof, whereupon it will become a binding agreement between the Issuer, TILC and the Initial Purchaser in accordance with its terms.

Very truly yours,

TRINITY RAIL LEASING 2018 LLC,

By:**TRINITY INDUSTRIES LEASING COMPANY**,
as sole member and manager

By:/s/ Jared S. Richardson
Name: Jared S. Richardson
Title: Vice President & General Counsel

TRINITY INDUSTRIES LEASING COMPANY

By:/s/ Jared S. Richardson
Name: Jared S. Richardson
Title: Vice President & General Counsel

The foregoing Agreement is hereby confirmed and accepted as of the date first above written.

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

By:/s/ Benjamin A. Merrill
Name: Benjamin A. Merrill
Title: Managing Director

CREDIT SUISSE SECURITIES (USA) LLC

By:/s/ Shailesh S. Deshpande
Name: Shailesh S. Deshpande
Title: MD

DVB CAPITAL MARKETS LLC

By:/s/ Todd Kendall
Name: Todd Kendall
Title: Managing Director

By:/s/ Mark S. Johnson
Name: Mark S. Johnson
Title: Managing Director

CREDIT AGRICOLE SECURITIES (USA) INC.

By:/s/ Michael Regan
Name: Michael Regan
Title: Managing Director

By:/s/ Sam Pilcer
Name: Sam Pilcer
Title: Managing Director

WELLS FARGO SECURITIES LLC

By:/s/ John Fulvimar
Name: John Fulvimar, CFA
Title: Vice President

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Section 4: EX-10.2 (EXHIBIT 10.2)

Exhibit 10.2

MASTER INDENTURE

dated as of June 20, 2018

by and between

TRINITY RAIL LEASING 2018 LLC,

a Delaware limited liability company,

as the Issuer of the Equipment Notes,

and

WILMINGTON TRUST COMPANY,

as Indenture Trustee for the Equipment Notes

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This **MASTER INDENTURE**, dated as of June 20, 2018 (as modified, amended or supplemented from time to time by Indenture Supplements, this "**Master Indenture**") between **TRINITY RAIL LEASING 2018 LLC**, a Delaware limited liability company, as the issuer of the Equipment Notes hereunder (the "**Issuer**"), and **WILMINGTON TRUST COMPANY**, a Delaware trust company, as indenture trustee for each Series of Equipment Notes (the "**Indenture Trustee**").

W I T N E S S E T H:

WHEREAS, the Issuer and the Indenture Trustee are executing and delivering this Master Indenture in order to provide for the issuance from time to time by the Issuer of the Equipment Notes in one or more Series, the Principal Terms of which shall be specified in one or more Series Supplements to this Master Indenture; and

WHEREAS, except as otherwise provided herein, the obligations of the Issuer under the Equipment Notes issued pursuant to this Master Indenture and the other Secured Obligations shall be secured on a pari passu basis by the Collateral further granted and described below;

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

GRANTING CLAUSES

The Issuer hereby pledges, transfers, assigns, and otherwise conveys to the Indenture Trustee for the benefit and security of the Noteholders and other Secured Parties, and grants to the Indenture Trustee for the benefit and security of the Noteholders and other Secured Parties a security interest in and Encumbrance on, all of the Issuer's right, title and interest, whether now existing or hereafter created or acquired and wherever located, in, to and under the assets and property described below (collectively, the "**Collateral**"):

(a) each Issuer Document, in each case, as such agreements may be amended, amended and restated, supplemented or otherwise modified from time to time (collectively, the "**Assigned Agreements**");

(b) (i) all Railcars described on a schedule to a Series Supplement, together with all other Railcars conveyed to the Issuer from time to time, whether pursuant to an Asset Transfer Agreement or otherwise, and any and all substitutions and replacements therefor, (ii) all licenses, manufacturer's warranties and other warranties, Supporting Obligations (including in respect of any related Lease), Payment Intangibles, Accounts, Instruments, Chattel Paper (including the Leases described on a schedule to a Series Supplement and any other related Leases of the Railcars and all related Lease Payments), General Intangibles and all other rights and obligations related to any such aforementioned Assigned Agreement, Railcars or Leases, including, without limitation, all rights, powers, privileges, options and other benefits of the Issuer to receive moneys and other property due and to become due under or pursuant to such Assigned Agreements, such Railcars or Leases, including, without limitation, all rights, powers, privileges, options and other benefits to receive and collect rental payments, income, revenues, profits and other amounts, payments, tenders or security (including any cash collateral) from any other party

thereto (including, in the case of related Leases, from the Lessees thereunder), (iii) all rights, powers, privileges, options and other benefits of the Issuer to receive proceeds of any casualty insurance, condemnation award, indemnity, warranty or guaranty with respect to such Assigned Agreements, Railcars or Leases, (iv) all claims of the Issuer for damages arising out of or for breach of or default under any Assigned Agreement or in respect of any related Lease, and (v) the rights, powers, privileges, options and other benefits of the Issuer to perform under each Assigned Agreement and related Lease, to compel performance and otherwise exercise all remedies thereunder and to terminate each Assigned Agreement and related Lease;

(c) all (i) Railroad Mileage Credits allocable to such Railcars and any payments in respect of such credits, (ii) tort claims or any other claims of any kind or nature related to such Railcars and any payments in respect of such claims, (iii) SUBI Certificates evidencing a 100% special unit of beneficial interest in the Trinity Marks related to such Railcars and (iv) other payments owing by any Person (including any railroads or similar entities) in respect of or attributable to such Railcars or the use, loss, damage, casualty, condemnation of such Railcars or the Marks associated therewith, in each case whether arising by contract, operation of law, course of dealing, industry practice or otherwise;

(d) all Indenture Accounts (other than Series Accounts) and any other deposit accounts and securities accounts established in connection with any Liquidity Facility Documents, and all the funds standing to the credit thereof, all Investment Property credited thereto (including, without limitation, all (i) securities, whether certificated or uncertificated, (ii) Security Entitlements, (iii) Securities Accounts, (iv) commodity contracts and (v) commodity accounts) in which the Issuer has now, or acquires from time to time hereafter, any right, title or interest in any manner, and the certificates or instruments, if any, representing or evidencing such Investment Property, and all dividends, distributions, return of capital, interest, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such Investment Property with respect thereto, including, without limitation, any Permitted Investments purchased with funds on deposit in any Indenture Accounts or in any other deposit accounts and securities accounts established in connection with any Liquidity Facility Documents, and all income from the investment of funds therein;

(e) all insurance policies maintained by the Issuer or for its benefit (including, without limitation, all insurance policies maintained by the Servicer or the Insurance Manager for the benefit of the Issuer) covering all or any portion of the Collateral, and all payments thereon or with respect thereto;

(f) all other Accounts, Chattel Paper, commercial tort claims (as defined in the UCC), documents (as defined in the UCC), equipment (as defined in the UCC), General Intangibles, Instruments, inventory (as defined in the UCC), letter-of-credit rights (as defined in the UCC), and Supporting Obligations; and

(g) all Proceeds, accessions, profits, products, income benefits, substitutions and replacements, whether voluntary or involuntary, of and to any of the property of the Issuer described in the preceding clauses (including, without limitation, the Issuer’s claims for indemnity thereunder and payments with respect thereto).

Such Security Interests are made in trust and subject to the terms and conditions of this Master Indenture as collateral security for the payment and performance in full by the Issuer of all Outstanding Obligations and for the prompt payment in full by the Issuer of the respective amounts due and the prompt performance in full by the Issuer of all of its other obligations, in each case, under the Issuer Documents, the Equipment Notes, any Liquidity Facility Documents (except for any Liquidity Facility Documents that are identified in a Series Supplement as being excluded from the Secured Obligations), the Hedge Agreements and the other Operative Agreements to which the Issuer is a party (collectively, the "**Secured Obligations**"), all as provided in this Master Indenture.

For the avoidance of doubt it is expressly understood and agreed that, to the extent the UCC is revised subsequent to the date hereof such that the definition of any of the foregoing terms included in the description of Collateral is changed, the parties hereto desire that any property which is included in such changed definitions which would not otherwise be included in the foregoing grant on the date hereof be included in such grant immediately upon the effective date of such revision.

The Indenture Trustee acknowledges such Security Interests, accepts the duties created hereby in accordance with the provisions hereof and agrees to hold and administer all Collateral for the use and benefit of all present and future Secured Parties.

The Issuer hereby irrevocably authorizes the Indenture Trustee at any time, and from time to time, to file, without the signature of the Issuer, in any filing office in any UCC jurisdiction necessary or desirable to perfect the Security Interests granted herein, any initial financing statements, continuation statements and amendments thereto that (i) indicate or describe the Collateral regardless of whether any particular asset constituting Collateral falls within the scope of Article 9 of the UCC in the same manner as described herein or in any other manner as the Indenture Trustee may determine in its sole discretion is necessary or desirable to ensure the perfection of the Security Interests granted herein, or (ii) provide any other information required by Article 9 of the UCC for the sufficiency or filing office acceptance of any financing statement, continuation statement or amendment, including whether the Issuer is an organization, the type of organization and any organization identification number issued to the Issuer. The Issuer agrees to furnish the information described in clause (ii) of the preceding sentence to the Indenture Trustee promptly upon the Indenture Trustee's request. Nothing in the foregoing shall be deemed to create an obligation of the Indenture Trustee to file any financing statement, continuation statements or amendment thereto.

1. Priority. The Issuer intends the Security Interests in favor of the Indenture Trustee to be prior to all other Encumbrances (other than Permitted Encumbrances) in respect of the Collateral, and the Issuer has taken and shall take or cause to be taken all actions necessary to obtain and maintain, in favor of the Indenture Trustee, for the benefit of the Noteholders and other Secured Parties, a first priority, perfected security interest in the Collateral, to the extent that perfection can be achieved by the filing of a UCC-1 financing statement in any UCC jurisdiction and/or other similar filings with the STB, subject to Permitted Encumbrances. With respect to Leases related to Portfolio Railcars where the Lessee thereunder is a Canadian resident, the Issuer has taken and shall take or cause to be taken all actions necessary or advisable to obtain and maintain, in favor of the Indenture Trustee, a first priority, perfected

security interest in the related Railcars including, without limitation, making all such filings, registrations and recordings with the Registrar General of Canada as are necessary or advisable to obtain and maintain a first priority, perfected security interest in such Railcars (subject to Permitted Encumbrances). Notwithstanding the foregoing, the Issuer shall not be required to make any filings, registrations or recordation in Mexico or under any Provincial Personal Property Security Act or other non-federal legislation in Canada. The Indenture Trustee shall have all of the rights, remedies and recourses with respect to the Collateral afforded a secured party under all applicable law in addition to, and not in limitation of, the other rights, remedies and recourses granted to the Indenture Trustee by this Master Indenture or any law relating to the creation and perfection of security interests in the Collateral.

2. Continuance of Security.

(a) Except as otherwise provided under "Releases" in subsection 4(f) below, the Security Interests created under this Master Indenture shall remain in force as continuing security to the Indenture Trustee, for the benefit of the Noteholders and other Secured Parties, until the repayment and performance in full of all Secured Obligations, notwithstanding any intermediate payment or satisfaction of any part of the Secured Obligations or any settlement of account or any other act, event or matter whatsoever, and shall secure Secured Obligations, including, without limitation, the ultimate balance of the moneys and liabilities hereby secured.

(b) No assurance, security or payment which may be avoided or adjusted under the law, including under any enactment relating to bankruptcy or insolvency and no release, settlement or discharge given or made by the Indenture Trustee on the faith of any such assurance, security or payment, shall prejudice or affect the right of the Indenture Trustee to recover the Secured Obligations from the Issuer (including any moneys which it may be compelled to pay or refund under the provisions of any applicable insolvency legislation of any applicable jurisdiction and any costs payable by it pursuant to or otherwise incurred in connection therewith) or to enforce the Security Interests granted under this Master Indenture to the full extent of the Secured Obligations and accordingly, if any release, settlement or discharge is or has been given hereunder and there is subsequently any such avoidance or adjustment under the law, it is expressly acknowledged and agreed that such release, settlement or discharge shall be void and of no effect whatsoever.

(c) If the Indenture Trustee shall have grounds in its absolute discretion acting in good faith for believing that the Issuer may be insolvent pursuant to the provisions of any applicable insolvency legislation in any relevant jurisdiction as at the date of any payment made by the Issuer to the Indenture Trustee (*provided* that the Indenture Trustee shall have no duty to inquire or investigate and shall not be deemed to have knowledge of same absent written notice received by a responsible officer of the Indenture Trustee), the Indenture Trustee shall retain the Security Interests contained in or created pursuant to this Master Indenture until the expiration of a period of one month plus such statutory period within which any assurance, security, guarantee or payment can be avoided or invalidated after the payment and discharge in full of all Secured Obligations notwithstanding any release, settlement, discharge or arrangement which may be given or made by the Indenture Trustee on, or as a consequence of, such payment or discharge of liability, *provided* that, if at any time within such period, the Issuer shall commence a voluntary winding-up or other voluntary case or other proceeding under any bankruptcy, reorganization,

liquidation or insolvency law or statute now or hereafter in effect in any jurisdiction seeking liquidation, reorganization or other relief with respect to the Issuer or the Issuer's debts under any bankruptcy, insolvency or other similar law now or hereafter in effect in any jurisdiction or seeking the appointment of an administrator, a trustee, receiver, liquidator, custodian or other similar official of the Issuer or any substantial part of its property or if the Issuer shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against the Issuer, or making a general assignment for the benefit of any creditor of the Issuer under any bankruptcy, reorganization, liquidation or insolvency law or statute now or hereafter in effect in any jurisdiction, the Indenture Trustee shall continue to retain such Security Interest for such further period as the Indenture Trustee may reasonably determine on advice of counsel and such Security Interest shall be deemed to have continued to have been held as security for the payment and discharge to the Indenture Trustee of all Secured Obligations.

3. No Transfer of Duties. The Security Interests granted hereby are granted as security only and shall not (i) transfer or in any way affect or modify, or relieve the Issuer from, any obligation to perform or satisfy any term, covenant, condition or agreement to be performed or satisfied by the Issuer under or in connection with this Master Indenture or any Issuer Document or any Collateral or (ii) impose any obligation on any of the Secured Parties or the Indenture Trustee to perform or observe any such term, covenant, condition or agreement or impose any liability on any of the Secured Parties or the Indenture Trustee for any act or omission on the part of the Issuer relative thereto or for any breach of any representation or warranty on the part of the Issuer contained therein or made in connection therewith unless otherwise expressly provided therein.

4. Collateral.

(a) Generally. On each Closing Date, all Instruments, Chattel Paper, Securities or other documents, including, without limitation, any Chattel Paper Originals evidencing the Leases described on a schedule to a Series Supplement, and SUBI Certificates, representing or evidencing Collateral shall be delivered to and held by or on behalf of the Indenture Trustee on behalf of the Secured Parties pursuant hereto all in form and substance reasonably satisfactory to the Indenture Trustee. Subject to subsections (c) and (d) under this heading, until the termination of the Security Interest granted hereby, if the Issuer shall acquire (by purchase, contribution, substitution, replacement or otherwise) any additional Collateral evidenced by Instruments or Chattel Paper at any time or from time to time after the date hereof, the Issuer shall promptly pledge and deposit the Collateral so evidenced as security for the Secured Obligations with the Indenture Trustee and deliver same to the custodial possession of the Indenture Trustee in accordance with Section 5.04(v), and the Indenture Trustee shall accept under this Master Indenture such delivery.

(b) Safekeeping. The Indenture Trustee agrees to maintain the Collateral received by it (including possession of the Chattel Paper Originals) and all records and documents relating thereto at such address or addresses as may from time to time be specified by the Indenture Trustee in writing to each Secured Party and the Issuer. The Indenture Trustee shall keep all Collateral and related documentation in its possession separate and apart from all other property that it is holding in its possession and from its own general assets and shall maintain accurate

records pertaining to the Permitted Investments and Indenture Accounts included in the Collateral in such a manner as shall enable the Indenture Trustee, the Secured Parties and the Issuer to verify the accuracy of such record keeping. The Indenture Trustee's books and records shall at all times show that to the extent that any Collateral is held by the Indenture Trustee such Collateral shall be held as agent of and custodian for the Secured Parties and is not the property of the Indenture Trustee. The Indenture Trustee will promptly report to each Secured Party and the Issuer any failure on its part to hold the Collateral as provided in this subsection and will promptly take appropriate action to remedy any such failure.

(c) Limitation on Non-Severable Mixed Riders. The percentage of Portfolio Railcars in the aggregate (measured by Adjusted Value) contained on Non-Severable Mixed Riders shall not exceed twenty percent (20%) of the Portfolio Railcars in the aggregate (measured by Adjusted Value).

(d) Custody of Leases. At the request of the Issuer from time to time, the parties shall implement a custodial arrangement with respect to Non-Severable Mixed Riders whereby Wilmington Trust Company, as custodian (or any other financial institution or trust company reasonably satisfactory to the parties hereto) will maintain custody of the original of such Non-Severable Mixed Riders for the benefit of the Secured Parties and any owner (other than the Issuer) of a railcar covered by such Non-Severable Mixed Rider, as their interests may appear. Such custodial arrangement will be evidenced by a custodial agreement to contain terms and conditions reasonably satisfactory to the Issuer and the Indenture Trustee.

(e) Notifications. The Indenture Trustee at the expense of the Issuer shall promptly forward to the Issuer and the Servicer a copy of each notice, request, report, or other document relating to any Issuer Document included in the Collateral that is received by a Responsible Officer of the Indenture Trustee from any Person other than the Issuer or the Servicer on and after the Closing Date

(f) Releases. If at any time all or any part of the Collateral is to be sold, transferred, assigned or otherwise disposed of by the Issuer or the Indenture Trustee or any Person on its or their behalf (but in any such case only as required or permitted by the Operative Agreements), the Indenture Trustee upon receipt of written notice from the Issuer or the Administrator, which notice shall be delivered at least five (5) Business Days prior to such sale, transfer, assignment or disposal, on or prior to the date of such sale, transfer, assignment or disposal (but not to be effective until the date of such sale, transfer, assignment or disposal) (or, in the case of a Lessee's exercise of a purchase option, on, immediately prior to or after the date of such purchase, as may be requested by the Issuer or the Administrator), at the expense of the Issuer, execute such instruments of release prepared by the Issuer or the Administrator, in recordable form, if necessary, in favor of the Issuer or any other Person as the Issuer or the Administrator may reasonably request, deliver the relevant part of the Collateral in its possession to the Issuer, otherwise release the Security Interest evidenced by this Master Indenture on such Collateral and release and deliver such Collateral to the Issuer and issue confirmation, to the relevant purchaser, transferee, assignee, insurer, and such other Persons as the Issuer may direct, upon being requested to do so by the Issuer, that the relevant Collateral is no longer subject to the Security Interests. Any such release to the Issuer shall be deemed to release or reassign as appropriate in respect of the Collateral such grants and assignments arising hereunder.

At the request of the Issuer, upon the payment in full of all Secured Obligations, including, without limitation, the payment in full in cash of all unpaid principal of and accrued interest on the Equipment Notes and all actual and contingent amounts (other than inchoate indemnification amounts) payable under the Hedge Agreements, the Indenture Trustee shall release the Security Interests in the Portfolio and the other Collateral hereunder. In connection therewith, the Indenture Trustee agrees, at the expense of the Issuer and without the necessity of any consent from any Secured Party, to execute such instruments of release, in recordable form if necessary, in favor of the Issuer as the Issuer may reasonably request in respect of the release of such Portfolio and other Collateral from the Security Interests, and to otherwise release the security interests evidenced by this Master Indenture in and with respect to such Collateral to the Issuer and to issue confirmation to such Persons as the Issuer may direct, upon being requested to do so by the Issuer, that such Collateral is no longer subject to the Security Interests.

In connection with an Optional Redemption, concurrently with the deposit of the Redemption Price into the Redemption/Defeasance Account, if such Optional Redemption shall effect a redemption in whole of a Series of Equipment Notes then Outstanding, the Indenture Trustee shall be deemed to have been authorized to permit a release of Collateral in accordance with this paragraph. In order to effect any such Collateral release, the Servicer on behalf of the Issuer will identify in a Release Identification Letter a pool of individual Railcars and Leases (i) that were originally acquired by the Issuer on or prior to the issuance date of the Series being redeemed or substituted therefor, and (ii) that if such pool were released from the lien of this Master Indenture, would not result in (A) the Issuer being in violation of the Concentration Limits immediately after such proposed release of Collateral, (B) the Issuer's remaining portfolio of Railcars immediately after such proposed release of Collateral having an average age which is more than twenty percent (20%) greater than the average age of the Issuer's portfolio of Railcars immediately prior to such proposed release of Collateral, (C) the Issuer's remaining portfolio of Leases immediately after such proposed release of Collateral having an average remaining term which is less than eighty percent (80%) of the average remaining term of the Issuer's portfolio of Leases immediately prior to such proposed release of Collateral, (D) the Book LTV Ratio immediately after such proposed release of Collateral being greater than the Book LTV Ratio immediately prior to such proposed release of Collateral and (E) the Current LTV Ratio immediately after such proposed release of Collateral being greater than the Current LTV Ratio immediately prior to such proposed release of Collateral. For this purpose:

"**Release Identification Letter**" means a letter from the Servicer (on behalf of the Issuer) addressed to the Indenture Trustee that identifies a pool of Railcars and Leases referred to in the preceding paragraph and certifies as to the satisfaction of the conditions in clause (ii) of the preceding paragraph. The Indenture Trustee shall be entitled to rely conclusively and exclusively on a Release Identification Letter without further investigation in connection with any release contemplated by the preceding paragraph.

"**Book LTV Ratio**" means, as of any date of determination, a ratio equivalent to a fraction, the numerator of which is the Outstanding Principal Balance of the Equipment Notes as of such date of determination, and the denominator of which is the aggregate Adjusted Value of the Portfolio Railcars as of such date of determination.

"**Current LTV Ratio**" means, as of any date of determination, a ratio equivalent to a fraction, the numerator of which is the Outstanding Principal Balance of the Equipment Notes as of such date of determination, and the denominator of which is the aggregate Special Appraised Value of the Portfolio Railcars as of such date of determination.

"**Special Appraised Value**" means the value assigned to the Railcars by Rail Solutions, Inc. or another independent railcar appraiser that is of comparable standing and reputation in the good faith judgment of the Servicer, as performed no earlier than ninety (90) days prior to the release date and obtained by the Servicer at the cost of the Issuer.

5. Exercise of the Issuer's Rights Concerning the Servicing Agreement. The Issuer hereby agrees that, whether or not an Event of Default has occurred and is continuing, so long as this Master Indenture has not been terminated and the Security Interests on the Collateral released, the Indenture Trustee (acting at the Direction of the Requisite Majority) shall have the exclusive right to exercise and enforce all of the rights of the Issuer set forth in Sections 8.2, 8.3, 8.5 (other than the right to propose the list of replacement managers pursuant to Section 8.5(b)) and 8.6 of the Servicing Agreement (including, without limitation, the rights to deliver all notices, declare a Servicer Termination Event, terminate the Servicing Agreement, elect to replace the Servicer and/or elect to appoint a Successor Servicer and select any replacement Servicer, and the right to increase the Servicing Fee and/or add an incentive fee payable to any such Successor Servicer); *provided* that so long as no Event of Default has occurred and is continuing, the Issuer shall retain the non-exclusive right to approve the list of proposed replacement Servicers (such approval not to be unreasonably withheld or delayed) and to deliver notices under Section 8.2 of the Servicing Agreement and declare a Servicer Termination Event thereunder. In furtherance of the foregoing, the Issuer hereby irrevocably appoints the Indenture Trustee as its attorney-in-fact to exercise all rights described in this Granting Clause provision in its place and stead.

ARTICLE I

DEFINITIONS

Section 1.01 Definitions. For purposes of this Master Indenture, the terms set forth in Annex A hereto shall have the meanings indicated in such Annex A.

Section 1.02 Rules of Construction. Unless the context otherwise requires:

(a) A term has the meaning assigned to it and an accounting term not otherwise defined has the meaning assigned to it in accordance with U.S. GAAP.

(b) The terms "herein", "hereof" and other words of similar import refer to this Master Indenture as a whole and not to any particular Article, Section or other subdivision.

(c) Unless otherwise indicated in context, all references to Articles, Sections, Appendices, Exhibits or Annexes refer to an Article or Section of, or an Appendix, Exhibit or Annex to, this Master Indenture.

(d) Words of the masculine, feminine or neuter gender shall mean and include the correlative words of other genders, and words in the singular shall include the plural, and vice versa.

(e) The terms "include", "including" and similar terms shall be construed as if followed by the phrase "without limitation".

(f) References in this Master Indenture to an agreement or other document (including this Master Indenture) mean the agreement or other document and all schedules, exhibits, annexes and other materials that are part of such agreement and include references to such agreement or document as amended, supplemented, restated or otherwise modified in accordance with its terms and the provisions of this Master Indenture, and the provisions of this Master Indenture apply to successive events and transactions.

(g) References in this Master Indenture to any statute or other legislative provision shall include any statutory or legislative modification or re-enactment thereof, or any substitution therefor.

(h) References in this Master Indenture to the Equipment Notes of any Series or any Class, as the case may be, include the terms and conditions applicable to the Equipment Notes of such Series or any Class, as the case may be, and any reference to any amount of money due or payable by reference to the Equipment Notes of any Series or any Class, as the case may be, shall include any sum covenanted to be paid by the Issuer under this Master Indenture and the related Series Supplement in respect of the Equipment Notes of such Series Class, as applicable.

(i) References in this Master Indenture to any action, remedy or method of judicial proceeding for the enforcement of the rights of creditors or of security shall be deemed to include, in respect of any jurisdiction other than the State of New York, references to such action, remedy or method of judicial proceeding for the enforcement of the rights of creditors or of security available or appropriate in such jurisdiction as shall most nearly approximate such action, remedy or method of judicial proceeding described or referred to in this Master Indenture.

(j) Where any payment is to be made, funds applied or any calculation is to be made hereunder on a day which is not a Business Day, unless this Master Indenture or any other Operative Agreement otherwise provides, such payment shall be made, funds applied and calculation made on the next succeeding Business Day, and payments shall be adjusted accordingly.

(k) For purposes of determining the balance of amounts credited to and/or deposited in an Indenture Account, the "value" of Permitted Investments deposited in and/or credited to an Indenture Account shall be the lower of the acquisition cost thereof and the then fair market value thereof and the "value" of Dollars and cash equivalents of Dollars (other than cash equivalents of Dollars included in the definition of Permitted Investments) shall be the face value thereof.

Section 1.03 Compliance Certificates and Opinions. Upon any application or request by the Issuer to the Indenture Trustee to take any action under any provision of this Master Indenture or any Series Supplement, the Issuer shall furnish to the Indenture Trustee an Officer's

Certificate stating that, in the opinion of the signers thereof, all conditions precedent, if any, provided for in this Master Indenture and/or such Series Supplement relating to the proposed action have been complied with, and, if requested by the Indenture Trustee, an Opinion of Counsel stating that, in the opinion of such counsel, all such conditions precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Master Indenture relating to such particular application or request, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Master Indenture, any Series Supplement or any Indenture Supplement shall include:

(a) a statement that each individual signing such certificate or opinion has read such covenant or condition and the definitions in this Master Indenture, such Series Supplement and/or such Indenture Supplement relating thereto;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of each such individual, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether, in the opinion of each such individual, such condition or covenant has been complied with.

Section 1.04 Acts of Noteholders.

(a) Any direction, consent, waiver or other action provided by this Master Indenture in respect of the Equipment Notes of any Series or Class or the Collateral to be given or taken by the Indenture Trustee at the Direction of Noteholders (including a Control Party or a Requisite Majority) may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Noteholders, Control Party or Requisite Majority, as applicable, in person or by an agent or proxy duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Indenture Trustee, to each Rating Agency where it is hereby expressly required pursuant to this Master Indenture and to the Issuer. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "**Act**" of the Noteholders, Control Party or Requisite Majority signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose under this Master Indenture and any Series Supplement and conclusive in favor of the Indenture Trustee or the Issuer, if made in the manner provided in this Section.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the certificate of any notary public or other officer of any jurisdiction

authorized to take acknowledgments of deeds or administer oaths that the Person executing such instrument acknowledged to him the execution thereof, or by an affidavit of a witness to such execution sworn to before any such notary or such other officer and where such execution is by an officer of a corporation or association, trustee of a trust or member of a partnership, on behalf of such corporation, association, trust or partnership, such certificate or affidavit shall also constitute sufficient proof of his authority. The fact and date of the execution of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any other reasonable manner that the Indenture Trustee deems sufficient.

(c) In determining whether Noteholders, any Control Party or any Requisite Majority shall have given any direction, consent, request, demand, authorization, notice, waiver or other Act (any of the foregoing may be referred to as a "**Direction**") under this Master Indenture or any Series Supplement (including without limitation any consent pursuant to Sections 4.04 or 9.02(a) hereof), Equipment Notes legally or beneficially owned by any Issuer Group Member shall be disregarded and deemed not to be Outstanding for purposes of any such determination. In determining whether the Indenture Trustee shall be protected in relying upon any such Direction, only Equipment Notes that a Responsible Officer of the Indenture Trustee actually knows to be so owned shall be so disregarded. Notwithstanding the foregoing, if any such Persons legally or beneficially own 100% of the Equipment Notes then Outstanding then such Equipment Notes shall not be so disregarded as aforesaid.

(d) The Issuer may at its option, by delivery of an Officer's Certificate to the Indenture Trustee, set a record date other than the Record Date to determine the Noteholders in respect of the Equipment Notes of any Series entitled to give any Direction in respect of such Equipment Notes. Such record date shall be the record date specified in such Officer's Certificate which shall be a date not more than 30 days prior to the first solicitation of Noteholders in connection therewith. If such a record date is fixed, such Direction may be given before or after such record date, but only the Noteholders of record of such Series at the close of business on such record date shall be deemed to be Noteholders for the purposes of determining whether Noteholders of the requisite proportion of Outstanding Equipment Notes of such Series have authorized or agreed or consented to such Direction, and for that purpose the Outstanding Equipment Notes of such Series shall be computed as of such record date; *provided* that no such Direction by the Noteholders on such record date shall be deemed effective unless it shall become effective pursuant to the provisions of this Master Indenture not later than one year after the related record date.

(e) Any Direction or other action by a Noteholder of an Equipment Note (including a Control Party or a Requisite Majority) shall bind the Noteholder of every Equipment Note issued upon the transfer thereof or in exchange therefor or in lieu thereof, whether or not notation of such action is made upon such Equipment Note.

ARTICLE II

THE EQUIPMENT NOTES

Section 2.01 Authorization, Issuance and Authentication of the Equipment Notes; Amount of Outstanding Principal Balance; Terms; Form; Execution and Delivery.

(a) The number of Series which may be created by this Master Indenture is not limited. The Equipment Notes shall be issued in such Series as may from time to time be created by Series Supplements pursuant to this Master Indenture and may be issued in such Classes within a Series as may be authorized by the related Series Supplement for such Series. Each Series shall be created by a separate Series Supplement and shall be identified in a manner sufficient to differentiate the Equipment Notes of each such Series from the Equipment Notes of any other Series. The Equipment Notes of each Series will rank pari passu with the Equipment Notes of each other Series upon the occurrence and during the continuance of an Event of Default, and otherwise will be paid in accordance with the Flow of Funds.

(b) Upon satisfaction of and compliance with the requirements and conditions to closing set forth in the related Series Supplement, Equipment Notes of the applicable Series to be executed and delivered on a particular Closing Date pursuant to such Series Supplement may be executed by the Issuer and delivered to the Indenture Trustee for authentication following the execution and delivery of the related Series Supplement creating such Series or from time to time thereafter, and the Indenture Trustee shall authenticate and deliver Equipment Notes of such Series upon the Issuer's request and direction set forth in an Officer's Certificate of the Issuer signed by one of its Responsible Officers, without further action on the part of the Issuer. Notwithstanding anything to the contrary contained hereunder or in any Series Supplement, any such authentication may be made on separate counterparts and by facsimile.

(c) There shall be issued, delivered and authenticated on the relevant Closing Date to each of the Noteholders identified on such Equipment Notes, Equipment Notes in the principal amounts and maturities and bearing interest at the Stated Rate, in each case in registered form and substantially in the form set forth in an exhibit to the applicable Series Supplement, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Master Indenture, and may have such letters, numbers or other marks of identification and such legends or endorsements printed, lithographed, typewritten or engraved thereon, as may be required to comply with the rules of any securities exchange on which such Equipment Notes may be listed or to conform to any usage in respect thereof, or as may, consistently herewith, be prescribed by the Indenture Trustee executing such Equipment Notes, such determination by said Indenture Trustee to be evidenced by its authentication of such Equipment Notes. Definitive Notes of a Series shall be printed, lithographed, typewritten or engraved or produced by any combination of these methods or may be produced in any other manner permitted by the rules of any securities exchange on which the Equipment Notes may be listed, all as determined by the Indenture Trustee authenticating such Equipment Notes, as evidenced by such authentication.

(i) Each Series of Equipment Notes (or Class thereof) sold in reliance on Rule 144A shall be represented by a single permanent 144A Book-Entry Note

which will be deposited with DTC or its custodian, the Indenture Trustee or an agent of the Indenture Trustee and registered in the name of Cede as nominee of DTC. The 144A Book-Entry Note shall only be transferred to a successor organization subject to the same terms and any other transfers of such 144A Book-Entry Note shall otherwise be limited as necessary in order for the 144A Book-Entry Note to constitute an immobilized obligation for purposes of Internal Revenue Service Notice 2012-20 (or such other guidance as may be adopted under the Code and Treasury Regulations).

(ii) Each Series of Equipment Notes (or Class thereof) offered and sold outside of the United States in reliance on Regulation S shall be represented by a Regulation S Temporary Book-Entry Note, which will be deposited with the Indenture Trustee or an agent of the Indenture Trustee as custodian for and registered in the name of Cede, as nominee of DTC. The Regulation S Temporary Book-Entry Note shall only be transferred to a successor organization subject to the same terms and any other transfers of such Regulation S Temporary Book-Entry Note shall otherwise be limited as necessary in order for the Regulation S Temporary Book-Entry Note to constitute an immobilized obligation for purposes of Internal Revenue Service Notice 2012-20 (or such other guidance as may be adopted under the Code and Treasury Regulations). Beneficial interests in each Regulation S Temporary Book-Entry Note may be held only through Euroclear or Clearstream; *provided, however*, that such interests may be exchanged for interests in a 144A Book-Entry Note or a Definitive Note in accordance with the certification requirements described in Section 2.07 hereof.

(iii) A beneficial owner of an interest in a Regulation S Temporary Book-Entry Note may receive payments in respect of such Regulation S Temporary Book-Entry Notes only after delivery to Euroclear or Clearstream, as the case may be, of a written certification substantially in the form set forth in Exhibit A-1 to this Master Indenture, and upon delivery by Euroclear or Clearstream, as the case may be, to the Indenture Trustee and Note Registrar of a certification or certifications substantially in the form set forth in Exhibit A-2 to this Master Indenture. The delivery by a beneficial owner of the certification referred to above shall constitute its irrevocable instruction to Euroclear or Clearstream, as the case may be, to arrange for the exchange of the beneficial owner's interest in the Regulation S Temporary Book-Entry Note for a beneficial interest in the Unrestricted Book-Entry Note after the Exchange Date in accordance with the paragraph below.

(iv) Not earlier than the Exchange Date, interests in each Regulation S Temporary Book-Entry Note will be exchangeable for interests in the related permanent global note (an "**Unrestricted Book-Entry Note**"). Each Unrestricted Book-Entry Note will be deposited with the Indenture Trustee and registered in the name of Cede as nominee of DTC. After (1) the Exchange Date and (2) receipt by the Indenture Trustee and Note Registrar of written instructions from Euroclear or Clearstream, as the case may be, directing the Indenture Trustee and Note Registrar to credit or cause to be credited to either Euroclear's or Clearstream's, as the case may be, depositary account a beneficial interest in the Unrestricted Book-Entry Note in a principal amount not greater than that of the beneficial interest in the

Regulation S Temporary Book-Entry Note, the Indenture Trustee and Note Registrar shall instruct DTC to reduce the principal amount of the Regulation S Temporary Book-Entry Note and increase the principal amount of the Unrestricted Book-Entry Note, in each case by the principal amount of the beneficial interest in the Regulation S Temporary Book-Entry Note to be so transferred, and to credit or cause to be credited to the account of a Direct Participant a beneficial interest in the Unrestricted Book-Entry Note having a principal amount equal to the reduction in the principal amount of such Regulation S Temporary Book-Entry Note.

(v) Upon the exchange of the entire principal amount of the Regulation S Temporary Book-Entry Note for beneficial interests in the Unrestricted Book-Entry Note, the Indenture Trustee shall cancel the Regulation S Temporary Book-Entry Note in accordance with the Indenture Trustee's policies in effect from time to time.

(vi) No interest in the Regulation S Book-Entry Notes may be held by or transferred to a United States Person except for exchanges for a beneficial interest in a 144A Book-Entry Note or a Definitive Note as described below.

(d) The Equipment Notes shall be executed on behalf of the Issuer by the manual or facsimile signature of an Authorized Representative of the Issuer.

(e) Each Equipment Note bearing the manual or facsimile signatures of any individual who was at the time such Equipment Note was executed an Authorized Representative of the Issuer shall bind the Issuer, notwithstanding that any such individual has ceased to hold such office prior to the authentication and delivery of such Equipment Notes or any payment thereon.

(f) No Equipment Note shall be entitled to any benefit under this Master Indenture or the related Series Supplement or be valid or obligatory for any purpose, unless it shall have been executed on behalf of the Issuer as provided in clause (b) and (e) above and authenticated by or on behalf of the Indenture Trustee as provided in clause (b) above. Such signatures shall be conclusive evidence that such Equipment Note has been duly executed and authenticated under this Master Indenture and the related Series Supplement. Each Equipment Note shall be dated the date of its authentication.

Section 2.02 Restrictive Legends. Each 144A Book-Entry Note, each Regulation S Temporary Book-Entry Note, each Unrestricted Book-Entry Note and each Definitive Note (and all Equipment Notes issued in exchange therefor or upon registration of transfer or substitution thereof) shall bear a legend on the face thereof substantially in the form set forth below (unless counsel to the Issuer advises that a different legend or additional legend is required for any reason):

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR ANY STATE SECURITIES OR "BLUE SKY" LAWS. THE HOLDER HEREOF, BY PURCHASING THIS NOTE, AGREES FOR THE BENEFIT OF TRINITY RAIL LEASING 2018 LLC (THE "ISSUER") THAT THIS NOTE IS BEING ACQUIRED FOR ITS OWN ACCOUNT AND NOT WITH A VIEW TO DISTRIBUTION AND MAY BE RESOLD, PLEDGED

OR OTHERWISE TRANSFERRED ONLY (1) TO THE ISSUER (UPON REDEMPTION THEREOF OR OTHERWISE), (2) TO A PERSON WHOM THE TRANSFEROR REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES TO A PERSON WHO IS NOT A U.S. PERSON (AS SUCH TERM IS DEFINED IN REGULATION S OF THE SECURITIES ACT) IN A TRANSACTION IN COMPLIANCE WITH REGULATION S OF THE SECURITIES ACT OR (4) IN A TRANSACTION COMPLYING WITH OR EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (SUBJECT IN THE CASE OF THIS CLAUSE (4) TO RECEIPT OF AN OPINION OF COUNSEL AND SUCH CERTIFICATES AND OTHER DOCUMENTS AS THE INDENTURE TRUSTEE MAY REQUIRE UNDER THE INDENTURE REFERRED TO BELOW), IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION. THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER FROM IT OF THE RESALE RESTRICTIONS SET FORTH ABOVE.

BY ITS ACQUISITION OF ANY NOTE, EACH PURCHASER AND TRANSFEREE (AND ITS FIDUCIARY, IF APPLICABLE) WILL BE DEEMED TO HAVE REPRESENTED AND WARRANTED EITHER THAT (A) IT IS NOT AND IS NOT USING THE ASSETS OF AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3 (3) OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974 (“ERISA”) THAT IS SUBJECT TO THE PROVISIONS OF TITLE I OF ERISA, A PLAN DEFINED BY AND SUBJECT TO SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF AN EMPLOYEE BENEFIT PLAN'S OR OTHER PLAN'S INVESTMENT IN SUCH ENTITY (EACH OF THE FOREGOING, A “BENEFIT PLAN INVESTOR”), OR A GOVERNMENTAL PLAN, NON-U.S. PLAN OR CHURCH PLAN SUBJECT TO ANY FEDERAL, STATE, LOCAL OR OTHER LAW THAT IS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("SIMILAR LAW"), OR (B) (1) THE PURCHASE AND HOLDING OF SUCH NOTE WILL NOT RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR A VIOLATION OF SIMILAR LAW AND (2) IF THE PURCHASER OR TRANSFEREE IS A BENEFIT PLAN INVESTOR, THE DECISION TO ACQUIRE AND HOLD SUCH NOTE HAS BEEN MADE BY A FIDUCIARY THAT IS AN “INDEPENDENT FIDUCIARY WITH FINANCIAL EXPERTISE” AS DESCRIBED IN 29 C.F.R. SECTION 2510.3-21(c)(1).

[In the case of Book-Entry Notes:

THIS NOTE IS A GLOBAL BOOK-ENTRY NOTE WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE THEREOF. THIS NOTE MAY

NOT BE EXCHANGED IN WHOLE OR IN PART FOR A NOTE REGISTERED, AND NO TRANSFER OF THIS NOTE IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN SUCH DEPOSITARY OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE REFERRED TO BELOW.

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY NOTE 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.

TRANSFERS OF THIS NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF THE DEPOSITORY TRUST COMPANY OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE, AND TRANSFERS OF PORTIONS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO BELOW.]

Section 2.03 Note Registrar and Paying Agent.

(a) With respect to each Series of Equipment Notes, there shall at all times be maintained an office or agency in the location set forth in Section 13.04 hereof where Equipment Notes of such Series may be presented or surrendered for registration of transfer or for exchange (each, a "**Note Registrar**"), and for payment thereof (each, a "**Paying Agent**") and where notices to or demands upon the Issuer in respect of such Equipment Notes may be served. For so long as any Series of Equipment Notes is listed on any stock exchange, the Issuer shall appoint and maintain a Paying Agent and a Note Registrar acting for this purpose as an agent of the Issuer in the jurisdiction in which such stock exchange is located. The Issuer shall cause each Note Registrar to keep a register of the Equipment Notes for which it is acting as Note Registrar and of their transfer and exchange (the "**Register**"), which shall include the name and address of, and the Outstanding Principal Balance owing to, each Noteholder. Written notice of the location of each such other office or agency and of any change of location thereof shall be given by the Indenture Trustee to the Issuer and the Noteholders of the Equipment Notes of such Series. In the event that no such office or agency shall be maintained or no such notice of location or of change of location shall be given, presentations and demands may be made and notices may be served at the Corporate Trust Office of the Indenture Trustee. Notwithstanding anything to the contrary in this Master Indenture, the entries in the Register shall be conclusive, in the absence of manifest error, and the Issuer, the Indenture Trustee, and the Noteholders shall treat each Person in whose name an Equipment Note is registered as the beneficial owner thereof (including with respect to all payments of principal and stated interest thereon) for all purposes of this Master

Indenture. No transfer of an Equipment Note shall be effective unless such transfer has been recorded in the Register as provided in this Section. The Indenture Trustee shall initially be a Paying Agent and Securities Registrar hereunder with respect to the Equipment Notes.

(b) Each Authorized Agent in the location set forth in Section 13.04 shall be a bank or trust company, shall be a corporation organized and doing business under the laws of the United States or any state or territory thereof or of the District of Columbia, with a combined capital and surplus of at least $75,000,000 (or having a combined capital and surplus in excess of $5,000,000 and the obligations of which, whether now in existence or hereafter incurred, are fully and unconditionally guaranteed by a corporation organized and doing business under the laws of the United States, any state or territory thereof or of the District of Columbia and having a combined capital and surplus of at least $75,000,000) and shall be authorized under the laws of the United States or any state or territory thereof to exercise corporate trust powers, subject to supervision by Federal or state authorities (such requirements, the "**Eligibility Requirements**"). Each Note Registrar other than the Indenture Trustee shall furnish to the Indenture Trustee, at stated intervals of not more than six months, and at such other times as the Indenture Trustee may request in writing, a copy of the Register maintained by such Note Registrar.

(c) Any corporation into which any Authorized Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, consolidation or conversion to which any Authorized Agent shall be a party, or any corporation succeeding to the corporate trust business of any Authorized Agent, shall be the successor of such Authorized Agent hereunder, if such successor corporation is otherwise eligible under this Section, without the execution or filing of any paper or any further act on the part of the parties hereto or such Authorized Agent or such successor corporation.

(d) Any Authorized Agent may at any time resign by giving written notice of resignation to the Indenture Trustee and the Issuer. The Issuer may, and at the request of the Indenture Trustee shall, at any time terminate the agency of any Authorized Agent by giving written notice of termination to such Authorized Agent and to the Indenture Trustee. Upon the resignation or termination of an Authorized Agent or if at any time any such Authorized Agent shall cease to be eligible under this Section (when, in either case, no other Authorized Agent performing the functions of such Authorized Agent shall have been appointed by the Indenture Trustee), the Issuer shall promptly appoint one or more qualified successor Authorized Agents to perform the functions of the Authorized Agent that has resigned or whose agency has been terminated or who shall have ceased to be eligible under this Section. The Issuer shall give written notice of any such appointment made by it to the Indenture Trustee; and in each case the Indenture Trustee shall mail notice of such appointment to all Noteholders of the Equipment Notes of the related Series as their names and addresses appear on the Register for the Equipment Notes of such Series.

(e) The Issuer agrees to pay, or cause to be paid, from time to time reasonable compensation to each Authorized Agent for its services and to reimburse it for its reasonable expenses to be agreed to pursuant to separate agreements with each such Authorized Agent.

Section 2.04 Paying Agent to Hold Money in Trust. The Indenture Trustee shall require each Paying Agent other than the Indenture Trustee to agree in writing that all moneys

deposited with any Paying Agent for the purpose of any payment on the Equipment Notes shall be deposited and held in trust for the benefit of the Noteholders entitled to such payment, subject to the provisions of this Section. Moneys so deposited and held in trust shall constitute a separate trust fund for the benefit of the Noteholders with respect to which such money was deposited. No Paying Agent shall hold monies payable by the Issuer to Hedge Providers.

The Indenture Trustee may at any time, for the purpose of obtaining the satisfaction and discharge of this Master Indenture or for any other purpose, direct any Paying Agent to pay to the Indenture Trustee all sums held in trust by such Paying Agent; and, upon such payment by any Paying Agent to the Indenture Trustee, such Paying Agent shall be released from all further liability with respect to such moneys.

Section 2.05 Method of Payment.

(a) On each Payment Date, the Indenture Trustee shall, or shall instruct a Paying Agent to, pay to the Noteholders of each Series all interest, principal and premium, if any, on the Equipment Notes of such Series required to be paid on such Payment Date, in each case to the extent of the Available Collections Amount and pursuant to the Flow of Funds; *provided*, that in the event and to the extent receipt of any payment is not confirmed by the Indenture Trustee or such Paying Agent by noon (New York City time) on such Payment Date or any Business Day thereafter, distribution thereof shall be made on the Business Day following the Business Day such payment is received; and *provided further*, that payment on a Regulation S Temporary Book-Entry Note shall be made to the Noteholder thereof only in conformity with Section 2.05(c) hereof. Each such payment on any Payment Date other than the final payment with respect to any Series of Equipment Notes shall be made by the Indenture Trustee or Paying Agent to the Noteholders as of the Record Date for such Payment Date. The final payment with respect to any Equipment Note, however, shall be made only upon presentation and surrender of such Equipment Note by the Noteholder or its agent at the Corporate Trust Office or agency of the Indenture Trustee or Paying Agent specified in the notice given by the Indenture Trustee or Paying Agent with respect to such final payment.

(b) At such time, if any, as the Equipment Notes of any Series are issued in the form of Definitive Notes, payments on a Payment Date shall be made by check mailed to each Noteholder of a Definitive Note on the applicable Record Date at its address appearing on the Register maintained with respect to such Series. Alternatively, upon application in writing to the Indenture Trustee, not later than the applicable Record Date, by a Noteholder of one or more Definitive Notes of such Series having an aggregate original principal amount of not less than $1,000,000, any such payments shall be made by wire transfer to an account designated by such Noteholder at a financial institution in New York, New York; *provided* that the final payment for each Series of Equipment Notes shall be made only upon presentation and surrender of the Definitive Notes of such Series by the Noteholder or its agent at the Corporate Trust Office or agency of the Indenture Trustee or Paying Agent specified in the notice of such final payment given by the Indenture Trustee or Paying Agent. The Indenture Trustee or Paying Agent shall mail such notice of the final payment of such Series to each of the Noteholders of such Series, specifying the date and amount of such final payment.

(c) The beneficial owner of a Regulation S Temporary Book-Entry Note of any Series may arrange to receive interest, principal and premium payments through Euroclear or Clearstream on such Regulation S Temporary Book-Entry Note only after delivery by such beneficial owner to Euroclear or Clearstream, as the case may be, of a written certification substantially in the form of Exhibit A-3 hereto, and upon delivery of Euroclear or Clearstream, as the case may be, to the Paying Agent of a certification or certifications substantially in the form of Exhibit A-4 hereto. No interest, principal or premium shall be paid to any beneficial owner and no interest, principal or premium shall be paid to Euroclear or Clearstream on such beneficial owner's interest in a Regulation S Temporary Book-Entry Note unless Euroclear or Clearstream, as the case may be, has provided such a certification to the Paying Agent with respect to such interest, principal and/or premium.

Section 2.06 Minimum Denomination. Unless otherwise specified in the Series Supplement for a Series, each Equipment Note shall be issued in minimum denominations of $100,000 and integral multiples of $1,000 in excess thereof; *provided* that, notwithstanding anything to the contrary herein, one Equipment Note of each Class of a Series may be issued with such excess in integral multiples of $1.

Section 2.07 Exchange Option. If the holder (other than an Initial Purchaser) of a beneficial interest in an Unrestricted Book-Entry Note deposited with DTC wishes at any time to exchange its interest in the Unrestricted Book-Entry Note, or to transfer its interest in the Unrestricted Book-Entry Note to a Person who wishes to take delivery thereof in the form of an interest in the 144A Book-Entry Note, the holder may, subject to the rules and procedures of Euroclear or Clearstream and DTC, as the case may be, give directions for the Indenture Trustee and Note Registrar to exchange or cause the exchange or transfer or cause the transfer of the interest for an equivalent beneficial interest in the 144A Book-Entry Note. Upon receipt by the Indenture Trustee and Note Registrar of (a) instructions from Euroclear or Clearstream (based on instructions from depositaries for Euroclear and Clearstream) or from a DTC Participant, as applicable, or DTC, as the case may be, directing the Indenture Trustee and Note Registrar to credit or cause to be credited a beneficial interest in the 144A Book-Entry Note equal to the beneficial interest in the Unrestricted Book-Entry Note to be exchanged or transferred (such instructions to contain information regarding the DTC Participant account to be credited with the increase, and, with respect to an exchange or transfer of an interest in the Unrestricted Book-Entry Note, information regarding the DTC Participant account to be debited with the decrease), and (b) a certificate in the form of Exhibit A-8, given by the Noteholder (and the proposed transferee, if applicable), the Indenture Trustee and Note Registrar shall instruct DTC to reduce the Unrestricted Book-Entry Note by the aggregate principal amount of the beneficial interest in the Unrestricted Book-Entry Note to be exchanged or transferred, and the Indenture Trustee shall instruct DTC, concurrently with the reduction, to increase the principal amount of the 144A Book-Entry Note by the aggregate principal amount of the beneficial interest in the Unrestricted Book-Entry Note to be so exchanged or transferred, and to credit or cause to be credited to the account of the Person specified in the instructions a beneficial interest in the 144A Book-Entry Note equal to the reduction in the principal amount of the Unrestricted Book-Entry Note.

If a holder (other than an Initial Purchaser) of a beneficial interest in the 144A Book-Entry Note wishes at any time to exchange its interest in the 144A Book-Entry Note for an interest in a Regulation S Book-Entry Note, or to transfer its interest in the 144A Book-Entry

Note to a Person who wishes to take delivery thereof in the form of an interest in the Regulation S Book-Entry Note, the holder may, subject to the rules and procedures of DTC, give directions for the Indenture Trustee and Note Registrar to exchange or cause the exchange or transfer or cause the transfer of the interest for an equivalent beneficial interest in the Regulation S Book-Entry Note. Upon receipt by the Indenture Trustee and Note Registrar of (a) instructions given in accordance with DTC's procedures from a DTC Participant directing the Indenture Trustee and Note Registrar to credit or cause to be credited a beneficial interest in the Regulation S Book-Entry Note in an amount equal to the beneficial interest in the 144A Book-Entry Note to be exchanged or transferred, (b) a written order given in accordance with DTC's procedures containing information regarding the account of the depositaries for Euroclear or Clearstream or another Clearing Agency Participant, as the case may be, to be credited with the increase and the name of the account and (c) certificates in the forms of Exhibits A-5 and A-7 hereto, respectively, given by the Noteholder and the proposed transferee of the interest, the Indenture Trustee and Note Registrar shall instruct DTC to reduce the 144A Book-Entry Note by the aggregate principal amount of the beneficial interest in the 144A Book-Entry Note to be so exchanged or transferred and the Indenture Trustee and Note Registrar shall instruct DTC, concurrently with the reduction, to increase the principal amount of the Regulation S Book-Entry Note by the aggregate principal amount of the beneficial interest in the 144A Book-Entry Note to be so exchanged or transferred, and to credit or cause to be credited to the account of the Person specified in the instructions a beneficial interest in the Regulation S Book-Entry Note equal to the reduction in the principal amount of the 144A Book-Entry Note.

Notwithstanding anything to the contrary herein, an Initial Purchaser may exchange beneficial interests in the Regulation S Temporary Book-Entry Note held by it for interests in the 144A Book-Entry Note only after delivery by the Initial Purchaser of instructions to DTC for the exchange, substantially in the form of Exhibit A-6 hereto. Upon receipt of the instructions provided in the preceding sentence, the Indenture Trustee and Note Registrar shall instruct DTC to reduce the principal amount of the Regulation S Temporary Book-Entry Note to be so transferred and shall instruct DTC to increase the principal amount of the 144A Book-Entry Note and credit or cause to be credited to the account of the placement agent a beneficial interest in the 144A Book-Entry Note having a principal amount equal to the amount by which the principal amount of the Regulation S Temporary Book-Entry Note was reduced upon the transfer pursuant to the instructions provided in the first sentence of this paragraph.

If a Book-Entry Note is exchanged for a Definitive Note, such Equipment Notes may be exchanged or transferred for one another only in accordance with such procedures as are substantially consistent with the provisions of the three immediately preceding paragraphs (including the certification requirements intended to ensure that the exchanges or transfers comply with Rule 144 or Regulation S, as the case may be) and as may be from time to time adopted by the Indenture Trustee.

Section 2.08 Mutilated, Destroyed, Lost or Stolen Equipment Notes. If any Equipment Note shall become mutilated, destroyed, lost or stolen, the Issuer shall issue, upon the written request of the Noteholder thereof and presentation of the Equipment Note or satisfactory evidence of destruction, loss or theft thereof to the Indenture Trustee or Note Registrar, and the Indenture Trustee shall authenticate and the Indenture Trustee or Note Registrar shall deliver in exchange therefor or in replacement thereof, a new Equipment Note of the same Series and Class

(if applicable), payable to such Noteholder in the same principal amount, of the same maturity, with the same payment schedule, bearing the same interest rate and dated the date of its authentication. If the Equipment Note being replaced has become mutilated, such Equipment Note shall be surrendered to the Indenture Trustee or a Note Registrar and forwarded to the Issuer by the Indenture Trustee or such Note Registrar. If the Equipment Note being replaced has been destroyed, lost or stolen, the Noteholder thereof shall furnish to the Issuer, the Indenture Trustee or a Note Registrar (i) such security or indemnity as may be required by them to save the Issuer, the Indenture Trustee and such Note Registrar harmless and (ii) evidence satisfactory to the Issuer, the Indenture Trustee and such Note Registrar of the destruction, loss or theft of such Equipment Note and of the ownership thereof. The Noteholder will be required to pay any tax or other governmental charge imposed in connection with such exchange or replacement and any other expenses (including the fees and expenses of the Indenture Trustee and any Note Registrar) connected therewith.

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

Section 2.10 Book-Entry Registration.

(a) Upon the issuance of any Book-Entry Notes, DTC or its custodian will credit, on its book-entry registration and transfer system, the respective principal amounts of the individual beneficial interests represented by such Book-Entry Notes to the accounts of a Direct Participant. Ownership of beneficial interests in a Book-Entry Note will be limited to DTC Participants or Persons who hold interests through DTC Participants. Ownership of beneficial interests in the Book-Entry Notes will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC (with respect to interests of DTC Participants) and the records of DTC Participants (with respect to interests of Persons other than DTC Participants).

(b) So long as DTC, or its nominee, is the registered owner or holder of a Book-Entry Note, DTC or such nominee, as the case may be, will be considered the sole owner or Noteholder represented by such Book-Entry Note for all purposes under this Master Indenture, the Series Supplements and the Book-Entry Notes. Unless (a) DTC notifies the Issuer that it is unwilling or unable to continue as depository for a Book-Entry Note with respect to a Series, (b) the Issuer elects to terminate the book-entry system for the Book-Entry Notes with respect to a Series, or (c) an Event of Default has occurred and the Indenture Trustee acting at the Direction of the Control Party for the applicable Series certifies that continuation of a book-entry system through DTC (or a successor) for the Equipment Notes of such Series is no longer in the best interests of the Noteholders of such Series, owners of beneficial interests in a Book-Entry Note of such Series will not be entitled to have any portion of such Book-Entry Note registered in their names, will not receive or be entitled to receive physical delivery of Equipment Notes in definitive form and will not be considered to be the owners or Noteholders under this Master Indenture, the applicable Series Supplement or the Book-Entry Notes. In addition, no beneficial owner of an interest in a Book-Entry Note will be able to transfer that interest except in

accordance with DTC's applicable procedures (in addition to those under the related Series Supplement, if applicable, and, if applicable, those of Clearstream and Euroclear).

(c) Investors may hold their interest in a Regulation S Book-Entry Note through Clearstream or Euroclear, if they are participants in such systems, or indirectly through organizations that are participants in such systems. After the Exchange Date, investors also may hold such interests through organizations other than Clearstream and Euroclear that are DTC Participants. Clearstream and Euroclear will hold interests in a Regulation S Book-Entry Note on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositaries, which in turn will hold such interests in a Regulation S Book-Entry Note in customers' accounts in the depositaries' names on the books of DTC. Citibank, N.A. will initially act as depositary for Clearstream and Morgan Guaranty Trust Company of New York, Brussels Office, will initially act as depositary for Euroclear. Investors may hold their interests in a 144A Book-Entry Note directly through DTC, if they are DTC Participants, or indirectly through organizations that are DTC Participants.

(d) All payments of principal and interest will be made by the Paying Agent on behalf of the Issuer in immediately available funds or the equivalent, so long as DTC continues to make its Same-Day Funds Settlement System available to the Issuer.

None of the Issuer, the Note Registrar, the Paying Agent or the Indenture Trustee shall be liable for any delay in delivery of such instructions and may conclusively rely on, and shall be fully protected in relying on, such registration instructions. Upon the issuance of Definitive Notes, the Indenture Trustee shall recognize the Persons in whose name the Definitive Notes are registered in the Register as Noteholders hereunder. Neither the Issuer nor the Indenture Trustee shall be liable if the Indenture Trustee or the Issuer is unable to locate a qualified successor Noteholder.

Definitive Notes of a Series will be transferable and exchangeable for Definitive Notes of the same Series at the office of the Indenture Trustee or the office of a Note Registrar upon compliance with the requirements set forth herein. In the case of a transfer of only part of a holding of Definitive Notes, a new Definitive Note shall be issued to the transferee in respect of the part transferred and a new Definitive Note in respect of the balance of the holding not transferred shall be issued to the transferor and may be obtained at the office of the applicable Note Registrar.

(e) Any beneficial interest in one of the Book-Entry Notes of any Series that is transferred to a Person who takes delivery in the form of an interest in another Book-Entry Note of the same Series will, upon transfer, cease to be an interest in such Book-Entry Note and become an interest in such other Book-Entry Note and, accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to beneficial interests in such other Book-Entry Note for as long as it remains such an interest.

(f) Any Definitive Note delivered in exchange for an interest in a 144A Book-Entry Note pursuant to Section 2.07 shall bear the Private Placement Legend applicable to a 144A Book-Entry Note set forth in Section 2.02 hereof.

(g) Any Definitive Note delivered in exchange for an interest in an Unrestricted Book-Entry Note pursuant to Section 2.07 shall bear the Private Placement Legend applicable to a Unrestricted Book-Entry Note set forth in Section 2.02 hereof.

Section 2.11 Special Transfer Provisions.

(a) Transfers to Non-QIB Institutional Accredited Investors. The following provisions shall apply with respect to the registration of any proposed transfer of an Equipment Note (other than a Regulation S Temporary Book-Entry Note) or any interest therein to any Institutional Accredited Investor which is not a QIB (excluding Non-U.S. Persons):

(i) The Note Registrar shall register the transfer of any Equipment Note, whether or not such Equipment Note bears the Private Placement Legend, if the proposed transferee has delivered to the Note Registrar (A) a certificate substantially in the form of Exhibit B hereto and (B) an Opinion of Counsel acceptable to the Issuer that such transfer is in compliance with the Securities Act.

(ii) If the proposed transferor is a Direct Participant holding a beneficial interest in the 144A Book-Entry Note, upon receipt by the Note Registrar of (x) the documents, if any, required by paragraph (i) and (y) instructions given in accordance with the DTC's and the Note Registrar's procedures, the Note Registrar shall reflect on its books and records the date and a decrease in the principal amount of the 144A Book-Entry Note in an amount equal to the principal amount of the beneficial interest in the 144A Book-Entry Note to be transferred, and the Issuer shall execute, and the Indenture Trustee shall authenticate and deliver, one or more Definitive Notes of like tenor and amount.

(b) Transfers to QIBs. The following provisions shall apply with respect to the registration of any proposed transfer of an interest in a 144A Book-Entry Note or a Definitive Note issued in exchange for an interest in such 144A Book-Entry Note in accordance with this Section 2.11(b) to a QIB (excluding Non-U.S. Persons):

(i) If the Equipment Note to be transferred consists of (x) Definitive Notes, the Note Registrar shall register the transfer if such transfer is being made by a proposed transferor who delivers a certificate in the form of Exhibit A-8 hereto to the Issuer and the Note Registrar, or has otherwise advised the Issuer and the Note Registrar in writing, that the sale has been made in compliance with the provisions of Rule 144A to a transferee who has advised the Issuer and the Note Registrar in writing, that it is purchasing the Equipment Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account are QIBs within the meaning of Rule 144A, are aware that the sale to it is being made in reliance on Rule 144A and acknowledge that they have received such information regarding the Issuer as they have requested pursuant to Rule 144A or have determined not to request such information and that they are aware that the transferor is relying upon their foregoing representations in order to claim the exemption from registration provided by Rule 144A or (y) an interest in a 144A Book-Entry Note, the transfer of such interest may be effected only through the book-entry system maintained by the DTC.

(ii) If the proposed transferee is a Direct Participant, and the Equipment Note to be transferred is a Definitive Note, upon receipt by the Note Registrar of the documents referred to in clause (i) and instructions given in accordance with the DTC's and the Note Registrar's procedures, the Note Registrar shall reflect on its books and records the date and an increase in the principal amount at maturity of the 144A Book-Entry Note in an amount equal to the principal amount at maturity of the Definitive Note to be transferred, and the Indenture Trustee shall cancel the Definitive Note so transferred.

(c) Transfers of Interests in a Regulation S Temporary Book-Entry Note. The following provisions shall apply with respect to registration of any proposed transfer of interests in a Regulation S Temporary Book-Entry Note:

(i) The Note Registrar shall register the transfer of any interest in a Regulation S Temporary Book-Entry Note (x) if the proposed transferee is a Non-U.S. Person and the proposed transferor has delivered to the Note Registrar a certificate substantially in the form of Exhibit A-7 hereto or (y) if the proposed transferee is a QIB and the proposed transferor has checked the box provided for on the form of such Equipment Note stating, or has otherwise advised the Issuer and the Note Registrar in writing, that the sale has been made in compliance with the provisions of Rule 144A to a transferee who has advised the Issuer and the Note Registrar in writing, that it is purchasing such Equipment Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account are QIBs within the meaning of Rule 144A, are aware that the sale to them is being made in reliance on Rule 144A and acknowledge that they have received such information regarding the Issuer as they have requested pursuant to Rule 144A or have determined not to request such information and that they are aware that the transferor is relying upon their foregoing representations in order to claim the exemption from registration provided by Rule 144A.

(ii) If the proposed transferee is a Direct Participant that provides the documents referred to in clause (i)(y) above, upon receipt by the Note Registrar of such documents and instructions given in accordance with DTC's and the Note Registrar's procedures, the Note Registrar shall reflect on its books and records the date and an increase in the principal amount of the 144A Book-Entry Note of the relevant Series, in an amount equal to the principal amount of the Regulation S Temporary Book-Entry Note of such Series to be transferred, and the Indenture Trustee shall decrease the amount of the Regulation S Temporary Book-Entry Note of such Series.

(d) Transfers of Interests in an Unrestricted Book-Entry Note. The Note Registrar shall register any transfer of interests in an Unrestricted Book-Entry Note, or a Definitive Note issued in exchange for an interest in a Regulation S Temporary Book-Entry Note or Unrestricted Book-Entry Note in accordance with Section 2.11(b) hereof, to U.S. Persons in accordance with Section 2.07, or to Non-U.S. Persons in accordance with the applicable procedures of Euroclear or Clearstream and their respective participants.

(e) Transfers to Non-U.S. Persons at any Time. With respect to any transfer of an Equipment Note to a Non-U.S. Person prior to the applicable Exchange Date, the Note Registrar shall register any proposed transfer of a Regulation S Temporary Book-Entry Note to a Non-U.S. Person upon receipt of a certificate substantially in the form of Exhibit A-7 hereto from the proposed transferor.

(f) ERISA Transfer Restrictions. Each purchaser and subsequent transferee of any Equipment Note will be deemed to have represented and warranted either that (i) it is not and is not using the assets of an employee benefit plan (as defined in Section 3(3) of ERISA) that is subject to the provisions of Title I of ERISA, a plan defined by and subject to Section 4975 of the Code, an entity, whose underlying assets include "plan assets" by reason of an employee benefit plans or other plan's investment in such entity, or a governmental plan, non-U.S. plan or church plan subject to any federal, state, local or other law that is substantially similar to Section 406 of ERISA or 4975 of the Code ("**Similar Law**"), or (ii) the purchase and holding of the Equipment Note will not result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation of Similar Law.

(g) General. By its acceptance of any Equipment Note bearing the Private Placement Legend, each Noteholder of such Equipment Note acknowledges the restrictions on transfer of such Equipment Note set forth in this Master Indenture and in the Private Placement Legend and agrees that it will transfer such Equipment Note only as provided in this Master Indenture. The Note Registrar shall not register a transfer of any Equipment Note unless such transfer complies with the restrictions on transfer of such Equipment Note set forth in this Master Indenture. In connection with any transfer of Equipment Notes, each Noteholder agrees by its acceptance of its Equipment Notes to furnish the Indenture Trustee the certifications and legal opinions described herein to confirm that such transfer is being made pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act; *provided* that the Indenture Trustee shall not be required to determine (but may rely on a determination made by the Issuer with respect to) the sufficiency of any such legal opinions.

Section 2.12 Temporary Definitive Notes. Pending the preparation of Definitive Notes of a Series, the Issuer may execute and the Indenture Trustee may authenticate and deliver temporary Definitive Notes of such Series which are printed, lithographed, typewritten or otherwise produced, in any denomination, containing substantially the same terms and provisions as are set forth in the applicable exhibit to the related Series Supplement, except for such appropriate insertions, omissions, substitutions and other variations relating to their temporary nature as the Authorized Representative of the Issuer executing such temporary Definitive Notes may determine, as evidenced by his execution of such temporary Definitive Notes.

If temporary Definitive Notes of a Series are issued, the Issuer will cause Definitive Notes of such Series to be prepared without unreasonable delay. After the preparation of Definitive Notes of such Series, the temporary Definitive Notes shall be exchangeable for Definitive Notes upon surrender of such temporary Definitive Notes at the Corporate Trust Office of the Indenture Trustee, without charge to the Noteholder thereof. Upon surrender for cancellation of any one or more temporary Definitive Notes, the Issuer shall execute and the Indenture Trustee shall authenticate and deliver in exchange therefor Definitive Notes of the same Series, in authorized denominations and in the same aggregate principal amounts. Until so

exchanged, such temporary Definitive Notes shall in all respects be entitled to the same benefits under this Master Indenture as Definitive Notes.

Section 2.13 Statements to Noteholders.

(a) With respect to each Collection Period, the Issuer shall, not later than the last Business Day before the Payment Date immediately following the last day of such Collection Period, cause the Administrator to deliver to the Indenture Trustee, and the Indenture Trustee shall (or shall instruct any Paying Agent to) promptly thereafter (but not later than such Payment Date) distribute to each Rating Agency, each Hedge Provider and each Liquidity Facility Provider, and to each Noteholder of record with respect to such Payment Date, a report, substantially in the form attached as Exhibit C-1 hereto prepared by the Administrator or Servicer and setting forth the information described therein (each, a "**Monthly Report**"). Beginning in 2019, the Issuer shall cause the Administrator or Servicer to deliver to the Indenture Trustee with the Monthly Report for each June, and the Indenture Trustee shall (or shall instruct any Paying Agent to) distribute with the Monthly Report for each June to the Persons described in the first sentence in this Section 2.13(a), a report, substantially in the form attached as Exhibit C-2 hereto prepared by the Administrator or Servicer and setting forth the information described therein (each, an "**Annual Report**"). The Indenture Trustee shall deliver, promptly upon written request, a copy of each Monthly Report and Annual Report to any Noteholder or other Secured Party and, at the written request of any Noteholder, to any prospective purchaser of any Equipment Notes from such Noteholder. If any Series of Equipment Notes is then listed on any stock exchange, the Indenture Trustee also shall provide a copy of each Monthly Report and each Annual Report to the applicable listing agent on behalf of such stock exchange.

(b) After the end of each calendar year but not later than the latest date permitted by law, the Administrator or Servicer shall deliver to the Indenture Trustee, and the Indenture Trustee shall (or shall instruct any Paying Agent to) furnish to each Person who at any time during such calendar year was a Noteholder of record of any Equipment Notes, a statement (for example, a Form 1099 or any other means required by law) prepared by the Administrator or Servicer containing such information as is required to be provided to such Person for U.S. federal income tax purposes with respect to each Series of Equipment Notes for such calendar year or, in the event such Person was a Noteholder of record of any Series during only a portion of such calendar year, for the applicable portion of such calendar year, and such other items as are readily available to the Administrator or Servicer and which a Noteholder shall reasonably request as necessary for the purpose of such Noteholder's preparation of its U.S. federal income or other tax returns. So long as any of the Equipment Notes are registered in the name of DTC or its nominee, such report and such other items will be prepared on the basis of such information supplied to the Administrator by DTC and the Direct Participants, and will be delivered by the Indenture Trustee, when received from the Administrator or Servicer, to DTC for transfer to the applicable beneficial owners in the manner described above. In the event that any such information has been provided by any Paying Agent directly to such Person through other tax-related reports or otherwise, the Indenture Trustee in its capacity as Paying Agent shall not be obligated to comply with such request for information.

(c) At such time, if any, as the Equipment Notes of any Series are issued in the form of Definitive Notes, the Indenture Trustee shall prepare and deliver the information described in Section 2.13(b) to each Noteholder of record of a Definitive Note of such Series for the period of its ownership of such Definitive Note as the same appears on the records of the Indenture Trustee.

(d) Whenever a notice or other communication is required under this Master Indenture to be given to Noteholders of a Series: (i) if any Equipment Notes of such Series are registered with DTC, Euroclear and/or Clearstream, the Indenture Trustee shall give all such notices and communications to DTC, Euroclear and/or Clearstream, as the case may be; and (ii) if Definitive Notes of a Series have been issued, then the Indenture Trustee shall give notices and communications to the Noteholders of such Definitive Notes by U.S. mail to the addresses of such Noteholders in the Register.

Section 2.14 CUSIP, CINS and ISIN Numbers. The Issuer in issuing the Equipment Notes may use "CUSIP", "CINS", "ISIN" or other identification numbers (if then generally in use), and if so, the Indenture Trustee shall use CUSIP numbers, CINS numbers, ISIN numbers or other identification numbers, as the case may be, in notices of redemption or exchange as a convenience to Noteholders; *provided* that any such notice shall state that no representation is made as to the correctness of such numbers either as printed on the Equipment Notes or as contained in any notice of redemption or exchange and that reliance may be placed only on the other identification numbers printed on the Equipment Notes; *provided further*, that failure to use "CUSIP", "CINS", "ISIN" or other identification numbers in any notice of redemption or exchange shall not affect the validity or sufficiency of such notice.

Section 2.15 Debt Treatment of Equipment Notes. The parties hereto agree, and the holders (other than any Person with respect to which the Issuer is a disregarded entity for U.S. federal income tax purposes) of the Equipment Notes and interests therein, by their purchase thereof shall be deemed to have agreed, to treat the Equipment Notes as debt for U.S. federal income tax purposes.

Section 2.16 Compliance with Withholding Requirements. Notwithstanding any other provision of this Master Indenture, the Issuer and Indenture Trustee shall comply with all United States federal income tax withholding requirements (without any corresponding gross-up) with respect to payments to Noteholders of interest, original issue discount, or other amounts that are required to be withheld under the Code, Treasury regulations thereunder, published rulings and judicial decisions. The consent of the Noteholders shall not be required for any such withholding.

Section 2.17 Limitation on Transfers. Notwithstanding any other provision of this Master Indenture, any Equipment Note for which an Opinion of Counsel has not been rendered to the Issuer to the effect that such Equipment Note will constitute debt for United States federal income tax purposes (a "**Subject Note**") shall be subject to the limitations of this Section 2.17. No Subject Notes may be transferred, and no transfer (or purported transfer) of all or any part of a Subject Note (or any direct or indirect economic or beneficial interest therein) (a "**Transferred Note**") whether to another Noteholder or to a Person that is not a Noteholder (a "**Transferee**") shall be effective, and to the greatest extent permitted under Applicable Law any such transfer (or purported transfer) shall be void *ab initio*, and no Person shall otherwise become a

Noteholder of a Subject Note, unless: (i) the Transferee provides the Note Registrar with its representations and warranties made for the benefit of the Issuer to the effect that: (A) either (I) it is not and will not become for U.S. federal income tax purposes a partnership, Subchapter S corporation or grantor trust (each such entity, a "flow-through entity") or (II) if it is or becomes a flow-through entity, then (x) none of the direct or indirect beneficial owners of any of the interests in the Transferee have or ever will have all or substantially all the value of its interest in the Transferee attributable to the interest of the Transferee in any Transferred Note, any other Equipment Notes, other interest (direct or indirect) in the Issuer, or any interest created under this Master Indenture and (y) it is not and will not be a principal purpose of the arrangement involving the investment of the Transferee in any Transferred Note to permit any partnership to satisfy the one hundred (100) partner limitation of Section 1.7704-1(h)(1)(ii) of the Treasury Regulations necessary for such partnership not to be classified as a publicly traded partnership under the Code, (B) the Transferee will not sell, assign, transfer or otherwise convey any participating interest in any Equipment Note or any financial instrument or contract the value of which is determined by reference in whole or in part to any Equipment Note, (C) it is not acquiring the Transferred Note, and will not sell, transfer, assign, participate, pledge or otherwise dispose of any Transferred Note(s) (or interest therein) or cause any Transferred Note(s) (or interest therein) to be marketed, on or through an "established securities market" within the meaning of Section 7704(b) of the Code, including, without limitation, an interdealer quotation system that regularly disseminates firm buy or sell quotations, and (D) that it is a "U.S. Person" within the meaning of Section 7701(a)(30) of the Code, and (ii) after such transfer there would be no more than ninety (90) members of the limited liability company that is the Issuer (including as members, solely for purposes of this Section 2.17, Noteholders of any Subject Notes (and holders of any beneficial interest therein) and holders of any other instruments subject to the transfer restrictions of this Section 2.17). Any subsequent transfer of a Transferred Note by a Transferee shall be subject to the limitations of this Section 2.17 and shall be void *ab initio*, and no Person shall otherwise become a Noteholder of such Transferred Note, unless this Section 2.17 is satisfied. The Issuer shall not register any transfer of a Subject Note unless the Issuer has confirmed that after such transfer, the requirements of this Section 2.17 shall have been satisfied. The Issuer shall not recognize any prohibited transfer described in this Section 2.17, including without limitation by (i) redeeming the transferor's interest, or (ii) registering the Transferee as a Noteholder or otherwise recognizing any right of the Transferee (including, without limitation, any right of the Transferee to receive payments or other distributions from the Issuer, directly or indirectly). The Series Supplement relating to each Series of Subject Notes shall set forth such transfer restrictions (including minimum principal denominations), certification requirements, covenants and other matters applicable to such Subject Notes that the Issuer deems advisable to effectuate the requirements of this Section 2.17.

Section 2.18 Noteholder Tax Identification Information. Each Noteholder and holder of an interest in an Equipment Note, by acceptance of such Equipment Note or such interest therein, will be deemed to have agreed to provide the Issuer, the Indenture Trustee and each Paying Agent with such Noteholder Tax Identification Information as requested from time to time by the Issuer, the Indenture Trustee, or such Paying Agent. Each Noteholder and holder of an interest in an Equipment Note will be deemed to understand and agree that each of the Issuer, the Indenture Trustee and each Paying Agent has the right to (i) withhold tax (including without limitation taxes required to be withheld under FATCA) on interest and other applicable amounts under the Code (without any corresponding gross-up) payable with respect to each Noteholder

and holder of an interest in an Equipment Note that fails to comply with the foregoing requirements or as otherwise required under the Code or other Applicable Law (including, for the avoidance of doubt, FATCA) and (ii) provide such information and documentation and any other information concerning its interest in the applicable Equipment Note to the Internal Revenue Service and any other relevant U.S. or foreign tax authority.

ARTICLE III

INDENTURE ACCOUNTS; PRIORITY OF PAYMENTS

Section 3.01 Establishment of Indenture Accounts; Investments.

(a) Indenture Accounts. The Administrator, on behalf and at the direction of the Issuer, will establish with the Indenture Trustee on or before the Initial Closing Date and maintain all of the following accounts: (i) a collections account (the "**Collections Account**"), (ii) a railcar replacement account (the "**Mandatory Replacement Account**"), (iii) an optional reinvestment account (the "**Optional Reinvestment Account**"), (iv) an expense account (the "**Expense Account**"), (v) a liquidity reserve account (the "**Liquidity Reserve Account**") and (vi) a liquidity facility collateral account (the "**Liquidity Facility Collateral Account**"). From time to time thereafter, the Administrator, on behalf and at the direction of the Issuer, will establish with the Indenture Trustee such other Indenture Accounts as may be authorized or required by this Master Indenture and the other Operative Agreements. The Administrator, on behalf of and at the direction of the Issuer, will establish with the Indenture Trustee, on or before the Closing Date for each Series, and maintain, an account for such Series (each, a "**Series Account**") and may so establish and maintain one or more sub-accounts of such Series Account for each Class of such Series (each, a "**Class Account**"). The Series Account and any Class Account for a Series will be identified in the Series Supplement for such Account.

(b) The Collections Account, the Mandatory Replacement Account, the Optional Reinvestment Account, the Expense Account, and the Liquidity Reserve Account shall bear the account numbers set forth on Schedule 1 hereto. All amounts from time to time held in each Indenture Account (other than a Series Account) shall be held (a) in the name of the Indenture Trustee, for the benefit of the Secured Parties, and (b) in the custody and under the "Control" (as such term is defined in the UCC) of the Indenture Trustee, for the purposes and on the terms set forth in this Master Indenture, and all such amounts shall constitute a part of the Collateral and shall not constitute payment of any Secured Obligation or any other obligation of the Issuer until applied as hereinafter provided. All amounts from time to time held in each Series Account shall be held (a) in the name of the Indenture Trustee, for the benefit of the Noteholders of the related Series, and (b) in the custody and under the "Control" (as such term is defined in the UCC) of the Indenture Trustee, for the purposes and on the terms set forth in this Master Indenture and the related Series Supplement, and all such amounts shall be collateral only for such Series and shall not constitute payment of such Series or any other obligation of the Issuer until applied as provided in this Master Indenture and the related Series Supplement.

(c) Withdrawals and Transfers. The Indenture Trustee shall have sole dominion and control over the Indenture Accounts (including, *inter alia*, the sole power to direct withdrawals from or transfers among the Indenture Accounts), and the Issuer shall have no right

to withdraw, or to cause the withdrawal of, funds or other investments held in the Indenture Accounts or to direct the investment of such funds or the liquidation of any Permitted Investments, in each case other than as expressly provided herein or, with respect to a Series Account, in a Series Supplement.

(d) Investments. For so long as any Equipment Notes remain Outstanding, the Indenture Trustee, at the written direction of the Administrator, shall invest and reinvest the funds on deposit in the Indenture Accounts (other than the Series Accounts, which shall not be invested) in Permitted Investments; *provided, however*, that if an Event of Default has occurred and is continuing, the Administrator shall have no right to direct such reinvestment and the Indenture Trustee shall invest such amount in Indenture Investments from the time of receipt thereof until such time as such amounts are required to be distributed pursuant to the terms of this Master Indenture. In the absence of written direction delivered to the Indenture Trustee from the Administrator, the Indenture Trustee shall invest any funds in Permitted Investments described in clause (f) of the definition thereof. The Indenture Trustee shall make such investments and reinvestments in accordance with the terms of the following provisions:

(i) the Permitted Investments shall have maturities and other terms such that sufficient funds shall be available to make required payments pursuant to this Master Indenture on the Business Day immediately preceding the first Payment Date after which such investment is made; and

(ii) if any funds to be invested are not received in the Indenture Accounts by noon, New York City time, on any Business Day, such funds shall, if possible, be invested in overnight Permitted Investments.

(e) Earnings. Earnings on investments of funds in the Indenture Accounts shall be deposited in the Collections Account when received and credited as Collections for the Collection Period when so received, it being understood that funds in the Series Accounts shall not be invested.

(f) WTC as Securities Intermediary; Control.

(i) WTC shall act as the "securities intermediary" (within the meaning of the UCC) in respect of all securities and other property credited to the Indenture Accounts.

(ii) WTC as securities intermediary agrees with the parties hereto that each Indenture Account shall be an account to which financial assets (within the meaning of the UCC) may be credited and undertakes to treat the Indenture Trustee as entitled to exercise rights that comprise such financial assets. WTC as securities intermediary agrees with the parties hereto that each item of property credited to each Indenture Account shall be treated as such a financial asset. WTC as securities intermediary acknowledges that the "securities intermediary's jurisdiction" as defined in the UCC with respect to the Collateral, shall be the State of New York. WTC as securities intermediary represents and covenants that it is not and will not be (as long as it is acting as securities intermediary hereunder) a party to any agreement in respect of the Collateral that is

inconsistent with the provisions of this Master Indenture. WTC as securities intermediary agrees that any item of property credited to any Indenture Account shall not be subject to any security interest, lien, or right of setoff in favor of the securities intermediary or anyone claiming through the securities intermediary (other than the Indenture Trustee).

(iii) It is the intent of the Indenture Trustee and the Issuer that each Indenture Account shall be a securities account of the Indenture Trustee and not an account of the Issuer. Nonetheless, WTC as securities intermediary agrees that it will comply with entitlement orders originated by the Indenture Trustee without further consent by the Issuer. WTC as securities intermediary hereby further covenants that it will not agree with any person or entity (other than the Indenture Trustee) that it will comply with entitlement orders originated by such person or entity.

(iv) Nothing herein shall imply or impose upon WTC as securities intermediary any duty or obligations other than those expressly set forth herein and those applicable to a securities intermediary under the UCC (and WTC as securities intermediary hereunder shall be entitled to all of the protections available to a securities intermediary under the UCC). Without limiting the foregoing, nothing herein shall imply or impose upon WTC as securities intermediary any duties of a fiduciary nature (but not in limitation of any such duties of the Indenture Trustee hereunder).

(v) WTC as securities intermediary hereby represents and warrants and agrees with the Issuer and for the benefit of the Indenture Trustee as follows:

(A) With respect to Permitted Investments and Indenture Investments that are book entry securities, such Permitted Investments and Indenture Investments have been credited to the Indenture Trustee's securities account by accurate book entry.

(B) The securities intermediary shall not accept entitlement orders from any other person except as authorized by the Indenture Trustee.

(C) To the extent determined by the actions of WTC as securities intermediary, the Indenture Trustee shall at all times have "control" (as defined in Section 8-106 of the UCC) over the securities account and the Permitted Investments and Indenture Investments that are book entry securities.

(D) WTC as securities intermediary has received no notice of, and has no knowledge of any "adverse claim" (as such term is defined in the UCC) as to the Collateral.

(E) WTC as securities intermediary waives any lien, claim or encumbrance in favor of the securities intermediary in the Collateral.

(F) WTC as securities intermediary is a "securities intermediary" as such term is defined in Section 8-102(a)(14) of the UCC and in the ordinary course of its business maintains "securities accounts" for others, as

such terms are used in Section 8-501 of the UCC and as securities intermediary will be acting in such capacity hereunder.

(G) WTC as securities intermediary is not a "clearing corporation," as such term is defined in Section 8-102(a)(5) of the UCC.

(vi) Each of the Issuer and the Indenture Trustee hereby agrees and acknowledges that WTC as securities intermediary, for the benefit of the Indenture Trustee and the Secured Parties, shall have "control" over each Indenture Account under and for purposes of Section 9-104(a)(1) of the UCC.

(g) Investment Disclosure. The Issuer and the Noteholders, by their acceptance of the Equipment Notes or their interests therein, acknowledge that shares or investments in Permitted Investments or Indenture Investments are not obligations of Wilmington Trust Company, or any parent or affiliate of Wilmington Trust Company, are not deposits and are not insured by the FDIC. The Indenture Trustee or its affiliate may be compensated by mutual funds or other investments comprising Permitted Investments or Indenture Investments for services rendered in its capacity as investment advisor, or other service provider, and such compensation is both described in detail in the prospectuses for such funds or investments, and is in addition to the compensation, if any, paid to Wilmington Trust Company in its capacity as Indenture Trustee hereunder. The Issuer and Noteholders agree that the Indenture Trustee shall not be responsible for any losses or diminution in the value of the Indenture Accounts occurring as a result of the investment of funds in the Indenture Accounts in accordance with the terms hereof.

Section 3.02 Collections Account.

(a) Pursuant to and in accordance with the terms of the Account Administration Agreement, the Account Collateral Agent is to, upon receipt thereof, deposit in the Customer Payment Account the Collections received by it. Pursuant to and subject to the terms of the Account Administration Agreement, on each Business Day all amounts constituting Collections on deposit in the Customer Payment Account are to be transferred by the Account Collateral Agent to the Collections Account.

(b) The Indenture Trustee shall, upon receipt thereof, deposit in the Collections Account all Collections and all other payments received by it in connection with the Portfolio.

(c) Additional funds may be deposited into the Collections Account from the Liquidity Reserve Account in accordance with Section 3.04, the Optional Reinvestment Account in accordance with Section 3.05 and the Mandatory Replacement Account in accordance with Section 3.09 or by the Member through Capital Contributions in accordance with Section 3.17.

(d) All or any portion of any Net Disposition Proceeds from an Involuntary Railcar Disposition received in the Collections Account may be transferred to the Optional Reinvestment Account, to the extent that the Issuer elects to reinvest all or a portion of such Net Disposition Proceeds in a Replacement Exchange in accordance with Section 3.09 hereof. All of

the transfers of funds described in this Section 3.02 will be made prior to the distribution of the Available Collections Amount pursuant to Section 3.11.

(e) On each Closing Date, at the direction of the Issuer, a portion of cash proceeds from the issuance of the Equipment Notes of the applicable Series, together with the amount of any necessary Capital Contribution made by the Member to the Issuer, will be deposited in the Collections Account in order to assure sufficient funds are available for payments on the first Payment Date for such Series pursuant to Section 3.11(a).

Section 3.03 Withdrawal upon an Event of Default. After the occurrence of and during the continuance of an Event of Default, at the Direction of the Requisite Majority, the Indenture Trustee shall withdraw any or all funds then on deposit in any of the Indenture Accounts (other than the Series Accounts) and transfer such funds to the Collections Account for application on the next upcoming Payment Date in accordance with the Flow of Funds.

Section 3.04 Liquidity Reserve Account; Liquidity Facilities.

(a) On the Initial Closing Date, the Issuer shall enter into the Initial Liquidity Facility and deliver a copy thereof to the Indenture Trustee. On each Series Issuance Date occurring after the Initial Closing Date, the Issuer shall either: (i) deliver to the Indenture Trustee one or more additional Liquidity Facilities issued in accordance with Section 3.15 in an amount up to the Liquidity Reserve Target Amount; or (ii) if the Issuer does not deliver a Liquidity Facility, or delivers a Liquidity Facility or Liquidity Facilities in an amount that is less than the Liquidity Reserve Target Amount, deposit (or cause to be deposited) in the Liquidity Reserve Account, cash in an amount necessary to cause the amount on deposit in the Liquidity Reserve Account (plus the amount of the Liquidity Facilities) to equal the Liquidity Reserve Target Amount as of such Series Issuance Date, out of the Net Proceeds of such Series and/or from funds contributed by the Member to the Issuer as equity on or prior to such date.

(b) On each Payment Date on which the Available Collections Amount is to be distributed pursuant to the Flow of Funds, if (i) the sum of (A) the Liquidity Facility Available Amounts for all Liquidity Facilities plus (B) the Balance in the Liquidity Reserve Account is less than (ii) the Liquidity Reserve Target Amount as of such Payment Date, the Indenture Trustee shall, in accordance with the Payment Date Schedule delivered pursuant to Section 3.10(e) hereof, deposit funds into the Liquidity Reserve Account in order to restore the Balance therein to the Liquidity Reserve Target Amount as of such Payment Date, to the extent of the Available Collections Amount as provided in the Flow of Funds.

(c) If the Available Collections Amount on any Payment Date is insufficient to pay (A) the interest then due on the Outstanding Equipment Notes (excluding Additional Interest), (B) the net payments owed by the Issuer under any Hedge Agreements (other than for the payment of any Hedge Termination Value or Hedge Partial Termination Value) and (C) all amounts senior to interest in the Flow of Funds, the Indenture Trustee shall, in accordance with the Payment Date Schedule delivered pursuant to Section 3.10(e) hereof, effect a draw on the Liquidity Reserve Account and, if necessary, a draw on one or more Liquidity Facilities (including but not limited to amounts on deposit in any Liquidity Facility Collateral Account (as defined in the Initial Liquidity Facility) or such similar account in any Additional Liquidity

Facility), and make a deposit in the Collections Account for allocation as part of Available Collections Amount on the related Payment Date, in an amount equal to the lesser of (i) the aggregate amount of the shortfalls in clauses (A), (B) and (C) and (ii) the Balance in the Liquidity Reserve Account and/or the Liquidity Facility Available Amounts for the Liquidity Facilities, as applicable, as of the related Determination Date as set forth in such Payment Date Schedule. If the Balance in the Liquidity Reserve Account and/or the Liquidity Facility Available Amounts for the Liquidity Facilities, as applicable, as of such Determination Date is less than the aggregate amount of such shortfalls for the related Payment Date, then any such balance remaining (after transfer to the Collections Account and allocation and application to amounts senior to interest on the Equipment Notes in the Flow of Funds) will be allocated on such Payment Date *pro rata* (x) to pay interest then due on the Outstanding Equipment Notes (other than Additional Interest) and (y) to pay such net payments owed by the Issuer under any Hedge Agreements (other than for the payment of any Hedge Termination Value or Hedge Partial Termination Value). After giving effect to such allocation and payment with respect to the interest then due on the Outstanding Equipment Notes (excluding Additional Interest), (a) any shortfall in the amount available to pay such interest on such Payment Date shall be allocated pro rata among the Outstanding Series, (b) the amount of such shortfall allocated to each Series shall be the "**Net Stated Interest Shortfall**" for such Series, and (c) the Net Stated Interest Shortfall for each Series shall be added to the Stated Interest Amount of such Series for the next succeeding Payment Date.

(d) On each Payment Date on which the Available Collections Amount is to be distributed pursuant to the Flow of Funds, before making any distributions pursuant thereto, the Indenture Trustee, in accordance with the Payment Date Schedule delivered pursuant to Section 3.10(e) hereof, shall withdraw from the Liquidity Reserve Account and deposit in the Collections Account the excess, if any, of (A) the sum of the Liquidity Facility Available Amounts for all Liquidity Facilities plus the Balance in the Liquidity Reserve Account (after giving effect to any withdrawals therefrom to be made on such Payment Date pursuant to Section 3.04(c)) over (B) the Liquidity Reserve Target Amount (determined after giving effect to any payments of principal on Equipment Notes to be made on such Payment Date).

(e) Upon repayment in full of all Outstanding Equipment Notes, the Balance in the Liquidity Reserve Account (after giving effect to any withdrawals therefrom on such date pursuant to Section 3.04(c)), shall be deposited into the Collections Account for allocation pursuant to the Flow of Funds.

(f) The Issuer may attempt to procure a reduction in the amount of the Liquidity Reserve Target Amount from time to time, subject to obtaining a Rating Agency Confirmation and receiving the prior written consent of the Indenture Trustee (to be given only at the Direction of the Requisite Majority), following which the Liquidity Reserve Target Amount shall be the amount as so reduced.

Section 3.05 Optional Reinvestment Account.

(a) The Issuer may elect, by notice to the Indenture Trustee in writing, not later than the last Business Day preceding the later of the date of any Involuntary Railcar Disposition or Purchase Option Disposition and the date on which the Net Disposition Proceeds therefrom are received, to deposit all or a portion of the Net Disposition Proceeds realized from such Involuntary Railcar Disposition or Purchase Option Disposition, whether or not initially deposited in the Collections Account, into the Optional Reinvestment Account. The Indenture Trustee shall deposit in the Collections Account all or any portion of the Net Disposition Proceeds realized from any Involuntary Railcar Disposition or Purchase Option Disposition as to which the direction described in the preceding sentence is not received by the

end of the last Business Day preceding the later of the date of any such Involuntary Railcar Disposition or Purchase Option Disposition and the date on which such Net Disposition Proceeds are received.

(b) The Issuer may elect to apply the Net Disposition Proceeds from an Involuntary Railcar Disposition or Purchase Option Disposition deposited in the Optional Reinvestment Account pursuant to Section 3.05(a) in a Permitted Railcar Acquisition any time during the related Replacement Period. On each Delivery Date during the Replacement Period on which the Issuer acquires an Additional Railcar from a Seller in a Permitted Railcar Acquisition, the Indenture Trustee, at the written direction of the Servicer accompanied by a written statement of the Servicer that all of the conditions for payment of the Purchase Price for such Additional Railcar specified in the applicable Asset Transfer Agreement have been satisfied, and that the requirements of Section 5.03(b) or 5.03(c), as applicable, have been satisfied, will transfer funds in an amount equal to the Purchase Price for such Additional Railcar from the Optional Reinvestment Account to the applicable Seller.

(c) At any time in its discretion within one hundred eighty (180) days of deposit, the Issuer may elect to transfer amounts in the Optional Reinvestment Account not otherwise reinvested to the Collections Account for redemption of Equipment Notes and payment of any applicable Hedge Partial Termination Value in accordance with Section 3.14. The Indenture Trustee, without further direction from the Servicer or the Administrator, shall transfer any amounts in the Optional Reinvestment Account at the end of the Replacement Period applicable to the Involuntary Railcar Disposition or Purchase Option Disposition to the Collections Account on the next Business Day after the end of such Replacement Period (or, if notified by the Servicer in writing prior to such date that the Issuer no longer intends to effect a related Permitted Railcar Acquisition with such funds or only intends to apply a portion of such funds for such purpose, then the Indenture Trustee shall, as directed in such written notice, transfer the amount of such funds not intended to be so used to the Collections Account as promptly as practicable following receipt of such written notice). All amounts so transferred to the Collections Account may not be withdrawn therefrom except for distribution in accordance with Section 3.14.

Section 3.06 Expense Account.

(a) On each Closing Date, the Administrator shall direct the Indenture Trustee in writing to (i) pay to such Persons as shall be specified by the Administrator such Issuance Expenses as shall be due and payable in connection with the issuance and sale of the Equipment Notes on such Closing Date, and (ii) transfer to the Expense Account the Required Expense Deposit, in each case out of the Net Proceeds of the Equipment Notes issued on such Closing Date or the proceeds of a Capital Contribution by the Member to the Issuer or from any combination thereof.

(b) On each Payment Date, the Administrator will, in accordance with the priority of payments set forth in the Flow of Funds, direct the Indenture Trustee, in writing, to pay or reimburse any Operating Expenses that have been actually incurred or that are due and payable on such Payment Date and to transfer to the Expense Account funds in an amount equal to the Required Expense Deposit.

(c) On any Business Day between Payment Dates, the Administrator may direct the Indenture Trustee, in writing, to withdraw funds from the Expense Account in order to pay or reimburse any Operating Expenses that the Administrator certifies in such writing are Operating Expenses that have been actually incurred or that are then due and payable.

(d) On the last Final Maturity Date for all Series of Equipment Notes, after payment of all Operating Expenses due on such Final Maturity Date, the Indenture Trustee shall transfer the Balance in the Expense Account to the Collections Account for distribution in accordance with the Flow of Funds.

Section 3.07 Series Accounts.

(a) Upon the issuance of a Series of Equipment Notes, the Administrator shall cause to be established and maintained a Series Account for such Series of Equipment Notes.

(b) On each Payment Date, amounts will be deposited into each applicable Series Account in accordance with Section 3.08 and Section 3.11 hereof.

(c) All amounts transferred to a Series Account for any Series of Equipment Notes in accordance with Section 3.08 and Section 3.11 hereof shall be used by the Indenture Trustee for the payment of such Series of Equipment Notes (or Class thereof) in accordance with the terms of this Master Indenture and the related Series Supplement.

Section 3.08 Redemption/Defeasance Account.

(a) Upon the sending of a Redemption Notice in respect of any Series of the Equipment Notes or any Class thereof, or an election by the Issuer to effect a legal defeasance or covenant defeasance of any Series of the Equipment Notes or any Class thereof pursuant to Article XII hereof, the Indenture Trustee will establish a Redemption/Defeasance Account to retain the proceeds to be used in order to redeem or defease such Series or Class.

(b) Amounts shall be deposited into any Redemption/Defeasance Account in accordance with Section 3.13 hereof.

(c) On each Redemption Date, the Administrator, on behalf of the Indenture Trustee, shall transfer a portion of the proceeds of any Optional Redemption equal to the Redemption Price of such Series of Equipment Notes from the Redemption/Defeasance Account, established in respect of such Optional Redemption in accordance with Section 3.13 hereof, to the Series Account for such Series (except that an amount equal to the Hedge Termination Value that is owed by the Issuer, if any, included in the Redemption Price concurrently will be withdrawn from the Redemption/Defeasance Account and paid to the applicable Hedge Provider).

(d) On each Payment Date, in respect of any Series of Equipment Notes that is the subject of a legal defeasance or covenant defeasance, the Administrator, on behalf of the Indenture Trustee, shall transfer from the Redemption/Defeasance Account to the Series Account for such Series, and from such Series Account to the Noteholders of such Equipment Notes the payments of principal and interest due on such Equipment Notes.

Section 3.09 Mandatory Replacement Account.

(a) The Issuer will direct the Servicer or Administrator to cause the deposit of all Net Disposition Proceeds realized from a Permitted Discretionary Sale into the Mandatory Replacement Account.

(b) The Issuer shall use all commercially reasonable efforts to use the funds deposited in the Mandatory Replacement Account to purchase Additional Railcars in Permitted Railcar Acquisitions during the applicable Replacement Periods with respect to the Net Disposition Proceeds constituting such funds. The Indenture Trustee, at the written direction of the Servicer or Administrator accompanied by a written statement of the Servicer or Administrator on behalf of the Issuer that the applicable requirements of Section 5.03 have been satisfied, will transfer funds in an amount equal to the Purchase Price for such Additional Railcar to the applicable Seller.

(c) The Indenture Trustee, without further direction from the Servicer or the Administrator, shall transfer any amounts in the Mandatory Replacement Account at the end of the Replacement Period applicable to the Permitted Discretionary Sale to the Collections Account on the next Business Day after the end of such Replacement Period. All amounts so transferred to the Collections Account may not be withdrawn therefrom except for distribution as contemplated by Section 3.14.

Section 3.10 Calculations.

(a) As soon as reasonably practicable after each Determination Date, but in no event later than 12:00 noon (New York City time) on the third Business Day prior to the immediately succeeding Payment Date, the Issuer shall cause the Administrator, based on information known to it or Relevant Information provided to it, to determine the amount of Collections received during the Collection Period ending immediately prior to such Determination Date (including the amount of any investment earnings on the Balances in the Collections Account, if any, as of such Determination Date) and shall calculate the following amounts:

(i) (A) the Balances in each of the Indenture Accounts on such Determination Date, and (B) the amount of investment earnings (net of losses and investment expenses), if any, on investments of funds on deposit therein during such Collection Period;

(ii) (A) the Required Expense Amount for such Payment Date and (B) the excess, if any, of the Required Expense Reserve for such Payment Date over the Balance in the Expense Account after payment of all Operating Expenses on such

Payment Date (the amount described in this clause (B), the "**Required Expense Deposit**");

(iii) the Available Collections Amount for such Payment Date, net of the amounts described in Section 4.02(c)(i) if an Event of Default has occurred and is continuing on such Payment Date;

(iv) the Stated Interest Shortfall, if any, for each Series, the amounts, if any, required to be transferred from the Liquidity Reserve Account to the Collections Account in respect thereof pursuant to Section 3.04, and the Net Stated Interest Shortfall, if any, for each Series;

(v) all other amounts required to be reported in the Monthly Report and not included on the Payment Date Schedule to be provided pursuant to Section 3.10(e); and

(vi) any other information, determinations and calculations reasonably required in order to give effect to the terms of this Master Indenture and the Operative Agreements, including the preparation of the Monthly Report and Annual Report;

provided that, if the Administrator has not received all of the Relevant Information for such Payment Date, the Administrator shall make reasonable assumptions for purposes of the calculations contemplated by this Section 3.10.

(b) Calculation of Interest Amounts, etc. Not later than 12:00 noon (New York City time) on the third Business Day prior to each Payment Date, the Issuer shall cause the Administrator or the Servicer to make the following calculations or determinations with respect to interest amounts due for each Series or Class on such Payment Date:

(i) the Stated Interest Amount for the Equipment Notes, separated by Series and Class; and

(ii) the Additional Interest Amount, if any, separated by Series and Class.

(c) Calculation of Principal Payments and Distributions to the Issuer. Not later than 12:00 noon (New York City time) on the third Business Day prior to each Payment Date, the Issuer shall cause the Administrator or the Servicer to calculate or determine the following with respect to principal payments on the Equipment Notes due on such Payment Date and the amounts distributable to the Issuer on such Payment Date:

(i) the Outstanding Principal Balance of each Series of Equipment Notes (and Classes within such Series) on such Payment Date immediately prior to any principal payment on such date;

(ii) the amounts of the principal payments, if any, to be made in respect of each Series of Equipment Notes (and Classes within such Series) on such Payment Date, including the Scheduled Principal Payment Amounts for each Series (and Classes

within such Series) and any unpaid Scheduled Principal Payment Amounts for each Series (and Classes within such Series) for prior Payment Dates; and

(iii) the amounts, if any, distributable to the Issuer on such Payment Date.

(d) Calculation of Payment Date Shortfalls. Not later than 12:00 noon (New York City time) on the third Business Day prior to each Payment Date, the Issuer shall cause the Administrator or the Servicer to perform the calculations necessary to determine the following:

(i) the amount, if any, by which the Stated Interest Amounts due in respect of all Series on such Payment Date exceed the Available Collections Amount for such Payment Date remaining after payment in full of all amounts senior thereto in the Flow of Funds, but prior to giving effect to any transfer of funds to the Collections Account from the Liquidity Reserve Account or from the Liquidity Facilities pursuant to Section 3.04 (the "**Stated Interest Shortfall**");

(ii) the Net Stated Interest Shortfall in respect of each Series;

(iii) the amount, if any, of payments to the Liquidity Facility Providers and the Hedge Providers that are contemplated to be paid pursuant to the Flow of Funds but will not be paid on such Payment Date out of the Available Collections Amount for such Payment Date;

(iv) the amount, if any, of the Scheduled Principal Payment Amount payable on each Series (separated by Class) that will not be paid on such Payment Date out of the Available Collections Amount for such Payment Date; and

(v) if such Payment Date is the Final Maturity Date for any Series of Equipment Notes or Class thereof, the amount, if any, by which the Outstanding Principal Balance of such Series of Equipment Notes or Class thereof exceeds the Available Collections Amount after payment in full of amounts senior thereto or *pari passu* therewith in the Flow of Funds (such remainder, a "**Final Principal Payment Shortfall**").

(e) Application of the Available Collections Amount. Not later than 1:00 p.m., New York City time, three Business Days prior to each Payment Date, the Issuer will cause the Administrator (after consultation with the Servicer), to prepare and deliver to the Indenture Trustee the Payment Date Schedule setting forth the payments, transfers, deposits and distributions to be made in respect of the Liquidity Reserve Account pursuant to Section 3.04 or in respect of Net Disposition Proceeds pursuant to Section 3.14(a), and in respect of the Available Collections Amount (after giving effect to such payments, transfers, deposits and distributions, if any) pursuant to the Flow of Funds, and setting forth separately, in the case of payments in respect of each Series of Equipment Notes, the amount to be applied on such Payment Date to pay all interest, principal and premium, if any, on such Series of Equipment Notes (and each Class thereof), all in accordance with Section 3.11. On each Payment Date, the Indenture Trustee, based on the Payment Date Schedule provided by the Administrator for such Payment Date, will make payments, transfers, deposits and distributions in an aggregate amount

equal to the Available Collections Amount in accordance with the order of priority set forth in the Flow of Funds. If the Indenture Trustee shall not have received such Payment Date Schedule by the last Business Day preceding any Payment Date, such Payment Date shall be deferred until the next Business Day after such Payment Date Schedule is received by the Indenture Trustee.

(f) Relevant Information. The Issuer shall cause each Service Provider having Relevant Information in its possession to make such Relevant Information available to the Administrator and the Servicer not later than 1:00 p.m., New York City time, at least five Business Days prior to each Payment Date.

Section 3.11 Payment Date Distributions from the Collections Account.

(a) Regular Distributions. On each Payment Date, so long as no Event of Default has occurred and is continuing, after the withdrawals and transfers provided for in Section 3.02 have been made, the Available Collections Amount (excluding any Net Disposition Proceeds on deposit in the Collections Account as of the Determination Date, which amounts shall be applied pursuant to clause (c) below after giving effect to the application of all amounts pursuant to this clause (a)) will be applied in the following order of priority:

(1) *pro rata,* to the payment or reimbursement of the portion of the Required Expense Amount described in clause (i) of the definition thereof to the applicable payees, and to the Expense Account in an amount equal to the Required Expense Deposit;

(2) to the payment to the Service Providers of the Service Provider Fees, plus applicable Taxes (to the extent such Taxes are payable by the Issuer to the Service Providers under the Service Provider Agreements) *pro rata* based on the amount due;

(3) to the repayment of any outstanding Servicer Advances (together with interest thereon as provided in the Servicing Agreement);

(4) *pro rata,* based on the amount due, (i) to the applicable Series Accounts for the Class A Equipment Notes on a pro rata basis, all current and past due interest on the Outstanding Class A Equipment Notes of each Series, other than current or past due Additional Interest, (ii) to the Liquidity Facility Providers, all interest owed to the Liquidity Facility Providers in connection with draws under the related Liquidity Facilities for such Liquidity Facility Providers, (iii) to each Hedge Provider, all Senior Hedge Payments, and (iv) to the Liquidity Facility Providers, all indemnification obligations payable to the Liquidity Facility Providers in connection with the related Liquidity Facilities; provided that any amounts drawn from the Liquidity Reserve Account or any Liquidity Facility will be applied only to the items described in clauses (i) and (iii) hereof (other

than payments of any Hedge Termination Value or Hedge Partial Termination Value);

(5) to *first*, reimburse or repay *pro rata* each related Liquidity Facility Provider the principal amounts drawn under any Liquidity Facility and not previously reimbursed, and *second*, deposit in the Liquidity Reserve Account an amount equal to the positive difference (if any) between (x) the Liquidity Reserve Target Amount (after giving effect to the payments in clause *first*) and (y) the balance in the Liquidity Reserve Account;

(6) to the applicable Series Accounts for the Class A Equipment Notes, the Scheduled Principal Payment Amounts on all Series of Outstanding Class A Equipment Notes entitled thereto, *first* to the Outstanding Class A Equipment Notes of the earliest issued Series and then to subsequent Series in chronological order of issuance, and *second*, within each Series, to each Class thereof sequentially in ascending numerical designation of each such Class but *pro rata* among any alphabetical sub-classes of the same numerical Class;

(7) to pay or reimburse the Servicer for costs of Optional Modifications made or incurred on behalf of the Issuer (as determined by the Administrator and delivered in writing to the Indenture Trustee) to the extent not paid as Ordinary Course Expenses or from any other available source of revenues of the Issuer (the "**Servicer Optional Modification Expense**"), up to an aggregate amount with respect to all such payments not to exceed two percent (2.00%) of the Initial Appraised Value of all Portfolio Railcars (such amount, the "**Servicer Optional Modification Cap**");

(8) to the applicable Series Accounts for the Class A Equipment Notes, for the payment of the Outstanding Principal Balance of all Rapid Amortization Notes that are Class A Equipment Notes, first, sequentially among each Rapid Amortization Series in chronological order of their issuance date, and, second, within each Rapid Amortization Series, to each Rapid Amortization Class thereof sequentially in ascending numerical designation of each such Class but *pro rata* among any alphabetical sub-classes of the same numerical Class; provided, however, that if an Early Amortization Event exists, no payments will be made on any Rapid Amortization Series pursuant to this clause (8);

(9) if an Early Amortization Event has occurred and is then continuing, to the applicable Series Accounts for the Class A Equipment Notes, for the payment of an amount equal to the Outstanding Principal Balance of the Class A Equipment Notes (after

the payments in clause (6) above), *pro rata* according to the Outstanding Principal Balance of all Class A Equipment Notes;

(10) *pro rata* based on the amount due, to the applicable Series Accounts for the Class B Equipment Notes on a pro rata basis, all current and past due interest on the Outstanding Class B Equipment Notes of each Series, other than current or past due Additional Interest;

(11) to the applicable Series Accounts for the Class B Equipment Notes, the Scheduled Principal Payment Amounts on all Series of Outstanding Class B Equipment Notes entitled thereto, *first* to the Outstanding Class B Equipment Notes of the earliest issued Series and then to subsequent Series in chronological order of issuance, and *second*, within each Series, to each Class thereof sequentially in ascending numerical designation of each such Class but *pro rata* among any alphabetical sub-classes of the same numerical Class;

(12) to the applicable Series Accounts for the Class B Equipment Notes, for the payment of the Outstanding Principal Balance of all Rapid Amortization Notes that are Class B Equipment Notes, first, sequentially among each Rapid Amortization Series in chronological order of their issuance date, and, second, within each Rapid Amortization Series, to each Rapid Amortization Class thereof sequentially in ascending numerical designation of each such Class but *pro rata* among any alphabetical sub-classes of the same numerical Class; provided, however, that if an Early Amortization Event exists, no payments will be made on any Rapid Amortization Series pursuant to this clause (12);

(13) if an Early Amortization Event has occurred and is then continuing, to the applicable Series Accounts for the Class B Equipment Notes, for the payment of an amount equal to the Outstanding Principal Balance of the Class B Equipment Notes (after the payments in clause (11) above), *pro rata* according to the Outstanding Principal Balance of all Class B Equipment Notes;

(14) to the applicable Series Accounts for the Class A Equipment Notes, the payment of all current and past due Additional Interest due on the Class A Equipment Notes, *pro rata* based on the amount due;

(15) to the applicable Series Accounts for the Class B Equipment Notes, the payment of all current and past due Additional Interest due on the Class B Equipment Notes, *pro rata* based on the amount due;

(16) to the applicable Series Accounts for the Class A Equipment Notes, the payment of any Redemption Premium owing to the Noteholders of the Class A Equipment Notes, *pro rata* based on the amount due;

(17) to the applicable Series Accounts for the Class B Equipment Notes, the payment of any Redemption Premium owing to the Noteholders of the Class B Equipment Notes, *pro rata* based on the amount due;

(18) to the Hedge Providers for the payment of Subordinated Hedge Payments, *pro rata* based on the amount due;

(19) to the Initial Purchasers, for the payment of any indemnities of the Issuer payable to the Initial Purchasers, *pro rata* based on the amount due;

(20) to pay or reimburse the Issuer (or the Servicer on its behalf) for costs of Optional Modifications to the extent not paid pursuant to clause (8) above or from any other available source of revenues of the Issuer; and

(21) to the Issuer, all remaining amounts, which may be distributed to the Member.

(b) Event of Default Distributions. On each Payment Date, if an Event of Default has occurred and is then continuing, the Available Collections Amount will be applied in the following order of priority, after payment of the amounts described in Section 4.02(c)(i):

(1) *pro rata*, to the payment or reimbursement of the portion of the Required Expense Amount described in clause (i) of the definition thereof to the applicable payees, and to the Expense Account in an amount equal to the Required Expense Deposit;

(2) to the payment to the Service Providers of the Service Provider Fees, plus applicable Taxes (to the extent such Taxes are payable by the Issuer to the Service Providers under the Service Provider Agreements), *pro rata* based on the amount due;

(3) to the repayment of any outstanding Servicer Advances (together with interest thereon as provided in the Servicing Agreement);

(4) *pro rata* based on the amount due, (i) to the applicable Series Accounts for the Class A Equipment Notes on a *pro rata* basis, all current and past due interest on the Outstanding Class A Equipment Notes of each Series, other than current or past due Additional Interest, (ii) to the Liquidity Facility Providers, all interest

owed to Liquidity Facility Providers in connection with draws under the related Liquidity Facilities for the Liquidity Facility Providers, together with all principal amounts drawn under any Liquidity Facility and not previously reimbursed, (iii) to the Hedge Providers, all unpaid Senior Hedge Payments, and (iv) to the Liquidity Facility Providers, all indemnification obligations payable to the Liquidity Facility Providers in connection with the related Liquidity Facilities; provided that any amounts drawn from the Liquidity Reserve Account or any Liquidity Facility will be applied only to the items described in clauses (i) and (iii) hereof (other than payments of any Hedge Termination Value or Hedge Partial Termination Value);

(5) *pro rata* based on the Outstanding Principal Balances of the Outstanding Class A Equipment Notes of each Series, to the applicable Series Accounts for the Class A Equipment Notes, the Outstanding Principal Balances of the Class A Equipment Notes;

(6) to pay or reimburse the Servicer for outstanding Servicer Optional Modification Expenses up to an aggregate amount with respect to all such payments not to exceed the Servicer Optional Modification Cap;

(7) *pro rata* based on the amount due, to the applicable Series Accounts all current and past due interest on the Outstanding Class B Equipment Notes of each Series, other than current or past due Additional Interest;

(8) *pro rata* based on the Outstanding Principal Balances of the Outstanding Class B Equipment Notes for each Series, to the applicable Series Accounts, the Outstanding Principal Balances of the Class B Equipment Notes;

(9) to the applicable Series Accounts for the Class A Equipment Notes, all current and past due Additional Interest on the Outstanding Class A Equipment Notes, *pro rata* based on the amount due;

(10) to the applicable Series Accounts for the Class B Equipment Notes, all current and past due Additional Interest on the Outstanding Class B Equipment Notes, *pro rata* based on the amount due;

(11) *pro rata* based on the amount due, to the applicable Series Accounts, the payment of any Redemption Premium owing to the Noteholders of the Class A Equipment Notes of the applicable Series;

(12) *pro rata* based on the amount due, to the applicable Series Accounts, the payment of any Redemption Premium owing to the Noteholders of the Class B Equipment Notes of the applicable Series;

(13) to the Hedge Providers, the amount of any Subordinated Hedge Payments, *pro rata* based on the amount due;

(14) to the Initial Purchasers, any indemnities of the Issuer payable to the Initial Purchasers, *pro rata* based on the amount due;

(15) to pay or reimburse the Issuer (or the Servicer on its behalf) for costs of Optional Modifications to the extent not paid pursuant to clause (6) above or from any other available source of revenues of the Issuer; and

(16) to the Issuer, all remaining amounts, which may be distributed to the Member.

(c) Railcar Disposition Distributions. On each Payment Date, so long as no Event of Default has occurred and is continuing, to the extent that Net Disposition Proceeds have been transferred to the Collections Account during the related Collection Period and without limiting in any way the application of the second to last sentence of Section 3.12 hereof, the balance in the Collections Account allocable to such Railcar Dispositions will be applied in the following order of priority:

(1) *pro rata* based on the amount due to the payment or reimbursement of the portion of the Required Expense Amount described in clause (i) of the definition thereof to the applicable payees, and to the Expense Account in an amount equal to the Required Expense Deposit;

(2) *pro rata* (A) to deposit in the Liquidity Reserve Account an amount equal to the positive difference (if any) between (x) the Liquidity Reserve Target Amount and (y) the sum of (i) the balance in the Liquidity Reserve Account and (ii) the then aggregate Liquidity Facility Available Amounts; and (B) to the Liquidity Facility Providers, to reimburse or repay pro rata the Liquidity Facility Providers in an amount equal to all principal and other amounts due to the Liquidity Facility Providers;

(3) *pro rata* based on the amount due to (i) the applicable Series Accounts for the Class A Equipment Notes and Class B Equipment Notes, an amount equal to the Allocable Note Balances of the Portfolio Railcars relating to the Railcar Disposition from which the Net Disposition Proceeds were obtained (*provided* that such amounts shall not exceed the Outstanding Principal Balance of such

Class A Equipment Notes and Class B Equipment Notes), applied sequentially *first*, to the Class A Equipment Notes of the earliest issued Series and then to subsequent Series of Class A Equipment Notes in chronological order of issuance, and within each Series by ascending numeric order among any numerical sub-classes of the Class A Equipment Notes in the same Series, but *pro rata* among any alphabetical sub-classes of the same Class until paid in full, and *second*, to the Class B Equipment Notes of the earliest issued Series and then to subsequent Series of Class B Equipment Notes in chronological order of issuance, and within each Series by ascending numeric order among any numerical sub-classes of the Class B Equipment Notes in the same Series but *pro rata* among any alphabetical sub-classes of the same numerical Class until paid in full, and (ii) each Hedge Provider, all Senior Hedge Payments due in respect of Hedge Agreements, including any Hedge Partial Termination Value payable by the Issuer in connection with the partial redemption described in subsection (i) above;

(4) to pay or reimburse the Servicer for Servicer Optional Modification Expenses, up to an aggregate amount with respect to all such payments not to exceed the Servicer Optional Modification Cap;

(5) to the applicable Series Accounts for the Class A Equipment Notes, the payment of any Redemption Premium relating to the Railcar Disposition owing to the Noteholders of the Class A Equipment Notes, *pro rata* based on the amount due;

(6) to the applicable Series Accounts for the Class A Equipment Notes for the payment of the Outstanding Principal Balance of all Rapid Amortization Notes that are Class A Equipment Notes (after the payments in first clause (3) above), *first*, sequentially among each Rapid Amortization Series in chronological order of their issuance date, and *second*, within each Rapid Amortization Series, to each Rapid Amortization Class sequentially in ascending numerical designation of each such Class but *pro rata* among any alphabetical sub-classes of the same numerical Class; *provided*, however, that if an Early Amortization Event exists, no payments will be made on any Rapid Amortization Series pursuant to this clause (6);

(7) if an Early Amortization Event has occurred and is then continuing, to the applicable Series Accounts for the Class A Equipment Notes for the payment of an amount equal to the then Outstanding Principal Balance of the Class A Equipment Notes (after giving effect to the payments in clauses (3) and (6) above), *pro rata* according to the Outstanding Principal Balance of all Class A Equipment Notes;

(8) to the applicable Series Accounts for the Class B Equipment Notes, for payment of any Redemption Premium relating to the Railcar Disposition owing to the Noteholders of the Class B Equipment Notes, *pro rata* based on the amount due;

(9) to the applicable Series Accounts for the Class B Equipment Notes for the payment of the Outstanding Principal Balance of all Rapid Amortization Notes that are Class B Equipment Notes (after the payments in first clause (3) above), *first*, sequentially among each Rapid Amortization Series in chronological order of their issuance date, and *second*, within each Rapid Amortization Series, to each Rapid Amortization Class sequentially in ascending numerical designation of each such Class but *pro rata* among any alphabetical sub-classes of the same numerical Class; *provided*, however, that if an Early Amortization Event exists, no payments will be made on any Rapid Amortization Series pursuant to this clause (9);

(10) if an Early Amortization Event has occurred and is then continuing, to the applicable Series Accounts for the Class B Equipment Notes for the payment of an amount equal to the then Outstanding Principal Balance of the Class B Equipment Notes (after giving effect to the payments in clauses (3) and (9) above), *pro rata* according to the Outstanding Principal Balance of all Class B Equipment Notes;

(11) to the Hedge Providers, the amount of any Subordinated Hedge Payments, *pro rata* based on the amount due;

(12) to the Initial Purchasers, for the payment of any indemnities of the Issuer payable to the Initial Purchasers, *pro rata* based on the amount due;

(13) to pay or reimburse the Issuer (or the Servicer on its behalf) for costs of Optional Modifications to the extent not paid pursuant to clause (4) above or from any other available source of revenues of the Issuer; and

(14) to the Issuer, all remaining amounts, which may be distributed to the Member.

For the avoidance of doubt, if an Event of Default has occurred and is continuing, the Net Disposition Proceeds will be included in the Available Collections Amount and paid pursuant to Section 3.11(b).

(d) Redemption. On any Payment Date on which any Series of Equipment Notes or Class thereof is to be the subject of an Optional Redemption, the Administrator, on behalf of the Indenture Trustee, shall distribute the amounts in the applicable Redemption/Defeasance Account to (i) the Noteholders of such Series or Class, as applicable, as

provided in the relevant Redemption Notice and (ii) to the extent the Redemption Price includes amounts owed to Hedge Providers, to such Hedge Providers.

(e) Payments by Wire Transfer. All payments to be made pursuant to this Section 3.11 to Persons other than Noteholders shall be made through a wire transfer of funds to the applicable Person. All payments to Noteholders shall be governed by Section 2.05.

Section 3.12 Voluntary Redemptions. If permitted under the related Series Supplement and if no Event of Default then exists, the Issuer will have the option to prepay the Outstanding Principal Balance of any Class of the applicable Series of Equipment Notes in an Optional Redemption; *provided* that, if an Early Amortization Event has occurred and is continuing (i) any Optional Redemption in whole of the Class B Equipment Notes within a Series shall be subject to an Optional Redemption in whole of the Class A Equipment Notes within such Series (ii), (A) an Optional Redemption in part of the Class B Equipment Notes within a Series shall be subject to an Optional Redemption in part of the Class A Equipment Notes within such Series in the same proportion as the Optional Redemption in part of the Class B Equipment Notes, in each case, based on the ratio of (x) the Outstanding Principal Balance of the Equipment Notes in such Class within such Series subject to such Optional Redemption to (y) the Outstanding Principal Balance of the Equipment Notes in such Class within such Series, (B) the Issuer (x) shall not be permitted to prepay any Class B Equipment Notes until the Outstanding Principal Balance of all Class A Equipment Notes shall have been paid in full and (y) shall not be permitted to prepay any Class A Equipment Notes of any Series until the Outstanding Principal Balance of all Class A Equipment Notes having an earlier Closing Date than such Class A Equipment Notes shall have been paid in full. If an Event of Default then exists, the Issuer will have the option to prepay, in whole or in part, the Outstanding Principal Balance of all (but not less than all) Series of Equipment Notes then Outstanding. It is understood that Optional Redemptions do not effect a release of Collateral from the Security Interest of this Master Indenture, unless resulting in the repayment in full of all Secured Obligations relating to the Series being redeemed. Any Optional Redemption in part, if permitted in accordance with the applicable Series Supplement, will be achieved by a pro rata prepayment of the Outstanding Principal Balance of the applicable Equipment Notes.

Section 3.13 Procedure for Redemptions.

(a) Method of Redemption. In the case of any Optional Redemption, the Issuer will deposit, or will cause to be deposited, in the Redemption/Defeasance Account an amount equal to the Redemption Price of the Equipment Notes or portion thereof to be redeemed. Once a Redemption Notice in respect of an Optional Redemption is published, the applicable outstanding principal amount of each Series of Equipment Notes (or Class thereof) to which such Redemption Notice applies will become due and payable on the Redemption Date stated in such Redemption Notice at its Redemption Price. In the case of a redemption in whole of a Series, all Equipment Notes of such Series that are redeemed will be surrendered to the Indenture Trustee for cancellation and will be cancelled by the Indenture Trustee, and accordingly may not be reissued or resold.

(b) Deposit of Redemption Amount. On or before any Redemption Date in respect of an Optional Redemption under Section 3.12, the Issuer shall, to the extent an amount

equal to the Redemption Price of the Equipment Notes to be redeemed and any transaction expenses as of the Redemption Date is not then held by the Issuer or on deposit in the Redemption/Defeasance Account, deposit or cause to be deposited such amount in the Redemption/Defeasance Account.

(c) Equipment Notes Payable on Redemption Date. After notice has been given under Section 3.13(d) hereof as to the Redemption Date in respect of any Optional Redemption, the Outstanding Principal Balance of the Equipment Notes to be redeemed on such Redemption Date in the amount identified in such notice shall become due and payable on the Redemption Date at the Redemption Price (net of any portion thereof payable to the applicable Hedge Provider) at the Corporate Trust Office of the Indenture Trustee, and from and after such Redemption Date (unless there shall be a default in the payment of the applicable amount to be redeemed) such principal amount shall cease to bear interest. Upon surrender of any Equipment Note for redemption in accordance with such notice, the Redemption Price of such Equipment Note shall be paid as provided for in Section 3.11(d). If any Equipment Note to be redeemed shall not be so paid, or shall only be paid in part in accordance with the terms of such notice, the remaining Outstanding Principal Balance thereof shall continue to bear interest from the Redemption Date until paid at the interest rate applicable to such Equipment Note.

(d) Redemption Notice. In respect of any Optional Redemption of any Series or Class of Equipment Notes to be made out of amounts available for such purposes, the Indenture Trustee will give a Redemption Notice to each Noteholder of the Equipment Notes to be redeemed and to each Hedge Provider, *provided* that the Indenture Trustee shall have determined in advance of giving any such Redemption Notice that funds are or will, on the applicable Redemption Date, be available therefor. Such Redemption Notice must be given at least twenty (20) days but not more than sixty (60) days before such Redemption Date. Each Redemption Notice must state (i) the applicable Redemption Date, (ii) the Equipment Notes being redeemed (which may be some or all of a Series or Class, as permitted by the applicable Series Supplement) and, if applicable, the portion of the Outstanding Principal Balance of such Equipment Notes that is to be redeemed (and in respect thereof, the Redemption Price (less an amount equal to any portion thereof payable to the applicable Hedge Provider) will be distributed to the Noteholders of the applicable Equipment Notes pro rata in the same manner as partial repayments of principal on the Equipment Notes made pursuant to the Flow of Funds and the Indenture Trustee's notice shall contain information to that effect), (iii) the Indenture Trustee's arrangements for making payments due on the Redemption Date, (iv) the Redemption Price of the Equipment Notes to be redeemed, including a description of the portion thereof, if applicable, that is payable to the applicable Hedge Provider, (v) for an Optional Redemption of an entire Class or Series of Equipment Notes or of all Outstanding Equipment Notes, that the Equipment Notes to be redeemed must be surrendered (which action may be taken by any Noteholder of the Equipment Notes or its authorized agent) to the Indenture Trustee to collect the Redemption Price on such Equipment Notes (less an amount equal to any portion thereof payable to the applicable Hedge Provider), and (vi) that, unless the Issuer defaults in the payment of the Redemption Price, if any, interest on the portion of the Outstanding Principal Balance of the Equipment Notes called for redemption will cease to accrue on and after the Redemption Date.

Section 3.14 Adjustments in Targeted Principal Balances.

(a) Railcar Dispositions. If Net Disposition Proceeds have been transferred to the Collections Account, then (a) on the next following Payment Date, such Net Disposition Proceeds shall be applied in accordance with Section 3.11(c), unless an Event of Default has occurred is continuing, in which case, such Net Disposition Proceeds shall be applied in accordance with Section 3.11(b) and (b) on such Payment Date, the Scheduled Targeted Principal Balance of the Equipment Notes being partially redeemed on such Payment Date will be reduced for all subsequent Payment Dates by an amount equal to the product of (ii) the Redemption Fraction for such Equipment Notes as of each such Payment Date and (ii) the Scheduled Targeted Principal Balance of such Equipment Notes for each such Payment Date. If proceeds of a Permitted Discretionary Sale are applied to early repayment of Equipment Notes pursuant to this paragraph, then the Issuer shall also be required to pay, in connection with and on the date of the resulting prepayment, Redemption Premium on such prepaid principal amount if at such time an Optional Redemption of the applicable Equipment Notes would also require the payment of Redemption Premium (assuming for such purpose that an Optional Redemption is permitted on such date with such Redemption Premium, if owing, to be determined in the same manner); *provided, however*, that notwithstanding anything herein to the contrary, no Redemption Premium will be due as a result of any Involuntary Railcar Dispositions or Purchase Option Dispositions or, with respect to Permitted Discretionary Sales or Redemption Dispositions, to the extent provided for in the related Series Supplement.

(b) Optional Redemption. In connection with any Optional Redemption in part, the Scheduled Targeted Principal Balance for the remaining Equipment Notes of such Series or Class shall be reduced on the Redemption Date and each subsequent Payment Date by the product of (i) the Redemption Fraction and (ii) the Scheduled Targeted Principal Balance that existed for the Redemption Date or such subsequent Payment Date, as the case may be, immediately prior to such Optional Redemption. No Optional Redemption in part shall occur with respect to a Series or Class unless the Series Supplement for such Series or Class provides for an Optional Redemption in part with respect to such Series or Class, as applicable.

(c) Redemption Fraction. "**Redemption Fraction**" means, for any Equipment Notes subject to a partial redemption, a fraction, the numerator of which is the principal amount of such Equipment Notes that is being redeemed, and the denominator of which is the Outstanding Principal Balance of such Equipment Notes immediately prior to such partial redemption.

(d) Notice to Hedge Providers and Rating Agencies. If so provided in a Series Supplement, the Issuer shall give each applicable Hedge Provider and each applicable Rating Agency prior written notice of a redemption of all or a portion of the Equipment Notes pursuant to this Section 3.14.

Section 3.15 Liquidity Facilities. On the Initial Closing Date, the Issuers shall establish the Initial Liquidity Facility and thereafter, the Issuer may enter, from time to time, into one or more additional Liquidity Facility Agreements (each, an "**Additional Liquidity Facility**") by entering into transaction documentation (the "**Liquidity Facility Documents**") with one or more Additional Liquidity Facility Providers. The following conditions must be satisfied before the Issuer may establish an Additional Liquidity Facility:

(a) the Issuer having obtained Rating Agency Confirmation with respect to all Outstanding Series;

(b) no Servicer Termination Event, Event of Default or Early Amortization Event shall have occurred and be continuing at the time of the establishment of the Liquidity Facility, and no Servicer Termination Event, Event of Default or Early Amortization Event would occur as a result of the transactions associated with the establishment of the Additional Liquidity Facility;

(c) the Liquidity Facility Documents related to such Additional Liquidity Facility shall contain provisions (i) addressing the limited recourse nature of the Issuer's obligation to make payments to the Additional Liquidity Facility Provider, (ii) consistent with the bankruptcy remoteness of the Issuer, (iii) restricting the ability of the Additional Liquidity Facility Provider to assign, transfer or delegate its obligations under such Additional Liquidity Facility, (iv) ensuring that draws on such Additional Liquidity Facility are payable on demand and without the need for a default or event of default to have occurred, (v) setting forth timetables consistent with the Issuer having funds to make timely payments on the Equipment Notes, and (vi) allowing a reasonable period of time for the Issuer to renew or to replace such Additional Liquidity Facility as it nears its stated maturity, and to effect draws under such Additional Liquidity Facility in the event such Additional Liquidity Facility is not timely renewed or replaced, or the Additional Liquidity Facility Provider is downgraded or defaults in its obligations after any applicable grace period; and

(d) the Issuer shall have delivered to the Indenture Trustee, on or prior to the establishment of such Additional Liquidity Facility:

(i) an original copy of the Liquidity Facility Documents for such Additional Liquidity Facility, duly executed by the Issuer and the Additional Liquidity Facility Provider, as applicable;

(ii) an officer's certificate, duly executed by a Responsible Officer of the Issuer, meeting the requirements of Section 1.03 hereof and stating that (A) the establishment of such Additional Liquidity Facility and the Liquidity Facility Documents are authorized and permitted by this Master Indenture and (B) all conditions precedent in this Master Indenture to (x) the establishment of such Additional Liquidity Facility and (y) the execution, delivery and performance of the Liquidity Facility Documents have been duly satisfied in accordance with the terms of this Master Indenture; and

(iii) one or more Opinions of Counsel, duly executed by counsel to the Issuer, meeting the requirements of Section 1.03 hereof and containing a statement to the effect that (A) the establishment of such Additional Liquidity Facility and the Liquidity Facility Documents are authorized and permitted by this Master Indenture and (B) that all conditions precedent in this Master Indenture to (x) the establishment of such Liquidity Facility and (y) the execution, delivery and performance of such Additional Liquidity Facility Documents have been duly satisfied in accordance with the terms of this Master Indenture.

Unless otherwise provided in a Series Supplement, each Liquidity Facility will be secured by the lien of this Master Indenture.

Section 3.16 Hedge Agreements.

(a) On each Closing Date on which the Issuer is issuing Floating Rate Equipment Notes, the Issuer must enter into one or more Hedge Agreements with one or more Eligible Hedge Providers. Each Hedge Agreement will be secured by the lien of this Master Indenture.

(b) For so long as any Series or Class of Floating Rate Equipment Notes remains Outstanding, the Issuer must maintain one or more Hedge Agreements with an aggregate notional balance (x) equal to or exceeding the minimum amount (if any) established in connection with the issuance of such Series or Class (the amount described in this clause (x), the "**Minimum Hedging Amount**") and (y) less than or equal to the maximum amount (if any) established in connection with the issuance of such Series or Class (the amount described in this clause (y), the "**Maximum Hedging Amount**" and, collectively with the Minimum Hedging Amount, the "**Hedging Requirement**"). Notwithstanding any other term or provision of this Master Indenture, but subject to Section 10.05 hereof, without the consent of Noteholders, the Issuer and the Indenture Trustee may amend this Master Indenture from time to time, with the prior written consent of all Hedge Providers and subject to receipt of Rating Agency Confirmation, to stipulate different percentages for the Minimum Hedging Amount or the Maximum Hedging Amount for such Class or Series, as applicable.

(c) If the Issuer is not able to meet the Minimum Hedging Amount, with respect to any Series or Class of Floating Rate Equipment Notes, it must, within ninety-five (95) days, use reasonable commercial efforts to enter into one or more Hedge Agreements, or, if the reason for such non-compliance is that a Hedge Agreement has terminated in its entirety, but Floating Rate Equipment Notes remain outstanding, enter into one or more replacement Hedge Agreements at least sufficient to meet the Minimum Hedging Amount. If, at the expiration of such ninety-five (95) day period the Issuer has been unable to enter into additional or replacement Hedge Agreements in order to meet the Minimum Hedging Amount, the Requisite Majority (in its sole discretion) may direct the Indenture Trustee on behalf of the Issuer to enter into, maintain or terminate (in whole or in part), one or more Hedge Agreements selected by the Requisite Majority (in its sole discretion) such that, after giving effect to such action, the Issuer will be in compliance with the Hedging Requirement. In the event the Requisite Majority determines to direct the Indenture Trustee to enter into, maintain or terminate (in whole or in part) a Hedge Agreement on the Issuer's behalf, the Requisite Majority shall promptly send a copy of any such agreement to the Issuer.

(d) If contemplated by a Hedge Agreement, the Issuer may enter into off-setting interest rate transactions in order to comply with the Hedging Requirement.

(e) Except as otherwise provided in this Master Indenture or the applicable Series Supplement, payments by the Issuer to Hedge Providers shall be made to such Hedge Providers on each Payment Date in accordance with the Flow of Funds and payments by Hedge Providers to the Issuer shall be made to the Collections Account.

(f) If a Hedge Provider is the "defaulting party" or "affected party" under a Hedge Agreement (a "**Designated Hedge Agreement**") and, as a result, the Issuer is entitled to terminate such Designated Hedge Agreement, then, promptly after the Issuer becomes aware thereof, the Issuer (i) shall notify the Indenture Trustee and each Rating Agency and (ii) shall use commercially reasonable efforts to arrange for another Eligible Hedge Provider (a "**Replacement Hedge Provider**") to enter into a replacement Hedge Agreement (a "**Replacement Hedge Agreement**") with the Issuer to the extent that the Issuer would be required to enter into a Hedge Agreement under Section 3.16(c) hereof if the Designated Hedge Agreement were not in effect (and subject to the timing, and the rights of the Requisite Majority, specified in Section 3.16(c) hereof); *provided* that, subject to the terms of the Designated Hedge Agreement, the Issuer shall terminate such Designated Hedge Agreement at or prior to the time the Issuer enters into such Replacement Hedge Agreement. In connection with any termination in whole of a Hedge Agreement if the Issuer is entering, or will enter, into a Replacement Hedge Agreement, the Administrator, on behalf and at the direction of the Issuer, will establish with the Indenture Trustee a securities and cash account (a "**Replacement and Termination Receipts Account**"). The Issuer will deposit (or cause to be deposited) in the Replacement and Termination Receipts Account (x) any Hedge Termination Value paid by the Hedge Provider under the terminating Hedge Agreement to the Issuer, which Hedge Termination Value may be used by the Issuer to make payments required to a Replacement Hedge Provider in connection with a Replacement Hedge Agreement; and (y) any initial payment from a Replacement Hedge Provider that will be used to satisfy any obligation to pay a Hedge Termination Value to the Hedge Provider under the terminating Hedge Agreement. A Replacement and Termination Receipts Account will not be considered to be an Indenture Account for purposes of this Master Indenture and funds standing to its credit will not be considered to be Collateral for purposes of this Master Indenture. All amounts from time to time held in each Replacement and Termination Receipts Account shall be held (a) in the name of the Indenture Trustee, for the benefit of the Issuer, and (b) in the custody and under the "Control" (as such term is defined in the UCC) of the Indenture Trustee, for the purposes and on the terms set forth in this Master Indenture.

(g) If a Hedge Provider is required to post collateral under a Hedge Agreement ("**Hedge Collateral**"), the Administrator, on behalf and at the direction of the Issuer, will establish with the Indenture Trustee a securities and cash account (a "**Hedge Collateral Account**"). The Hedge Collateral will be deposited in the Hedge Collateral Account; provided that the Hedge Collateral will not be considered to be Collateral for purposes of this Master Indenture and the Hedge Collateral Account will not be considered to be an Indenture Account for purposes of this Master Indenture. All amounts from time to time held in each Hedge Collateral Account shall be held (a) in the name of the Indenture Trustee, for the benefit of the Issuer, and (b) in the custody and under the "Control" (as such term is defined in the UCC) of the Indenture Trustee, for the purposes and on the terms set forth in this Master Indenture. If a Hedge Agreement is terminated and a Hedge Collateral Account has been established with respect to the related Hedge Provider, then either: (x) if a Hedge Termination Value is determined to be payable by the Issuer to such Hedge Provider, then the Issuer shall direct the Indenture Trustee to transfer to such Hedge Provider such Hedge Termination Value and, outside of the Flow of Funds, the relevant Hedge Collateral; or (y) if a Hedge Termination Value is determined to be payable by such Hedge Provider to the Issuer, and (A) if such Hedge Provider pays such Hedge Termination Value to the Issuer when due and payable, then the Issuer shall direct the Indenture Trustee to immediately return the relevant Hedge Collateral to such Hedge

Provider outside of the Flow of Funds, and (B) if such Hedge Provider does not pay such Hedge Termination Value to the Issuer when due and payable, then the Issuer shall direct the Indenture Trustee to the extent necessary to liquidate such Hedge Collateral and to transfer such Hedge Collateral or the proceeds thereof to the Collections Account in an amount equal to the lesser of (I) such Hedge Termination Value and (II) the amounts standing to the credit of such Hedge Collateral Account (and such Hedge Provider's obligation to pay such Hedge Termination Value shall be deemed to have been satisfied to the extent, but only to the extent, that such amounts are so transferred to the Collections Account), and the Issuer shall direct the Indenture Trustee to pay any proceeds of such Hedge Collateral in excess of such Hedge Termination Value to such Hedge Provider outside of the Flow of Funds.

Section 3.17 Capital Contributions to Indenture Accounts and/or Portfolio. Nothing contained herein shall restrict the Member at any time from making capital contributions to the Issuer from time to time in the form of funds, Portfolio Railcars or other assets (each such contribution, a "**Capital Contribution**"). The Member may make such a Capital Contribution by depositing funds into the Indenture Accounts on behalf of the Issuer. For the avoidance of doubt, all Capital Contributions made by the Member after the Initial Closing Date shall be made on a voluntary basis and under no circumstances shall the Member be obligated to, or shall any Issuer or Noteholder compel the Member to, make any Capital Contribution to the Issuer.

ARTICLE IV

DEFAULT AND REMEDIES

Section 4.01 Events of Default. Each of the following events shall constitute an "**Event of Default**" hereunder, and each such 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) failure to pay interest on any Class A Equipment Notes then Outstanding (other than Additional Interest, if any), in each case when such amount becomes due and payable, and such default continues for a period of five (5) or more Business Days;

(b) failure to make payment in full in cash of (i) the Outstanding Principal Balance of the Equipment Notes of any Series or Class or (ii) accrued and unpaid interest on any Class B Equipment Notes, in each case, on the respective Final Maturity Date of such Series or Class;

(c) failure to pay any amount (other than a payment default for which provision is made in clause (a) or (b) of this Section 4.01) when due and payable in connection with any Series of Equipment Notes or Class thereof, to the extent that on any Payment Date there are amounts available in the Collections Account or the Liquidity Reserve Account therefor, or, with respect to any amounts deposited in the Optional Reinvestment Account or the Mandatory Replacement Account, the failure to apply such amounts or to transfer such amounts to the Collections Account, as the case may be, in accordance with Section 3.05 and 3.09, and in any such case such default continues for a period of five (5) or more Business Days after such Payment Date;

(d) failure by the Issuer or TILC (in the case of TILC, in respect of Operative Agreements to which it is a party other than any Operative Agreement that is described in clause (k), (n) or (o) below) to comply with any of the other covenants, obligations, conditions or provisions binding on it under this Master Indenture and any Series Supplement, any of the Equipment Notes or any other Operative Agreement to which it is a party (other than a payment default for which provision is made in clause (a), (b) or (c) of this Section 4.01, or a default addressed in clause (m) or (p) below), if any such failure continues for a period of thirty (30) days or more after written notice thereof has been given to the Issuer (provided that if such failure is capable of remedy and the Administrator has promptly provided the Indenture Trustee with a certificate stating that the Issuer or TILC, as applicable, has commenced, or will promptly commence, and diligently pursue all reasonable efforts to remedy such failure or breach, then such period of time shall be extended so long as the Issuer or TILC, as applicable, is diligently pursuing such remedy but in any event no longer than sixty (60) days after the date such written notice was given to the Issuer);

(e) any representation or warranty made by the Issuer under this Master Indenture and any Series Supplement or any other Operative Agreement to which it is a party or certificate delivered by it shall prove to be untrue or incorrect in any material respect when made, and such untruth or incorrectness, if curable, shall continue unremedied for a period of thirty (30) days or more after written notice thereof has been given to the Issuer (provided that if such untruth or incorrectness is capable of remedy and the Administrator has promptly provided the Indenture Trustee with a certificate stating that the Issuer has commenced, or will promptly commence, and diligently pursue all reasonable efforts to remedy such untruth or incorrectness, then such period of time shall be extended so long as the Issuer is diligently pursuing such remedy but in any event no longer than sixty (60) days after the date such written notice was given to the Issuer);

(f) a court having jurisdiction in respect of the Issuer enters a decree or order for (i) relief in respect of the Issuer under any Applicable Law relating to bankruptcy, insolvency, receivership, winding-up, liquidation, reorganization, examination, relief of debtors or other similar law now or hereafter in effect; (ii) appointment of a receiver, liquidator, examiner, assignee, custodian, trustee, sequestrator or similar official of the Issuer; or (iii) the winding up or liquidation of the affairs of the Issuer and, in each case, such decree or order shall remain unstayed or such writ or other process shall not have been stayed or dismissed within sixty (60) days from entry thereof;

(g) the Issuer (i) commences a voluntary case under any Applicable Law relating to bankruptcy, insolvency, receivership, winding-up, liquidation, reorganization, examination, relief of debtors or other similar law now or hereafter in effect, or consents to the entry of an order for relief in any involuntary case under any such law; (ii) consents to the appointment of or taking possession by a receiver, liquidator, examiner, assignee, custodian, trustee, sequestrator or similar official of the Issuer or for all or substantially all of the property and assets of the Issuer; or (iii) effects any general assignment for the benefit of creditors, admits in writing its inability to pay its debts generally as they come due, voluntarily suspends payment of its obligations or becomes insolvent;

(h) a judgment or order for the payment of money in excess of $1,000,000 shall be rendered against the Issuer and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (ii) there shall be any period of ten (10) consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; *provided, however*, that any such judgment or order shall not be an Event of Default under this Section 4.01(h) if and for so long as (x) the amount of such judgment or order is covered by a valid and binding policy of insurance between the defendant and the insurer (subject to customary deductible or co-payment) covering payment thereof and (y) such insurer, which shall be rated at least "A-" by A.M. Best Company or any similar successor entity (or a comparable rating by a nationally or internationally recognized rating group of comparable stature), has been notified of, and has not disputed the claim made for payment of, the amount of such judgment or order;

(i) the Issuer is required to register as an investment company under the Investment Company Act of 1940, as amended;

(j) the Issuer shall have asserted that this Master Indenture or any of the other Operative Agreements to which it is a party is not valid and binding on the parties thereto or any court, governmental authority or agency having jurisdiction over any of the parties to the Master Indenture or such other Operative Agreement shall find or rule that any material provision of any of such agreements is not valid or binding on the parties thereto;

(k) the Indenture Trustee, acting at the Direction of a Requisite Majority, shall have elected to remove the Servicer as a result of a Servicer Termination Event (or to remove the Administrator in accordance with the provisions of the Administrative Services Agreement providing for such rights of removal), and a replacement Servicer (or Administrator, as the case may be) shall not have assumed the duties of the Servicer (or Administrator, as the case may be) within one hundred eighty (180) days after the date of such election;

(l) written notice is provided by the Indenture Trustee, acting at the direction of a Requisite Majority, that as of any Payment Date, the Outstanding Principal Balance of the Equipment Notes exceeds the Aggregate Adjusted Borrowing Value as of such date (and giving effect to repayments of principal to occur on such date plus amounts on deposit in the Optional Reinvestment Account and the Mandatory Replacement Account (and any prefunding account established pursuant to a Series Supplement) as of such Payment Date);

(m) TILC (or any successor thereto in its capacity as Servicer) shall have defaulted in any material respect in the performance of any of its obligations under the Marks Servicing Agreement or a default giving rise to a right to take remedial action shall occur under Section 6(a) of the Account Administration Agreement, and, in each case, the Issuer shall have failed to exercise its rights thereunder in respect of such default for a period of thirty (30) days after receipt by the Issuer of written notice from the Indenture Trustee, demanding that such action be taken;

(n) an Insurance Manager Default shall have occurred and be continuing under the Insurance Agreement, and the Issuer shall have failed to exercise its rights under the Insurance Agreement in respect of such Insurance Manager Default for a period of thirty (30)

days after receipt by the Issuer of written notice from the Indenture Trustee, demanding that such action be taken; and

(o) the Issuer shall have defaulted in any material respect in the performance of any of its covenants and agreements contained in Section 5.03(a) and such default shall continue unremedied for a period of thirty (30) days.

Section 4.02 Remedies Upon Event of Default.

(a) Upon the occurrence of an Event of Default of the type described in Section 4.01(f) or 4.01(g), the Outstanding Principal Balance of, and accrued interest on, all Series of Equipment Notes, together with all other amounts then due and owing to the Noteholders, shall become immediately due and payable without further action by any Person. If any other Event of Default occurs and is continuing, then the Indenture Trustee, acting at the Direction of the Requisite Majority, may declare the principal of and accrued interest on all Equipment Notes then Outstanding to be due and payable immediately, by written notice to the Issuer, the Servicer, the Hedge Providers, the Liquidity Facility Providers and the Administrator (a "**Default Notice**"), and upon any such declaration such principal and accrued interest shall become immediately due and payable. At any time after the Indenture Trustee has declared the Outstanding Principal Balance of the Equipment Notes to be due and payable and prior to the exercise of any other remedies pursuant to this Master Indenture, the Indenture Trustee (at the Direction of the Requisite Majority), by written notice to the Issuer, the Servicer and the Administrator may, except in the case of (i) a default in the deposit or distribution of any payment required to be made on the Equipment Notes, (ii) a payment default on the Equipment Notes or (iii) a default in respect of any covenant or provision of this Master Indenture that cannot by the terms hereof be modified or amended without the consent of each Noteholder affected thereby, rescind and annul such declaration and thereby annul its consequences, if (1) 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 of and premium, if any, on the Equipment Notes that would have become due otherwise than by such declaration of acceleration, (2) the rescission would not conflict with any judgment or decree, and (3) all other defaults and Events of Default, other than nonpayment of interest and principal on the Equipment Notes that have become due solely because of such acceleration, have been cured or waived.

(b) If an Event of Default shall occur and be continuing, the Indenture Trustee may, and shall, if given a Direction in writing by the Requisite Majority, do any or all of the following, *provided* that the Indenture Trustee shall dispose of the Portfolio Railcars only if it has received a Collateral Liquidation Notice:

(i) Institute any Proceedings, in its own name and as trustee of an express trust, for the collection of all amounts then due and payable on the Equipment Notes or under this Master Indenture or the related Series Supplement with respect thereto, whether by declaration or otherwise, enforce any judgment obtained, and collect from the Collateral and any other assets of the Issuer any moneys adjudged due;

(ii) Subject to the quiet enjoyment rights of any Lessee of a Portfolio Railcar, conduct proceedings to sell, hold or lease the Collateral or any portion thereof or rights or interest therein, at one or more public or private transactions conducted in any manner permitted by law; *provided* that, the Indenture Trustee shall incur no liability as a result of the sale of the Collateral or any part thereof at any sale pursuant to this Section 4.02 conducted in a commercially reasonable manner, and the Issuer hereby waives any claims against the Indenture Trustee arising by reason of the fact that the price at which the Collateral may have been sold at such sale was less than the price that might have been obtained, even if the Indenture Trustee accepts the first offer received and does not offer the Collateral to more than one offeree.

(iii) Institute any Proceedings from time to time for the complete or partial foreclosure of the Encumbrance created by this Master Indenture with respect to the Collateral;

(iv) Institute such other appropriate Proceedings to protect and enforce any other rights, whether for the specific enforcement of any covenant or agreement in this Master Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy;

(v) Exercise any remedies of a secured party under the UCC or any Applicable Law and take any other appropriate action to protect and enforce the rights and remedies of the Indenture Trustee or the Noteholders under this Master Indenture and any Series Supplement;

(vi) Appoint a receiver or a manager over the Issuer or its assets; and

(vii) Exercise its rights under Section 3.03 hereof.

(c) If the Equipment Notes have been declared due and payable following an Event of Default, any money collected by the Indenture Trustee pursuant to this Master Indenture or otherwise, and any moneys that may then be held or thereafter received by the Indenture Trustee, shall be applied to the extent permitted by law in the following order, at the date or dates fixed by the Indenture Trustee;

(i) First, to the payment of all costs and expenses of collection incurred by the Indenture Trustee (including the reasonable fees and expenses of any counsel to the Indenture Trustee), and all other amounts due the Indenture Trustee under this Master Indenture and any Series Supplement; and

(ii) Second, as set forth in the applicable provision of the Flow of Funds.

(d) The Indenture Trustee shall provide each Rating Agency with a copy of any Default Notice it receives or delivers pursuant to this Master Indenture. Within thirty (30) days after the occurrence of an Event of Default in respect of any Series of Equipment Notes, the Indenture Trustee shall give notice to the Noteholders of such Series of Equipment Notes, transmitted by mail, of all uncured or unwaived Defaults actually known to a Responsible

Officer of the Indenture Trustee on such date; *provided* that the Indenture Trustee may withhold such notice with respect to a Default (other than a payment default with respect to interest, principal or premium, if any) if it determines in good faith that withholding such notice is in the interest of the affected Noteholders.

(e) The Issuer hereby agrees that if an Event of Default shall have occurred and is continuing, the Indenture Trustee and any permitted delegee thereof are hereby irrevocably authorized and empowered to act as the attorney-in-fact for the Issuer with respect to the giving of any instructions or notices under this Master Indenture.

(f) If an Event of Default shall have occurred and is continuing, upon the written Direction of the Requisite Majority, the Indenture Trustee shall render an accounting of the current balance of each Indenture Account, and shall direct the Account Collateral Agent to render an accounting of the current balance of the Customer Payment Account.

(g) If an Event of Default shall have occurred and is continuing, and only in such event, upon the written Direction of the Requisite Majority, the Indenture Trustee shall be authorized to take any and all actions and to exercise any and all rights, remedies and options which it may have under this Master Indenture (which rights and remedies shall include the right to direct the withdrawal and disposition of amounts on deposit in the Indenture Accounts and the deposit thereof in the Collections Account, other than amounts on deposit in Series Accounts) and which the Requisite Majority directs it to take under this Master Indenture, including realization and foreclosure on the Collateral.

(h) The Indenture Trustee may after the occurrence of and during the continuance of an Event of Default exercise any and all rights and remedies of the Issuer under or in connection with the Assigned Agreements (including, without limitation, the Servicing Agreement and any successor agreement therefor) and otherwise in respect of the Collateral, including, without limitation, any and all rights of the Issuer to demand or otherwise require payment of any amount under, or performance of any provision of, any Assigned Agreement. In addition, after the occurrence of and during the continuance of an Event of Default, upon the Direction of the Requisite Majority, the Indenture Trustee may exercise all rights of the "lessor" under Leases related to Portfolio Railcars, including, without limitation, the right to direct the applicable Lessees to make rental payments to such account as the Indenture Trustee shall specify, for application to the Collections Account and upon a Servicer Default, or a Servicer Replacement Event (as defined in the Servicing Agreement) in respect of which the Servicer has been replaced, and in each case upon the Direction of the Requisite Majority, the Indenture Trustee may exercise the right of the "lessor" to direct the applicable Lessees to make rental payments to such account as the Indenture Trustee shall specify, for application to the Collections Account.

Section 4.03 Limitation on Suits. No Noteholder shall have any right to institute any proceeding, judicial or otherwise, with respect to this Master Indenture or the Equipment Notes, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

(a) such Noteholder holds Equipment Notes of the Senior Class and has previously given written notice to the Indenture Trustee of a continuing Event of Default;

(b) the Noteholders of at least 25% of the aggregate Outstanding Principal Balance of the Equipment Notes of the Senior Class give a written Direction to the Indenture Trustee to pursue a remedy hereunder;

(c) such Noteholder or Noteholders offer to the Indenture Trustee an indemnity reasonably satisfactory to the Indenture Trustee against any costs, expenses and liabilities to be incurred in complying with such request;

(d) the Indenture Trustee does not comply with such request within sixty (60) days after receipt of the request and the offer of indemnity; and

(e) during such sixty (60) day period, a Requisite Majority does not give the Indenture Trustee a Direction inconsistent with such request.

No one or more Noteholders may use this Master Indenture to affect, disturb or prejudice the rights of another Noteholder or to obtain or seek to obtain any preference or priority not otherwise created by this Master Indenture and the terms of the Equipment Notes over any other Noteholder or to enforce any right under this Master Indenture and a related Series Supplement, except in the manner herein provided.

Section 4.04 Waiver of Existing Defaults.

(a) The Indenture Trustee acting at the Direction of the Requisite Majority may waive any existing Default or Event of Default hereunder and its consequences, except any waiver in respect of a covenant or provision hereof which, pursuant to Section 9.02(a), cannot be modified or amended without the consent of such Persons as are required to amend such covenant or provision in addition to the consent of the Requisite Majority.

(b) Upon any waiver made in accordance with Section 4.04(a), such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Master Indenture, but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon. Each such notice of waiver shall also be notified to each Rating Agency.

(c) Any written waiver of a Default or an Event of Default given by Noteholders of the Equipment Notes to the Indenture Trustee and the Issuer in accordance with the terms of this Master Indenture shall be binding upon the Indenture Trustee and the other parties hereto. Unless such writing expressly provides to the contrary, any waiver so granted shall extend only to the specific event or occurrence which gave rise to the Default or Event of Default so waived and not to any other similar event or occurrence which occurs subsequent to the date of such waiver.

Section 4.05 Restoration of Rights and Remedies. If the Indenture Trustee, any Noteholder of Equipment Notes, any Hedge Provider or any Liquidity Facility Provider has instituted any proceeding to enforce any right or remedy that it has, if applicable, under this Master Indenture and any Series Supplement, and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Indenture Trustee, such Noteholder, such Hedge Provider or such Liquidity Facility Provider, then in every such case the

Issuer, the Indenture Trustee, the Noteholders, such Hedge Provider or such Liquidity Facility Provider shall, subject to any determination in such proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Indenture Trustee, the Noteholders, such Hedge Provider and such Liquidity Facility Provider shall continue as though no such proceeding has been instituted.

Section 4.06 Remedies Cumulative. Each and every right, power and remedy herein given to the Indenture Trustee (or the Control Parties or the Requisite Majority), the Hedge Providers and the Liquidity Facility Providers, if applicable, specifically or otherwise in this Master 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 (or the Control Parties or the Requisite Majority), the Hedge Providers and the Liquidity Facility Providers, if applicable, and 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 same time or thereafter any other right, power or remedy. No delay or omission by the Indenture Trustee (or the Control Parties or the Requisite Majority), a Hedge Provider or a Liquidity Facility Provider, if applicable, in the exercise of any such right, remedy or power or in the pursuance of any such remedy shall impair any such right, power or remedy or be construed to be a waiver of any Default on the part of the Issuer or to be an acquiescence.

Section 4.07 Authority of Courts Not Required. The parties hereto agree that, to the greatest extent permitted by law, the Indenture Trustee shall not be obliged or required to seek or obtain the authority of, or any judgment or order of, the courts of any jurisdiction in order to exercise any of its rights, powers and remedies under this Master Indenture and any Series Supplement, and the parties hereby waive any such requirement to the greatest extent permitted by law.

Section 4.08 Rights of Noteholders to Receive Payment. Notwithstanding any other provision of this Master Indenture, the right of any Noteholder to receive payment of interest on, principal of, or premium, if any, on the Equipment Notes on or after the respective due dates therefor, or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Noteholder.

Section 4.09 Indenture Trustee May File Proofs of Claim. The Indenture Trustee may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Indenture Trustee and of any Noteholder allowed in any judicial proceedings relating to the Issuer, its creditors or its property.

Section 4.10 Undertaking for Costs. All parties to this Master Indenture agree, and each Noteholder by its acceptance thereof shall be deemed to have agreed, that in any suit for the enforcement of any right or remedy under this Master Indenture and any Series Supplement or in any suit against the Indenture Trustee for any action taken or omitted by it as Indenture Trustee, a court in its discretion may require the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits

and good faith of the claims or defense made by the party litigant. This Section 4.10 does not apply to a suit instituted by the Indenture Trustee, a suit instituted by any Noteholder for the enforcement of the payment of interest, principal, or premium, if any, on the Equipment Notes on or after the respective due dates expressed in such Equipment Note, or a suit by a Noteholder or Noteholders of more than 10% of the Outstanding Principal Balance of any Series of Equipment Notes (exclusive of Equipment Notes or interests therein held by any Issuer Group Member).

Section 4.11 Purchase Right of Class B Noteholders. Each Noteholder of a Class B Equipment Note (other than any Class B Equipment Note held by an Affiliate of the Issuer) will have the right (the "**Class B Purchase Right**") on any date occurring on or after the date of the occurrence of an Event of Default that is continuing as of the date of purchase, upon at least twenty (20) days' written notice to the Indenture Trustee (with a copy to the Issuer), to purchase all, but not less than all, of the Class A Equipment Notes of all Outstanding Series for a purchase price equal to the aggregate Outstanding Principal Balance of all such Class A Equipment Notes, plus accrued and unpaid interest (at the applicable rate of interest for the related sub-class of Class A Equipment Notes) on such Outstanding Principal Balance together with any Additional Interest due and payable to the Noteholders of the Class A Equipment Notes (any such principal and interest in respect of any such sub-class of Class A Equipment Notes, Additional Interest and other payments, the "**Class B Purchase Right Outstanding Priority Balance**"); *provided* that (i) if prior to the end of such twenty (20) day period any other Noteholder of a Class B Equipment Note (other than any Class B Equipment Note held by an Affiliate of the Issuer) notifies such purchasing Holder of a Class B Equipment Note that such other Noteholder of a Class B Equipment Note wants to participate in such purchase, then such other Noteholder of a Class B Equipment Note may join with the purchasing Noteholder of a Class B Equipment Note (any such purchasing Noteholders of a Class B Equipment Note shall be collectively referred to as the "**Class B Purchasers**") in exercising the Class B Purchase Right and (ii) if prior to the end of such twenty (20) day period any other Noteholder of a Class B Equipment Note fails to notify the Class B Purchasers of such other Noteholder of a Class B Equipment Note's desire to participate in such a purchase, then such other Noteholder of a Class B Equipment Note designated shall lose its right to purchase the Class A Equipment Notes of all Outstanding Series. As a condition precedent to such purchase, all interest and principal amounts due and payable to the Liquidity Facility Providers will have been paid in full by such Class B Purchasers and all Liquidity Facilities shall have been terminated or cancelled in full. Upon receipt of any such notice, the Indenture Trustee will calculate the then Class B Purchase Right Outstanding Priority Balance. Payment of the Class B Purchase Right Outstanding Priority Balance will in each case be made ratably by each Class B Purchaser based on the ratio of the Outstanding Principal Balance of the Class B Equipment Notes held by such Class B Purchaser to the Outstanding Principal Balance of the Class B Equipment Notes held by all Class B Purchasers. Following all Class B Purchaser's payment of their portion of the Class B Purchase Right Outstanding Priority Balance, each applicable Class B Purchaser shall be the Noteholder of the applicable Class A Equipment Notes and shall be entitled to all rights and interests to which a Noteholder of the Class A Equipment Notes would be entitled.

ARTICLE V

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 5.01 Representations and Warranties. The Issuer represents and warrants to the Indenture Trustee as of each Closing Date, and each Delivery Date, as follows:

(a) Due Organization.

(i) The Issuer is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of Delaware, 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 Issuer Documents and the Operative Agreements to which the Issuer is a party, has the organizational power and authority to carry on its business as now conducted, has the requisite organizational power and authority to execute, deliver and perform its obligations under the Issuer Documents and the Operative Agreements to which the Issuer is a party.

(ii) Each of the LLC Agreement and each other organizational document of the Issuer has been duly executed and delivered by each party thereto and constitutes a legal, valid and binding obligation of each such party enforceable against such party in accordance with its 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.

(iii) Since the date of formation of the Issuer, the Issuer has not conducted business under any other name and does not have any trade names, or "doing business under" or "doing business as" names. The Issuer has not reorganized in any jurisdiction (whether the United States, any state therein, the District of Columbia, Puerto Rico, Guam or any possession or territory of the United States, or any foreign country or state) other than the State of Delaware.

(b) Special Purpose Status. The Issuer has not engaged in any activities since its organization (other than those incidental to its organization and other appropriate limited liability company steps and arrangements for the payment of fees to, and director's and officer's insurance for, its member, special member and manager), the execution of the Issuer Documents and the Operative Agreements to which it is a party and the activities referred to in or contemplated by such agreements.

(c) Non-Contravention. The Issuer's acquisition of Railcars pursuant to an Asset Transfer Agreement, the other transactions contemplated by each Asset Transfer Agreement, the creation of the Equipment Notes and the issuance, execution and delivery of, and the compliance by the Issuer with the terms of each of the Operative Agreements and the Equipment Notes:

(i) do not conflict with, or result in a breach of any of the terms or provisions of, or constitute a default under, the constitutional documents of the Issuer or

with any existing law, rule or regulation applying to or affecting the Issuer or any judgment, order or decree of any government, governmental body or court having jurisdiction over Issuer;

(ii) do not infringe the terms of, or constitute a default under, any deed, indenture, agreement or other instrument or obligation to which the Issuer is a party or by it or its assets, property or revenues are bound; and

(iii) do not constitute a default by the Issuer under, or result in the creation of any Encumbrance (except for Permitted Encumbrances of the type described in clause (i), (ii) or (v) of the definition thereof) upon the property of the Issuer under its organizational documents or any indenture, mortgage, contract or other agreement or instrument to which the Issuer is a party or by which the Issuer or any of its properties may be bound or affected.

(d) Due Authorization. The Issuer's acquisition of Railcars pursuant to an Asset Transfer Agreement, the other transactions contemplated by each Asset Transfer Agreement, the creation, execution and issuance of the Equipment Notes, the execution and issue or delivery by the Issuer of the Operative Agreements executed by it and the performance by it of its obligations hereunder and thereunder and the arrangements contemplated hereby and thereby to be performed by it have been duly authorized by all necessary limited liability company action of the Issuer.

(e) Validity and Enforceability. This Master Indenture constitutes, and the Operative Agreements, when executed and delivered and, in the case of the Equipment Notes, when issued and authenticated, will constitute valid, legally binding and (subject to general equitable principles, insolvency, liquidation, reorganization and other laws of general application relating to creditors' rights or claims or to laws of prescription or the concepts of materiality, reasonableness, good faith and fair dealing) enforceable obligations of the Issuer.

(f) No Event of Default or Early Amortization Event. No Event of Default or Early Amortization Event has occurred and is continuing and no event has occurred that with the passage of time or notice or both would become an Event of Default or Early Amortization Event.

(g) No Encumbrances. Subject to the Security Interests created in favor of the Indenture Trustee and the Flow of Funds, and except for Permitted Encumbrances, there exists no Encumbrance over the assets of the Issuer that ranks prior to or *pari passu* with the obligation to make payments on the Equipment Notes.

(h) No Consents. 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 the Issuer or any governmental authority on the part of the Issuer is required in the United States, Canada or Mexico (subject to the proviso set forth below) in connection with the execution and delivery by the Issuer of the Operative Agreements to which the Issuer is a party or in order for the Issuer to perform its obligations thereunder in accordance with the terms thereof, other than: (i) notices required to be filed with the STB and the Registrar General of

Canada, which notices shall have been filed on the applicable Closing Date, (ii) as may be required under existing laws, ordinances, governmental rules and regulations to be obtained, given, accomplished or renewed at any time after the applicable Closing Date in connection with the operation and maintenance of the Portfolio Railcars and in accordance with the Operative Agreements that are routine in nature and are not normally applied for prior to the time they are required, and which the Issuer has no reason to believe will not be timely obtained, (iii) as may be required under the Operative Agreements in consequence of any transfer of ownership of the Portfolio Railcars and (iv) filing and recording to perfect the Security Interests under this Master Indenture and any Series Supplement as required hereunder; *provided*, that the parties hereto agree that the Issuer shall not be required to make any such filings or recordings in Mexico or under any Provincial Personal Property Security Act or other non-federal legislation in Canada.

(i) No Litigation. There is no claim, action, suit, investigation or proceeding pending against, or to the knowledge of the Issuer, threatened against or affecting the Issuer, before any court or arbitrator or any governmental body, agency or official which in any manner challenges or seeks to prevent, enjoin, alter or materially delay the transactions contemplated by this Master Indenture (including the Exhibits and Schedules attached hereto) and/or the Operative Agreements.

(j) Employees, Subsidiaries. The Issuer has no employees. The Issuer has no Subsidiaries.

(k) Ownership. The Issuer is the owner of the Collateral free from all Encumbrances and claims whatsoever other than Permitted Encumbrances.

(l) No Filings. Under the laws of Delaware, Texas and New York (and including U.S. federal law) in force at the date hereof, it is not necessary or desirable that this Master Indenture or any Operative Agreement to which the Issuer is a party be filed, recorded or enrolled with any court or other authority in any such jurisdictions or that any material stamp, registration or similar tax be paid on or in relation to this Master Indenture or any of the other Operative Agreements (other than filings of UCC financing statements and with the STB and in Canada in respect of the Security Interests in the Portfolio Railcars).

(m) Other Representations. The representations and warranties made by the Issuer in any of the other Operative Agreements are true and accurate as of the date made.

(n) Other Regulations. The Issuer is not an “investment company,” or an “affiliated person” of, or a “promoter” or “principal underwriter” for, an “investment company,” as such terms are defined in the Investment Company Act of 1940, as amended.

(o) Insurance. The Portfolio Railcars described on each Delivery Schedule delivered from time to time under an Asset Transfer Agreement are, at the time of the related Conveyance to the Issuer, covered by the insurance required by Section 5.04(f) hereof, and all premiums due prior to the applicable Delivery Date in respect of such insurance shall have been paid in full and such insurance as of the applicable Delivery Date is in full force and effect.

(p) No Event of Default or Total Loss. At the time of each Conveyance of Railcars under an Asset Transfer Agreement, (i) no Event of Default has occurred and is continuing, (ii) no Servicer Default (in the case of Conveyances other than on a Closing Date) or Servicer Termination Event (in the case of Conveyances on a Closing Date) has occurred and is continuing, (iii) to the knowledge of the Issuer, no Total Loss or event that, with the giving of notice, the passage of time or both, would constitute a Total Loss with respect to any of the Railcars so Conveyed, has occurred, and (iv) to the knowledge of the Issuer, no Railcar being Conveyed under an Asset Transfer Agreement on such date has suffered damage or contamination which, in the Issuer's reasonable judgment, makes repair uneconomic or renders such Railcar unfit for commercial use.

(q) Beneficial Title. On each Delivery Date upon which a Conveyance occurs under an Asset Transfer Agreement, (i) the applicable Seller has, and shall pursuant to its related Bill of Sale have, conveyed all legal and beneficial title of the Issuer to such Railcars being so Conveyed free and clear of all Encumbrances (other than Permitted Encumbrances) and such Conveyance will not be void or voidable under any applicable law and (ii) the applicable Seller has assigned, and the Assignment and Assumption to be delivered on the related Delivery Date shall upon acceptance thereof by the Issuer assign, to the Issuer, all legal and beneficial title of such Seller to the related Leases, free and clear of all Encumbrances (other than Permitted Encumbrances), and the Assignment and Assumption will not be void or voidable under any applicable law.

(r) Nature of Business. The Issuer is not engaged in the business of extending credit for the purposes of purchasing or carrying margin stock, and no proceeds of the Equipment Notes will be used by the Issuer for a purpose which violates, or would be inconsistent with, Section 7 of the Securities Exchange Act of 1934, as amended, or Regulations T, U and X of the Federal Reserve System (terms for which meanings are provided in Regulations T, U and X of the Federal Reserve System or any regulations substituted therefor, as from time to time in effect, being used in this Section 5.01(r) with such meanings).

(s) No Default under Organizational Documents. The Issuer is not in violation of any term of any of its organizational documents or in violation or breach of or in default under any other agreement, contract or instrument to which it is a party or by which it or any of its property may be bound.

(t) Issuer Compliance. The Issuer is in compliance in all material respects with all laws, ordinances, governmental rules, regulations, orders, judgments, decrees, determinations and awards to which it is subject and the Issuer has obtained all required licenses, permits, franchises and other governmental authorizations material to the conduct of its business.

(u) Railcar Compliance; Autoracks. Each Railcar Conveyed on a Delivery Date, taken as a whole, and each major component thereof complies in all material respects with all applicable laws and regulations, all requirements of the manufacturer for maintaining in full force and effect any applicable warranties and the requirements, if any, of any applicable insurance policies, conforms with the specifications for such Railcar contained in the related Appraisal (to the extent a copy of such Appraisal or a relevant excerpt therefrom has been delivered to the Issuer) 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 the railcar identification marks shown on the related Bill of Sale are the marks then used on the Portfolio Railcars set forth on such Bill of Sale. Each Portfolio Railcar that is an autorack qualifies for the National Reload Pool.

(v) Taxes. On each Delivery Date upon which a Conveyance occurs under an Asset Transfer Agreement, all sales, use or transfer taxes, if any, due and payable upon the purchase of the Portfolio Railcars by the Issuer from the applicable Seller will have been paid or such transactions will then be exempt from any such taxes, and the Issuer will cause any required forms or reports in connection with such taxes to be filed in accordance with applicable laws and regulations.

(w) Lease Terms. Except where a Railcar is being conveyed on a Closing Date and the related Series Supplement references this Section 5.01(w) and permits an exception hereto, each Railcar Conveyed on the relevant Delivery Date is subject to a Permitted Lease, which Lease (together with the other Leases that are or have been the subject of such Conveyances) contains rental and other terms which are no different, taken as a whole, from those for similar railcars in the Servicer's Fleet.

(x) Eligibility. Each Railcar described on its relevant Delivery Schedule constitutes an Eligible Railcar as of the date of its Conveyance to the Issuer.

(y) Assignment of Leases. (i) Each Lease conveyed on the relevant Delivery Date is freely assignable from the applicable Seller to the Issuer and from the Issuer to any other Person (including, without limitation, any transferee in connection with the Indenture Trustee's exercise of rights or remedies under this Master Indenture and any Series Supplement) or, if any such Lease is not freely assignable, then consents to such assignments determined by the Servicer in good faith to be sufficient for their intended purposes have been obtained prior to the relevant Delivery Date, (ii) no assignment described in this Section 5.01(y) is void or voidable or will result in a claim for damages or reduction in rental or other payments, in each case pursuant to the terms and conditions of any such Lease and (iii) no consent, approval or filing is required under such Lease in connection with the execution and delivery of the Operative Agreements.

(z) Purchase Options. With respect to any Portfolio Railcars that are subject to a purchase option granted to the Lessee under the relevant Lease, such purchase option is exercisable by the applicable Lessee for a purchase price not less than (at the time of such purchase) the greater of (1) an appraiser's estimate at Lease inception of fair market value at the time of potential exercise under the option provision, and (2) (A) one hundred five percent (105%) of the product of the Railcar Advance Rate and the Adjusted Value of the Portfolio Railcars subject to such purchase option, plus (B) any Hedge Partial Termination Value that would be owed by the Issuer to Hedge Providers, if applicable, plus (C) an amount equal to any Redemption Premium that would be payable on the Equipment Notes if on the date such purchase option is exercised, an Optional Redemption of the applicable Equipment Notes would require the payment of a Redemption Premium (with such amount, if any, to be determined in the same manner as the Redemption Premium related to an Optional Redemption). Any such purchase option complying with each of the foregoing limitations referred to herein and in the other Operative Agreements as a "**Permitted Purchase Option**."

(aa) No Other Financing of Lease; Permitted Lease. After giving effect to the transfers contemplated under the Operative Agreements, (i) the Leases being Conveyed to the Issuer on any applicable Delivery Date (as evidenced by the Riders or Schedules with respect thereto) are not subject to and do not cover railcars financed in, any financing or securitization transaction other than to the extent constituting a Permitted Encumbrance and other than the transactions contemplated by the Operative Agreements and (ii) such Leases conform to the definition of Permitted Lease (*provided* that up to 5% of the aggregate number of Portfolio Railcars may be subject to a Lease other than a Permitted Lease).

(ab) Concentration Limits. After giving effect to the Issuer's acquisition of Railcars in connection with issuing a Series of Equipment Notes on the applicable Closing Date, the Portfolio complies with all Concentration Limits.

(ac) Tax Status. As of the Initial Closing Date, the Issuer: (i) is classified as a disregarded entity for United States federal income tax purposes, and (ii) is not required to withhold on any distributions or allocations to its equity holders, as determined for U.S. federal income tax purposes, under Sections 1441, 1442, 1445 or 1446 of the Code.

Section 5.02 General Covenants. The Issuer covenants with the Indenture Trustee as follows:

(a) No Release of Obligations. The Issuer will not take any action which would amend, terminate (other than any termination in connection with the replacement of such agreement on terms substantially no less favorable to the Issuer than the agreement being terminated) or discharge or prejudice the validity or effectiveness of this Master Indenture (other than as permitted herein) or any other Operative Agreement or permit any party to any such document to be released from such obligations, except that, in each case, as permitted or contemplated by the terms of such documents, and *provided* that, in any case, (i) the Issuer will not take any action which would result in any amendment or modification to any conflicts standard or duty of care in such agreements and (ii) there must be at all times an Administrator and a Servicer with respect to all Portfolio Railcars.

(b) Encumbrances. The Issuer will not create, incur, assume or suffer to exist any Encumbrance on the Collateral other than: (i) any Permitted Encumbrance, and (ii) any other Encumbrance the validity or applicability of which is being contested in good faith in appropriate proceedings by any Issuer Group Member (and the proceedings related to such Encumbrance or the continued existence of such Encumbrance does not give rise to any reasonable likelihood of the sale, forfeiture or loss of the asset affected by such Encumbrance) and for which the Issuer maintains adequate cash reserves to pay such Encumbrance.

(c) Indebtedness. The Issuer will not incur, create, issue, assume, guarantee or otherwise become liable for or with respect to, or become responsible for the payment of, contingently or otherwise, whether present or future, Indebtedness, other than Indebtedness in respect of the Equipment Notes and Indebtedness under Liquidity Facilities and Hedge Agreements.

(d) Restricted Payments. The Issuer will not (i) declare or pay any dividend or make any distribution on its Stock; *provided* that, so long as no Event of Default shall have occurred and be continuing and to the extent there are available funds therefor in the Collections Account on the applicable Payment Date, the Issuer may make payments on its limited liability company membership interests to the extent of the aggregate amount of distributions made to the Issuer pursuant to the Flow of Funds; (ii) purchase, redeem, retire or otherwise acquire for value any membership interest in the Issuer held by or on behalf of Persons other than any Permitted Holder; (iii) make any interest, principal or premium, if any, payment on the Equipment Notes or make any voluntary or optional repurchase, defeasance or other acquisition or retirement for value of Indebtedness of the Issuer other than in accordance with the Equipment Notes and this Master Indenture or the Operative Agreements; *provided* that the Issuer may repurchase, defease or otherwise acquire or retire any of the Equipment Notes from a source other than from Collections (other than that portion of Collections that would otherwise be distributable to the Issuer in accordance with the Flow of Funds); or (iv) make any investments, other than Permitted Investments and investments permitted under Section 5.02(f) hereof.

The term "**investment**" for purposes of the above restriction shall mean any loan or advance to a Person, any purchase or other acquisition of any Stock or Indebtedness of such Person, any capital contribution to such Person or any other investment in such Person.

(e) Limitation on Dividends and Other Payments. The Issuer will not create or otherwise suffer to exist any consensual limitation or restriction of any kind on the ability of the Issuer to declare or pay dividends or make any other distributions permitted by Applicable Law, other than pursuant to the Operative Agreements.

(f) Business Activities. The Issuer will not engage in any business or activity other than:

(i) purchasing or otherwise acquiring (subject to the limitations on acquisitions of Portfolio Railcars described below), owning, holding, converting, maintaining, modifying, managing, operating, leasing, re-leasing and (subject to the limitations on sales of Portfolio Railcars described below) selling or otherwise disposing of its Portfolio Railcars and entering into all contracts and engaging in all related activities incidental thereto, including from time to time accepting, exchanging, holding promissory notes, contingent payment obligations or equity interests of Lessees or their Affiliates issued in connection with the bankruptcy, reorganization or other similar process, or in settlement of delinquent obligations or obligations anticipated to be delinquent of such Lessees or their respective Affiliates in the ordinary course of business;

(ii) financing or refinancing the business activities described in clause (i) of this Section 5.02(f) through the offer, sale and issuance of one or more Series of Equipment Notes, upon such terms and conditions as the Issuer sees fit, subject to the limitations of this Master Indenture;

(iii) purchasing, acquiring, surrendering and assigning policies of insurance and assurances with any insurance company or companies which the Issuer or

the Insurance Manager determines to be necessary or appropriate to comply with this Master Indenture or the Insurance Agreement and to pay the premiums or the Issuer's allocable portion thereon;

(iv) entering into Liquidity Facilities;

(v) engaging in currency and interest rate exchange transactions for the purposes of avoiding, reducing, minimizing, hedging against or otherwise managing the risk of any loss, cost, expense or liability arising, or which may arise, directly or indirectly, from any change or changes in any interest rate or currency exchange rate or in the price or value of the property or assets of the Issuer, upon such terms and conditions as the Issuer sees fit and within any limits and with any provisos specified in this Master Indenture or a Series Supplement, including but not limited to dealings, whether involving purchases, sales or otherwise, in foreign currency, spot and forward interest rate exchange contracts, forward interest rate agreements, caps, floors and collars, futures, options, swaps and any other currency, interest rate and other similar hedging arrangements and such other instruments as are similar to, or derivatives of, any of the foregoing, but in any event not for speculative purposes; and

(vi) taking any action that is incidental to, or necessary to effect, any of the actions or activities set forth above.

(g) Limitation on Consolidation, Merger and Transfer of Assets. The Issuer will not consolidate with, merge with or into, or sell, convey, transfer, lease or otherwise dispose of its property and assets (as an entirety or substantially an entirety in one transaction or in a series of related transactions) to, any other Person, or permit any other Person to merge with or into the Issuer (any such consolidation, merger, sale, conveyance, transfer, lease or other disposition, a "**Merger Transaction**"), unless:

(i) the resulting entity is a special purpose entity, the charter of which is substantially similar to the LLC Agreement, and, after such Merger Transaction, payments from such resulting entity to the Noteholders do not give rise to any withholding tax payments less favorable to the Noteholders than the amount of any withholding tax payments which would have been required had such Merger Transaction not occurred and such entity is not subject to taxation as a corporation or an association or a publicly traded partnership taxable as a corporation;

(ii) (A) such Merger Transaction has been unanimously approved by the board of managers of the Issuer and (B) the surviving successor or transferee entity shall expressly assume all of the obligations of the Issuer in and under this Master Indenture and any Series Supplement, the Equipment Notes and each other Operative Agreement to which the Issuer is then a party (with the result that, in the case of a transfer only, the Issuer thereupon will be released);

(iii) both before, and immediately after giving effect to such Merger Transaction, no violation of a Concentration Limit, Event of Default or Early Amortization Event shall have occurred and be continuing;

(iv) each of (A) a Rating Agency Confirmation and (B) the consent of the Indenture Trustee (acting at the Direction of a Requisite Majority) has been obtained with respect to such Merger Transaction;

(v) for U.S. Federal income tax purposes, such Merger Transaction does not result in the recognition of gain or loss by any Noteholder; and

(vi) the Issuer delivers to the Indenture Trustee an Officer's Certificate and an Opinion of Counsel, in each case stating that such Merger Transaction complies with the above criteria and, if applicable, Section 5.03(a) hereof and that all conditions precedent provided for herein relating to such transaction have been complied with.

(h) Limitation on Transactions with Affiliates. The Issuer will not, directly or indirectly, enter into, renew or extend any transaction (including, without limitation, the purchase, sale, lease or exchange of property or assets, or the rendering of any service) with any Affiliate of the Issuer, except upon fair and reasonable terms no less favorable to the Issuer than could be obtained, at the time of such transaction or at the time of the execution of the agreement providing therefor, in a comparable arm's-length transaction with a Person that is not such an Affiliate, *provided*, that the foregoing restriction does not limit or apply to the following:

(i) any transaction in connection with the establishment of the Issuer, its initial capitalization and the acquisition of its initial Portfolio or pursuant to the terms of the Operative Agreements;

(ii) the payment of reasonable and customary regular fees to, and the provision of reasonable and customary liability insurance in respect of, the managers/members of the Issuer;

(iii) any payments on or with respect to the Equipment Notes or otherwise in accordance with the Flow of Funds;

(iv) any acquisition of Additional Railcars or any Permitted Railcar Acquisition or Permitted Railcar Disposition complying with Section 5.03 hereof;

(v) any payments of the types referred to in clause (i) or (ii) of Section 5.02(d) hereof and not prohibited thereunder; or

(vi) the sale of Portfolio Railcars as part of a single transaction providing for the redemption or defeasance of Equipment Notes in accordance with the terms of this Master Indenture.

(i) Limitation on the Issuance, Delivery and Sale of Equity Interests. Except as expressly permitted by its LLC Agreement, the Issuer will not (1) issue, deliver or sell any Stock or (2) sell, directly or indirectly, or issue, deliver or sell, any Stock, except for the following:

(A) issuances or sales of any additional membership interests to the Member (the "**Permitted Holder**"); or

(B) contributions, including Capital Contributions, by the Permitted Holder of funds to the Issuer (x) with which to effect a redemption or discharge of the Equipment Notes upon any acceleration of the Equipment Notes or (y) as otherwise contemplated by this Master Indenture, an Asset Transfer Agreement or the LLC Agreement.

In accordance with the LLC Agreement, no issuance, delivery, sale, transfer or other disposition of any equity interest in the Issuer will be effective, and any such issuance, delivery, sale transfer or other disposition will be void *ab initio*, if it would result in the Issuer being classified as an association (or a publicly traded partnership) taxable as a corporation for U.S. federal income tax purposes or if the Issuer would be required to withhold on any distributions or allocations to its equity holders under Sections 871, 881, 1441, 1442, 1445 or 1446 of the Code. In addition, any such issuance, delivery, sale, transfer or other disposition of any equity interest in the Issuer, other than to a Permitted Holder, will require Rating Agency Confirmation.

(j) Bankruptcy and Insolvency.

(i) The Issuer will promptly provide the Indenture Trustee and each Rating Agency with written notice of the institution of any proceeding by or against the Issuer seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee or other similar official for all or for any substantial part of its property. The Issuer will not, without obtaining the prior written consent of the Requisite Majority (such consent not to be unreasonably withheld) as well as Rating Agency Confirmation, take any action to waive, repeal, amend, vary, supplement or otherwise modify the provision of its LLC Agreement which requires action or consent of its special member or limits actions of the Issuer with respect to voluntary insolvency proceedings or involuntary insolvency proceedings of the Issuer.

(ii) The Issuer shall cause each party to any Operative Agreement, and each party to any other agreement to which the Issuer is a party that is incidental or related to any Operative Agreement, that in either such case renders the Issuer a debtor to such party, to covenant and agree that it shall not, prior to the date which is one year and one day (or if longer, the applicable preference period then in effect) after the payment in full of the Equipment Notes, acquiesce, petition or otherwise, directly or indirectly, invoke or cause the Issuer to invoke the process of any governmental authority for the purpose of commencing or sustaining a case against the Issuer under any federal or state bankruptcy, insolvency or similar law or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of the Issuer or any substantial part of its property or ordering the winding up or liquidation of the affairs of the Issuer. This provision shall survive the termination of this Master Indenture.

(k) Payment of Principal, Premium, if any, and Interest. The Issuer will duly and punctually pay the principal, premium, if any, and interest on the Equipment Notes in

accordance with the terms of this Master Indenture, the applicable Series Supplements and the Equipment Notes.

(l) Limitation on Employees. The Issuer will not employ or maintain any employees other than as required by any provisions of local law. Servicers, officers and directors of the Issuer shall not be deemed to be employees for purposes of this Section 5.02(l).

(m) Delivery of Rule 144A Information. To permit compliance with Rule 144A in connection with offers and sales of Equipment Notes, the Issuer will promptly furnish upon request of a Noteholder of an Equipment Note to such Noteholder and a prospective purchaser designated by such Noteholder, the information required to be delivered under Rule 144A(d)(4) if at the time of such request the Issuer is not a reporting company under Section 13 or Section 15(d) of the Exchange Act.

(n) Administrator. If at any time there is not a Person acting as Administrator, the Issuer shall promptly appoint a qualified Person to perform any duties under this Master Indenture and any Series Supplement that the Administrator is obligated to perform until a replacement Administrator assumes the duties of the Administrator.

(o) Ratings of Equipment Notes. For so long as any Equipment Notes are Outstanding, the Issuer shall pay all fees of the applicable Rating Agency and shall respond to reasonable requests for information from the applicable Rating Agency from time to time in order to permit the applicable Rating Agency to maintain a rating with respect to the applicable Series of Equipment Notes or Class thereof.

(p) Tax Covenants of the Issuer. The Issuer (i) shall not elect or agree to elect to be classified as an association taxable as a corporation for United States federal income tax or any State income or franchise tax purposes and (ii) shall maintain classification as a disregarded entity or partnership (other than a publicly traded partnership taxable as a corporation) whose sole member(s) are U.S. persons within the meaning of Section 7701(a)(3) of the Code for such purposes. In the event the Issuer is classified as a partnership for United States federal income tax purposes, for any taxable years for which Section 6221 through 6241 of the Code apply to the Issuer, then the Issuer shall timely make, to the extent legally eligible to do so, an election under Section 6221(b) or Section 6226(a) of the Code (or any similar election available pursuant to Treasury Regulations under Section 6221 through 6241 of the Code at such time) with respect to determinations of adjustments at the partnership level.

(q) Separate Entity Characteristics. The Issuer shall at all times:

(i) not commingle its assets with those of any Person, including any Affiliate, except with respect to the Marks and the Customer Payment Account and as may occur from time to time due to misdirected payments;

(ii) conduct its business separate from any direct or ultimate parent of the Issuer;

(iii) maintain financial statements susceptible to audit, separate from those of any other Person showing its assets and liabilities separate and apart from those

of any other Person (it being acknowledged however that nothing herein restricts TILC, Trinity or any of their Affiliates from consolidating the Issuer into any consolidated financial statements they prepare; provided that the Issuer is shown as a separate legal entity);

(iv) pay its own expenses and liabilities and pay the salaries of its own employees, if any, only from its own funds;

(v) maintain an "arm's-length relationship" with its Affiliates, except as permitted by the Operative Agreements;

(vi) except as contemplated by a Note Purchase Agreement, not guarantee or become obligated for the debts of any other Person and not hold out its credit as being available to satisfy the debts or any other obligations of any other Person;

(vii) hold itself out as a separate and distinct entity from any other Person (except as otherwise required by applicable tax law, to the extent the Issuer is a disregarded entity for U.S. federal income tax purposes);

(viii) observe all limited liability company and other organizational formalities required by the law of its jurisdiction of formation;

(ix) not acquire obligations or securities of any Person, except Permitted Investments and as otherwise contemplated in the Operative Agreements;

(x) allocate fairly and reasonably any overhead expenses shared with any other Person, if any;

(xi) except for the Security Interests and Permitted Encumbrances, not pledge its assets for the benefit of any other Person or make any loans or advances to any Person except to the extent permitted by the Operative Agreements (but the Issuer may extend or forbear obligations of any Lessees under the related Leases in the ordinary course of business and in accordance with the provisions of the Servicing Agreement);

(xii) correct any known misunderstanding regarding its separate identity from other Persons;

(xiii) maintain adequate capital in light of its contemplated business operations;

(xiv) maintain books and records (in accordance with generally accepted accounting principles in the United States) separate from any other Person at its principal office which show a true and accurate record in United States dollars of all business transactions arising out of and in connection with the conduct of the Issuer and the operation of its business in sufficient detail to allow preparation of tax returns required to be prepared and the maintenance of the Indenture Accounts;

(xv) maintain bank and other accounts (other than the Indenture Accounts), if any, separate from any other Person;

(xvi) conduct its business in its own name; and

(xvii) not take any actions that would be inconsistent with maintaining the separate legal identity of the Issuer.

Section 5.03 Portfolio Covenants. The Issuer covenants with the Indenture Trustee as follows:

(a) Railcar Dispositions. Except as described in the Granting Clause with respect to the redemption in whole of a Series of Equipment Notes, the Issuer will not sell, transfer or otherwise dispose of any Railcar or any interest therein, except that the Issuer may sell, transfer or otherwise dispose of or part with possession of (i) any Parts, or (ii) one or more Portfolio Railcars, as follows (any such sale, transfer or disposition described in clause (i), (ii), (iii), (iv) or (v) of this Section 5.03(a), a "**Permitted Railcar Disposition**"):

(i) A Railcar Disposition pursuant to a Permitted Purchase Option (a "**Purchase Option Disposition**");

(ii) A Railcar Disposition pursuant to receipt of insurance or other third party proceeds in connection with the Total Loss of a Portfolio Railcar (and any consequent later sale of such affected Railcar for scrap or salvage value) (an "**Involuntary Railcar Disposition**"); or

(iii) A Railcar Disposition in the ordinary course of business (other than a Railcar Disposition as a result of a Total Loss, a Scrap Value Disposition or a Purchase Option Disposition) so long as the following conditions are complied with (a "**Permitted Discretionary Sale**"):

(A) At the time of such Railcar Disposition, no Event of Default or Early Amortization Event shall have occurred and then be continuing.

(B) The Issuer (or the Servicer on its behalf) prior to such Railcar Disposition, as evidenced by an Officer's Certificate to be delivered to the Indenture Trustee, shall have identified replacement Railcars for the Issuer to purchase meeting the criteria set forth in clauses "1" through "3" of clause (C) below (Railcars meeting such criteria, "**Qualifying Replacement Railcars**"), with such purchase expected to be made within 30 days of the date of the discretionary sale.

(C) Such Railcars

(1) must be of comparable remaining economic useful life to the Portfolio Railcars being sold

(2) must have an Appraisal showing an Initial Appraised Value, and

(3) except as contemplated by clause (D)(4) below, must be under Lease with a remaining Lease term at least equal to two-thirds of the remaining Lease term of the Portfolio Railcars being sold.

(D) With respect to the Portfolio Railcars to be sold pursuant to a Permitted Discretionary Sale (such Portfolio Railcars being referred to below as the "**Sold Railcars**"), each of the following conditions shall have been satisfied and the Indenture Trustee shall have received an Officer's Certificate of the Issuer (or the Servicer on its behalf) certifying as to the satisfaction of such conditions:

(1) The Sold Railcars must be purchased from the Issuer by a third party or, if the Sold Railcars are purchased by an Issuer Group Member the sum of (a) the aggregate sum of the Initial Appraised Value of all Sold Railcars that any Issuer Group Member has purchased from the Issuer and (b) the aggregate Initial Appraisal Value of all Portfolio Railcars to be purchased by any Issuer Group Member from the Issuer does not exceed ten percent (10%) of the highest aggregate Initial Appraisal Value of all Portfolio Railcars held by the Issuer of any particular time up to the related date of sale.

(2) The Net Disposition Proceeds realized in such sale must be at least (a) one hundred five percent (105%) of the product of the Railcar Advance Rate and the Adjusted Value of such Sold Railcars, plus (b) the amount of any Hedge Partial Termination Value that would be owed by the Issuer to a Hedge Provider, if applicable, plus (c) an amount equal to any Redemption Premium that would be payable on the applicable Equipment Notes if on the applicable Payment Date, such Net Disposition Proceeds were applied, an Optional Redemption of the applicable Equipment Notes would require payment of a Redemption Premium (with such amount, if owing, to be determined in the same manner as the Redemption Premium related to an Optional Redemption).

(3) Sold Railcars that were under Lease at the time of sale, if being replaced, must be replaced by Qualifying Replacement Railcars under Lease that generate at least the same amount of current monthly lease revenue and have a remaining Lease term at least equal to two-thirds of the remaining Lease term of such Sold Railcars.

(4) Sold Railcars that were not under Lease at the time of sale, if being replaced, must be replaced by Qualifying Replacement Railcars as to which, if not then under Lease, the Servicer has a reasonable, good faith expectation that such Qualifying Replacement

Railcars will generate at least the same amount of monthly lease revenue (once placed under Lease) as the Servicer would have expected for the Sold Railcars.

(E) The Net Disposition Proceeds must be deposited into the Mandatory Replacement Account.

(F) Such Railcar Disposition, after giving effect to the expected reinvestment, will not directly cause noncompliance with any Concentration Limit.

(G) The Initial Appraised Value of the Qualifying Replacement Railcars acquired in connection with a Permitted Discretionary Sale must at least equal the Adjusted Value of the Sold Railcars at their time of sale (except to a *de minimis* extent).

(iv) A Railcar Disposition, subject to compliance with the following conditions and the receipt by the Indenture Trustee of an Officer's Certificate of the Issuer (or the Administrator on its behalf) certifying as to the satisfaction of such conditions (each such sale, a "**Redemption Disposition**"):

(A) the Adjusted Values of the Portfolio Railcars that the Issuer sells in such sales in the aggregate do not exceed 10% of the Adjusted Value of the Portfolio Railcars as of the later of (i) the Initial Closing Date or (ii) the closing date for the most recent Additional Series, if any;

(B) at the time of such sale, no Event of Default shall have occurred and then be continuing;

(C) the Net Disposition Proceeds realized in such sale must be deposited into the Collections Account, to be applied to effect a partial redemption of the Equipment Notes as set forth below; and

(D) either (1) a Rating Agency Confirmation shall have been obtained with respect to such Redemption Disposition or (2) on a pro forma basis, immediately after giving effect to such proposed Redemption Disposition:

(1) the weighted average age of the Portfolio Railcars (based on the number of Portfolio Railcars) is not greater than the weighted average age of the Portfolio Railcars (based on the number of Portfolio Railcars) immediately prior to such proposed Redemption Disposition;

(2) the weighted average remaining term of the Issuer's remaining portfolio of Leases is not shorter than the weighted average remaining term of the Issuer's portfolio of Leases immediately prior to such proposed Redemption Disposition; and

(3) the monthly average lease rates for the on lease Portfolio Railcars on a weighted average basis (based on the number of Portfolio Railcars) per Portfolio Railcar is at least equal to the weighted average monthly lease rate (based on the number of Portfolio Railcars) per Portfolio Railcar immediately prior to such proposed Redemption Disposition.

(v) A Railcar Disposition at the end of the useful life (determined by the Servicer or the Administrator) of a Portfolio Railcar or if the Servicer or the Administrator determines that any Required Modification to a Portfolio Railcar is impracticable (a "**Scrap Value Disposition**").

(vi) With respect to a Permitted Railcar Disposition constituting a Purchase Option Disposition or Involuntary Railcar Disposition, the Issuer will, if not electing to deposit such proceeds directly into the Collections Account, deposit the related Net Disposition Proceeds into the Optional Reinvestment Account for application, within the Replacement Period, to a purchase of Qualifying Replacement Railcars in a Replacement Exchange (as contemplated and provided in Section 3.05).

(vii) With respect to a Permitted Railcar Disposition constituting a Redemption Disposition or a Scrap Value Disposition, the Issuer may not deposit the related Net Disposition Proceeds into the Optional Reinvestment Account for application to a purchase of a Qualifying Replacement Railcar but shall deposit such proceeds directly into the Collections Account.

(b) Railcar Acquisitions. The Issuer will not purchase or otherwise acquire a Railcar (or an interest therein) other than the Railcars (or an interest therein) identified on a schedule to the Series Supplement for the Initial Equipment Notes, except that the Issuer will be permitted to:

(i) purchase or otherwise acquire, directly or indirectly, one or more Railcars constituting Qualifying Replacement Railcars in connection with any Replacement Exchange, and

(ii) acquire one or more additional Railcars pursuant to a Capital Contribution from the Member, so long as, in each case of clause (i) and (ii) (except as indicated below), each of the following requirements are satisfied on or prior to such purchase or other acquisition:

(A) in the case of clause (i) only, no Event of Default or Early Amortization Event shall have occurred and be continuing or would directly result therefrom;

(B) after giving effect to the acquisition, the Portfolio will comply with the Concentration Limits;

(C) the Railcars being acquired have an Appraisal showing an Initial Appraised Value;

(D) the Purchase Price for each such Railcar does not exceed its Initial Appraised Value;

(E) except in connection with Railcars being acquired in a Replacement Exchange for Portfolio Railcars that were not subject to a Lease at the time of the disposition thereof by the Issuer, the Railcars being acquired are each subject to a Permitted Lease; and all actions (including the applicable UCC, STB or Registrar General of Canada filings) shall have been taken to cause the Railcars being assigned to be subject to a first priority security interest in favor of the Indenture Trustee for the benefit of the Secured Parties (provided that no such actions will be required to be taken in Mexico or under any Provincial Personal Property Security Act or other non-federal legislation in Canada); and

(F) that the Railcars will be free and clear of Encumbrances other than Permitted Encumbrances; and

(iii) purchase or otherwise acquire additional Railcars in connection with the issuance of an Additional Series.

(c) Permitted Railcar Acquisition. A Railcar acquisition by the Issuer complying with the provisions in subsection (b) immediately above constitutes a "**Permitted Railcar Acquisition**". If two or more Railcars are being acquired in a Permitted Railcar Acquisition, the foregoing requirements in subsection (b) will be determined on an aggregate basis.

(d) Modification Payments and Capital Expenditures. The Issuer will not make any capital expenditures for the purpose of effecting any optional improvement or modification of any Portfolio Railcar or Parts outside of the ordinary course of business, except that the Issuer may make Optional Modifications and Required Modifications in its discretion and subject to the following limitations on the manner in which such Required Modifications and Optional Modifications may be funded:

(i) Required Modifications may be funded out of the Expense Account in accordance with Section 3.06, from distributions to the Issuer from the Flow of Funds, or from Capital Contributions made in accordance with Section 3.17; and

(ii) Optional Modifications may be funded from distributions to the Issuer pursuant to the Flow of Funds, or from Capital Contributions made in accordance with Section 3.17.

In the case of any Optional Modification, the Issuer prior to undertaking such Optional Modification shall have determined, based upon consultation with the Servicer, that the Optional Modification is not expected to decrease the marketability of the Portfolio Railcar as a result of the expenditure on such Optional Modification.

(e) Leases.

(i) The Issuer will not surrender possession of any Portfolio Railcar to any Person (other than the Servicer pursuant to the Servicing Agreement) other than for purposes of maintenance or overhaul or pursuant to a Permitted Lease or for storage purposes pending the Servicer's procurement of a Permitted Lease thereon.

(ii) The Issuer will, and will cause the Servicer in general to use its pro forma lease agreement or agreements approved by the Administrator, as such pro forma lease agreement or agreements may be revised for purposes of the Issuer specifically or generally from time to time by the Servicer in consultation with the Administrator (collectively, the "**Pro Forma Lease**"), for use by the Servicer on behalf of the Issuer as a starting point in the negotiation of Future Leases. However, with respect to any Future Lease entered into in connection with (x) the renewal or extension of a related Lease, (y) the leasing of a Portfolio Railcar to a Person that is or was a Lessee under a pre-existing Lease, or (z) the leasing of a Portfolio Railcar to a Person that is or was a Lessee under an operating lease of a Railcar that is being managed or serviced by the Servicer, a form of lease substantially similar to such pre-existing Lease or operating lease, as the case may be, may be used by the Servicer, in lieu of the Pro Forma Lease on behalf of the Issuer as a starting point in the negotiation of such Future Lease. The terms of the Pro Forma Lease may be revised from time to time by the Servicer, *provided* that any such revisions shall be consistent with a Lease originated thereunder being a Permitted Lease.

(f) Concentration Limits. The Issuer will not sell, purchase, otherwise take any action with respect to any Portfolio Railcar if entering into such proposed sale, or other action would cause the Portfolio to no longer comply with the Concentration Limits; *provided*, that the foregoing restriction shall not apply to the renewal by the Issuer of an Existing Lease. Also, the Issuer will not consummate a Permitted Discretionary Sale if the effect of such action is or would be to cause noncompliance with any Concentration Limit. For the avoidance of doubt, noncompliance with any Concentration Limit that results from the Total Loss of Portfolio Railcars shall not constitute a breach of this covenant. Notwithstanding the foregoing, where the merger or consolidation of one or more Lessees results in an aggregate Adjusted Value that exceeds the Customer Concentration Limitation, the Issuers will not be obligated to address such noncompliance, however, additional Portfolio Railcars leased to such Lessee may not be purchased by the Issuers unless, upon purchase, the Adjusted Value of the Issuers' Portfolio Railcars leased to such individual Lessee will meet the applicable Customer Concentration Limitation.

Section 5.04 Operating Covenants. The Issuer covenants with the Indenture Trustee as follows, *provided* that any of the following covenants with respect to the Portfolio Railcars shall not be deemed to have been breached by virtue of any act or omission of a Lessee or sub-lessee, or of any Person which has possession of a Portfolio Railcar for the purpose of repairs, maintenance, modification or storage, or by virtue of any requisition, seizure, or confiscation of a Portfolio Railcar (other than seizure or confiscation arising from a breach by the Issuer of such covenant) (each, a "**Third Party Event**"), so long as (i) none of the Issuer, the Servicer or the Administrator has consented to such Third Party Event; and (ii) the Issuer (or the Servicer on its behalf) as the Lessor of such Portfolio Railcar promptly and diligently takes such commercially

reasonable actions as a leading railcar operating lessor would reasonably take in respect of such Third Party Event, including, as deemed appropriate (taking into account, among other things, the laws of the jurisdiction in which such Portfolio Railcar is located or operated), seeking to compel such Lessee or other relevant Person to remedy such Third Party Event or seeking to repossess the relevant Portfolio Railcar:

(a) Ownership. The Issuer will (i) on all occasions on which the ownership of each Portfolio Railcar is relevant, make it clear to third parties that title to the same is held by the Issuer, and (ii) not do, or knowingly permit to be done, or omit, or knowingly permit to be omitted, any act or thing which might reasonably be expected to jeopardize the rights of the Issuer as owner of each Portfolio Railcar, except as contemplated by the Operative Agreements.

(b) Compliance with Law; Maintenance of Permits. The Issuer will (i) comply in all material respects with all Applicable Laws, (ii) obtain all material governmental (including regulatory) registrations, certificates, licenses, permits and authorizations required for the use and operation of the Portfolio Railcars owned by it, (iii) not cause or knowingly permit, directly or indirectly, any Lessee to operate any Portfolio Railcar under any related Lease in any material respect contrary to any Applicable Law, and (iv) not knowingly permit, directly or indirectly, any Lessee not to obtain all material governmental (including regulatory) registrations, certificates, licenses, permits and authorizations required for such Lessee's use and operation of any Portfolio Railcar under any related operating Lease; provided, however, that the Issuer may, in good faith and by appropriate proceedings diligently conducted, contest the validity or application of any such Applicable Law with respect to the Portfolio Railcars in any manner that does not (i) materially interfere with the use, possession or operation of any of the Portfolio Railcars, (ii) materially adversely affect the rights or interests of the Issuer or the Indenture Trustee, on behalf of the Secured Parties, in any of the Portfolio Railcars, (iii) expose the Issuer or the Indenture Trustee to criminal sanctions or (iv) violate any maintenance requirements contained in any insurance policy required to be maintained by the Issuer if such violation could reasonably be expected to adversely affect the coverage under such insurance policy. The Issuer will promptly notify the Indenture Trustee in reasonable detail of any such contest.

(c) Forfeiture. The Issuer will not do anything, and will not knowingly permit, directly or indirectly, any Lessee to do anything, which may reasonably be expected to expose any Portfolio Railcar to forfeiture, impoundment, detention, appropriation, damage or destruction (other than any forfeiture, impoundment, detention or appropriation which is being contested in good faith by appropriate proceedings) unless (i) adequate resources have been made available by the Issuer or the applicable Lessee for any payment which may arise or be required in connection with such forfeiture, impounding, detention or appropriation or proceedings taken in respect thereof, and (ii) such forfeiture, impounding, detention or appropriation or the continued existence thereof does not give rise to any material likelihood of the assets to which such forfeiture, impounding, detention or appropriation relates or any interest in such assets being sold, permanently forfeited or otherwise lost. In the event of a forfeiture, impoundment, detention or appropriation of such Portfolio Railcar not constituting a Total Loss, the Issuer will use all commercially reasonable efforts to obtain the prompt release of such Portfolio Railcar.

(d) Maintenance of Assets. The Issuer will, with respect to each Portfolio Railcar under Lease, cause, directly or indirectly, such Portfolio Railcar to be maintained in a state of repair and condition consistent with the reasonable commercial practice of leading railcar operating lessors with respect to similar railcars under lease, taking into consideration, among other things, the identity of the relevant Lessee (including the credit standing and operating experience thereof), the age and condition of the Portfolio Railcar and the jurisdiction in which the Portfolio Railcar is or will be operated or in which the Lessee is based. In addition, the Issuer will, with respect to each Portfolio Railcar that is not subject to a Lease, maintain such Portfolio Railcar in a state of repair and condition consistent with the reasonable commercial practice of leading railcar operating lessors with respect to railcars not under lease.

(e) Notification of Loss, Theft, Damage or Destruction. The Issuer will notify the Indenture Trustee, the Administrator, and the Servicer, in writing, as soon as the Issuer becomes aware of any loss, theft, damage or destruction to any Portfolio Railcar or Portfolio Railcars if the potential cost of repair or replacement of such assets (without regard to any insurance claim related thereto) may exceed $1,000,000.

(f) Insurance. The Issuer covenants with the Indenture Trustee as follows:

(i) Insurance. The Issuer will at all times after the Closing Date, at its own expense, keep or cause the Insurance Manager under the Insurance Agreement to keep each Portfolio Railcar insured with insurers of recognized responsibility with a rating of at least A- by A.M. Best Company (or a comparable rating by a nationally or internationally recognized rating group of comparable stature) or by other insurers approved in writing by the Requisite Majority, which approval shall not be unreasonably withheld, in amounts and against risks and with deductibles and terms and conditions not less beneficial to the insured thereunder than the insurance, if any, maintained by the Servicer 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 Practice.

(ii) Additional Insurance. In the event that the Issuer shall fail to maintain insurance as herein provided, the Indenture Trustee may at its option, upon prior written notice to the Issuer, provide such insurance and, in such event, the Issuer shall, upon demand from time to time reimburse the Indenture Trustee for the cost thereof together with interest from the date of payment thereof at the Stated Rate on the most recently issued Class of Equipment Notes (or, if more than one Class of Equipment Notes was issued on the same date, the lowest of the Stated Rates on such Classes, determined as of the most recent Determination Date), on the amount of the cost to the Indenture Trustee of such insurance which the Issuer shall have failed to maintain. If after the Indenture Trustee has provided such insurance, the Issuer then obtains the coverage provided for in Section 5.04(f)(i) which was replaced by the insurance provided by the Indenture Trustee, and the Issuer provides the Indenture Trustee with evidence of such coverage reasonably satisfactory to the Indenture Trustee, the Indenture Trustee shall cancel the insurance it has provided pursuant to the first sentence of this Section 5.04(f)(ii). In such event, the Issuer shall reimburse the Indenture Trustee for all costs to the Indenture Trustee of cancellation, including without limitation any short rate penalty, together with interest from the date of the Indenture Trustee’s payment thereof at

such Stated Rate. In addition, at any time the Indenture Trustee may at its own expense carry insurance with respect to its interest in the Portfolio Railcars, provided that such insurance does not interfere with the Issuer's ability to insure the Portfolio Railcars as required by this Section 5.04(f) or adversely affect the Issuer's insurance or the cost thereof, it being understood that all salvage rights to each Portfolio Railcar shall remain with the Issuer's insurers at all times. Any insurance payments received from policies maintained by the Indenture Trustee pursuant to the previous sentence shall be retained by the applicable Person obtaining such insurance without reducing or otherwise affecting the Issuer's obligations hereunder, other than with respect to Portfolio Railcars, with respect to which such payments have been made.

(g) No Accounts. Except as contemplated herein, the Issuer will not have an interest in any deposit account or securities account (other than the Indenture Accounts, any other bank account required in connection with any Liquidity Facility Documents and other than any account which may be required to be established as a necessary consequence of or in order to invest in or otherwise acquire a Permitted Investment) unless (i) any such further account and the Issuer's interest therein shall be further charged or otherwise secured in favor of the Indenture Trustee for the benefit of the Secured Parties and (ii) any such further account is held in the custody of and under the "control" (as such term is defined in the UCC) of the Indenture Trustee.

(h) Notices. If at any time any creditor of the Issuer seeks to enforce any judgment or order of any competent court or other competent tribunal against any of the Collateral, the Issuer shall (i) promptly give written notice to such creditor and to such court or tribunal of the Indenture Trustee's interests in the Collateral, (ii) if at any time an examiner, administrator, administrative receiver, receiver, trustee, custodian, sequestrator, conservator or other similar appointee (an "**Insolvency Appointee**") is appointed in respect of any secured creditor or any of their assets, promptly give notice to such appointee of the Indenture Trustee's interests in the Collateral and (iii) notify the Indenture Trustee thereof in either case of clauses (i) and (ii) above. The Issuer will not voluntarily appoint or cause to be appointed or commence any proceeding to appoint any Insolvency Appointee over all or any of its property.

(i) Compliance with Agreements. The Issuer will comply with and perform all its obligations under this Master Indenture and any Series Supplement, the Issuer Documents and the other Operative Agreements to which the Issuer is a party.

(j) Information. The Issuer will at all times give to the Indenture Trustee such information as the Indenture Trustee may reasonably require for the purpose of the discharge of the powers, rights, duties, authorities and discretions vested in it hereunder, under any other Issuer Document or by operation of Applicable Law.

(k) Further Assurances.

(i) The Issuer will comply with all reasonable directions given to it by the Indenture Trustee to perfect the Security Interests in the Collateral (except to the extent provided in the Granting Clauses herein). The Issuer will execute such further documents and do all acts and things as the Indenture Trustee may reasonably require

at any time or times to give effect to this Master Indenture, the Issuer Documents and the relevant Operative Agreements.

(ii) Without limiting the foregoing, from time to time, the Issuer shall authorize and file such financing statements and cause to be authorized and filed such continuation statements, and shall make or cause to be made such filings with the STB and with the Registrar General of Canada and take or cause to be taken such similar actions as are described in the Granting Clauses under "Priority", all in such manner and in such places as may be required by law (or deemed desirable by the Indenture Trustee) to fully perfect, preserve, maintain and protect the security interest of the Indenture Trustee for the benefit of the Secured Parties in the Portfolio Railcars, related Leases and other Collateral granted hereby (including without limitation any such Portfolio Railcars acquired by the Issuer from time to time after the Initial Closing Date), including in the proceeds thereof, it being understood that the Issuer shall not be required to make (to cause to be made) any filings in Mexico or under any Provincial Personal Property Security Act or any other non-federal legislation in Canada. The Issuer shall deliver (or cause to be delivered) to the Indenture Trustee file-stamped copies of, or filing receipts for, any document filed as provided above, following such filing in accordance herewith. In the event that the Issuer fails to perform its obligations under this subsection, the Indenture Trustee may perform such obligations, at the expense of the Issuer, and the Issuer hereby authorizes the Indenture Trustee and grants to the Indenture Trustee an irrevocable power of attorney to take any and all steps in order to perform such obligations in the Issuer's own name and on behalf of the Issuer, as are necessary or desirable, in the determination of the Indenture Trustee, as applicable.

(l) Stamping of the Leases. Within thirty (30) days after the applicable Delivery Date with respect to a Lease (or, in the case of a Future Lease, the date of origination of such Future Lease), the Issuer will cause the Servicer to stamp on or otherwise affix to each Rider evidencing the same, the following legend:

"This Lease is subject to a security interest in favor of Wilmington Trust Company, as Indenture Trustee, pursuant to the Master Indenture dated as of June 20, 2018 between Trinity Rail Leasing 2018 LLC and Wilmington Trust Company, as Indenture Trustee."

Without limiting the generality of the foregoing, the Issuer will (i) execute and deliver to the Indenture Trustee, on behalf of the Secured Parties, such financing or continuation statements or continuation statements in lieu, or amendments thereto, and such other instruments or notices, as may be necessary or desirable, or as the Indenture Trustee may reasonably request, in order to perfect and preserve the pledge, transfer, assignment, Security Interests granted or purported to be granted hereby, (ii) if any Collateral shall be evidenced by a promissory note or other instrument, deliver and pledge to the Indenture Trustee, on behalf of the Secured Parties, such note or instrument, duly indorsed or accompanied by duly executed instruments of transfer or assignment in blank and undated, all in form and substance reasonably satisfactory to the Indenture Trustee, and (iii) deliver to the Indenture Trustee, on behalf of the Secured Parties, promptly upon receipt thereof all instruments representing or evidencing any of the Collateral,

duly endorsed or accompanied by duly executed instruments of transfer or assignment in blank and undated, all in form and substance reasonably satisfactory to the Indenture Trustee.

(m) No Effect on Security Interest. Except as otherwise provided in this Master Indenture or other Operative Agreements, the Issuer will not agree to the amendment of any Issuer Document unless the Indenture Trustee has confirmed to the Issuer that it has received from legal counsel reasonably acceptable to it an opinion to the effect that such amendment will not result in the Security Interests being prejudiced (the reasonable expenses of such opinion to be paid by the Issuer).

(n) Restrictions on Amendments to Assigned Agreements and Certain Other Actions. (i) The Issuer will not take, or knowingly permit to be taken, any action which would amend, terminate or discharge or prejudice the validity or effectiveness or priority of the Security Interests or permit any party to any of the Issuer Documents whose obligations form part of the security created by this Master Indenture to be released from such obligations except, in each case as permitted or contemplated by this Master Indenture, or the other Issuer Documents or the Operative Agreements, (ii) without the prior written consent of the Indenture Trustee (acting at the Direction of the Requisite Majority), the Issuer shall not, directly or indirectly, (A) cancel or terminate, or consent to or accept any cancellation or termination of, or amend, modify or change in any manner, any Assigned Agreement or any term or condition thereof or (B) waive any default under, or any breach of or noncompliance with any term or condition of, any Assigned Agreement or authorize or approve, or consent to, any of the foregoing and (iii) the Issuer will not knowingly take, or knowingly permit to be taken, any action which, other than the performance of its obligations under the Issuer Documents and the Operative Agreements, would reasonably be expected to result in the lowering or withdrawal of the then current rating of any Equipment Note by the applicable Rating Agency.

(o) Subsidiaries. Except with the consent of the Indenture Trustee (acting at the Direction of the Requisite Majority), the Issuer will not have or establish any Subsidiaries.

(p) Restriction on Asset Dealings. The Issuer shall not sell, transfer, release or otherwise dispose of any of, or grant options, warrants or other rights with respect to, any of its assets to any Person other than as expressly permitted or contemplated in the Operative Agreements.

(q) Organizational Documents. Subject to Section 5.02(j) and the following sentence, the Issuer shall not take any action to amend, modify or supplement its organizational documents or change its jurisdiction of organization without first obtaining Rating Agency Confirmation. The Issuer shall not, without obtaining the prior written consent of the Requisite Majority (which consent shall not be unreasonably withheld) as well as Rating Agency Confirmation, take any action to waive, repeal, amend, vary, supplement or otherwise modify the provisions of its LLC Agreement which requires consent or approval of the special member of the Issuer, or limits the actions of the Issuer with respect to voluntary insolvency proceedings or involuntary insolvency proceedings of the Issuer.

(r) Servicing Agreement and Administrative Services Agreement. The Issuer shall at all times be a party to the Servicing Agreement and shall, if necessary, take any steps

required of it in connection with the appointment of any Successor Servicer thereunder. The Issuer shall at all times be a party to the Administrative Services Agreement or a substitute agreement substantially similar thereto.

(s) Insurance Agreement. The Issuer shall at all times be a party to the Insurance Agreement and shall, if necessary, take any steps required of it in connection with the appointment of any Successor Insurance Manager thereunder.

(t) Condition. The Issuer, at its own cost and expense, shall maintain, repair and keep each Portfolio Railcar, and cause the Servicer under the Servicing Agreement to maintain, repair and keep each Portfolio Railcar, (i) according to Prudent Industry Practice and in all material respects, 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 in all material respects consistent with maintenance practices used by the Servicer, in respect of railcars owned, leased or managed by the Servicer similar in type to such Portfolio Railcar or with respect to any Portfolio Railcar that is subject to a Net Lease, maintenance practices used by the applicable Lessee, in respect of railcars similar in type to such Portfolio Railcar used by such Lessee on its domestic routes in the United States (*provided, however*, that after the return to the Servicer of any Portfolio Railcar which was subject to a Net Lease immediately prior to such return, such Portfolio Railcar shall be maintained and repaired in all material respects in a manner consistent with maintenance practices used by the Servicer in respect of railcars owned, leased or managed by the Servicer similar in type to such Portfolio Railcar), (iii) in accordance with all manufacturer's warranties in effect but only to the extent that the lack of compliance therewith would reasonably be expected to adversely affect the coverage thereunder and in accordance with all applicable provisions, if any, of insurance policies required to be maintained pursuant to Section 5.04 and (iv) in compliance in all material respects with any applicable laws and regulations from time to time in effect, 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 Portfolio Railcars in interchange regardless of upon whom such applicable laws and regulations are nominally imposed; *provided*, however, that, so long as the Servicer or, with respect to any Portfolio Railcar subject to a Lease which is a Net Lease, the applicable Lessee, as the case may be, is similarly contesting such law or regulation with respect to all other similar equipment owned or operated by Servicer or, with respect to any Portfolio Railcar subject to a Net Lease, the applicable Lessee, as the case may be, the Issuer (or such 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 manner that does not (w) materially interfere with the use, possession, operation or return of any of the Portfolio Railcars, (x) materially adversely affect the rights or interests of the Indenture Trustee in the Portfolio Railcars, (y) expose any Secured Party or the Indenture Trustee to criminal sanctions or (z) violate any maintenance requirements contained in any insurance policy required to be maintained by the Issuer under this Master Indenture if such violation would reasonably be expected to adversely affect the coverage thereunder; *provided further*, that the Issuer shall promptly notify the Indenture Trustee in reasonable detail of any such contest upon the Issuer or the Servicer becoming aware thereof. In no event shall the Issuer discriminate in any material respect as to the use or maintenance of any Portfolio Railcar (including the periodicity of maintenance or recordkeeping in respect of such Portfolio Railcar) as compared to equipment of a similar nature which the Servicer owns or manages. The Issuer will maintain in all material respects all records, logs and other materials

required by relevant industry standards or any governmental authority having jurisdiction over the Portfolio Railcars required to be maintained in respect of any Portfolio Railcar.

(u) Use. The Issuer shall be entitled to the possession of the Portfolio Railcars and to the use of the Portfolio Railcars by it or any Affiliate in the United States and subject to the remaining provisions of this subsection, Canada and Mexico, only in the manner for which the Portfolio Railcars were designed and intended and so as to subject the Portfolio Railcars only to ordinary wear and tear. In no event shall the Issuer use, store or permit the use or storage of any Portfolio Railcar in any jurisdiction not included in the insurance coverage required by Section 5.04(f). The Issuer will not allow more than 20% of the Portfolio Railcars to be used predominantly outside the United States within the meaning of Proposed Treasury Regulation 1.168-2(g)(5).

(v) Custody of Portfolio Leases. Promptly after entering into a Future Lease, the Issuer shall deliver a Rider constituting a Chattel Paper Originals to the Indenture Trustee in accordance with the provisions hereof.

(w) Portfolio Railcar Total Loss. In the event that any Portfolio Railcar shall suffer a Total Loss, the Issuer shall (or shall cause the Servicer to) promptly and fully inform the Indenture Trustee of such Total Loss once becoming aware of the same.

(x) Certain Reports. No later than ten (10) Business Days following September 30, 2018 (or December 31, 2018 with respect to clause (iii) below), and no later than ten (10) Business Days following each April 30 (or each March 31, June 30, September 30 and December 31, with respect to clause (iii) below) thereafter, the Issuer will furnish (or cause the Servicer under the Servicing Agreement to furnish) to the Indenture Trustee and each Rating Agency an accurate statement, as of the preceding December 31 (or as of the preceding calendar quarter with respect to clause (iii) below) (i) showing the amount, description and reporting marks of the Portfolio Railcars, the amount, description and reporting marks of all Portfolio Railcars that may have suffered a Total Loss during the twelve months ending on such December 31 (or since the Initial Closing Date, in the case of the first such statement), and such other information regarding the condition or repair of the Portfolio Railcars as the Indenture Trustee may reasonably request, (ii) stating that in the case of all Portfolio Railcars repainted during the period covered by such statement, the markings required by Section 2.2(i) of the Servicing Agreement shall have been preserved or replaced, (iii) showing the percentage of use in Canada and Mexico based on the total mileage traveled by the Portfolio Railcars for the prior calendar quarter as reported to the Servicer by railroads (or Lessees in the case of Net Leases, as applicable) and (iv) stating that, except as disclosed therein, the Issuer is not aware of any condition of any Portfolio Railcar which would cause such Portfolio Railcar 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 Portfolio Railcars in interchange and any other requirements hereunder.

(y) Inspection.

(i) Upon the occurrence of an Event of Default or a Servicer Termination Event, the Indenture Trustee, at the Direction of the Requisite Majority,

together with the agents, representatives, accountants and legal and other advisors of each of the foregoing (collectively, the "**Inspection Representatives**"), shall have the right to (A) conduct a field examination of a reasonable representative sample of the Portfolio Railcars, which may not in any event in the first instance exceed 100 Portfolio Railcars (each such inspection, a "**Unit Inspection**"), (B) (I) inspect all documents (the "**Related Documents**"), including, without limitation, all related Leases, insurance policies, warranties or other agreements, relating to the Portfolio Railcars and the other Collateral (each such inspection, a "**Related Document Inspection**") and (II) inspect each of the Issuer's and the Servicer's books, records and databases (which shall include reasonable access to the Issuer's and the Servicer's computers and computer records to the extent necessary to determine compliance with the Operative Agreements) (collectively, the "**Books and Records**") with respect to the Portfolio Railcars and the other Collateral and the Related Documents (including without limitation data supporting all reporting requirements under the Operative Agreements) (each such inspection, a "**Books and Records Inspection**") and (C) discuss (I) the affairs, finances and accounts of the Issuer (with respect to itself) and the Servicer (with respect to itself and the Issuer) and (II) the Portfolio Railcars and the other Collateral, the Related Documents and the Books and Records, in each case with the principal executive officer and the principal financial officer of each of the Issuer and the Servicer, as applicable (the foregoing clauses (I) and (II) a "**Company Inspection**") (the Unit Inspections, the Related Document Inspections, the Books and Records Inspections and the Company Inspections described in clauses (A), (B) and (C), collectively, the "**Inspections**").

(ii) All Inspections shall be at the sole cost and expense of the Issuer (including the reasonable legal and accounting fees, costs and expenses incurred by the Indenture Trustee, and its Inspection Representatives). All Inspections shall be conducted upon reasonable request and notice to the Issuer (with respect to itself) and the Servicer (with respect to itself and the Issuer) and shall (A) be conducted during normal business hours, (B) be subject to the Issuer's and the Servicer's customary security procedures, if any, and (C) not unreasonably disrupt the Issuer's or the Servicer's business.

(iii) If in connection with or as a result of the initial Railcar Inspection, the Indenture Trustee determines, in its sole discretion, that an Inspection Issue (as defined below) has occurred, then the Indenture Trustee shall have the right to conduct additional Inspections from time to time consisting of additional samplings of Portfolio Railcars in numbers that the Indenture Trustee or its Inspection Representative determines to be a reasonable sampling sufficient to confirm the scope of any such Inspection Issues. "**Inspection Issue**" means the discovery that a material portion of the Portfolio Railcars inspected are not being used or maintained in a manner that complies with the requirements of this Master Indenture.

Without prejudice to the right to conduct Inspections, all parties granted inspection rights hereunder shall confer with a view toward coordinating their conduct with respect to the Inspections in order to minimize the costs thereof and business disruption attendant thereto.

(z) Modifications.

(i) Required Modifications. In the event a Required Modification to a Portfolio Railcar is required, the Issuer agrees to make or cause to be made such Required Modification at its own expense; *provided*, that the Issuer (or applicable Lessee) may, in good faith and by appropriate proceedings diligently conducted, contest the validity or application of the law, rule, requirement or regulation requiring such Required Modification in any manner that does not (w) materially interfere with the use, possession, operation, maintenance or return of any Portfolio Railcar, (x) materially adversely affect the rights or interests of the Issuer or the Indenture Trustee in the Portfolio Railcars, (y) expose the Issuer or the Indenture Trustee to criminal sanctions, or (z) violate any maintenance requirements contained in any insurance policy required to be maintained by the Issuer under this Master Indenture if such violation would reasonably be expected to adversely affect the coverage thereunder; *provided further*, that the Issuer shall notify (or cause to be notified) the Indenture Trustee thereof, which notice shall also set forth the time period for the making of such Required Modification and the Issuer's or Servicer's reasonable estimate of the cost thereof; and, provided further, that if a Required Modification is economically impracticable, the Issuer may sell the affected Portfolio Railcar pursuant to a Scrap Value Disposition.

(ii) Optional Modifications. The Issuer at any time may or may permit a Lessee to, in its discretion and at its own or such Lessee's cost and expense, modify, alter or improve any Portfolio Railcar in a manner which is not a Required Modification; *provided* that (A) no such optional modification shall diminish the fair market value, utility or remaining economic useful life of such Portfolio Railcar below the fair market value, utility or remaining economic useful life thereof immediately prior to such optional modification, in more than a *de minimis* respect, assuming such Portfolio Railcar was then at least in the condition required to be maintained by the terms of this Master Indenture and (B) the Issuer, or the Servicer on its behalf, shall conclude in good faith that the proposed optional modification is likely to enhance the marketability of the Portfolio Railcar (or such optional modification is requested by a Lessee).

ARTICLE VI

THE INDENTURE TRUSTEE

Section 6.01 Acceptance of Trusts and Duties. If a Default has occurred and is continuing, the Indenture Trustee shall exercise such of the rights and powers vested in it by this Master Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of its own affairs. The duties and responsibilities of the Indenture Trustee shall be as expressly set forth herein, and no implied covenants or obligations shall be read into this Master Indenture against the Indenture Trustee. 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 Master Indenture and agrees to receive and disburse all moneys received by it in accordance with the terms hereof. The Indenture Trustee in its individual capacity shall not be answerable or accountable under any circumstances, except for its own willful misconduct or negligence or bad faith or breach of its representations, warranties

and/or covenants and the Indenture Trustee shall not be liable for any action or inaction of the Issuer or any other parties to any of the Operative Agreements.

Section 6.02 Absence of Duties. The Indenture Trustee shall have no duty to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of any Lessee. Notwithstanding the foregoing, the Indenture Trustee, upon written request, shall furnish to each Noteholder, 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 Master Indenture and any Series Supplement.

Section 6.03 Representations or Warranties. The Indenture Trustee does not make and shall not be deemed to have made any representation or warranty as to the validity, legality or enforceability of this Master Indenture, the Equipment Notes, any other securities or any other document or instrument or as to the correctness of any statement contained in any thereof, except that the Indenture Trustee in its individual capacity hereby represents and warrants (i) that each such specified document to which it is a party has been or will be duly executed and delivered by one of its officers who is and will be duly authorized to execute and deliver such document on its behalf, and (ii) this Master Indenture is the legal, valid and binding obligation of WTC, enforceable against WTC in accordance with its terms, subject to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditors' rights generally.

Section 6.04 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, in the case of the Issuer, and in the case of any other party to any Operative Agreement, the governing body of such Person, certified in an accompanying Officer's Certificate as duly adopted and in full force and effect, as conclusive evidence that such resolution has been duly adopted 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 shall be entitled to receive and may for all purposes hereof conclusively rely on a certificate, signed by an officer of any duly authorized Person, 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 Servicer or the Administrator upon written request such information and copies of such documents as the Indenture Trustee may have and as are necessary for the Servicer or the Administrator to perform its duties under Articles II and III hereof. The Indenture Trustee shall assume, and shall be fully protected in assuming, that the Issuer is authorized by its constitutional documents to enter into this Master Indenture and to take all action permitted to be taken by it pursuant to the provisions hereof, and shall not inquire into the authorization of the Issuer with respect thereto.

The Indenture Trustee shall not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within its rights or powers or for any action it takes or omits to take in accordance with the Direction of the Noteholders in accordance herewith relating to the time, method and place of conducting any proceeding for any remedy available to the

Indenture Trustee, or exercising any trust or power conferred upon the Indenture Trustee, under this Master Indenture and any Series Supplement.

The Indenture Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys or a custodian or nominee, and the Indenture Trustee shall not be responsible for any misconduct or negligence on the part of, or for the supervision of, any such agent, attorney, custodian or nominee appointed with due care by it hereunder.

The Indenture Trustee may consult with counsel as to any matter relating to this Master Indenture and any Opinion of Counsel or any advice of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered or omitted by it hereunder in good faith and in accordance with such advice or Opinion of Counsel.

The Indenture Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Master Indenture, or to institute, conduct or defend any litigation hereunder or in relation hereto, at the request, order or Direction of any of the Noteholders, pursuant to the provisions of this Master Indenture, unless such Noteholders shall have offered to the Indenture Trustee security or indemnity reasonably satisfactory to it against the costs, expenses and liabilities which may be incurred therein or thereby.

The Indenture Trustee shall not be required to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if there is reasonable ground for believing that the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it, and none of the provisions contained in this Master Indenture shall in any event require the Indenture Trustee to perform, or be responsible or liable for the manner of performance of, any obligations of the Issuer or the Administrator under this Master Indenture and any Series Supplement or any of the Operative Agreements.

The Indenture Trustee shall not be liable for any losses or Taxes (except for Taxes relating to any compensation, fees or commissions of any entity acting in its capacity as Indenture Trustee hereunder) or in connection with the selection of Permitted Investments or for any investment losses resulting from Permitted Investments unless the entity that is the Indenture Trustee is the issuer or the obligor of such a Permitted Investment.

When the Indenture Trustee incurs expenses or renders services in connection with an Event of Default specified in Section 4.01(f) or 4.01(g) hereof, such expenses (including the fees and expenses of its counsel) and the compensation for such services are intended to constitute expenses of administration under any bankruptcy law or law relating to creditors' rights generally.

The Indenture Trustee shall not be charged with knowledge of an Event of Default unless a Responsible Officer of the Indenture Trustee obtains actual knowledge of such event or the Indenture Trustee receives written notice of such event from the Issuer, the Administrator or Noteholders owning Equipment Notes aggregating not less than 10% of the Outstanding Principal Balance of the Equipment Notes.

The Indenture Trustee shall have no duty to monitor the performance of the Issuer, the Servicer, the Administrator or any other party to the Operative Agreements, nor shall it have any liability in connection with the malfeasance or nonfeasance by such parties. The Indenture Trustee shall have no liability in connection with compliance by the Issuer, the Servicer, the Administrator or any Lessee under a Lease with statutory or regulatory requirements related to any Railcar or any Lease. The Indenture Trustee shall not make or be deemed to have made any representations or warranties with respect to any Railcar or any Lease or the validity or sufficiency of any assignment or other disposition of any Railcar or any Lease.

The Indenture Trustee shall not be liable for any error of judgment reasonably made in good faith by an officer or officers of the Indenture Trustee, unless it shall be determined by a court of competent jurisdiction in a non-appealable judgment that the Indenture Trustee was negligent in making such judgment.

Except as expressly set forth in the Operative Agreements, the Indenture Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, entitlement order, approval or other paper document, unless any such Operative Agreement directs the Indenture Trustee to make such investigation.

The Indenture Trustee shall have no obligation to invest and reinvest any cash held in the Indenture Accounts in the absence of timely and specific written investment direction from the Administrator or as expressly provided herein. In no event shall the Indenture Trustee be liable for the selection of investments or for investment losses incurred thereon in accordance with the Operative Agreements. The Indenture Trustee shall have no liability in respect of losses incurred as a result of the liquidation of any investment prior to its stated maturity in accordance with the Operative Agreements or by any other Person or the failure of the Administrator to provide timely written investment direction.

Section 6.05 Not Acting in Individual Capacity. The Indenture Trustee acts hereunder solely as trustee unless otherwise expressly provided; and all Persons, other than the Noteholders to the extent expressly provided in this Master Indenture, having any claim against the Indenture Trustee by reason of the transactions contemplated hereby shall look, subject to the lien and Flow of Funds, only to the property of the Issuer for payment or satisfaction thereof.

Section 6.06 No Compensation from Noteholders. The Indenture Trustee agrees that it shall have no right against the Noteholders for any fee as compensation for its services hereunder.

Section 6.07 Notice of Defaults; Communications During Continuance of Event of Default.

a. As promptly and soon as practicable after, and in any event within thirty (30) days after, the occurrence of any Default hereunder, the Indenture Trustee shall transmit by mail to the Issuer, the Liquidity Facility Providers and the Noteholders holding Equipment Notes notice of such Default hereunder actually known to a Responsible Officer of the Indenture Trustee, unless such Default shall have been cured or waived; provided, however, that except in

the case of a Default on the payment of the interest, principal or premium, if any, on any Equipment Notes, the Indenture Trustee shall be fully protected in withholding such notice if and so long as a trust committee of Responsible Officers of the Indenture Trustee in good faith determines that the withholding of such notice is in the interests of the Noteholders;

b. Following the transmission of any notice of Default pursuant to Section 6.07(a), unless such Default shall have been cured or waived, the Indenture Trustee shall promptly transmit by mail:

(i) to the Noteholders, any written communications addressed to the Noteholders and received by the Indenture Trustee from a Liquidity Facility Provider; and

(ii) to the Noteholders and the Liquidity Facility Providers, any written communication received by the Indenture Trustee from or addressed to any Rating Agency in respect of the Equipment Notes.

Section 6.08 Indenture Trustee May Hold Securities. The Indenture Trustee, any Paying Agent, the Note Registrar or any of their Affiliates or any other agent in their respective individual or any other capacity, may become the owner or pledgee of securities and, may otherwise deal with the Issuer with the same rights it would have if it were not the Indenture Trustee, Paying Agent, Note Registrar or such other agent.

Section 6.09 Corporate Trustee Required; Eligibility. There shall at all times be an Indenture Trustee which shall meet the Eligibility Requirements. If such corporation publishes reports of conditions at least annually, pursuant to law or to the requirements of federal, state, territorial or District of Columbia supervising or examining authority, then for the purposes of this Section 6.09, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of conditions so published. In case at any time the Indenture Trustee shall cease to be eligible in accordance with the provisions of this Section 6.09 to act as Indenture Trustee, the Indenture Trustee shall resign immediately as Indenture Trustee in the manner and with the effect specified in Section 7.01 hereof.

Section 6.10 Reports by the Issuer. The Issuer shall furnish to the Indenture Trustee, within 120 days after the end of each fiscal year, a brief certificate from the principal executive officer, principal accounting officer or principal financial officer of the Administrator, as applicable, as to his or her knowledge of the Issuer's compliance with all conditions and covenants under this Master Indenture and any Series Supplement (it being understood that for purposes of this Section 6.10, such compliance shall be determined without regard to any period of grace or requirement of notice provided under this Master Indenture).

Section 6.11 Compensation. The Issuer covenants and agrees to pay to the Indenture Trustee from time to time, and the Indenture Trustee shall be entitled to, the fees and expenses separately agreed in writing between the Issuer and the Indenture Trustee, and will further pay or reimburse the Indenture Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Indenture Trustee in accordance with any of the provisions hereof or any other documents executed in connection herewith (including the reasonable

compensation and the reasonable expenses and disbursements of its counsel and of all persons not regularly in its employ).

Section 6.12 Certain Rights of the Requisite Majority. Each of the Indenture Trustee and by its acceptance of the Equipment Notes, the Noteholders, hereby agrees that, if the Indenture Trustee shall fail to act in accordance with Direction by the Requisite Majority (with respect to the Equipment Notes as a whole) at any time at which it is so required to act hereunder or under any other Operative Agreement, then the Requisite Majority shall be entitled to take such action directly in its own capacity or on behalf of the Indenture Trustee. If the Indenture Trustee fails to act in accordance with Direction by the Requisite Majority when so required to act under any Operative Agreement, then the Indenture Trustee shall, upon the further Direction of the Requisite Majority, irrevocably appoint the Requisite Majority, and any authorized agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the name of the Indenture Trustee or its own name, to take any and all actions that the Indenture Trustee is authorized to take under any Operative Agreement, to the extent the Indenture Trustee has failed to take such action when and as required under such Operative Agreement.

Section 6.13 Lessee Contact. The Indenture Trustee agrees that is shall not engage in any Restricted Lessee Contact with any Lessee other than the exceptions set forth in Section 2.1(b) of the Servicing Agreement.

ARTICLE VII

SUCCESSOR TRUSTEES

Section 7.01 Resignation and Removal of Indenture Trustee. The Indenture Trustee may resign as Indenture Trustee with respect to the Equipment Notes at any time without cause by giving at least sixty (60) days' prior written notice to the Issuer, the Servicer, the Administrator and the Noteholders, *provided* that the Indenture Trustee shall continue to serve as Indenture Trustee until a successor has been appointed pursuant to Section 7.02 hereof. The Requisite Majority may at any time remove the Indenture Trustee without cause by an instrument in writing delivered to the Issuer, the Servicer, the Administrator and the Indenture Trustee being removed. In addition, the Issuer may remove the Indenture Trustee if: (i) such Indenture Trustee fails to comply with Section 7.02(d) hereof, (ii) such Indenture Trustee is adjudged a bankrupt or an insolvent, (iii) a receiver or public officer takes charge of such Indenture Trustee or its property or (iv) such Indenture Trustee becomes incapable of acting. References to the Indenture Trustee in this Master Indenture include any successor Indenture Trustee appointed in accordance with this Article VII.

Section 7.02 Appointment of Successor.

(a) In the case of the resignation or removal of the Indenture Trustee under Section 7.01 hereof, the Issuer shall promptly appoint a successor Indenture Trustee; *provided* that the Requisite Majority may appoint, within one (1) year after such resignation or removal, a successor Indenture Trustee which may be other than the successor Indenture Trustee appointed by the Issuer, and such successor Indenture Trustee appointed by the Issuer shall be superseded

by the successor Indenture Trustee so appointed by the Requisite Majority. If a successor Indenture Trustee shall not have been appointed and accepted its appointment hereunder within sixty (60) days after the Indenture Trustee gives notice of resignation or is removed, the retiring or removed Indenture Trustee, the Issuer, the Administrator, the Servicer or the Requisite Majority 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 by the Requisite Majority as provided in the first sentence of this paragraph within one (1) year from the date of the appointment by such court.

(b) Any successor Indenture Trustee, however appointed, shall promptly execute and deliver to the Issuer, the Servicer, the Administrator and the predecessor Indenture Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the predecessor Indenture Trustee shall become effective and such successor Indenture Trustee, without further act, shall become vested with all the estates, properties, rights, powers, duties and trusts of such predecessor Indenture Trustee hereunder in the trusts hereunder applicable to it with like effect as if originally named the Indenture Trustee herein; *provided* that, upon the written request of such successor Indenture Trustee, such predecessor Indenture Trustee shall, upon payment of all amounts due and owing to it, execute and deliver an instrument transferring to such successor 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 predecessor 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 solely for the benefit of the Equipment Notes.

(c) If a successor Indenture Trustee is to be appointed with respect to only a part of the predecessor Indenture Trustee duties hereunder, the Issuer, the predecessor Indenture Trustee and the successor Indenture Trustees shall execute and deliver an Indenture Supplement which shall contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts and duties of the predecessor Indenture Trustee as to which the predecessor Indenture Trustee is not retiring shall continue to be vested in the predecessor Indenture Trustee, and shall add to or change any of the provisions of this Master Indenture as shall be necessary to provide for or facilitate the administration of the Equipment Notes hereunder by more than one Indenture Trustee.

(d) Each Indenture Trustee shall be an Eligible Institution and shall meet the Eligibility Requirements, if there be such an institution willing, able and legally qualified to perform the duties of an Indenture Trustee hereunder; *provided* that each Rating Agency shall receive notice of any replacement Indenture Trustee.

(e) 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 business of the Indenture Trustee may be transferred, shall, subject to the terms of paragraph (d) of this Section, be the Indenture Trustee under this Master Indenture and any Series Supplement without further act.

ARTICLE VIII

INDEMNITY

Section 8.01 Indemnity. The Issuer shall indemnify the Indenture Trustee (and its officers, directors, employees and agents) for, and hold it harmless from and against, any loss, liability, claim, obligation, damage, injury, penalties, actions, suits, judgments or expense (including attorney's fees and expenses) incurred by it without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of this Master Indenture and its duties under this Master Indenture and any Series Supplement and the Equipment Notes, including the costs and expenses of defending itself against any claim or liability and of complying with any process served upon it or any of its officers in connection with the exercise or performance of any of its powers or duties and hold it harmless against, any loss, liability or reasonable expense incurred without negligence or bad faith on its part, arising out of or in connection with actions taken or omitted to be taken in reliance on any Officer's Certificate furnished hereunder, or the failure to furnish any such Officer's Certificate required to be furnished hereunder. The Indenture Trustee shall notify the Noteholders, the Issuer, the Servicer, each Hedge Provider and each Liquidity Facility Provider and, in the case of any such claim in excess of 5% of the Adjusted Value of the Portfolio Railcars, each Rating Agency, promptly of any claim asserted against the Indenture Trustee for which it may seek indemnity; *provided*, *however*, that failure to provide such notice shall not invalidate any right to indemnity hereunder except to the extent the Issuer is prejudiced by such delay. The Issuer shall defend the claim and the Indenture Trustee shall cooperate in the defense (unless the Indenture Trustee determines that an actual or potential conflict of interest exists, in which case the Indenture Trustee shall be entitled to retain separate counsel and the Issuer shall pay the reasonable fees and expenses of such counsel). The Issuer need not pay for any settlements made without its consent; *provided* that such consent shall not be unreasonably withheld. The Issuer need not reimburse any expense or indemnity against any loss or liability incurred by the Indenture Trustee through negligence or bad faith.

Section 8.02 Noteholders' Indemnity. The Indenture Trustee shall be entitled, subject to such Indenture Trustee's duty during a Default to act with the required standard of care, to be indemnified by the Noteholders of the Equipment Notes before proceeding to exercise any right or power under this Master Indenture and any Series Supplement or the Servicing Agreement at the request or Direction of such Noteholders.

Section 8.03 Survival. The provisions of Sections 8.01 and 8.02 hereof shall survive the termination of this Master Indenture or the earlier resignation or removal of the Indenture Trustee.

ARTICLE IX

SUPPLEMENTAL INDENTURES

Section 9.01 Supplemental Indentures Without the Consent of the Noteholders.

(a) Without the consent of any Noteholder and based on an Opinion of Counsel in form and substance reasonably acceptable to the Indenture Trustee to the effect that such Indenture Supplement is for one of the purposes set forth in clauses (i) through (vi) below, the Issuer and the Indenture Trustee, at any time and from time to time, may enter into one or more Indenture Supplements for any of the following purposes:

(i) to add to the covenants of the Issuer in this Master Indenture for the benefit of the Noteholders of all Equipment Notes then Outstanding, or to surrender any right or power conferred upon the Issuer in this Master Indenture;

(ii) to cure any ambiguity, to correct or supplement any provision in this Master Indenture which may be inconsistent with any other provision in this Master Indenture;

(iii) to correct or amplify the description of any property at any time subject to the Encumbrance of this Master Indenture, or to better assure, convey and confirm unto the Indenture Trustee any property subject or required to be subject to the Encumbrance of this Master Indenture, or to subject additional property to the Encumbrance of this Master Indenture;

(iv) to add additional conditions, limitations and restrictions thereafter to be observed by the Issuer;

(v) if required, to convey, transfer, assign, mortgage or pledge any additional property to or with the Indenture Trustee; or

(vi) to evidence the succession of the Indenture Trustee.

(b) No Indenture Supplement shall be entered into under this Section 9.01 unless (i) each Rating Agency shall have received prior written notice thereof and, except as set forth in the proviso at the end of this sentence, the Issuer shall have obtained a Rating Agency Confirmation in respect thereof; *provided*, that no such Rating Agency Confirmation shall be required if such Indenture Supplement shall have been entered into by the Indenture Trustee at the Direction of a Requisite Majority; and (ii) if applicable, any consent required by Section 10.03 shall have been obtained.

Section 9.02 Supplemental Indentures with the Consent of Noteholders.

(a) With the consent evidenced by a Direction of a Requisite Majority, and, if applicable, subject to obtaining any consent required by Section 10.03, the Issuer and the Indenture Trustee may enter into an Indenture Supplement for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Master Indenture or the Equipment Notes or of modifying in any manner the rights of the Noteholders under this Master Indenture or the Equipment Notes; *provided, however*, that no such Indenture Supplement shall, without the prior written Direction of the Noteholders of each Outstanding Equipment Note adversely affected thereby and the Direction of a Requisite Majority for the Equipment Notes then Outstanding:

(i) reduce the principal amount of any Equipment Note or the rate of interest thereon, change the priority of any payments required pursuant to this Master Indenture or amend or otherwise modify the Flow of Funds except as permitted pursuant to Section 9.02(b), or the date on which, or the amount of which, or the place of payment where, or the coin or currency in which, any Equipment Note or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Final Maturity Date thereof;

(ii) reduce the percentage of Noteholders of Outstanding Equipment Notes required for (x) the consent required for delivery of any Indenture Supplement to this Master Indenture, (y) the consent required for any waiver of compliance with certain provisions of this Master Indenture or certain Events of Default hereunder and their consequences as provided for in this Master Indenture or (z) the consent required to waive any payment default on the Equipment Notes;

(iii) modify any provision relating to this Master Indenture which specifies that such provision cannot be modified or waived without the Direction of the Noteholder of each Outstanding Equipment Note affected thereby;

(iv) modify or alter the definition of the term "Requisite Majority" (including, without limitation, the percentages therein);

(v) impair or adversely affect the Collateral except as otherwise permitted in this Master Indenture;

(vi) modify or alter the provisions of this Master Indenture relating to mandatory prepayments;

(vii) permit the creation of any Encumbrance ranking prior to or on a parity with the Encumbrance of this Master Indenture with respect to any part of the Collateral or terminate the Encumbrance of this Master Indenture on any property at any time subject hereto or deprive the Noteholder of any Equipment Note of the security afforded by the Encumbrance of this Master Indenture except as permitted in accordance with this Master Indenture; or

(viii) modify any of the provisions of this Master Indenture or a Series Supplement in such a manner as to affect the amount or timing of any payments of interest or principal due on any Equipment Note.

Prior to the execution of any Indenture Supplement issued pursuant to this Section 9.02, the Issuer shall provide a written notice to each Rating Agency setting forth in general terms the substance of any such Indenture Supplement.

(b) Notwithstanding the foregoing provisions of this Section 9.02, the Issuer, the Indenture Trustee and, by its acceptance of an Equipment Note, each Noteholder, hereby irrevocably agrees that, in connection with the appointment and engagement of a Successor Servicer and as contemplated in the last paragraph of the Granting Clauses hereof, the Indenture Trustee acting at the Direction of the Requisite Majority acting in its sole discretion shall have

the right, without the consent of the Issuer, any Noteholder or any other Person, to increase the Servicing Fee and/or pay to the Servicer an incentive fee, add the payment of such amounts to and/or change the priority of distribution of such amounts in, the Flow of Funds and amend this Master Indenture or a Series Supplement to the extent necessary to effectuate the foregoing.

(c) Promptly after the execution by the Issuer and the Indenture Trustee of any Indenture Supplement pursuant to this Section, the Issuer shall mail to the Administrator, the Indenture Trustee and each Rating Agency, a notice setting forth in general terms the substance of such Indenture Supplement, together with a copy of the text of such Indenture Supplement. Any failure of the Issuer to mail or provide such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Indenture Supplement.

Section 9.03 Execution of Indenture Supplements and Series Supplements. In executing, or accepting the additional terms created by, an Indenture Supplement or Series Supplement permitted by this Article IX or the modification thereby of the terms created by this Master Indenture, the Indenture Trustee shall be entitled to receive, and shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such Indenture Supplement or Series Supplement is authorized or permitted by this Master Indenture. The Indenture Trustee may, but shall not be obligated to, enter into any such Indenture Supplement or Series Supplement which affects the Indenture Trustee's own rights, duties or immunities under this Master Indenture and any Series Supplement or otherwise.

Section 9.04 Effect of Indenture Supplements. Upon the execution of any Indenture Supplement under this Article, this Master Indenture shall be modified in accordance therewith, and such Indenture Supplement shall form a part of this Master Indenture for all purposes.

Section 9.05 Reference in Equipment Notes to Supplements. Equipment Notes authenticated and delivered after the execution of any Indenture Supplement or Series Supplement pursuant to this Article may, and shall if required by the Issuer, bear a notation in form as to any matter provided for in such Indenture Supplement or Series Supplement. If the Issuer shall so determine, new Equipment Notes so modified as to conform may be prepared and executed by the Issuer and authenticated and delivered by the Indenture Trustee in exchange for Outstanding Equipment Notes.

Section 9.06 Issuance of Additional Series of Equipment Notes. The Issuer may from time to time issue one or more Additional Series of Equipment Notes pursuant to a Series Supplement executed by the Issuer and the Indenture Trustee that will specify the Principal Terms of such Series. The terms of such Series Supplement may modify or amend the terms of this Master Indenture solely as applied to such Series. No Series Supplement may amend this Master Indenture (or a related Series Supplement) as applicable to any other Series except with the consent of the Control Party for each other Series and in accordance with the terms of this Master Indenture. A Series Supplement may contain special or additional voting requirements that apply with respect to amendments or waivers of or under such Series Supplement, or to matters arising under this Master Indenture as to which Noteholders of such Series are entitled to vote, *provided* that no such requirement may be inconsistent with the requirements of this Master Indenture. Any Additional Series (or Class thereof) will be issued as a term Series or Class, i.e., it will have a predetermined, fixed or scheduled principal amortization established in the related

Series Supplement. Additional Series may be issued for the purpose of financing the Issuer's acquisition of additional Railcars and Leases, for the purpose of refinancing one or more preexisting Series (in whole and not in part) for the purpose of raising additional funds for the Issuer or a combination of the foregoing purposes.

The ability of the Issuer to issue such Additional Series and the obligation of the Indenture Trustee to authenticate and deliver the Equipment Notes of such Additional Series and to execute and deliver the related Series Supplement is subject to the satisfaction of the following conditions:

(a) the Issuer shall have given the Indenture Trustee, the Servicer, each Rating Agency and each other party entitled thereto pursuant to the relevant Series Supplement notice of the Additional Series and the proposed Series Issuance Date;

(b) the Issuer shall have obtained Rating Agency Confirmation with respect to such Additional Series and each other Series of Equipment Notes then Outstanding;

(c) no Servicer Termination Event, Event of Default or Early Amortization Event shall have occurred and be continuing at the time of the issuance of such Additional Series, and no Servicer Termination Event, Event of Default or Early Amortization Event would occur as a result of closing the transactions associated with the issuance of such Additional Series;

(d) no Additional Interest shall be due and owing, and all scheduled amortization payments on all Outstanding Series due at or before the date of the issuance of such Additional Series shall have been made as of the date of issuance of such Additional Series;

(e) the issuance of such Additional Series shall not result in noncompliance with the Concentration Limits;

(f) the Issuer shall have delivered to the Indenture Trustee, on or prior to the date of issuance of such Additional Series of Notes:

(i) an original copy of the Series Supplement for such Additional Series, duly executed by the Issuer;

(ii) a copy of the Assigned Agreements for such Additional Series, duly executed by each party thereto;

(iii) one or more officer's certificates, duly executed by a responsible officer and providing for such certifications and other matters as the Indenture Trustee shall reasonably require; and

(iv) one or more Opinions of Counsel, duly executed by counsel to the Issuer and providing for such matters as the Indenture Trustee shall reasonably require, including without limitation, an opinion from tax counsel to the Issuer (which opinion may rely, as to factual matters, on a certificate of a Person whose duties relate to the matters being certified) to the effect that, for U.S. federal income tax purposes, (a) such

action will not cause any Equipment Note of any Outstanding Series or Class for which an Opinion of Counsel to the Issuer was rendered in connection with the original issuance of such Equipment Note to the effect that such Equipment Note is treated as debt for U.S. federal income tax purposes, to be characterized as other than debt, and (b) such action will not cause the Issuer to be treated as an association (or publicly traded partnership) taxable as a corporation;

(g) while any other Series is Outstanding, any issuance of an Additional Series will be subject to the additional condition that the Book LTV Ratio immediately after the acquisition of additional Railcars with the proceeds of issuance of such Additional Series shall not be greater than the Book LTV Ratio as of the Initial Closing Date; and

(h) the Issuer shall have delivered to the Indenture Trustee an Officer's Certificate to the effect that all of the conditions specified in clauses (a) through (g), as applicable, above have been satisfied.

Upon satisfaction of the above conditions, the Indenture Trustee shall execute the Series Supplement and authenticate and deliver the Equipment Notes of such Additional Series.

ARTICLE X

MODIFICATION AND WAIVER

Section 10.1 Modification and Waiver with Consent of Noteholders. In the event that the Indenture Trustee receives a request for its consent to an amendment, modification or waiver under this Master Indenture, the Equipment Notes or any Operative Agreement relating to the Equipment Notes, the Indenture Trustee shall mail a notice of such proposed amendment, modification or waiver to each Noteholder asking whether or not to consent to such amendment, modification or waiver if such Noteholder's consent is required pursuant to this Master Indenture; *provided* that any amendment, modification or waiver of the provisions described in Section 9.02 hereof is not permitted without the consent of each Noteholder required thereby; *provided further, however*, that any Event of Default may be waived in accordance with Section 4.04 hereof. The foregoing, however, shall not prevent the Issuer from amending any Lease of a Railcar, *provided* that such amendment is otherwise permitted by this Master Indenture and the Servicing Agreement.

It shall not be necessary for the consent of the Noteholders under this Section 10.01 to approve the particular form of any proposed amendment, modification or waiver, but it shall be sufficient if such consent approves the substance thereof. Any such amendment, modification or waiver approved by the Direction of a Requisite Majority (and, if applicable, as to which Rating Agency Confirmation is given) will be binding on all Noteholders.

The Issuer shall give each Rating Agency prior notice of any amendment under this Section 10.01 and any amendments of its constitutive documents by the Issuer, and, after an amendment under this Section 10.01 becomes effective, the Issuer shall mail to the Noteholders and each Rating Agency a notice briefly describing such amendment. Any failure of the Issuer

to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such amendment.

After an amendment, modification or waiver under this Section 10.01 becomes effective, it shall bind every Noteholder, whether or not notation thereof is made on any Equipment Note held by such Noteholder.

Section 10.2 Modification Without Consent of Noteholders. Subject to Section 9.01 hereof, the Indenture Trustee may agree, without the consent of any Noteholder, to any modification (other than those referred to in Section 10.01) of any provision of any Operative Agreement or of the relevant Equipment Notes to correct a manifest error or an error which is of a formal, minor or technical nature. Any such modification shall be notified to the Noteholders as soon as practicable thereafter and shall be binding on all the Noteholders.

Section 10.3 Consent of Servicer, Hedge Providers and Liquidity Facility Providers. No amendment, modification or waiver to this Master Indenture or a Series Supplement shall be permitted if such amendment, modification or waiver could reasonably be expected to violate Section 11.7(a) of the Servicing Agreement. No amendment, modification or waiver to this Master Indenture or a Series Supplement shall be permitted if such amendment, modification or waiver could reasonably be expected to materially adversely affect a Hedge Provider without the prior written consent of such Hedge Provider. No amendment, modification or waiver to this Master Indenture or a Series Supplement shall be permitted if such amendment, modification or waiver could reasonably be expected to materially adversely affect a Liquidity Facility Provider without the prior written consent of such Liquidity Facility Provider; provided that if a Liquidity Facility Provider is in default under one or more of its Liquidity Facility Documents, then (i) Sections 3.11 and 3.15 are the only Sections of this Master Indenture that shall be considered for purposes of this Section 10.03 with respect to such Liquidity Facility Provider's consent rights and (ii) the only Sections of a Series Supplement, if any, that shall be considered for purposes of this Section 10.03 with respect to such Liquidity Facility Provider's consent rights must be expressly identified as such in that Series Supplement.

Section 10.4 Subordination and Priority of Payments. The subordination provisions contained in the Flow of Funds and Article XI hereof may not be amended or modified without the consent of each Noteholder of the Outstanding Equipment Notes. In no event shall the provisions set forth in the Flow of Funds relating to the priority of the Service Provider Fees and Operating Expenses be amended or modified. The foregoing sentences in each case are subject to the provisions of Section 9.02(b).

Section 10.5 Execution of Amendments by Indenture Trustee. In executing, or accepting the additional trusts created by, any amendment, modification or waiver to this Master Indenture permitted by this Article X or Section 3.16(b) or the modifications thereby of the trusts created by this Master Indenture, the Equipment Notes or any Operative Agreement related to the Equipment Notes, the Indenture Trustee shall be entitled to receive, and shall be fully protected in relying upon, an Officer's Certificate and an Opinion of Counsel stating that the execution of such amendment, modification or waiver is authorized or permitted by this Master Indenture. The Indenture Trustee may, but shall not be obligated to, enter into any such

amendment, modification or waiver which affects the Indenture Trustee's own rights, duties or immunities under this Master Indenture or otherwise.

ARTICLE XI

SUBORDINATION

Section 11.01 Subordination.

(a) Each Noteholder and Service Provider agrees that its claims against the Issuer for payment of amounts are subordinate to any claims ranking in priority thereto as set forth in the Flow of Funds hereof, including any post-petition interest (each such prior claim, a "**Senior Claim**"), which subordination shall continue until the holder of such Senior Claim (a "**Senior Claimant**"), or the Indenture Trustee on its behalf, has received the full cash amount of such Senior Claim. Each Noteholder and Service Provider is also obligated to hold for the benefit of the Senior Claimant any amounts received by such Noteholder or Servicer Provider, as the case may be, which, under the terms of this Master Indenture, should have been paid to or on behalf of the Senior Claimant and to pay over such amounts to the Indenture Trustee for application as provided in the Flow of Funds. Each Noteholder also agrees to execute and deliver such instruments and documents, and take all further action, that a Senior Claimant may reasonably request in order to effectuate the above. Each Noteholder's right with respect to any Collateral shall be subordinated to the rights of Senior Claimants. Amounts deposited in any Indenture Account for a defeasance of the Equipment Notes or for an Optional Redemption of the Equipment Notes will not be subject to the foregoing subordination provisions. For the avoidance of doubt, this paragraph is not intended to limit the rights of Hedge Providers to receive payments other than in accordance with the Flow of Funds pursuant to Sections 3.08(c), 3.11(c), 3.14 and 3.16 of this Master Indenture.

(b) If any Senior Claimant receives any payment in respect of any Senior Claim which is subsequently invalidated, declared preferential, set aside and/or required to be repaid to a trustee, receiver or other party, then, to the extent such payment is so invalidated, declared preferential, set aside and/or required to be repaid, such Senior Claim shall be revived and continue in full force and effect, and shall be entitled to the benefits of this Article XI, all as if such payment had not been received.

(c) Each Noteholder, by its acceptance of an Equipment Note, and each other payee pursuant to the Flow of Funds, by entering into the Operative Agreement to which it is a party, authorizes and expressly directs the Indenture Trustee on its behalf to take such action as may be necessary or appropriate to effectuate the subordination provided in this Article XI, and appoints the Indenture Trustee its attorney-in-fact for such purposes, including, in the event of any dissolution, winding up, liquidation or reorganization of the Issuer (whether in bankruptcy, insolvency, receivership, reorganization or similar proceedings or upon an assignment for the benefit of creditors or otherwise) any actions tending towards liquidation of the property and assets of the Issuer or the filing of a claim for the unpaid balance of its Equipment Notes in the form required in those proceedings.

(d) No right of any holder of any Senior Claim to enforce the subordination of any subordinated claim shall be impaired by an act or failure to act by the Issuer or the Indenture Trustee or by any failure by either the Issuer or the Indenture Trustee to comply with this Master Indenture, unless such failure shall materially prejudice the rights of the subordinated claimant.

(e) Each Noteholder, by accepting an Equipment Note, and each other payee pursuant to the Flow of Funds, by entering into the Operative Agreement to which it is a party, acknowledges and agrees that the foregoing subordination provisions are, and are intended to be, an inducement and a consideration to each holder of any Senior Claim, whether such Senior Claim was created or acquired before or after the issuance of such holder's claim, to acquire and continue to hold such Senior Claim and such holder of any Senior Claim shall be deemed conclusively to have relied on such subordination provisions in acquiring and continuing to hold such Senior Claim.

(f) The Noteholders of each Series and each Class thereof shall have the right to receive, to the extent necessary to make the required payments with respect to the Equipment Notes of such Series and each Class thereof at the times and in the amounts specified herein and in the related Series Supplement, (i) the portion of Collections allocable to Noteholders of such Series and each Class thereof pursuant to this Master Indenture and the related Series Supplement, (ii) funds on deposit in the Liquidity Reserve Account allocated in accordance with the terms of this Master Indenture and the related Series Supplement and (iii) funds on deposit in any Series Account for such Series and each Class thereof. Each Noteholder, by acceptance of its Equipment Notes, (x) acknowledges and agrees that except as expressly provided herein and in a Series Supplement, the Noteholders of a Series shall not have any interest in any Series Account for the benefit of any other Series (to the extent amounts were deposited therein in accordance with the Operative Agreements), and (y) ratifies and confirms the terms of this Master Indenture and the Operative Agreements executed in connection with such Noteholder's Series. With respect to each Collection Period, Collections on deposit in the Collections Account will be allocated to each Series and each Class thereof then Outstanding in accordance with the Flow of Funds and the related Series Supplements.

ARTICLE XII

DISCHARGE OF INDENTURE; DEFEASANCE

Section 12.01 Discharge of Liability on the Equipment Notes; Defeasance.

(a) When (i) the Issuer delivers to the Indenture Trustee all Outstanding Equipment Notes (other than Equipment Notes replaced pursuant to Section 2.08 hereof) for cancellation or (ii) all Outstanding Equipment Notes have become due and payable, whether at maturity or as a result of the mailing of a Redemption Notice pursuant to Section 3.16(a) hereof and the Issuer irrevocably deposits in the Redemption/Defeasance Account funds sufficient to pay at maturity, or upon Optional Redemption of, all Outstanding Equipment Notes, including interest thereon to maturity or the Redemption Date (other than Equipment Notes replaced pursuant to Section 2.08), and if in either case the Issuer pays all other sums payable hereunder by the Issuer including any premium, then this Master Indenture shall, subject to Section 12.01(c), cease to be of further effect. The Indenture Trustee shall acknowledge

satisfaction and discharge of this Master Indenture on demand of the Issuer accompanied by an Officer's Certificate and an Opinion of Counsel, at the cost and expense of the Issuer, to the effect that any conditions precedent to a discharge of this Master Indenture have been met.

(b) Subject to Sections 12.01(c) and 12.02, the Issuer at any time may terminate (i) all its obligations under the Equipment Notes or any Class or Series of Equipment Notes and this Master Indenture (the "legal defeasance" option) or (ii) its obligations under Sections 5.02, 5.03, 5.04 and 4.01 (other than with respect to a failure to comply with Sections 4.01(a), 4.01(b), 4.01(e) (only with respect to the Issuer) and 4.01(f) (only with respect to the Issuer)) (the "covenant defeasance" option). The Issuer may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option.

If the Issuer exercises its legal defeasance option, payment of any Equipment Notes subject to such legal defeasance may not be accelerated because of an Event of Default. If the Issuer exercises its covenant defeasance option, payment of the Equipment Notes may not be accelerated because of an Event of Default (other than with respect to a failure to comply with Section 5.02(j), 4.01(a), 4.01(b), 4.01(e) and 4.01(f)).

Upon satisfaction of the conditions set forth herein and upon request of the Issuer, the Indenture Trustee shall acknowledge in writing the discharge of those obligations that the Issuer terminates.

(c) Notwithstanding clauses (a) and (b) above, the Issuer's obligations in Sections 2.01, 2.02, 2.03, 2.04, 2.05, 2.06, 2.07, 2.08, 2.09, 5.02(j), Article VI, Sections 8.01, 12.04, 12.05 and 12.06 shall survive until all the Equipment Notes have been paid in full. Thereafter, the Issuer's obligations in Sections 8.01, 12.04, 12.05 and 13.07 shall survive.

Section 12.02 Conditions to Defeasance. The Issuer may exercise its legal defeasance option or its covenant defeasance option only if:

(a) The Issuer irrevocably deposits in trust in the Redemption/Defeasance Account any one or any combination of (A) money, (B) obligations of, and supported by the full faith and credit of, the U.S. Government ("**U.S. Government Obligations**") or (C) obligations of corporate issuers ("**Corporate Obligations**") (provided that any such Corporate Obligations are rated AA+, or the equivalent, or higher, by each Rating Agency at such time and shall not have a maturity of longer than three (3) years from the date of defeasance) for the payment of all principal, premium, if any, and interest to maturity or redemption on the Class (or Series) of Equipment Notes being defeased;

(b) the Issuer delivers to the Indenture Trustee a certificate from a nationally recognized firm of independent accountants expressing their opinion that the payments of principal and interest when due and without reinvestment on the deposited U.S. Government Obligations or the Corporate Obligations plus any deposited money without investment will provide cash at such times and in such amounts as will be sufficient to pay principal and interest when due and interest to maturity or redemption on the Class (or Series) of the Equipment Notes being defeased;

(c) 91 days pass after the deposit described in clause (a) above is made and during the 91-day period no Event of Default specified in Section 4.01(f) or (g) with respect to the Issuer occurs which is continuing at the end of the period;

(d) the deposit described in clause (a) above does not constitute a default under any other agreement binding on the Issuer;

(e) the Issuer delivers to the Indenture Trustee an Opinion of Counsel to the effect that the trust resulting from the deposit described in clause (a) does not constitute, or is qualified as, a regulated investment company under the Investment Company Act of 1940, as amended;

(f) the Issuer shall have delivered to the Indenture Trustee an Opinion of Counsel to the effect that the Noteholders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance had not occurred;

(g) if the related Equipment Notes are then listed on any securities exchange, the Issuer delivers to the Indenture Trustee an Opinion of Counsel to the effect that such deposit, defeasance and discharge will not cause such Equipment Notes to be delisted;

(h) the Issuer has obtained a Rating Agency Confirmation relating to the defeasance contemplated by this Section 12.02;

(i) the Issuer delivers to the Indenture Trustee an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent to the defeasance and discharge of the Equipment Notes as contemplated by this Article XII have been complied with; and

(j) the Issuer shall only defease the Equipment Notes of a Class in their entirety, not partially.

Section 12.03 Application of Trust Money. The Indenture Trustee shall hold in trust in the Redemption/Defeasance Account money, U.S. Government Obligations or Corporate Obligations deposited with it pursuant to this Article XII. It shall apply the deposited money and the money from U.S. Government Obligations or Corporate Obligations in accordance with this Master Indenture and the applicable Series Supplements to the payment of principal, premium, if any, and interest on the applicable Equipment Notes. Money and securities so held in trust are not subject to Article X hereof.

Section 12.04 Repayment to the Issuer. The Indenture Trustee shall promptly turn over to the Issuer upon request any excess money or securities held by it at any time. Subject to any applicable abandoned property law, the Indenture Trustee shall pay to the Issuer upon written request any money held by it for the payment of principal or interest that remains unclaimed for two (2) years and, thereafter, Noteholders entitled to the money must look to the Issuer for payment as general creditors. Such unclaimed funds shall remain uninvested and in no event shall the Indenture Trustee be liable for interest on such unclaimed funds.

Section 12.05 Indemnity for Government Obligations and Corporate Obligations. The Issuer shall pay and shall indemnify the Indenture Trustee against any tax, fee or other charge imposed on or assessed against deposited U.S. Government Obligations or Corporate Obligations, or the principal and interest received on such U.S. Government Obligations or Corporate Obligations.

Section 12.06 Reinstatement. If the Indenture Trustee is unable to apply any money or U.S. Government Obligations or Corporate Obligations in accordance with this Article XII (and the applicable Series Supplements) by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Issuer's obligations under this Master Indenture and the applicable Series Supplements and the Equipment Notes shall be revived and reinstated as though no deposit had occurred pursuant to this Article XII until such time as the Indenture Trustee is permitted to apply all such money, U.S. Government Obligations or Corporate Obligations in accordance with this Article XII, the applicable Series Supplements and the applicable Equipment Notes; *provided, however,* that, if the Issuer has made any payment of interest on or principal of any Equipment Notes because of the reinstatement of its obligations, the Issuer shall be subrogated to the rights of the Noteholders of such Equipment Notes to receive such payment from the money, U.S. Government Obligations or Corporate Obligations held by the Indenture Trustee.

ARTICLE XIII

MISCELLANEOUS

Section 13.01 Right of Indenture Trustee to Perform. If the Issuer for any reason fails to observe or punctually to perform any of its obligations to the Indenture Trustee, whether under this Master Indenture and any Series Supplement or any of the other Operative Agreements or otherwise, the Indenture Trustee shall have power (but shall have no obligation), on behalf of or in the name of the Issuer or otherwise, to perform such obligations and to take any steps which the Indenture Trustee may, in its absolute discretion, consider appropriate with a view to remedying, or mitigating the consequences of, such failure by the Issuer; *provided* that no exercise or failure to exercise this power by the Indenture Trustee shall in any way prejudice the Indenture Trustee's other rights under this Master Indenture and any Series Supplement or any of the other Operative Agreements.

Section 13.02 Waiver. Any waiver by any party of any provision of this Master Indenture or any right, remedy or option hereunder shall only prevent and estop such party from thereafter enforcing such provision, right, remedy or option if such waiver is given in writing and only as to the specific instance and for the specific purpose for which such waiver was given. The failure or refusal of any party hereto to insist in any one or more instances, or in a course of dealing, upon the strict performance of any of the terms or provisions of this Master Indenture by any party hereto or the partial exercise of any right, remedy or option hereunder shall not be construed as a waiver or relinquishment of any such term or provision, but the same shall continue in full force and effect. No failure on the part of the Indenture Trustee to exercise, and no delay on its part in exercising, any right or remedy under this Master Indenture and any Series Supplement will operate as a waiver thereof, nor will any single or partial exercise of any right or

remedy preclude any other or further exercise thereof or the exercise of any other right or remedy. The rights and remedies provided in this Master Indenture are cumulative and not exclusive of any rights or remedies provided by law.

Section 13.03 Severability. In the event that any provision of this Master Indenture or the application thereof to any party hereto or to any circumstance or in any jurisdiction governing this Master Indenture shall, to any extent, be invalid or unenforceable under any applicable statute, regulation or rule of law, then such provision shall be deemed inoperative to the extent that it is invalid or unenforceable and the remainder of this Master Indenture, and the application of any such invalid or unenforceable provision to the parties, jurisdictions or circumstances other than to whom or to which it is held invalid or unenforceable, shall not be affected thereby nor shall the same affect the validity or enforceability of this Master Indenture. The parties hereto further agree that the holding by any court of competent jurisdiction that any remedy pursued by the Indenture Trustee hereunder is unavailable or unenforceable shall not affect in any way the ability of the Indenture Trustee to pursue any other remedy available to it.

Section 13.04 Notices. All notices, demands, certificates, requests, directions, instructions and communications hereunder ("**Notices**") shall be in writing and shall be effective (a) upon receipt when sent through the mails, registered or certified mail, return receipt requested, postage prepaid, with such receipt to be effective the date of delivery indicated on the return receipt, or (b) one Business Day after delivery to an overnight courier, or (c) on the date personally delivered to an authorized officer of the party to which sent, or (d) on the date transmitted by legible telecopier transmission with a confirmation of receipt, in all cases addressed to the recipient as follows:

if to the Issuer, to:

Trinity Rail Leasing 2018 LLC
c/o Trinity Industries Leasing Company, as Servicer
2525 N. Stemmons Freeway
Dallas, TX 75207
Attention: TILC Capital Markets Group
E-mail: TILC.CapitalMarkets.notices@trin.net

with a copy to:

Trinity Industries Leasing Company
2525 N. Stemmons Freeway
Dallas, TX 75207
Attention: Legal Department

if to the Administrator, to:

Trinity Industries Leasing Company
2525 N. Stemmons Freeway
Dallas, TX 75207
Attention: TILC Capital Markets Group
E-mail: TILC.CapitalMarkets.notices@trin.net

with a copy to:

Trinity Industries Leasing Company
2525 N. Stemmons Freeway
Dallas, TX 75207
Attention: Legal Department

if to the Indenture Trustee, the Note Registrar or the Paying Agent, to:

Wilmington Trust Company

1100 North Market Street
Wilmington, Delaware 19890-1605
Facsimile: (302) 636-4140
Telephone: (302) 636-6000
Attention: Corporate Trust Administration
Re: Trinity Rail Leasing 2018 LLC

if to the Servicer, to:

Trinity Industries Leasing Company
2525 N. Stemmons Freeway
Dallas, TX 75207
Attention: TILC Capital Markets Group
E-mail: TILC.CapitalMarkets.notices@trin.net

with a copy to:

Trinity Industries Leasing Company
2525 N. Stemmons Freeway
Dallas, TX 75207
Attention: Legal Department

if to a Hedge Provider, to:

the address specified in the applicable Series Supplement

if to a Liquidity Facility Provider, to:

the address specified in the applicable Series Supplement

if to a Rating Agency, to:

the address specified in the applicable Series Supplement.

Section 13.05 Assignments. This Master Indenture shall be a continuing obligation of the Issuer and shall (i) be binding upon the Issuer and its successors and assigns and (ii) inure to the benefit of and be enforceable by the Indenture Trustee, and by its successors, transferees and assigns. The Issuer may not assign any of its obligations under this Master Indenture or any Series Supplement, or delegate any of its duties hereunder.

Section 13.06 Currency Conversion.

(a) If any amount is received or recovered by the Administrator, the Servicer or the Indenture Trustee in respect of this Master Indenture or any part thereof (whether as a result of the enforcement of the security created under this Master Indenture and any Series Supplement or pursuant to this Master Indenture or any judgment or order of any court or in the liquidation or dissolution of the Issuer or by way of damages for any breach of any obligation to make any payment under or in respect of the Issuer's obligations hereunder or any part thereof or otherwise) in a currency (the "**Received Currency**") other than the currency in which such amount was expressed to be payable (the "**Agreed Currency**"), then the amount in the Received Currency actually received or recovered by the Indenture Trustee shall, to the fullest extent permitted by Applicable Law, only constitute a discharge to the Issuer to the extent of the amount of the Agreed Currency which the Administrator, the Servicer or the Indenture Trustee was or would have been able in accordance with its normal procedures to purchase on the date of actual receipt or recovery (or, if that is not practicable, on the next date on which it is so practicable), and, if the amount of the Agreed Currency which the Administrator, the Servicer or the Indenture Trustee is or would have been so able to purchase is less than the amount of the Agreed Currency which was originally payable by the Issuer, the Issuer shall pay to the Administrator, the Servicer or the Indenture Trustee such amount as the Administrator, Servicer or the Indenture Trustee shall determine to be necessary to indemnify such Person against any loss sustained by it as a result (including the cost of making any such purchase and any premiums, commissions or other charges paid or incurred in connection therewith) and so that such indemnity, to the fullest extent permitted by Applicable Law, (i) shall constitute a separate and independent obligation of the Issuer distinct from its obligation to discharge the amount which was originally payable by the Issuer and (ii) shall give rise to a separate and independent cause of action and apply irrespective of any indulgence granted by the Administrator, the Servicer or the Indenture Trustee and continue in full force and effect notwithstanding any judgment, order, claim or proof for a liquidated amount in respect of the amount originally payable by the Issuer or any judgment or order and no proof or evidence of any actual loss shall be required.

(b) For the purpose of or pending the discharge of any of the moneys and liabilities hereby secured the Administrator and the Servicer may convert any moneys received, recovered or realized by the Administrator or the Servicer, as the case may be, under this Master Indenture and any Series Supplement (including the proceeds of any previous conversion under this Section 13.06) from their existing currency of denomination into the currency of denomination (if different) of such moneys and liabilities and any conversion from one currency

to another for the purposes of any of the foregoing shall be made at the Indenture Trustee's then prevailing spot selling rate at its office by which such conversion is made. If not otherwise required to be applied in the Received Currency, the Administrator or the Servicer, as the case may be, acting on behalf of the Indenture Trustee, shall promptly convert any moneys in such Received Currency other than Dollars into Dollars. Each previous reference in this Section to a currency extends to funds of that currency and funds of one currency may be converted into different funds of the same currency.

Section 13.07 Application to Court. The Indenture Trustee may at any time after the service of a Default Notice apply to any court of competent jurisdiction for an order that the terms of this Master Indenture be carried into execution under the direction of such court and for the appointment of a receiver of the Collateral or any part thereof and for any other order in relation to the administration of this Master Indenture as the Requisite Majority shall deem fit and it may assent to or approve any application to any court of competent jurisdiction made at the instigation of any of the Noteholders and shall be indemnified by the Issuer against all costs, charges and expenses incurred by it in relation to any such application or proceedings.

Section 13.08 Governing Law. THIS MASTER INDENTURE SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, INCLUDING SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAWS BUT OTHERWISE WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES.

Section 13.09 Jurisdiction.

(a) Each of the parties hereto agrees that the United States federal and New York State courts located in The City of New York shall have jurisdiction to hear and determine any suit, action or proceeding, and to settle any disputes, which may arise out of or in connection with this Master Indenture and, for such purposes, submits to the jurisdiction of such courts. Each of the parties hereto waives any objection which it might now or hereafter have to the United States federal or New York State courts located in The City of New York being nominated as the forum to hear and determine any suit, action or proceeding, and to settle any disputes, which may arise out of or in connection with this Master Indenture and agrees not to claim that any such court is not a convenient or appropriate forum.

(b) The submission to the jurisdiction of the courts referred to in Section 13.09(a) shall not (and shall not be construed so as to) limit the right of the Indenture Trustee to take proceedings against the Issuer in any other court of competent jurisdiction nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdiction, whether concurrently or not.

(c) Each of the parties hereto hereby consents generally in respect of any legal action or proceeding arising out of or in connection with this Master Indenture to the giving of any relief or the issue of any process in connection with such action or proceeding, including the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which may be made or given in such action or proceeding.

Section 13.10 Jury Trial. EACH PARTY TO THIS AGREEMENT, AND EACH NOTEHOLDER BY ITS ACCEPTANCE OF ITS NOTES, HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING HEREUNDER OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO THIS AGREEMENT OR THE TRANSACTIONS RELATED HERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER FOUNDED IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE SIGNATORIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

Section 13.11 Counterparts. This Master Indenture may be executed in two or more counterparts by the parties hereto, and each such counterpart shall be considered an original and all such counterparts shall constitute one and the same instrument.

Section 13.12 No Petition in Bankruptcy. The Indenture Trustee agrees, and each Noteholder shall be deemed to have agreed, that, prior to the date which is one year and one day after the payment in full of all outstanding Equipment Notes, neither the Indenture Trustee nor any Noteholder shall institute against, or join any other Person in instituting against, the Issuer an action in bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or similar proceeding under the laws of the United States or any state of the United States.

Section 13.13 Table of Contents, Headings, Etc. The Table of Contents and headings of the Articles and Sections of this Master Indenture have been inserted for convenience of reference only, are not to be considered a part hereof and shall in no way modify or restrict any of the terms and provisions hereof.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Master Indenture to be duly executed, all as of the date first written above.

TRINITY RAIL LEASING 2018 LLC

By: Trinity Industries Leasing Company,
its manager

By: /s/ C. Lance Davis
Name: C. Lance Davis
Title: Vice President

WILMINGTON TRUST COMPANY, not in its individual capacity but solely as Indenture Trustee (and as securities intermediary as described herein)

By: /s/ Jose L. Paredes
Name: Jose L. Paredes
Title: Assistant Vice President

"**144A Book-Entry Note**" means an Equipment Note sold in reliance on Rule 144A, represented by a single permanent global note in fully registered form, without coupons, the form of which shall be substantially in the form of the applicable Equipment Note Form for such Equipment Note, with the legends required by Section 2.02 hereof for a 144A Book-Entry Note inscribed thereon and with such changes therein and such additional information as may be specified in the Series Supplement pursuant to which such Equipment Note is issued.

"**AAR**" means the Association of American Railroads or any successor thereto.

"**Account Administration Agreement**" means the Customer Collections Account Administration Agreement, dated as of November 12, 2003, by and among the various beneficiary parties thereto from time to time, TILC and WTC (and as the same may be amended, supplemented, restated, amended and restated or modified from time to time).

"**Account Collateral Agent**" means the "Account Collateral Agent" under and as defined in the Account Administration Agreement, initially WTC.

"**Accounts**" means all "accounts" as defined in Article 9 of the UCC, whether due or to become due, whether or not the right of payment has been earned by performance, and whether now owned or hereafter acquired or arising in the future, including Accounts Receivable from Affiliates of the Issuer.

"**Accounts Receivable**" means all rights to payment, whether or not earned by performance, for goods or other property sold, leased, licensed, assigned or otherwise disposed of, or services rendered or to be rendered, including, without limitation, all such rights constituting or evidenced by any Account, Chattel Paper, Instrument, General Intangible or Investment Property, together with all of the Issuer's right, title and interest, if any, in any goods or other property giving rise to such right to payment, including any rights to stoppage in transit, replevin, reclamation and resales, and all related security interests, Encumbrances and pledges, whether voluntary or involuntary, in each case whether now existing or owned or hereafter arising or acquired, and all Supporting Obligations related to the foregoing and all Accounts Receivable Records.

"**Accounts Receivable Records**" means (a) all original copies of all documents, instruments or other writings or electronic records or other records evidencing the Accounts Receivable, (b) all books, correspondence, credit or other files, records, ledger sheets or cards, invoices, and other papers relating to Accounts Receivable, including, without limitation, all tapes, cards, computer tapes, computer discs, computer runs, record keeping systems and other papers and documents relating to the Accounts Receivable, whether in the possession or under the control of the Issuer or any computer bureau or agent from time to time acting for the Issuer or otherwise, (c) all evidences of the filing of financing statements and the registration of other instruments in connection therewith, and amendments, supplements or other modifications thereto, notices to other creditors or lenders, and certificates, acknowledgments, or other writings, including, without limitation, lien search reports, from filing or other registration

ficers, (d) all credit information, reports and memoranda relating thereto and (e) all other written, electronic or other non-written forms of information related in any way to the foregoing or any Accounts Receivable.

"**Act**" has the meaning, with respect to any Noteholder, given to such term in Section 1.04(a) hereof.

"**Additional Interest**" means, with respect to a Series of Equipment Notes or any Class thereof, interest at the Stated Rate on the aggregate amount of any unpaid interest that is due and payable on the Equipment Notes of such Series and Class (including any unpaid portion of the Stated Interest Amount and any Additional Interest Amount).

"**Additional Interest Amount**" with respect to any Class Equipment Note in any Series of Equipment Notes, an amount equal to the Additional Interest on the aggregate amount of unpaid interest (including any unpaid portion of any Stated Interest Amounts and any Additional Interest Amount) that was due and payable on the Equipment Notes of such Series or Class on any prior Payment Date.

"**Additional Liquidity Facility**" has the meaning given to it in Section 3.15.

"**Additional Liquidity Facility Provider**" means the issuer or provider of an Additional Liquidity Facility.

"**Additional Notes**" means the Equipment Notes evidencing any Additional Series issued by the Issuer from time to time subsequent to the Initial Closing Date.

"**Additional Railcar**" means each Railcar acquired by the Issuer (other than the Railcars identified on a schedule to the Series Supplement for the Initial Equipment Notes) subsequent to the Initial Closing Date in accordance with the conditions set forth in Section 5.03(b) hereof.

"**Additional Series**" means any Series issued by Issuer subsequent to the Initial Closing Date pursuant to a Series Supplement.

"**Adjusted Value**" means, for any individual Railcar as of any date of determination, (a) the Initial Appraised Value of such Railcar, adjusted downward as of each Payment Date after the Delivery Date of such Railcar due to depreciation at the greater of (i) the amount of depreciation determined based on straight line depreciation from the date of manufacture using an assumed 35-year useful life (25 years for autoracks) to a "10%" assumed residual/salvage value and (ii) the amount of depreciation that would be calculated under any subsequent depreciation methodology or general practice of marking down asset values attributable to a change in Trinity's corporate policy and practice after the Initial Closing Date (a "**Depreciation Change**"), plus (b) the cost of any Optional Modification or Required Modification, to the extent that Trinity on its books of account would properly add such cost to the book value of such Railcar in accordance with U.S. GAAP, with the amount of such cost so added pursuant to this clause (b) to be depreciated in the same manner following its incurrence and addition to book. Following the receipt of all proceeds and third party payments associated with a casualty event with respect to a Railcar, its Adjusted Value will be deemed to be zero.

"**Administrative Services Agreement**" means the Administrative Services Agreement, dated as of the Initial Closing Date, between the Administrator and the Issuer, or any replacement administrative services agreement with a replacement Administrator.

"**Administrator**" means TILC, in its capacity as administrator under the Administrative Services Agreement, including its successors in interest and permitted assigns, until another Person shall have become the administrator under such agreement, after which "Administrator" shall mean such other Person.

"**Administrator Fee**" means, for any Payment Date, the compensation payable to the Administrator on such Payment Date in accordance with the terms of, and designated as such in, the Administrative Services Agreement.

"**Affiliate**" means, with respect to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with, such Person or is a director or officer of such Person; "control" of a Person means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting Stock, by contract or otherwise.

"**After-Tax Basis**" means, with respect to any payment due to any Person, the amount of such payment supplemented by a further payment or payments so that the sum of all such payments, after reduction for all Taxes payable by such Person by reason of the receipt or accrual of such payments, shall be equal to the payment due to such Person.

"**Aggregate Adjusted Borrowing Value**" means, as of any date of determination, an amount equal to the sum of (i) the Adjusted Values (measured as of the last day of the month immediately preceding such date of determination) of all Portfolio Railcars, and (ii) the amounts on deposit in the Optional Reinvestment Account, any Prefunding Accounts and the Mandatory Replacement Account as of such date.

"**Allocable Note Balance**" means, with respect to any Railcar, an amount equal to the product of the Railcar Advance Rate and the Adjusted Value of such Railcar.

"**Annual Report**" has the meaning given to such term in Section 2.13(a) hereof.

"**Applicable Law**" means all applicable laws, rules, statutes, ordinances, regulations and orders of Governmental Authorities, including, without limitation, the applicable laws, rules, regulations and orders of any Railroad Authority.

"**Appraisal**" means a desktop appraisal of a Railcar, i.e. an appraisal without a physical inspection of a Railcar, dated within ninety (90) days of the applicable Delivery Date of such Railcar by the applicable Appraiser to determine the Initial Appraised Value of such Railcar, and, if such Delivery Date is not a Closing Date, considering substantially similar factors in such determination as were considered in the Appraisal delivered in connection with the most recent Closing Date (or, if obtaining an Appraisal addressing such factors is no longer commercially feasible as a result of changes in market practice of railcar appraisers, then an appraisal that considers such factors in the valuation determination as are then commercially feasible to obtain in light of railcar appraisal market practices at that time).

"**Appraiser**" means RailSolutions, Inc., or such other independent railcar appraiser that is of comparable standing and reputation as determined in the good faith judgment of the Servicer.

"**Asset Transfer Agreement**" means any asset transfer agreement between the Issuer and one or more sellers of Railcars, in form and substance satisfactory to the Issuer and the applicable seller or sellers party thereto. The initial Asset Transfer Agreement is the Purchase and Contribution Agreement, dated as of the Initial Closing Date, between the Issuer and TILC.

"**Assigned Agreements**" has the meaning assigned to such term in the Granting Clauses hereunder.

"**Assignment and Assumption**" has the meaning given such term, if applicable, in an Asset Transfer Agreement.

"**Authorized Agent**" means, with respect to the Equipment Notes of any Series, any authorized Paying Agent or Note Registrar for the Equipment Notes of such Series.

"**Authorized Representative**" of any entity means the person or persons authorized to act on behalf of such entity.

"**Available Collections Amount**" means, for any Payment Date, the amount of Collections in the Collections Account as of the Determination Date for such Payment Date, plus or minus, as applicable, the aggregate amount of all transfers to be made to or from the Collections Account pursuant to the Master Indenture, a Hedge Agreement or a Liquidity Facility during the period beginning on such Determination Date and ending on such Payment Date (including transfers from the Liquidity Reserve Account, the Optional Reinvestment Account, or the Mandatory Replacement Account pursuant to Sections 3.04, 3.05 and 3.09 hereof, respectively, and including any Servicer Advance).

"**Balance**" means, with respect to any Indenture Account as of any date, the sum of the cash deposits in such Indenture Account and the value of any Permitted Investments held in such Indenture Account as of such date, as determined in accordance with Section 1.02(k) hereof.

"**Bankruptcy Code**" means Chapter 11 of Title 11 of the United States Code, 11 U.S.C. § 101 et. seq.

"**Bill of Sale**" has the meaning given such term, if applicable, in an Asset Transfer Agreement.

"**Book-Entry Notes**" means the Regulation S Book-Entry Notes and the 144A Book-Entry Notes.

"**Book LTV Ratio**" has the meaning given to such term in paragraph 4(f) (Collateral--Releases) of the Granting Clause of this Master Indenture.

"**Books and Records**" has the meaning given to such term in Section 5.04(y)(i) hereof.

"**Books and Records Inspection**" has the meaning given to such term in Section 5.04(y)(i) hereof.

"**Business Day**" means any day except a Saturday, Sunday or other day on which commercial banks in New York, New York, Dallas, Texas, or in the location of the principal corporate trust office of the Indenture Trustee (currently Wilmington, Delaware for WTC as Indenture Trustee) are authorized by law to close.

"**Capital Contribution**" has the meaning given such term in Section 3.17 hereof.

"**Cede**" means Cede & Co., as nominee for DTC.

"**Chattel Paper**" means all "chattel paper" as defined in the UCC.

"**Chattel Paper Original**" means that any applicable original Lease Schedule or Rider and any related amendment or supplement thereto being delivered shall have been designated the sole original copy thereof by the applicable Lessor (1) adding or affixing, by sticker, stamp or otherwise, language substantially to the following effect, to the cover page of such Schedule or Rider: "To the extent, if any, that this Schedule/Rider or any amendment or supplement hereunder constitutes chattel paper (as such term is defined in the Uniform Commercial Code as in effect in any applicable jurisdiction), this copy shall constitute the sole original thereof and no security interest in this Schedule/Rider or amendment or supplement thereto may be created through the transfer or possession of any counterpart other than this counterpart"; and (2) marking each other original executed counterpart of such Schedule/Rider and any amendment or supplement thereto in its possession with the words "DUPLICATE ORIGINAL."

"**Class**" means with respect to a Series, one or more classes of Equipment Notes of such Series (which class or classes shall be specified by the related Series Supplement) having the same rights to payment as all other Equipment Notes of such class.

"**Class Account**" has the meaning given to such term in Section 3.01(a) hereof.

"**Class A Equipment Notes**" with respect to a Series, means the Classes of Equipment Notes identified as such in the related Series Supplement.

"**Class B Equipment Notes**" with respect to a Series, means the Classes of Equipment Notes identified as such (if any) in the related Series Supplement.

"**Class B Purchase Right**" has the meaning given to such term in Section 4.11(a).

"**Class B Purchase Right Outstanding Priority Balance**" has the meaning given to such term in Section 4.11(a).

"**Class B Purchasers**" has the meaning given to such term in Section 4.11(a).

"**Clearing Agency Participant**" means a Person who has an account with Clearstream.

"**Clearstream**" means Clearstream Banking, a French société anonyme.

"**Closing Date**" means in the case of (i) the Initial Equipment Notes, the Initial Closing Date, and (ii) any Additional Notes, the relevant Series Issuance Date of such Additional Notes.

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

"**Collateral**" has the meaning given such term in the Granting Clause hereof.

"**Collateral Liquidation Notice**" means a written Direction from the Requisite Majority directing the Indenture Trustee to sell the Portfolio Railcars in accordance with Section 4.02(b) hereof.

"**Collection Period**" means, with respect to each Payment Date other than the first Payment Date, the period commencing on the first day of the calendar month immediately preceding the month in which such Payment Date occurs and ending on the last day of such calendar month and, in the case of the first Payment Date in respect of a Series, the period commencing on the Series Issuance Date for such Series and ending on the last day of the first full calendar month following such Series Issuance Date.

"**Collections**" for any period means all amounts (without duplication) received by the Issuer or by any Person (including without limitation, the Account Collateral Agent) receiving such amounts on behalf of the Issuer, including, but not limited to, (i) Lease Payments, (ii) amounts received in respect of claims for damages or in respect of any breach of contract for nonpayment of the foregoing, (iii) the Net Disposition Proceeds of any Railcar Disposition (except for any portion of such Net Disposition Proceeds that the Issuer shall direct to be deposited into either the Mandatory Replacement Account or the Optional Reinvestment Account), (iv) amounts transferred from the Mandatory Replacement Account or the Optional Reinvestment Account due to a failure to acquire or fund an Additional Railcar within the Replacement Period; (v) investment income, if any, on all amounts on deposit in the Indenture Accounts, (vi) any proceeds or other payments received under the Relative Documents, (vii) any portion of the net cash proceeds of the issuance of Equipment Notes deposited in the Collections Account on a Closing Date, (viii) net payments received by the Issuer under Hedge Agreements (other than payments made as, or as proceeds of, collateral provided by a Hedge Provider pursuant to a credit support annex), and (ix) any other amounts received by the Issuer, but not including any funds to be applied in connection with an Optional Redemption and other amounts required to be paid over to any third party pursuant to any Relative Document.

"**Collections Account**" has the meaning given to such term in Section 3.01(a) hereof.

"**Company Inspection**" has the meaning given to such term in Section 5.04(y)(i) hereof.

"**Concentration Limits**" means, collectively the Mexico Concentration Restriction, the Customer Concentration Limitation and the Industry Concentration Limitation.

"**Control Party**" means in respect of any Series of Equipment Notes, unless otherwise provided in the Series Supplement related to such Series, Noteholders representing more than fifty percent (50%) of the then aggregate Outstanding Principal Balance of (a) initially, all Outstanding Class A Equipment Notes of such Series and (b) on and after the occurrence of the

payment in full of all Outstanding Obligations in respect of the Class A Equipment Notes of such Series, all Outstanding Class B Equipment Notes.

"**Convey**" or "**Conveyance**" has the meaning given such term, if applicable, in an Asset Transfer Agreement.

"**Corporate Obligations**" has the meaning given to such term in Section 12.02(a) hereof.

"**Corporate Trust Office**" means, with respect to the Indenture Trustee, the office of such trustee in the city at which at any particular time its corporate trust business shall be principally administered and, with respect to the Indenture Trustee on the Initial Closing Date, shall be Wilmington Trust Company, 1100 North Market Street, Wilmington, Delaware 19890-0001, Attention: Corporate Trust Administration Re: Trinity Rail Leasing 2018 LLC, Facsimile No: (302) 636-4140, or at any other time at such other address as the Indenture Trustee may designate from time to time by notice to the Holders and the Issuer.

"**Credit Bankrupt**" means a Person which (i) is subject to any bankruptcy or insolvency proceeding, (ii) is not paying its debts generally as they become due or (iii) has had a custodian (as defined in the Bankruptcy Code) take charge of all or substantially all of the property of such Person.

"**Cure Amount**" has the meaning assigned to such term in Section (c) of the Early Amortization Event definition.

"**Cure Right**" has the meaning assigned to such term in Section (c) of the Early Amortization Event definition.

"**Current LTV Ratio**" has the meaning given to such term in paragraph 4(f) (Collateral--Releases) of the Granting Clause of this Master Indenture.

"**Customer Concentration Limitation**" means, except in the case of any Permitted Excess Concentration, that, (a) as of any date of determination, the Adjusted Value of Portfolio Railcars leased to an individual Lessee that has a rating of at least "BBB-" or "Baa3" from S&P or Moody's, respectively (or leased to an Affiliate of such a Person), in the aggregate, does not exceed on such date seventeen and one-half percent (17.5%) of the aggregate Adjusted Value of the Portfolio Railcars on such date, and (b) except as contemplated in clause (a) above, as of any date of determination, the Adjusted Value of Portfolio Railcars leased to an individual Lessee (or leased to an Affiliate thereof), regardless of rating, in the aggregate, does not exceed on such date fifteen percent (15%) of the aggregate Adjusted Value of the Portfolio Railcars on such date. The Issuer will have the right at any time to obtain Rating Agency Confirmation in respect of a proposed change to a more lenient Customer Concentration Limitation (i.e., to increase either or both of the percentages to be greater than the applicable percentage or percentages that are then in effect pursuant to this definition) and, if Rating Agency Confirmation in respect of such proposed change is obtained, the more lenient concentration restriction will then apply.

"**Customer Payment Account**" means the "Customer Payments Account" described in the Account Administration Agreement.

"**Customer Payments**" has the meaning set forth in the Account Administration Agreement.

"**Debt Service Coverage Ratio**" means, with respect to any Payment Date, commencing on the seventh Payment Date after the Initial Closing Date, the ratio of (i) the sum of the Collections (excluding net payments owed to the Issuer for the payment of any Hedge Termination Value) deposited into the Collections Account for each of the six consecutive Collection Periods ending on the last day of the calendar month immediately preceding such Payment Date, minus the sum of (x) the amount actually deposited into the Expense Account during such six preceding Collection Periods, (y) the Service Provider Fees for each of such six preceding Collection Periods and (z) the amount actually deposited into the Liquidity Reserve Account during such six preceding Collection Periods, to (ii) the sum of (xx) the aggregate amount of principal payments with respect to the six consecutive Payment Dates ending on and including such Payment Date required in order to reduce the aggregate Outstanding Principal Balance of the Equipment Notes of each Series on such Payment Date to an amount equal to the Scheduled Targeted Principal Balance for such Series for such Payment Date, plus (yy) the aggregate amount of interest on the Senior Class of Outstanding Equipment Notes of each Series (excluding Additional Interest) payable on the six consecutive Payment Dates ending on and including such Payment Date, plus (or minus) (zz) the net payments owed by the Issuer (or owed to the Issuer) under any Hedge Agreements (other than for the payment of any Hedge Termination Value) in respect of the six consecutive Payment Dates ending on and including such Payment Date.

"**Default**" means a condition, event or act which, with the giving of notice or the lapse of time or both, would constitute an Event of Default.

"**Default Notice**" has the meaning given to such term in Section 4.02(a) hereof.

"**Definitive Note**" means a note issued in definitive form pursuant to the terms and conditions of this Master Indenture and the related Series Supplement, the form of which shall be substantially in the form of the applicable Note Form for such Equipment Note, with the legends required by Section 2.02 hereof for a Definitive Note inscribed thereon and with such changes therein and such additional information as may be specified in the Series Supplement pursuant to which such Equipment Note is issued.

"**Delivery Date**" means each date on which any Railcar, together with any Lease related thereto and all Related Assets (as defined, if applicable, in the applicable Asset Transfer Agreement), is transferred to the Issuer by the applicable Seller thereof and includes, without limitation, the Initial Closing Date and each other date (in respect of Additional Railcars) on which any such transfer occurs.

"**Delivery Schedule**" has the meaning assigned to such term, if applicable, in an Asset Transfer Agreement.

"**Depreciation Change**" has the meaning given to such term in the definition of Adjusted Value.

"**Designated Severability Clause**" means, with respect to a Mixed Rider, language to the effect that the Mixed Rider shall constitute one or more separate and severable leases, with each such lease being comprised of railcars owned by a single person or entity, and each such lease shall incorporate the terms of the related master lease agreement and shall be separate and severable from each other lease made pursuant to such rider and from any other railcars or riders relating to such master lease agreement.

"**Determination Date**" means, with respect to a Payment Date, the last day of the calendar month prior to the month in which such Payment Date occurs.

"**Direct Participants**" means securities brokers and dealers, banks, trust companies and clearing corporations, and may include certain other organizations which access the DTC system directly.

"**Direction**" has the meaning given to such term in Section 1.04(c) hereof.

"**Dollars**" or "**$**" means the lawful currency of the United States of America.

"**DTC**" means The Depository Trust Company, a limited purpose trust company organized under the New York Banking Law, its nominees and their successors.

"**DTC Participants**" means Euroclear, Clearstream or other Persons who have accounts with DTC.

"**Early Amortization Event**" means, as of any Payment Date, the existence of any one or more of the following events or conditions, unless it has been cured (or unless it has been waived by the Indenture Trustee at the Direction of a Requisite Majority):

(a) a Servicer Termination Event of the type described in Section 8.5(e)(ii) of the Servicing Agreement;

(b) the number of Portfolio Railcars that are subject to a Lease is less than 80% of the total number of Portfolio Railcars; or

(c) the Debt Service Coverage Ratio is less than 1.05; for the avoidance of doubt, an Early Amortization Event pursuant to this clause (c) shall terminate on the next upcoming Payment Date as of which the Debt Service Coverage Ratio at least equals 1.05, *provided*, that the Issuer shall have the right (the "**Cure Right**"), at any time until the date that is thirty (30) days after such Payment Date, on no more than two occasions in any twelve (12) consecutive calendar months (including and preceding the month in which such Payment Date occurs) to receive Capital Contributions in an amount equal to no greater than that needed to cause the Debt Service Coverage Ratio to be at least equal to 1.05 immediately after giving effect to such contribution (by adding such Capital Contribution to the numerator in the calculation of the Debt Service Coverage Ratio) (the "**Cure Amount**") (for the avoidance of doubt, no Early Amortization Event will occur or be deemed to have occurred, if after giving effect to the contribution of the Cure Amount as set forth above, the Debt Service Coverage Ratio is at least equal to 1.05).

"**Eligibility Requirements**" has the meaning given to such term in Section 2.03(b) hereof.

"**Eligible Hedge Provider**" means a bank or other entity that satisfies the standards of the Rating Agency rating the applicable Floating Rate Equipment Notes in order to maintain the then-current rating of such Floating Rate Equipment Notes.

"**Eligible Institution**" means (a) Wilmington Trust Company, (b) any depository institution or trust company, with a capital and surplus of not less than $250,000,000, whose long-term unsecured debt rating from each Rating Agency of not less than A (or the equivalent) and whose deposits are insured by the Federal Deposit Insurance Corporation or (c) a federally or state chartered depository institution, with a capital and surplus of not less than $250,000,000, subject to regulations regarding fiduciary funds on deposit substantially similar to 12 C.F.R. § 9.10(b), that in each case has a long-term unsecured debt rating of not less than A (or the equivalent) or a short-term unsecured debt rating of A-1 (or the equivalent) from each Rating Agency.

"**Eligible Railcar**" means any Railcar that, on its applicable Delivery Date, is ready and available to operate as of such date (or will be upon routine maintenance) in commercial service and otherwise perform the functions for which it was designed.

"**Encumbrance**" means any mortgage, pledge, lien, encumbrance, charge or security interest, including, without limitation, any conditional sale, any sale without recourse against the sellers, or any agreement to give any security interest over or with respect to any assets of any applicable Person.

"**Equipment Note**" means any one of the promissory notes executed by the Issuer and authenticated by or on behalf of the Indenture Trustee, substantially in the form attached to the related Series Supplement.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"**Euroclear**" means Euroclear Bank S.A./N.V., as operator of the Euroclear System.

"**Event of Default**" means the existence of any of the events or conditions described in Section 4.01 hereof.

"**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended.

"**Exchange Date**" means the date on which interests in each Regulation S Temporary Book-Entry Note will be exchangeable for interests in an Unrestricted Book-Entry Note, which shall be the later of (i) the fortieth (40th) day after the later of (a) the applicable Closing Date and (b) the completion of the distribution of the related Series of Equipment Notes and (ii) the date on which the requisite certifications are due to and provided to the Indenture Trustee.

"**Excluded Expenses**" means (a) salary, bonuses, company cars and benefits of the Servicer's employees, (b) office, office equipment and office rental expenses of the Servicer,

(c) telecommunications expenses of the Servicer, (d) taxes on the income, receipts, profits, gains, net worth or franchise of the Servicer and payroll, employment and social security taxes for employees of the Servicer, (e) any and all financing costs (including interest and fees) relating to any indebtedness of the Servicer, and (f) all other overhead expenses of the Servicer.

"**Existing Lease**" means a Lease in effect on a Closing Date in respect of any Railcar being conveyed to the Issuer on such date, together with any renewals thereof.

"**Expense Account**" has the meaning given to such term in Section 3.01(a) hereof.

"**FATCA**" means Sections 1471 through 1474 of the Code as of the date hereof (or any amended or successor versions of Sections 1471 through 1474 of the Code that is substantively comparable), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any intergovernmental agreements (including any foreign legislation, rules, regulations, guidance notes or similar guidance adopted pursuant to or implementing such agreements) entered into in connection with such Sections.

"**Final Maturity Date**" means, with respect to a Series (or Class thereof), the date identified as such in the related Series Supplement.

"**Final Principal Payment Shortfall**" has the meaning given to such term in Section 3.10(d)(v) hereof.

"**Fixed Rate Equipment Note**" means any Equipment Note having a Stated Rate that is a fixed percentage.

"**Floating Rate Equipment Note**" means any Equipment Note having a Stated Rate that varies with a specified index, as specified in the Series Supplement under which such Floating Rate Equipment Note is issued.

"**Flow of Funds**" means the provisions of the Master Indenture applicable to the allocation and distribution of the Available Collections Amount set forth in Sections 3.11(a) or (b) hereof, as applicable.

"**Form of Full Service Lease**" means the form of master railcar lease agreement attached as Exhibit D to the Master Indenture.

"**Form of Net Lease**" means the form of master railcar lease agreement attached as Exhibit E to the Master Indenture.

"**FRA**" means the Federal Railroad Administration or any successor thereto.

"**Full Service Leases**" means Leases pursuant to which the Lessor thereunder is responsible for maintenance and repair of the Portfolio Railcars that are subject thereto.

"**Future Lease**" means, in respect of any Railcar, a Lease of such Railcar entered into by the Issuer at any time after the Delivery Date for such Railcar and that is not an Existing Lease.

"**General Intangibles**" (a) means all "general intangibles" as defined in Article 9 of the UCC and (b) includes, without limitation, all Assigned Agreements, all interest rate or currency protection or hedging arrangements, all tax refunds, claims for tax refunds and tax credits, all licenses, permits, approvals, consents, variances, certifications, concessions and authorizations, all Intellectual Property, all Payment Intangibles (in each case, regardless of whether characterized as general intangibles under the UCC), limited liability company or other business records, indemnification claims, contract rights (including rights under leases, whether entered into as lessor or lessee and the properties and rights associated therewith), franchises, and any letter of credit, guarantee, claim, security interest or other security held by or granted to the Issuer to secure payment by an account debtor of any of the Accounts Receivable including the Issuer's rights in all security agreements, leases and other contracts securing or otherwise relating to any Account Receivable and all warranties, rights and claims against third parties including carriers and shippers and otherwise.

"**Governmental Authority**" shall mean any government, legislative body, regulatory authority, court, administrative agency or commission or other governmental agency or instrumentality (or any officer or representative thereof), domestic, foreign or international, of competent jurisdiction, including the European Union.

"**Hedge Agreement**" means an interest rate derivative agreement (including, without limitation, a cap, collar, floor, swap or other derivative transaction) between the Issuer and the Hedge Provider named therein.

"**Hedge Collateral**" has the meaning given to such term in Section 3.16(g) hereof.

"**Hedge Collateral Account**" has the meaning given to such term in Section 3.16(g) hereof.

"**Hedge Partial Termination Value**" means, with respect to a partial termination of a Hedge Agreement, a termination payment due either from the Issuer to the applicable Hedge Provider or from the applicable Hedge Provider to the Issuer in relation to such termination pursuant to the terms of such Hedge Agreement. Such termination payment may be subject to netting or offsetting claims, and the final amount so owed will be the Hedge Partial Termination Value.

"**Hedge Provider**" means a Person that is a party to a Hedge Agreement with the Issuer.

"**Hedge Termination Value**" means, with respect to a Hedge Agreement, a termination payment due either from the Issuer to the applicable Hedge Provider or from the applicable Hedge Provider to the Issuer in relation to such termination pursuant to the terms of such Hedge Agreement. Such termination payment may be subject to offsetting claims, and the final amount so owed by the Issuer or to the Issuer (if any) will be the Hedge Termination Value.

"**Hedging Requirement**" has the meaning given to such term in Section 3.16(b) hereof.

"**Indebtedness**" means, with respect to any Person at any date of determination (without duplication), (i) all indebtedness of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations of

such Person in respect of letters of credit or other similar instruments (including reimbursement obligations with respect thereto), (iv) all obligations of such Person to pay the deferred and unpaid purchase price of property or services, which purchase price is due more than six months after the date of purchasing such property or service or taking delivery and title thereto or the completion of such services, and payment deferrals arranged primarily as a method of raising funds to acquire such property or service, (v) all obligations of such Person under a lease of (or other agreement conveying the right to use) any property (whether real, personal or mixed) that is required to be classified and accounted for as a capital lease obligation under U.S. GAAP, (vi) all Indebtedness (as defined in clauses (i) through (v) of this paragraph) of other Persons secured by a lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person, (vii) all indebtedness of such Person under Liquidity Facilities, (viii) net payments due and payable by such Person under Hedge Agreements, and (ix) all Indebtedness (as defined in clauses (i) through (viii) of this paragraph) of other Persons guaranteed by such Person.

"**Indemnified Expenses**" has the meaning assigned thereto in Section 5 of the Administrative Services Agreement.

"**Indenture Account**" means each of the Collections Account, the Expense Account, the Mandatory Replacement Account, the Optional Reinvestment Account, each Series Account, any Class Account, the Liquidity Reserve Account, any Liquidity Facility Collateral Account, any Redemption/Defeasance Account, any Prefunding Account and any sub-accounts and ledger and sub-ledger accounts maintained with respect to any of the foregoing in accordance with this Master Indenture (as well as any other account, if any, established with the Indenture Trustee in accordance with Section 3.01(a) after the Initial Closing Date).

"**Indenture Investment**" means 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 and with a final maturity on or before the date which is the earlier of (a) ninety days from the date of purchase thereof and (b) the first Payment Date occurring after the date of purchase thereof.

"**Indenture Supplement**" means a supplement to this Master Indenture, other than a Series Supplement.

"**Indenture Trustee**" has the meaning given to such term in the preamble hereof, and any successor indenture trustee appointed in accordance with the terms hereof.

"**Indenture Trustee Fees**" means the compensation and expenses (including attorney's fees and expenses and indemnification payments) payable to the Indenture Trustee for its services under this Master Indenture and the other Relative Documents to which it is a party (if any).

"**Industry Concentration Limitation**" means that, as of any date of determination, the Adjusted Value of Portfolio Railcars leased to Lessees for primary use in the industries identified below, are in excess of the percentages set forth below for each such industry (expressed as a percentage of the aggregate Adjusted Value of all Portfolio Railcars on such date):

Industry	Concentration Limit (% of Adjusted Value of Portfolio Railcars)
Aggregates	15%
Automotive	15%
Biofuels	15%
Cement	15%
Chlor Alkali	15%
Construction Material	15%
Crude Oil	15%*
Coal	7.5%
DDG/Feed	15%
Fertilizer	15%
Food and Other Agriculture	15%
Frac Sand	15%
Grain	15%
Grain Mill Products	15%
Lumber	15%
Metal Products	15%
NGL	15%
Other	15%
Paper	15%
Petrochemicals	15%
Plastics	20%
Refined Products	15%
Steel/Iron	15%

*Non- DOT 117 tank cars in crude oil service will be limited to 7.5% of the total Adjusted Value of Portfolio Railcars

The Issuer will have the right at any time to obtain Rating Agency Confirmation in respect of a proposed change to a more lenient Industry Concentration Limitation (i.e., to increase either or both of the percentages to be greater than the applicable percentage or percentages that are then in effect pursuant to this definition) and, if Rating Agency Confirmation in respect of such proposed change is obtained, the more lenient concentration restriction will then apply.

"**Inflation Factor**" means, with respect to any calendar year, the quotient (expressed as a decimal) obtained by dividing (i) the PPI published in respect of the most recently ended calendar year (the "**New Year**"), by (ii) the PPI published in respect of the calendar year immediately preceding the New Year, and subtracting 1.00 from the resulting quotient. "**PPI**" for purposes hereof, means, with respect to any calendar year or any period during any calendar year, the "Producer Price Index" applicable to the capital equipment sector as published by the Bureau of Labor Statistics for the United States Department of Labor. If the PPI shall be converted to a different standard reference base or otherwise revised after the date hereof, PPI shall thereafter be calculated with use of such new or revised statistical measure published by the

Bureau of Labor Statistics or, if not so published, as may be published by any other reputable publisher of such price index reasonably selected by the Administrator. The Inflation Factor may be a negative number.

"**Initial Appraised Value**" means, with respect to a Railcar, the appraised value of such Railcar as determined in the Appraisal delivered in connection with the Conveyance thereof to the Issuer.

"**Initial Closing Date**" means June [20], 2018.

"**Initial Equipment Notes**" means the Equipment Notes designated "Series 2018-1" issued on the Initial Closing Date.

"**Initial Liquidity Facility**" means the Liquidity Facility Agreement entered into by and between the Issuers and the Initial Liquidity Facility Provider on the Initial Closing Date.

"**Initial Liquidity Facility Provider**" means the "Liquidity Facility Provider" under the Series Supplement for the Initial Equipment Notes.

"**Initial Purchaser**", with respect to a Series of Equipment Notes, has the meaning given to such term in the related Series Supplement.

"**Inspection**" has the meaning given to such term in Section 5.04(y)(i) hereof.

"**Inspection Representative**" has the meaning given to such term in Section 5.04(y)(i) hereof.

"**Institutional Accredited Investor**" means a Person that is an "accredited investor" as that term is defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act.

"**Insurance Agreement**" means the Insurance Agreement, dated as of the Initial Closing Date, between the Insurance Manager and the Issuer, or any replacement insurance agreement with a replacement Insurance Manager.

"**Insurance Manager**" means TILC, in its capacity as insurance manager under the Insurance Agreement, including its successors in interest and permitted assigns, until another Person shall have become the insurance manager under such agreement, after which "Insurance Manager" shall mean such other Person.

"**Insurance Manager Default**" has the meaning given such term in Section 6.2 of the Insurance Agreement.

"**Instruments**" means all "instruments" as defined in Article 9 of the UCC.

"**Intellectual Property**" means all past, present and future: trade secrets and other proprietary information; trademarks, service marks, business names, Internet domain names, designs, logos, trade dress, slogans, indicia and other source and/or business identifiers, and the goodwill of the business relating thereto and all registrations or applications for registrations

which have heretofore been or may hereafter be issued thereon throughout the world; copyrights (including copyrights for computer programs and software) and copyright registrations or applications for registrations which have heretofore been or may hereafter be applied for or issued throughout the world and all tangible property embodying the copyrights; unpatented inventions (whether or not patentable); patent applications and patents; industrial designs, industrial design applications and registered industrial designs; license agreements related to any of the foregoing and income therefrom; books, records, writings, computer tapes or disks, flow diagrams, specification sheets, source codes, object codes and other physical manifestations, embodiments or incorporations of any of the foregoing; the right to sue for all past, present and future infringements of any of the foregoing; and all common law and other rights throughout the world in and to any or all of the foregoing.

"**Interchange Rules**" means the interchange rules or supplements thereto of the AAR, as the same may be in effect from time to time.

"**Interest Accrual Period**" means, except as may be otherwise provided in the related Series Supplement for a Series of Equipment Notes: (a) with respect to Fixed Rate Equipment Notes, the period beginning on the 15th day of a calendar month and ending on (but excluding) the 15th day of the next calendar month, and (b) with respect to Floating Rate Equipment Notes, the period beginning on each Payment Date and ending on (but excluding) the next succeeding Payment Date, except that the initial Interest Accrual Period for a Series (x) with respect to Fixed Rate Equipment Notes, shall begin on the Closing Date for such Series and end on (but exclude) the 15th day of the next calendar month, and (y) with respect to Floating Rate Equipment Notes, shall begin on the Closing Date for such Series and end on (but exclude) the first Payment Date occurring after such Closing Date.

"**Investment Letter**" means a letter substantially in the form of Exhibit B attached hereto.

"**Investment Property**" means all "investment property" as defined in Article 9 of the UCC.

"**Involuntary Railcar Disposition**" has the meaning set forth in Section 5.03(a)(ii) hereof.

"**Issuance Expenses**" means the aggregate amount of all subscription discounts, brokerage commissions, placement fees, resale fees, structuring fees, out of pocket transaction expenses and other similar fees, commissions and expenses relating to the issuance of a Series of the Equipment Notes.

"**Issuer**" has the meaning assigned in the preamble hereof.

"**Issuer Documents**" means this Master Indenture, each Series Supplement, the Servicing Agreement, the Account Administration Agreement, the Administrative Services Agreement, the Insurance Agreement, the Asset Transfer Agreements, any Bill of Sale, any Assignment and Assumption, the Hedge Agreements, the Liquidity Facility Documents, the Marks Company Trust Agreement, any Marks Company Trust Supplement, the Marks Servicing Agreement and any SUBI Certificate related to the Portfolio Railcars.

"**Issuer Expense**" means, for any Payment Date, any of the following costs directly incurred by the Issuer or incurred by any Service Provider in its performance of its obligations under the applicable Service Provider Agreement that are, in each case, reasonable in amount and are fairly attributable to the Issuer and its permitted activities during the related Collection Period: (i) accounting and audit expenses, and tax preparation, filing and audit expenses; (ii) premiums for liability, casualty, fidelity, directors and officers and other insurance; (iii) directors' fees and expenses, including fees and expenses of the special member of the Issuer; (iv) other professional fees; (v) taxes (including personal or other property taxes and all sales, value added, use and similar taxes) other than taxes that are incurred by such Service Provider in respect of its own income or assets, and other than taxes that constitute Ordinary Course Expenses; (vi) taxes imposed in respect of any and all issuances of equity interests, stock exchange listing fees, registrar and transfer expenses and trustee's fees with respect to any outstanding securities of the Issuer; and (vii) surveillance fees assessed by the Rating Agencies, including any such fees incurred by the Issuer in connection with its compliance with its covenant set forth in Section 5.02(o) hereof.

"**Issuer Group Member**" means any of the Issuer, Trinity, TILC or any Affiliate of any of them.

"**KBRA**" means Kroll Bond Rating Agency, Inc.

"**Law**" means (a) any constitution, treaty, statute, law, regulation, order, rule or directive of any Governmental Authority, and (b) any judicial or administrative interpretation or application of, or decision under, any of the foregoing.

"**Lease**" means, with respect to a Railcar, a lease, car contract or other agreement granting permission for the use of such Railcar, constituting an operating lease thereon.

"**Lease Payments**" means all lease rental payments and other amounts payable by or on behalf of a Lessee under a Lease related to a Portfolio Railcar, including payments credited due to application of security deposits and amounts recovered under other supporting obligations, if any, in respect of such Lease.

"**Lessee**" means each Person who is the lessee under a Lease of a Railcar.

"**Lessor**" means, with respect to any Lease, the lessor under such Lease (being, in respect of Leases of Portfolio Railcars, the Issuer as assignee lessor under the related Assignment and Assumption).

"**LIBOR**", with respect to a Series, has the meaning specified in the related Series Supplement, if applicable.

"**Liquidity Facility**" means the Initial Liquidity Facility and/or Additional Liquidity Facility, as the context may require. A Liquidity Facility may be in the form of a letter of credit, liquidity loan agreement, revolving credit agreement, collateralized or uncollateralized guarantee, financial guaranty policy, guaranteed investment contract, total return swap, or some other form of standby liquidity.

"**Liquidity Facility Available Amount**" with respect to a Liquidity Facility, means the amount available to be drawn under such Liquidity Facility.

"**Liquidity Facility Collateral Account**" has the meaning given to such term in Section 3.01(a) hereof.

"**Liquidity Facility Documents**" is defined in Section 3.15 hereof.

"**Liquidity Facility Provider**" means the Initial Liquidity Facility Provider and/or any Additional Liquidity Facility Provider, as the context may require.

"**Liquidity Reserve Account**" has the meaning given to such term in Section 3.01(a) hereof.

"**Liquidity Reserve Target Amount**" means, (A) as of the Initial Closing Date, zero and (B) thereafter, on each Payment Date, an amount equal to the product of (x) nine times (y) the sum of (i) the Stated Interest Amount due on all Outstanding Series of Equipment Notes on such Payment Date (for purposes of this calculation, interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months), plus (or minus) (ii) the net payments owed by the Issuer (or owed to the Issuer) under any Hedge Agreements (other than for the payment of any Hedge Termination Value or Hedge Partial Termination Value) in respect of the Interest Accrual Period ending on such Payment Date (for purposes of this calculation, such payments shall be calculated on the basis of a 360-day year consisting of twelve 30-day months for both amounts payable and receivable).

"**LLC Agreement**" means that certain Amended and Restated Limited Liability Company Agreement of the Issuer, dated on or about the Initial Closing Date.

"**Mandatory Replacement Account**" has the meaning given to such term in Section 3.01(a) hereof.

"**Mark**" means the identification mark of a railcar registered with the AAR, consisting of letters registered in the name of the owner of the railcar mark and the car number.

"**Marks Company**" means Trinity Marks Company, a Delaware statutory trust.

"**Marks Company Trust Agreement**" means the Amended and Restated Marks Company Trust Agreement, dated as of May 17, 2001, between TILC and Wilmington Trust Company.

"**Marks Company Trust Supplement**" means (a) with respect to the Initial Equipment Notes, the Marks Company Trust Supplement 2018-1, and (b) with respect to any Additional Series, the related supplement to the Marks Company Trust Agreement, substantially in the form of the Marks Company Trust Supplement 2018-1.

"**Marks Company Trust Supplement 2018-1**" means the Supplement 2018-1 to the Marks Company Trust Agreement, dated as of the Initial Closing Date, between TILC and Wilmington Trust Company.

"**Marks Company Trustee**" has the meaning set forth in the Marks Company Trust Agreement.

"**Marks Servicing Agreement**" means the Management and Servicing Agreement, dated as of May 17, 2001, between TILC and the Marks Company.

"**Master Indenture**" has the meaning given to such term in the preamble hereto.

"**Maximum Hedging Amount**" has the meaning given to such term in Section 3.16(b) hereof.

"**Member**" means the sole equity member of the Issuer, i.e. TILC, or any successor or assignee thereto, in such capacity.

"**Merger Transaction**" has the meaning given to such term in Section 5.02(g) hereof.

"**Mexican Lessee**" is defined in the definition of Permitted Lessee.

"**Mexico Concentration Restriction**" means the condition described in the proviso to the definition of Permitted Lessee. The Issuer will have the right at any time to obtain Rating Agency Confirmation in respect of a proposed change to a more lenient Mexico Concentration Restriction (i.e., to increase the percentage set forth in the definition of Permitted Lessee to be greater than the applicable percentage that is then in effect pursuant to such definition) and, if Rating Agency Confirmation in respect of such proposed change is obtained, the more lenient concentration restriction will then apply.

"**Minimum Hedging Amount**" has the meaning given to such term in Section 3.16(b) hereof.

"**Mixed Rider**" means a Rider that covers not only Railcars owned by the Issuer but also railcars owned by one or more other owners.

"**Modification Agreement**" means any agreement between the Issuer (or the Servicer acting on its behalf) and a Supplier for the purchase and/or installation of a Required Modification or an Optional Modification.

"**Money**" means "money" as defined in the UCC.

"**Monthly Report**" has the meaning given to such term in Section 2.13(a) hereof.

"**Moody's**" means Moody's Investors Service, Inc. or, if such corporation or its successor shall for any reason no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized rating agency designated by the Issuer.

"**National Reload Pool**" means the autorack pool operated by TTX Company for the shared use of bi-level and tri-level autorack Railcars that have been supplied for such pool by participating Class 1 railroads.

"**Net Disposition Proceeds**" means, with respect to any Railcar Disposition, (a) in respect of a Railcar Disposition consisting of a sale, the aggregate amount of cash received by or on behalf of the seller in connection with such transaction after deducting therefrom (without duplication) (i) reasonable and customary brokerage commissions and other similar fees and commissions, and (ii) the amount of taxes payable in connection with or as a result of such transaction, in each case to the extent, but only to the extent, that amounts so deducted are, at the time of receipt of such cash, actually paid to a Person that is not an Affiliate of the seller and are properly attributable to such transaction or to the asset that is the subject thereof, and (b) in respect of a Railcar Disposition that is not a sale, payments received in respect of any applicable casualty or condemnation, including insurance proceeds, condemnation awards and payments received from Lessees or other third parties.

"**Net Leases**" means Leases pursuant to which a Lessee thereunder is responsible for maintenance and repair of the Portfolio Railcars leased thereunder.

"**Net Proceeds**" means, with respect to the issuance of the Equipment Notes, the aggregate amount of cash received by the Issuer in connection with such issuance after deducting therefrom (without duplication) all Issuance Expenses; *provided* that such amount shall not be less than zero.

"**Net Stated Interest Shortfall**" has the meaning given to such term in Section 3.04(c) hereof.

"**Non-Severable Mixed Rider**" means a Mixed Rider that does not contain a Designated Severability Clause.

"**Non-U.S. Person**" means a person who is not a U.S. person, as defined in Regulation S.

"**Note Form**" means with respect to an Equipment Note, the form of such Equipment Note attached as an exhibit to the Series Supplement under which such Equipment Note is issued.

"**Note Purchase Agreement**", with respect to a Series of Equipment Notes, has the meaning given to such term in the related Series Supplement.

"**Note Registrar**" has the meaning given to such term in Section 2.03(a) hereof.

"**Noteholder**" means any Person in whose name an Equipment Note is registered from time to time in the Register for such Equipment Notes.

"**Noteholder Tax Identification Information**" means properly completed and signed tax certifications (generally, in the case of U.S. federal income tax, IRS Form W-9 (or applicable successor form) in the case of a person that is a "United States Person" within the meaning of Section 7701(a)(30) of the Code or the appropriate IRS Form W-8 (or applicable successor form) in the case of a person that is not a "United States Person" within the meaning of Section 7701(a)(30) of the Code) and other information requested from time to time by the Issuer, the Indenture Trustee or any Paying Agent sufficient (i) to determine the applicability of, or to determine the amount of, U.S. withholding tax under the Code (including back-up withholding

and withholding imposed pursuant to FATCA) or other Applicable Law and (ii) for the Issuer, the Indenture Trustee and each Paying Agent to satisfy their information reporting obligations under the Code (including under FATCA) or other Applicable Law.

"**Notices**" has the meaning given to such term in Section 13.04 hereof.

"**NRSRO**" means any nationally recognized statistical rating organization.

"**Officer's Certificate**" means 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 or limited liability company general partner (to the extent such limited liability company has officers), (iii) in the case of a commercial bank or trust company, by 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 such officer's knowledge of and familiarity with the particular subject, and (iv) in the case of a limited liability company, any manager or member (other than a special member) thereof, and any President, Managing Director or Vice President of (A) such limited liability company, (B) such manager or member, or (C) a manager of such manager or member.

"**Operating Expenses**" means (i) Issuer Expenses, (ii) Ordinary Course Expenses and (iii) the costs of Required Modifications.

"**Operative Agreements**" means the Asset Transfer Agreements, Bills of Sale, Assignment and Assumptions, the Equipment Notes, this Master Indenture, each Series Supplement, each Officer's Certificate of the Issuer, Servicer, any Seller, Administrator or TILC in any other capacity (including as settlor, initial beneficiary and SUBI trustee under any Marks Company Trust Supplement) delivered pursuant to any Operative Agreement, the Servicing Agreement, the Administrative Services Agreement, the Insurance Agreement, the Service Provider Agreements, the Account Administration Agreement, the Marks Company Trust Agreement, each Marks Company Trust Supplement, the Marks Servicing Agreement, the Hedge Agreements and the Liquidity Facility Documents.

"**Opinion of Counsel**" means a written opinion signed by legal counsel, who may be an employee of the Servicer or the Administrator or counsel to the Issuer, that meets the requirements of Section 1.03 hereof.

"**Optional Modification**" means a modification or improvement of a Railcar, the cost of which is capitalized in accordance with U.S. GAAP, that (a) is not a Required Modification and (b) complies with the criteria set forth in Section 5.04(z)(ii) hereof.

"**Optional Redemption**" means, with respect to any Series of Equipment Notes or any Class within a Series of Equipment Notes, a voluntary prepayment by the Issuer of all or a portion of the Outstanding Principal Balance of such Series or Class in accordance with the terms of this Master Indenture and the applicable Series Supplement; and, with respect to all

Outstanding Equipment Notes, a voluntary prepayment by the Issuer of the Outstanding Principal Balance of the Equipment Notes in accordance with the terms of this Master Indenture and each applicable Series Supplement.

"**Optional Reinvestment Account**" has the meaning given to such term in Section 3.01(a) hereof.

"**Ordinary Course Expenses**" means, with respect to any Payment Date, all of the following expenses and costs, incurred by, or on behalf of, the Issuer (including by the Servicer on behalf of the Issuer) in connection with the ownership, use, leasing and/or operation of the Portfolio Railcars during the related Collection Period (and without duplication): (i) costs for routine maintenance and repairs (but not Optional Modifications) needed to return a Railcar to serviceable condition for use in interchange; (ii) the cost of repositioning a Railcar in connection with the origination or termination of a Lease; (iii) legal fees and court costs incurred in connection with enforcing rights under a Lease of a Railcar and/or repossessing such Railcar (but excluding legal fees incurred by the Servicer in the negotiation and documentation of Future Leases or of amendments or renewals of Leases and Future Leases); (iv) the allocable cost of obtaining and maintaining contingent and off-lease insurance with respect to the Portfolio Railcars; (v) taxes, levies, duties, charges, assessments, fees, penalties, deductions or withholdings assessed, charged or imposed upon or against the use and operation of the Portfolio Railcars; (vi) the cost of storing an off-lease Railcar; (vii) expenses and costs (including legal fees) of pursuing claims against manufacturers or sellers of a Railcar; (viii) non-recoverable sales and value-added taxes with respect to a Railcar; (ix) governmental filing fees necessary to perfect, or continue the perfection of, the security interest of the Indenture Trustee in a Railcar and/or a Lease; (x) the costs of Optional Modifications (but not in excess, in any calendar month, of the result of (A) one hundred thousand dollars ($100,000) multiplied by (B) the number of Outstanding Series on the first day of such calendar month); and (xi) all other expenses and costs, incurred by, or on behalf of, the Issuer (including by the Servicer on behalf of the Issuer) in connection with the ownership, use, leasing and/or operation of the Portfolio Railcars during the related Collection Period, other than Issuer Expenses, the costs of Required Modifications, and Excluded Expenses.

"**Outstanding**" means with respect to the Equipment Notes of any Series or any Class thereof at any time, all Equipment Notes of such Series or such Class, as the case may be, previously authenticated and delivered by the Indenture Trustee except (i) any such Equipment Notes cancelled by, or delivered for cancellation to, the Indenture Trustee; (ii) any such Equipment Notes, or portions thereof, for which the payment of principal of and accrued and unpaid interest on which moneys have been deposited in the Series Account for such Series or such Class, as the case may be, or distributed to Noteholders by the Indenture Trustee and any such Equipment Notes, or portions thereof, for the payment or redemption of which moneys in the necessary amount have been deposited in the Redemption/Defeasance Account for such Equipment Notes; and (iii) any such Equipment Notes in exchange or substitution for which other Equipment Notes, as the case may be, have been authenticated and delivered, or which have been paid pursuant to the terms of this Master Indenture (unless proof satisfactory to the Indenture Trustee is presented that any of such Equipment Notes is held by a Person in whose hands such Equipment Note is a legal, valid and binding obligation of the Issuer). Section 1.04(c) hereof sets forth certain limitations on whether an Equipment Note held by the

Issuer or any other Issuer Group Member will be considered to be Outstanding for purposes of Directions.

"**Outstanding Equipment Note**" means an Equipment Note that is Outstanding.

"**Outstanding Obligations**" means, as of any date of determination, an amount equal to the sum of (i) the Outstanding Principal Balance of, and all accrued and unpaid interest (including without limitation, Additional Interest) payable on the Equipment Notes and (ii) all other amounts owing from time to time to Noteholders, or to any other Person under the Operative Agreements.

"**Outstanding Principal Balance**" means, with respect to any Outstanding Equipment Notes the total principal balance of such Outstanding Equipment Notes unpaid and outstanding at any time.

"**Part**" means any and all parts, attachments, accessions, appurtenances, furnishings, components, appliances, accessories, instruments and other equipment installed in, or attached to (or constituting a spare for any such item installed in or attached to) any Railcar.

"**Paying Agent**" has the meaning given to such term in Section 2.03(a) hereof. The term "Paying Agent" includes any additional Paying Agent.

"**Payment Date**" means the 17th calendar day of each month, commencing on July 17, 2018; *provided* that if any Payment Date would otherwise fall on a day that is not a Business Day, such Payment Date shall be the first following day which is a Business Day.

"**Payment Date Schedule**" means the schedule prepared by the Administrator pursuant to Section 3.10(e) hereof.

"**Payment Intangible**" means all "payment intangibles" as defined in Article 9 of the UCC.

"**Permitted Discretionary Sale**" has the meaning set forth in Section 5.03(a)(iii) hereof.

"**Permitted Encumbrance**" means: (i) the ownership interests of the Issuer; (ii) the interest of the Lessee as provided in any Lease; (iii) any Encumbrance for taxes, assessments, levies, fees and other governmental and similar charges not yet 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 the affected asset, and such contest would not result in the imposition of any criminal liability on the Issuer or any assignee thereof; (iv) in respect of any Railcar, any Encumbrance of a repairer, mechanic, supplier, materialman, laborer and the like arising in the ordinary course of business by operation of law or similar Encumbrance, *provided* that the proceedings relating to such Encumbrance or the continued existence of such Encumbrance does not give rise to any reasonable likelihood of the sale, forfeiture or other loss of the affected asset, and such contest would not result in the imposition of any criminal liability on the Issuer or any assignee thereof; (v) Encumbrances granted to the Indenture Trustee under and pursuant to this Master Indenture; (vi) any Encumbrances created by or through or arising from debt or liabilities or any act or

omission of any Lessee in each case either in contravention of the relevant Lease (whether or not such Lease has been terminated) or without the consent of the relevant Lessor (*provided* that if the Issuer becomes aware of any such Encumbrance, it shall use commercially reasonable efforts to have any such Encumbrance lifted, removed and otherwise discharged); (vii) salvage rights of insurers under insurance policies covering the affected asset; (viii) any sublease permitted under any Lease; (ix) Encumbrances which are released or extinguished upon the transfer of the related asset to the Issuer by the applicable transferee thereof; and (x) Encumbrances on railcars and leases that result from a Rider being a Mixed Rider.

"**Permitted Excess Concentration**" means the aggregate Adjusted Value of the Issuer's Railcars leased to an individual Lessee exceeds a percentage limitation specified in the definition of Customer Concentration Limit as a result of the merger or consolidation of one or more Lessees. A Permitted Excess Concentration shall not be a violation of the Customer Concentration Limit or the Concentration Limits generally; however, no additional Railcars may be leased to such Lessee (not counting then-currently leased Railcars that are re-leased to the then-current Lessee), and additional Railcars leased to such Lessee may not be purchased, by the Issuer unless, upon such lease or purchase, the Adjusted Value of the Issuer's Railcars leased to such individual Lessee will meet the applicable Customer Concentration Limit.

"**Permitted Holder**" has the meaning given to such term in Section 5.02(i)(A) hereof.

"**Permitted Investments**" means one or more of the following obligations which (i) are acquired at a purchase price of not greater than par, (ii) have a fixed principal amount due at maturity, if applicable, and (iii) unless full payment of principal is paid in cash upon the exercise of the option, do not include any embedded options (i.e., not callable, putable or convertible): (a) marketable direct obligations issued by, or fully and unconditionally guaranteed by, the United States Government or issued by any agency or instrumentality thereof and backed by the full faith and credit of the United States, in each case maturing within one year from the date of acquisition, (b) certificates of deposit, time deposits, eurocurrency time deposits or overnight bank deposits having maturities of one year or less from the date of acquisition issued by any United States commercial bank having a long-term unsecured debt rating of at least "AA" by S&P and "Aa2" by Moody's or equivalent ratings by another nationally recognized credit rating agency in substitution of Moody's if Moody's is not in the business of rating long-term senior unsecured debt of commercial banks, (c) commercial paper of an issuer rated at the time of acquisition at least A-1+ by S&P and P1 by Moody's or, in substitution of Moody's if Moody's ceases publishing ratings of commercial paper issuers generally, carrying an equivalent rating by an internationally recognized rating agency, and maturing within one year from the date of acquisition, (d) repurchase obligations of any commercial bank satisfying the requirements of clause (b) of this definition, having a term of not more than 30 days, with respect to securities issued or fully guaranteed or insured by the United States Government, (e) securities with maturities of one year or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States, by any political subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government, the securities of which state, commonwealth, territory, political subdivision, taxing authority or foreign government (as the case may be) are rated at the time of acquisition at least A-l+ by S&P and P1 by Moody's, or in substitution of Moody's if Moody' ceases publishing ratings of such a state, commonwealth, territory, political subdivision, taxing authority or foreign government, carrying

an equivalent rating by an internationally recognized rating agency, (f) securities with maturities of one year or less from the date of acquisition backed by standby letters of credit issued by any commercial bank satisfying the requirements of clause (b) of this definition or (g) shares of money market mutual or similar funds that are registered with the Securities and Exchange Commission under the Investment Company Act of 1940, as amended, and operated in accordance with Rule 2a-7 thereunder and that, at the time of such investment, are rated "Aaa" by Moody's and "AAA" by S&P or invest exclusively in assets satisfying the requirements of clauses (a) through (f) of this definition. The ratings by S&P described in this definition must be an unqualified rating (i.e., one with no qualifying suffix), with the exception of ratings with regulatory indicators and unsolicited ratings.

"**Permitted Lease**" means (a) each Existing Lease (including any renewal or extension thereof to the extent such renewal or extension complies with clauses (i), (iii), (iv) and (v) below) and (b) any agreement (other than an Existing Lease) constituting a Lease that meets all of the following requirements:

(i) the Lessee thereunder is a Permitted Lessee;

(ii) if such agreement permits the Lessee thereunder to sublease any of the Portfolio Railcars subject to such Lease, then such Lease shall require that any such sublease be conditioned on (A) the Lessee's obtaining the Lessor's prior consent to such sublease, (B) the Lessee agreeing that any such sublease will have provisions making it terminable (as to the sublessee) at the request of the Lessor or Lessee, as applicable, and prohibiting any further subleasing by the sublessee and will not contain any purchase option in favor of the sublessee, (C) the Lease providing that no such sublease shall relieve the Lessee from liability thereunder and (D) the applicable sublessee satisfying the requirements for a "Permitted Lessee" set forth below;

(iii) such agreement was entered into on an arm's length basis with fair market terms on the date of its execution, and does not require any prepayment of rental payments throughout the term of such agreement;

(iv) such agreement does not contain any purchase option in favor of the Lessee thereunder, other than a purchase option provision complying with the definition of a Permitted Purchase Option;

(v) such agreement (or any related consent, acknowledgment of assignment, side letter or similar written instrument executed by such Lessee) permits the assignment, pledge, mortgage or other similar disposition of the Lease of the related Railcar without notice to or consent by the Lessee (or, in the case of a written instrument described in the foregoing parenthetical, any further notice to or consent by the Lessee), it being understood that the inclusion within such permission or written instrument of language to the effect that such Lessee consent is conditioned on the assignees' agreement that it takes its interest in the Railcar and/or related Lease subject to the rights of the Lessee in such Railcar under the Lease, including the right of quiet enjoyment, shall not in and of itself be deemed to constitute the Lease as other than a Permitted Lease; and

(vi) such agreement contains a provision substantially to the effect that the lease rentals payable under such agreement are not subject to offset, deduction or counterclaim (except as expressly contemplated in any rental abatement provisions contained in a Full Service Lease); *provided* that this clause (vi) shall not apply if such agreement is subject to the terms of, or entered into pursuant to, an existing master lease agreement dated on or prior to a Closing Date which does not contain such a provision.

"**Permitted Lessee**" means any of the following:

(i) a railroad company or companies (that is not a Credit Bankrupt, Trinity or any Affiliate of Trinity) organized 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;

(ii) a company with which the Servicer would do business in the ordinary course of its business with respect to railcars which it owns or manages for its own account (other than railroad companies, Trinity, Affiliates of Trinity or Credit Bankrupts) for use in their business; and whose credit profile does not vary materially from the credit profile of lessees of other railcars owned, leased or managed by the Servicer for its own account; or

(iii) wholly-owned Subsidiaries of Trinity organized under the laws of (x) Canada or any political subdivision thereof or (y) Mexico or any political subdivision thereof, in each case so long as such Leases are on an arm's length basis;

provided, however, that a Person organized under the laws of Mexico or any state thereof (a "**Mexican Lessee**") shall not constitute a Permitted Lessee unless after giving effect to the contemplated lease to such Mexican Lessee, the percentage of Portfolio Railcars in the aggregate (as measured by Adjusted Value) leased (or subleased by a Lessee organized under the laws of the United States of America or any state thereof or the District of Columbia, Canada or any province thereof to a sublessee organized under the laws of Mexico or any state thereof, as applicable) to all Mexican Lessees does not exceed 20% of the Adjusted Value of the Portfolio Railcars in the aggregate.

"**Permitted Purchase Option**" has the meaning given such term in Section 5.01(z) of this Master Indenture.

"**Permitted Railcar Acquisition**" has the meaning given to such term in Section 5.03(c) hereof.

"**Permitted Railcar Disposition**" has the meaning given to such term in Section 5.03(a) hereof.

"**Person**" means any natural person, firm, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, government or any political subdivision thereof or any other legal entity, including public bodies.

"**Portfolio**" means, at any time, all Portfolio Railcars and the Leases related to such Railcars.

"**Portfolio Railcars**" means, as of any date of determination, all Railcars then owned by the Issuer that are subject to the Security Interest granted pursuant to this Master Indenture.

"**Prefunding Account**", with respect to a Series, if applicable, has the meaning given to such term in the related Series Supplement.

"**Principal Terms**" means, with respect to any Series, all of the following information: (i) the name or designation of such Series and the Classes of Equipment Notes to constitute such Series; (ii) the initial principal balance of the Equipment Notes to be issued for such Series (or method for calculating such balance); (iii) the interest rate to be paid with respect to each Class of Equipment Notes for such Series; (iv) the Payment Date and the date or dates from which interest shall accrue and on which principal is scheduled to be paid; (v) the designation of any Series Accounts and Class Accounts, if any, for such Series and the terms governing the operation of any such Series Accounts and Class Accounts, if any; (vi) the Final Maturity Date; (vii) the Control Party; (viii) the Scheduled Principal Payment Amounts for each Class of Equipment Notes within such Series, (ix) in the case of an Additional Series, the rights to payment of interest and principal, which rights shall not be inconsistent with the Flow of Funds and this Master Indenture; (x) in the case of an Additional Series, the terms, if any, for the optional or early redemption of such Additional Series, (xi) in the case of an Additional Series, the form, authorization, execution and delivery, and the manner of redemption and repayment of such Additional Series, which terms shall be substantially similar to those applicable to the Initial Equipment Notes and in any event not inconsistent with the terms of this Master Indenture; (xii) in the case of an Additional Series, the legends applicable to such Additional Series, if any, which are required in addition to those set forth in this Master Indenture; (xiii) in the case of an Additional Series, whether the Equipment Notes of such Series are eligible for purchase by ERISA plans; and (xiv) any other terms of such Series.

"**Private Placement Legend**" means the legend initially set forth on the Equipment Notes in the form set forth in Section 2.02 hereof.

"**Pro Forma Lease**" has the meaning given to such term in Section 5.03(e)(ii) hereof.

"**Proceeding**" means any suit in equity, action at law, or other judicial or administrative proceeding.

"**Proceeds**" means (a) all "proceeds" as defined in Article 9 of the UCC, (b) dividends, payments or distributions made with respect to any Investment Property and (c) whatever is receivable or received when Collateral or proceeds are sold, exchanged, collected, converted or otherwise disposed of, whether such disposition is voluntary or involuntary.

"**Prospective Operating Expenses**" means, as of any date of determination, the Administrator's (after consulting with the Servicer) good faith estimate of significant anticipated Operating Expenses expected to be incurred over the next twelve Collection Periods.

"**Provincial Personal Property Security Act**" means, in respect of each province or territory in Canada (other than Quebec), the *Personal Property Security Act* as from time to time in effect in such province or territory and, in respect of Quebec, the *Civil Code of Quebec* as from time to time in effect in such province..

"**Prudent Industry Practice**" means at a particular time and to the extent the same are generally known by those in the industry, the standard of operating and maintenance practices, methods and acts, including, but not limited to those required by the Field Manual of the AAR, FRA rules and regulations and Interchange Rules, which, in the light of the relevant facts is generally engaged in or approved by a significant portion of the owners, managers and operators of railcars in the United States that are similar to the Portfolio Railcars, could have been expected to accomplish the desired result consistent with good business practices, reliability, safety and expedition. Prudent Industry Practice is not intended to require optimum practice, method or acts, but rather a spectrum of possible practices, methods or acts that are generally engaged in by other owners, managers and operators of railcars in the United States which are similar to the Portfolio Railcars.

"**Purchase Option Disposition**" has the meaning given to such term in Section 5.03(a)(i) hereof.

"**Purchase Price**" means (a) in the case of a Permitted Railcar Acquisition, the amount to be paid to the seller of a Railcar pursuant to the related Asset Transfer Agreement, and (b) in the case of a Required Modification or an Optional Modification, the cost of such Required Modification or Optional Modification, as provided in the Modification Agreement (if any) with the Supplier of such Required Modification or Optional Modification.

"**Purchaser**" means an Initial Purchaser.

"**QIB**" means a "qualified institutional buyer" as defined in Rule 144A.

"**Qualified Institutional Buyer**" means a "qualified institutional buyer" as defined in Rule 144A promulgated under the Securities Act.

"**Qualifying Replacement Railcars**" has the meaning given such term in Section 5.03(a)(iii)(B) hereof.

"**Railcar**" means an item of railroad rolling stock, together with (i) any and all replacements or substitutions thereof, (ii) any and all tangible components thereof and (iii) any and all related appliances, Parts, accessories, appurtenances, accessions, additions, improvements to and replacements from time to time incorporated or installed in any item thereof.

"**Railcar Advance Rate**" means, as of any Payment Date and as determined for the Equipment Notes, and giving effect to all Flow of Funds allocations and other transactions occurring on such Payment Date, the percentage equivalent of a fraction, the numerator of which

is the aggregate Outstanding Principal Balance of the Equipment Notes as of such Payment Date, and the denominator of which is the aggregate Adjusted Value of the Portfolio Railcars as of such Payment Date.

"**Railcar Disposition**" means any sale, transfer or other disposition of any Railcar (or an interest therein), including by reason of such Railcar suffering a Total Loss or a Scrap Value Disposition.

"**Railroad Authority**" means the STB, the AAR, and/or any other governmental authority which, from time to time, has control or supervision of railways or has jurisdiction over the railworthiness, operation and/or maintenance of a Railcar operating in interchange.

"**Railroad Mileage Credits**" means the mileage credit payments made by railroads under their applicable tariffs to the registered owner of identifying marks on the railcars.

"**Rapid Amortization Class**" means a Class affected by a Rapid Amortization Event, i.e., a Rapid Amortization Event has occurred with respect to the Series of which such Class is a part and such Rapid Amortization Event applies to such Class.

"**Rapid Amortization Event**", with respect to a Series, is defined in the related Series Supplement, if applicable.

"**Rapid Amortization Notes**" means the Equipment Notes of a Rapid Amortization Class or Rapid Amortization Series, as applicable.

"**Rapid Amortization Series**" means a Series affected by a Rapid Amortization Event, i.e., a Rapid Amortization Event has occurred with respect to such Series.

"**Rating Agency**" means, with respect to a Series of Equipment Notes, each nationally recognized statistical rating organization hired by the Issuer to issue a rating with respect to such Series of Equipment Notes or Class thereof as specified in the applicable Series Supplement; *provided* that such organization shall be deemed to be a Rating Agency only with respect to such Series or Class of Equipment Notes, as specified in the related Series Supplement, only so long as such Series or Class of Equipment Notes is Outstanding, and only so long as such organization maintains a rating on such Series or Class of Equipment Notes.

"**Rating Agency Confirmation**" means, with respect to any request, action, event or circumstance, and each Rating Agency then maintaining a rating on any Series of Equipment Notes (or Class thereof) then Outstanding, (a) written confirmation by such Rating Agency that fulfillment of such request or the taking of the requested action, or the occurrence of such event or circumstance will not itself cause the Rating Agency to downgrade or withdraw its then-current rating assigned to any such Series or Class, or (b) written notice to such Rating Agency of such request, action, event or circumstance, shall have been given by the Issuer at least ten (10) days prior to the request, action, event or circumstance (or, if Rating Agency Confirmation is required by the applicable transaction documents following the occurrence of an event or circumstance such written notice shall have been given by the Issuer immediately following the occurrence of such event or circumstance) and, (i) prior to the expiration of such ten (10) day period, such Rating Agency shall not have issued any written notice that the fulfillment of such

request or the taking of the requested action, or occurrence of such event or circumstance will itself cause such Rating Agency to downgrade or withdraw its then current rating assigned to any of the Equipment Notes or (ii) such Rating Agency has communicated that it will not review such request, action, event or circumstances for purposes of evaluating whether to confirm its then current rating assigned to any of the Equipment Notes; *provided*, that if a Rating Agency has made a public statement to the effect that it will no longer review requests, actions, events or circumstances of the type requiring receipt of a Rating Agency Confirmation for purposes of evaluating whether to confirm the then-current rating of obligations rated by such Rating Agency, then such public statement shall be deemed to be a Rating Agency Confirmation with respect to such Rating Agency for any such request, action, event or circumstance.

"**Received Currency**" has the meaning given to such term in Section 13.06(a) hereof.

"**Record Date**" means with respect to each Payment Date, the close of business on the fifth Business Day immediately preceding such Payment Date and, with respect to the date on which any Direction is to be given by Noteholders, the close of business on the last Business Day prior to the solicitation of such Direction.

"**Redemption Date**" means the date, which shall in each case be a Payment Date (unless otherwise designated by the Issuer in connection with a refinancing of the then Outstanding Equipment Notes), on which Equipment Notes of any Series are redeemed pursuant to an Optional Redemption.

"**Redemption/Defeasance Account**" means an account established by the Indenture Trustee pursuant to Section 3.08 hereof.

"**Redemption Disposition**" has the meaning given to such term in Section 5.03(iv) hereof.

"**Redemption Fraction**" has the meaning given to such term in Section 3.14(c) hereof.

"**Redemption Notice**" means, a notice sent by the Indenture Trustee to the Holders in respect of the Equipment Notes to be redeemed, as described in Section 3.13(d) hereof.

"**Redemption Premium**" means, with respect to the principal amount of any Series (or Class) of Equipment Notes to be prepaid on any prepayment date, an amount, if any, specified in the applicable Series Supplement.

"**Redemption Price**" means, with respect to any Series of Equipment Notes or Class thereof that will be the subject of an Optional Redemption, an amount (determined as of the Determination Date for the Redemption Date for such Optional Redemption) equal to, unless otherwise specified in the related Series Supplement, the Outstanding Principal Balance of the Series or Class of Equipment Notes being repaid together with all accrued and unpaid interest thereon and, if specified in the related Series Supplement, (a) the Redemption Premium thereon and (b) the Hedge Termination Value, if any, owed by the Issuer to Hedge Providers in connection therewith.

"**Register**" has the meaning given to such term in Section 2.03(a) hereof.

"**Regulation S**" means Regulation S under the Securities Act.

"**Regulation S Book-Entry Notes**" means the Unrestricted Book-Entry Notes and the Regulation S Temporary Book-Entry Notes.

"**Regulation S Temporary Book-Entry Note**" means Equipment Notes initially sold outside the United States in reliance on Regulation S, represented by a single temporary global note in fully registered form, without interest coupons, the form of which shall be substantially in the form of the applicable Note Form for such Equipment Note, with the legends required by Section 2.02 hereof for a Regulation S Temporary Book-Entry Note inscribed thereon.

"**Reimbursable Services**" has the meaning assigned thereto in Section 5.4 of the Servicing Agreement.

"**Related Documents**" has the meaning assigned to such term in Section 5.04(y)(i) hereof.

"**Related Document Inspection**" has the meaning assigned to such term in Section 5.04(y)(i) hereof.

"**Relative Documents**" means the Service Provider Agreements, the Asset Transfer Agreements, this Master Indenture, the Series Supplements and the Equipment Notes, together with all certificates, documents and instruments delivered pursuant to any of the foregoing.

"**Relevant Information**" means the information provided by the Service Providers to the Administrator that is required to enable the Administrator make the calculations contemplated by Section 3.10(a) through (e) hereof.

"**Replacement Exchange**" means the acquisition by the Issuer of one or more Qualifying Replacement Railcars with all or a portion of the Net Disposition Proceeds from a Permitted Discretionary Sale, a Purchase Option Disposition or an Involuntary Railcar Disposition, in each case within the Replacement Period applicable to such Railcar Disposition, as provided in Section 5.03 hereof.

"**Replacement Period**" means, (a) with respect to the Issuer's use of all or any portion of Net Disposition Proceeds as permitted in accordance with this Master Indenture, the period beginning on the date of the applicable Railcar Disposition and ending on the earlier of (i) the 180th day after the date of the Issuer's receipt of all Net Disposition Proceeds from such Railcar Disposition and (ii) the occurrence of an Event of Default; and (b) notwithstanding the foregoing, if during a period of one month, more than fifty percent (50%) of the Portfolio Railcars (based on Adjusted Value) are sold pursuant to a Permitted Discretionary Sale, the period beginning on the date of the applicable Permitted Discretionary Sale and ending on the earlier of (i) the 90th day after the date of the Issuer's receipt of all Net Disposition Proceeds from such Permitted Discretionary Sale and (ii) the occurrence of an Event of Default, except where otherwise provided in the Master Indenture.

"**Required Expense Amount**" means, with respect to a Payment Date, an amount equal to the sum of (i) the Operating Expenses payable on such Payment Date, consisting of all

Operating Expenses actually incurred by the Service Providers and not previously reimbursed and the amounts shown on all invoices received from the Service Providers for the reimbursement or payment of Operating Expenses due or to become due on or before such Payment Date and not previously paid or reimbursed, (ii) a reserve amount to be deposited for Operating Expenses that are due and payable during the period beginning on such Payment Date and ending on (but excluding) the next Payment Date and (iii) a reserve amount to be deposited for Prospective Operating Expenses.

"**Required Expense Deposit**" has the meaning ascribed to such term in Section 3.10(a) hereof.

"**Required Expense Reserve**" means the sum of the amounts described in clauses (ii) and (iii) in the definition of "Required Expense Amount."

"**Required Modification**" means any alteration or modification of a Portfolio Railcar required by the AAR, the FRA, the United States Department of Transportation or any other United States or state governmental agency or any other applicable law (including without limitation, the laws of Mexico, Canada or any of their respective states and territories (as applicable)) and required by such entity as a condition of continued use or operation of such Railcar in interchange.

"**Requisite Majority**" means Holders of Equipment Notes that, individually or in the aggregate, own more than fifty percent (50%) of the then Outstanding Principal Balance of the Senior Class of Equipment Notes (other than Equipment Notes held by Trinity or its Affiliates) for as long as such Class of Equipment Notes remain outstanding.

"**Responsible Officer**" means, 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 or her operational responsibility would have knowledge of such matter and the requirements with respect thereto; and with respect to the Indenture Trustee, any trust officer at its corporate trust office (or any other officer to whom any matter has been referred because of such officer's knowledge and familiarity with the particular subject); and when used in connection with the Issuer, shall include (i) any such officer of the Servicer or the Administrator acting on behalf of the Issuer under the applicable Service Provider Agreement, as the case may be, (ii) any such officer of the Member, or (iii) any such officer of a manager of the Member.

"**Restricted Lessee Contact**" has the meaning assigned thereto in Section 2.1(a) of the Servicing Agreement.

"**Rider**" means a schedule or rider to a master lease agreement between the lessor thereunder and a lessee that evidences the lease transaction in respect of the individual railcars listed thereon, as contemplated in such master lease agreement.

"**Rule 144A**" means Rule 144A under the Securities Act.

"**S&P**" means Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, or any successor to such entity's business of rating securities, or, if such entity or its successor shall for any reason no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized rating agency designated by the Issuer.

"**Schedule**" means a schedule or rider to a master lease agreement between the lessor thereunder and a lessee that evidences the lease transaction in respect of the individual railcars listed thereon, as contemplated in such master lease agreement.

"**Scheduled Principal Payment Amount**" means, for the Equipment Notes of any Series or Class, as applicable, on any Payment Date, the excess, if any, of (x) the then Outstanding Principal Balance of such Series or Class of Equipment Notes, as applicable, over (y) the Scheduled Targeted Principal Balance of such Series or Class, as applicable, for such Payment Date.

"**Scheduled Targeted Principal Balance**" means, for each Class of Equipment Notes within a Series and for any Payment Date, the amount identified as such for that Class in the related Series Supplement, as it may be adjusted from time to time in accordance with Section 3.14 hereof.

"**Scrap Value Disposition**" has the meaning given to such term in Section 5.03(v) hereof.

"**Secured Obligations**" has the meaning given such term in the Granting Clause hereof.

"**Secured Parties**" means the holders of and/or obligees in respect of the Secured Obligations, including without limitation the Noteholders, the Liquidity Facility Providers (other than any Liquidity Facility Provider whose related Liquidity Facility Documents are identified in a Series Supplement as being excluded from Secured Obligation), the Servicer, the Administrator, the Insurance Manager, and the Hedge Providers.

"**Securities**" means any obligations of an issuer or any shares, participations or other interests in an issuer or in property or an enterprise of an issuer that (i) are represented by a certificate representing a security in bearer or registered form, or the transfer of which may be registered upon books maintained for that purpose by or on behalf of the issuer, (ii) are one of a class or series or by its terms is divisible into a class or series of shares, participations, interests or obligations and (iii)(A) are, or are of a type, dealt with or traded on securities exchanges or securities markets or (B) are a medium for investment and by their terms expressly provide that they are a security governed by Article 8 of the UCC.

"**Securities Accounts**" means all "securities accounts" as defined in Article 9 of the UCC.

"**Securities Act**" means the Securities Act of 1933, as amended.

"**Security Entitlements**" means all "security entitlements" as defined in Article 9 of the UCC.

"**Security Interests**" means the security interests and other Encumbrances granted or expressed to be granted in the Collateral pursuant to this Master Indenture.

"**Seller**" has the meaning given such term in the applicable Asset Transfer Agreement.

"**Senior Claim**" has the meaning given thereto in Section 11.01(a) hereof.

"**Senior Claimant**" has the meaning given thereto in Section 11.01(a) hereof.

"**Senior Class**" means (a) initially, all Outstanding Class A Equipment Notes, (b) on and after the payment in full of all Outstanding Obligations with respect to the Class A Equipment Notes, all Outstanding Class B Equipment Notes.

"**Senior Hedge Payments**" means all payments owed by the Issuer under a Hedge Agreement (including any Hedge Termination Value owed by the Issuer to the extent not satisfied from funds received by a Hedge Provider from any replacement Hedge Provider) except for Subordinated Hedge Payments.

"**Series**" means any series of Equipment Notes established pursuant to a Series Supplement.

"**Series Account**" has the meaning given to such term in Section 3.01(a) hereof.

"**Series Issuance Date**" means, with respect to any Series of Additional Notes, the date on which the Equipment Notes of such Series are issued in accordance with the provisions of Section 9.06 of this Master Indenture and the related Series Supplement.

"**Series Supplement**" means any supplement to this Master Indenture, other than an Indenture Supplement, which sets forth the Principal Terms and other terms and conditions of a Series of Equipment Notes issued under this Master Indenture and such Series Supplement.

"**Series 2018-1 Notes**" means the Initial Equipment Notes.

"**Service Provider**" means each of or all of (as the context may require) the Servicer, the Insurance Manager, the Indenture Trustee, the Administrator and the Liquidity Facility Providers.

"**Service Provider Agreements**" means, when used with respect to any Service Provider, the Servicing Agreement, the Insurance Agreement, the Administrative Services Agreement, this Master Indenture, or, in the case of a Liquidity Facility Provider, the applicable agreements providing for payment or reimbursement of fees and expenses of such Liquidity Facility Provider, in each case as applicable to such Service Provider which is party thereto, or any of the foregoing individually as the context requires.

"**Service Provider Fees**" means (a) all fees, expenses and indemnities due or reimbursable to the Indenture Trustee, the Servicer, the Insurance Manager and the Administrator in accordance with the applicable agreements with such Servicer Providers (including the Relative Documents), including the Indenture Trustee Fees due to the Indenture

Trustee hereunder and the Servicing Fee due to the Servicer under the Servicing Agreement, but excluding any such amounts that constitute Operating Expenses, and (b) all fees and expenses (but not reimbursement or indemnification obligations) payable to the Liquidity Facility Providers in connection with the Liquidity Facilities.

"**Servicer**" means TILC, in its capacity as Servicer under the Servicing Agreement, including its successors in interest, until another Person shall have become the "Servicer" under such agreement, after which "Servicer" shall mean such other Person.

"**Servicer Advance**" has the meaning assigned to such term in the Servicing Agreement.

"**Servicer Default**" has the meaning set forth in Section 8.2 of the Servicing Agreement.

"**Servicer Optional Modification Cap**" has the meaning given to such term in Section 3.11(a)(7) hereof.

"**Servicer Optional Modification Expense**" has the meaning given to such term in Section 3.11(a)(7) hereof.

"**Servicer Termination Event**" means the occurrence of any event specified in the Servicing Agreement (and with respect to events that include a cure or grace period or notice requirement, following the elapsing of such period without cure or the delivery of such notice, as applicable) which gives the Issuer thereunder or its assignees the right to effect a replacement of the current Servicer thereunder with a successor or replacement Servicer.

"**Servicer's Fleet**" means the TILC Fleet as of the Closing Date or as of any date thereafter and does not include Portfolio Railcars and, if a Successor Servicer shall have been appointed pursuant to the Servicing Agreement, "Servicer's Fleet" means all railcars owned, leased or managed by such Servicer or its Affiliates, in either case, other than Portfolio Railcars.

"**Servicing Agreement**" means the Railroad Car Management, Operation, Maintenance, Servicing and Remarketing Agreement dated as of the Initial Closing Date between the Issuer and TILC, as initial Servicer thereunder.

"**Servicing Fee**" means, for any Payment Date, the compensation payable to the Servicer on such Payment Date in accordance with the terms of, and designated as such in, the Servicing Agreement.

"**Similar Law**" has the meaning given to such term in Section 2.11(f) hereof.

"**Sold Railcars**" has the meaning given to such term in Section 5.03(a)(iii)(D) hereof.

"**Stated Interest**" means, with respect to any Equipment Note, interest payable on such Equipment Note at the Stated Rate for such Equipment Note.

"**Stated Interest Amount**" means, with respect to any Series of Equipment Notes (or Class thereof), that amount of Stated Interest due and payable on such Series of Equipment Notes (or Class thereof) on a Payment Date, including any Stated Interest due and payable on a prior

Payment Date that was not paid on such Payment Date, as described in the last sentence of Section 3.04(c) hereof.

"**Stated Interest Shortfall**" has the meaning given to such term in Section 3.10(d) hereof.

"**Stated Rate**" means, as specified in the related Series Supplement, the rate of interest payable on a specific Equipment Note of the related Series or Class.

"**STB**" means the Surface Transportation Board of the United States Department of Transportation or any successor thereto.

"**Stock**" means all shares of capital stock, all beneficial interests in trusts, all partnership interests (general or limited) in a partnership, all membership interests in limited liability companies, all ordinary shares and preferred shares and any options, warrants and other rights to acquire such shares or interests, as applicable.

"**SUBI Certificate**" means, with respect to Railcars that are conveyed to the Issuer from time to time so as to become Portfolio Railcars and that bear Trinity Marks, a SUBI Certificate evidencing a SUBI interest in such Trinity Marks under the Marks Company Trust Agreement.

"**Subject Note**" has the meaning assigned thereto in Section 2.17 hereof.

"**Subordinated Hedge Payment**" means (i) a payment on account of a Hedge Termination Value owed by the Issuer as a result of an early termination of a Hedge Agreement following an event of default or termination event in relation to which the Hedge Provider is the defaulting party or the sole affected party (except in the case of a termination event related to illegality or a termination event related to a tax event) and (ii) any Hedge Partial Termination Value payable by the Issuer as to which Rating Agency Confirmation has not been received.

"**Subsidiary**" means, as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership, limited liability company or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person.

"**Successor Administrator**" has the meaning assigned thereto in Section 4(d) of the Administrative Services Agreement.

"**Successor Insurance Manager**" has the meaning assigned to such term in Section 6.3(b) of the Insurance Agreement.

"**Successor Servicer**" has the meaning assigned to such term in Section 8.6 of the Servicing Agreement.

"**Supplier**" means the Person that supplies or installs a Required Modification or Optional Modification and to whom payment for the Purchase Price of such Required Modification or Optional Modification is to be made.

"**Supporting Obligation**" means all "supporting obligations" as defined in Article 9 of the UCC.

"**Tax**" and "**Taxes**" mean any and all taxes, fees, levies, duties, tariffs, imposts, and other charges of any kind (together with any and all interest, penalties, loss, damage, liability, expense, additions to tax and additional amounts or costs incurred or imposed with respect thereto) imposed or otherwise assessed by the United States or by any state, local or foreign government (or any subdivision or agency thereof) or other taxing authority, including, without limitation: taxes or other charges on or with respect to income, franchises, windfall or other profits, gross receipts, property, sales, use, capital stock, payroll, employment, social security, workers' compensation, unemployment compensation, or net worth and similar charges; taxes or other charges in the nature of excise, withholding, ad valorem, stamp, transfer, value added, taxes on goods and services, gains taxes, license, registration and documentation fees, customs duties, tariffs, and similar charges.

"**Third Party Event**" has the meaning given to such term in Section 5.04 hereof.

"**TILC**" means Trinity Industries Leasing Company, a Delaware corporation.

"**TILC Agreements**" means the Operative Agreements to which TILC is or will be a Party.

"**TILC Fleet**" means all Railcars owned, leased or managed by TILC as of any date of determination but excluding the Portfolio Railcars.

"**Total Loss**" means, with respect to any Railcar (a) if the same is subject to a Lease, an Event of Loss (as defined in such Lease) or the like (however so defined); or (b) if the same is not subject to a Lease, (i) its actual, constructive, compromised, arranged or agreed total loss, (ii) its destruction, damage beyond economic repair or being rendered unfit for commercial use for any reason whatsoever, (iii) its requisition for title, confiscation, restraint, detention, forfeiture or any compulsory acquisition or seizure or requisition for hire (other than a requisition for hire for a temporary period not exceeding 180 days) by or under the order of any government (whether civil, military or de facto) or public or local authority or (iv) its hijacking, theft or disappearance, resulting in loss of possession by the owner or operator thereof for a period of ninety (90) consecutive days or longer. A Total Loss with respect to any Railcar shall be deemed to occur on the date on which such Total Loss is deemed pursuant to the relevant Lease to have occurred or, if such Lease does not so deem or the relevant Railcar is not subject to a Lease, (A) in the case of an actual total loss or destruction, damage beyond economic repair or being rendered permanently unfit, the date on which such loss, destruction, damage or rendering occurs (or, if the date of loss or destruction is not known, the date on which the relevant Railcar was last heard of); (B) in the case of a constructive, compromised, arranged or agreed total loss, the earlier of (1) the date 30 days after the date on which notice claiming such total loss is issued to the insurers or brokers and (2) the date on which such loss is agreed or compromised by the

insurers; (C) in the case of requisition for title, confiscation, restraint, detention, forfeiture, compulsory acquisition or seizure, the date on which the same takes effect; (D) in the case of a requisition for hire, the expiration of a period of 180 days from the date on which such requisition commenced (or, if earlier, the date upon which insurers make payment on the basis of a Total Loss); or (E) in the case of clause (iv) above, the final day of the period of 90 consecutive days referred to therein.

"**Transferee**" has the meaning given such term in Section 2.17 hereof.

"**Transferred Note**" has the meaning given such term in Section 2.17 hereof.

"**TRC**" means Trinity Rail Canada Inc., a British Columbia corporation.

"**Treasury Regulations**" means the income tax regulations promulgated under the Code.

"**Trinity**" means Trinity Industries, Inc., a Delaware corporation.

"**Trinity Marks**" means the Marks owned by the Marks Company designated "NKCR", "TILX" and "TIMX."

"**UCC**" means the Uniform Commercial Code as enacted in the State of New York, or when the context implies, the Uniform Commercial Code as in effect from time to time in any other applicable jurisdiction.

"**Unit Inspection**" has the meaning given to such term in Section 5.04(y)(i) hereof.

"**United States Person**" and "**U.S. Person**" have the meanings given to such terms in Regulation S under the Securities Act.

"**Unrestricted Book-Entry Note**" shall have the meaning given to such term in Section 2.01(c)(iv) hereof, the form of which shall be substantially in the form of the applicable Note Form for such Equipment Note, with the legends required by Section 2.02 hereof for an Unrestricted Book-Entry Note inscribed thereon.

"**U.S. GAAP**" means generally accepted accounting principles in the United States, as in effect from time to time.

"**U.S. Government Obligations**" has the meaning given to such term in Section 12.02(a) hereof.

"**WTC**" means Wilmington Trust Company, a Delaware trust company.

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Section 5: EX-10.3 (EXHIBIT 10.3)

Exhibit 10.3

PURCHASE AND CONTRIBUTION AGREEMENT

between

TRINITY INDUSTRIES LEASING COMPANY

and

TRINITY RAIL LEASING 2018 LLC

Dated as of June 20, 2018

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PURCHASE AND CONTRIBUTION AGREEMENT

THIS **PURCHASE AND CONTRIBUTION AGREEMENT** is made as of June 20, 2018 (this "**Agreement**") between **TRINITY INDUSTRIES LEASING COMPANY**, a Delaware corporation ("**TILC**" or the "**Seller**") and **TRINITY RAIL LEASING 2018 LLC**, a Delaware limited liability company (the "**Purchaser**").

W I T N E S S E T H:

WHEREAS, the Purchaser has agreed to purchase from the Seller from time to time, and the Seller has agreed to Sell (as hereinafter defined) to the Purchaser from time to time, certain of its Railcars, related Leases and Related Assets (each as hereinafter defined) related thereto on the terms set forth herein; and

WHEREAS, the Seller may also wish from time to time to conduct a Sale/Contribution (as hereinafter defined) of certain of its Railcars, related Leases and Related Assets and the Purchaser may wish to purchase from and accept such contribution to the capital of the Purchaser on the terms set forth herein.

NOW, **THEREFORE**, in consideration of the premises and the mutual agreements hereinafter contained, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Purchaser and the Seller, intending to be legally bound, hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 4.1 General. The specific terms defined in this Article include the plural as well as the singular. Words herein importing a gender include the other gender. References herein to "writing" include printing, typing, lithography, and other means of reproducing words in visible form. References to agreements and other contractual instruments include all subsequent amendments thereto or changes therein entered into in accordance with their respective terms. References herein to Persons include their successors and assigns permitted hereunder or under the Master Indenture (as defined herein). The terms "include" or "including" mean "include without limitation" or "including without limitation". The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision, and Article, Section, Schedule and Exhibit references, unless otherwise specified, refer to Articles and Sections of and Schedules and Exhibits to this Agreement. Capitalized terms used herein, including in the Recitals, but not defined herein shall have the respective meanings assigned to such terms in the Master Indenture (as defined herein).

Section 4.2 Specific Terms. Whenever used in this Agreement, the following words and phrases, unless the context otherwise requires, shall have the following meanings:

"**Appraised Value**" means the appraised value of a Railcar as set forth in the Appraisal thereof.

"**Assignment and Assumption**" means an Assignment and Assumption executed by the Seller, with countersignature block set forth thereon for execution by the Purchaser, substantially in the form of Exhibit B attached hereto.

"**Bill of Sale**" means a Bill of Sale executed by the Seller substantially in the form of Exhibit A attached hereto.

"**Contribution**" has the meaning set forth in Section 2.1(a).

"**Convey**" means to Sell and/or conduct a Sale/Contribution of Railcars, related Leases and Related Assets hereunder.

"**Conveyance**" means, collectively, a Sale and/or Sale/Contribution of Railcars, related Leases and Related Assets by the Seller to the Purchaser.

"**Delivery Schedule**" means a schedule, substantially in the form of the initial schedule delivered on the Closing Date and attached as Exhibit C hereto, in each case duly executed and delivered by the Seller to the Purchaser on a Delivery Date, which shall identify the Railcars to be Conveyed on such Delivery Date and identify each Lease relating to any such Railcar.

"**Excluded Amounts**" has the meaning set forth in Section 4.4(a).

"**Indemnified Person**" has the meaning set forth in Section 4.4(a).

"**Master Indenture**" means the Master Indenture between the Purchaser, as Issuer, and Wilmington Trust Company, as Indenture Trustee, dated as of the date hereof.

"**Miscellaneous Items**" means receivables, prepaid expenses, current assets, deferred origination costs, receivables, deferred tax assets, non-current assets, accounts payable and accrued liabilities, deferred tax liabilities, unearned contract revenue, accrued interest, accrued professional fees, and accrued property and casualty insurance.

"**Purchase Price**" means, with respect to any Railcars, related Leases and Related Assets conveyed to the Purchaser from time to time pursuant hereto, an amount equal to the aggregate Appraised Value of the Railcars so Conveyed.

"**Purchaser**" has the meaning specified in the Preamble.

"**Related Assets**" means, with respect to any Railcar or Lease that is Conveyed hereunder on any Delivery Date, all of the Seller's right, title and interest in and to the following (as applicable):

(a) with respect to such Railcar, (i) all licenses, manufacturer's warranties and other warranties, Supporting Obligations, Payment Intangibles, Chattel Paper, General Intangibles and all other rights and obligations related to such Railcar, (ii) all Railroad Mileage Credits allocable to such Railcar and any payments in respect of such credits accruing on or after the applicable Delivery Date, (iii) all tort claims or any other claims of any kind or nature related

to such Railcar and any payments in respect of such claims, (iv) all Marks attaching to such Railcar (including as evidenced by any SUBI Certificate issued by the Marks Company), it being understood that the Marks are owned by the Marks Company and are not being conveyed hereby, (v) all other payments owing by any Person (including any railroads or similar entities) in respect of or attributable to such Railcar or the use, loss, damage, casualty, condemnation of such Railcar or the Marks associated therewith, in each case whether arising by contract, operation of law, course of dealing, industry practice or otherwise, and (vi) without duplication, any Miscellaneous Items relating to such Railcar; and

(b) with respect to such Lease, all Supporting Obligations, Payment Intangibles, Chattel Paper, General Intangibles and all other rights and obligations related to any such Lease, including, without limitation, (i) all rights, powers, privileges, options and other benefits of the Seller to receive moneys and other property due and to become due under or pursuant to such Lease, including, without limitation, all rights, powers, privileges, options and other benefits to receive and collect rental payments, income, revenues, profits and other amounts, payments, tenders or security (including any cash collateral) from any other party thereto, (ii) all rights, powers, privileges, options and other benefits of the Seller to receive proceeds of any casualty insurance, condemnation award, indemnity, warranty or guaranty with respect to such Lease, (iii) all claims for damages arising out of or for breach of or default under such Lease, (iv) the rights, powers, privileges, options and other benefits of the Seller to perform under such Lease, to compel performance and otherwise exercise all remedies thereunder and to terminate any such Lease, and (v) without duplication, any Miscellaneous Items relating to such Lease.

"**Sale**" means, with respect to any Person, the sale, transfer, assignment or other conveyance, of the assets or property in question by such Person, and "**Sell**" means that such Person sells, transfers, assigns or otherwise conveys the assets or property in question.

"**Sale/Contribution**" has the meaning specified in Section 2.1(a).

ARTICLE II

CONVEYANCE OF THE RAILCARS AND LEASES

Section 2.1 Conveyance of the Railcars and Leases.

(a) Subject to the terms and conditions of this Agreement, on and after the date of this Agreement, the Seller hereby agrees to Sell to the Purchaser, without recourse (except to the extent specifically provided herein or in the applicable Bill of Sale and Assignment and Assumption), all right, title and interest of the Seller in and to (A) certain Railcars and related Leases as identified from time to time on a Delivery Schedule delivered by the Seller in accordance with this Agreement and (B) all Related Assets with respect thereto, *provided*, that if the Seller is the sole equity Member of the Purchaser at the time of such sale, and to the extent that the portion of the Purchase Price for such sale paid by the Purchaser to the Seller in cash is less than the total dollar amount of the Purchase Price, the balance shall be deemed to have been contributed (a "**Contribution**") by the Seller as capital to the Purchaser (such transaction in the aggregate, a "**Sale/Contribution**"),

(b) The Purchaser hereby agrees to purchase, acquire, accept and assume (including by an assumption of the obligations of the "lessor" under such Leases), all right, title and interest of the Seller in and to such Railcars, related Leases and Related Assets. The Seller hereby acknowledges that each Conveyance by it to the Purchaser hereunder is absolute and irrevocable, without reservation or retention of any interest whatsoever by the Seller.

(c) The Sales or Sales/Contributions (as the case may be) of Railcars, related Leases and Related Assets by the Seller to the Purchaser pursuant to this Agreement are, and are intended to be, absolute and unconditional assignments and conveyances of ownership (free and clear of any Encumbrances) of all of the Seller's right, title and interest in, to and under such Railcars, related Leases and Related Assets for all purposes and, except to the extent specifically provided herein or in the applicable Bill of Sale and Assignment and Assumption, without recourse.

(d) It is the intention of the Seller and the Purchaser (i) that all Conveyances of Railcars, related Leases and Related Assets be true sales and/or contributions, as applicable, constituting absolute assignments and "true sales" for bankruptcy law purposes by the Seller to the Purchaser, that are absolute and irrevocable and that provide the Purchaser with the full benefits of ownership of the assets so Conveyed and (ii) that the Railcars, related Leases and Related Assets that are Conveyed to the Purchaser pursuant to this Agreement shall not be part of the Seller's estate in the event of the filing of a bankruptcy petition by or against the Seller under any bankruptcy or similar law. Neither the Seller nor the Purchaser intends that (x) the transactions contemplated hereunder be, or for any purpose be characterized as, loans from the Purchaser to the Seller or (y) any Conveyance of Railcars, related Leases and/or Related Assets by the Seller to the Purchaser be deemed a grant of a security interest in the assets so Conveyed by the Seller to the Purchaser to secure a debt or other obligation of the Seller (except in the limited circumstance contemplated in subsection (e) immediately below).

(e) In the event that any Conveyances pursuant to this Agreement are deemed to be a secured financing (or are otherwise determined not to be absolute assignments of all of the Seller's right, title and interest in, to and under the Railcars, related Leases and Related Assets so Conveyed, or purportedly so Conveyed hereunder), then (i) the Seller shall be deemed hereunder to have granted to the Purchaser, and the Seller does hereby grant to the Purchaser, a security interest in all of the Seller's right, title and interest in, to and under such Railcars, related Leases and Related Assets so Conveyed or purported to be Conveyed, securing the purported repayment obligation presumably deemed to exist in respect of such deemed secured financing, and (ii) this Agreement shall constitute a security agreement under applicable law.

(f) The Seller shall on the Closing Date, and on any other Delivery Date, deliver to the Purchaser a Delivery Schedule identifying the Railcars and Leases to be Conveyed by the Seller to the Purchaser on such date.

(g) The price paid for Railcars, related Leases and Related Assets which are Conveyed hereunder shall be the Purchase Price with respect thereto. Such Purchase Price shall be paid by means of the Purchaser's immediate cash payment of the portion of the Purchase Price that the Purchaser has available to it for such purpose (including from net proceeds derived from its issuance of the Equipment Notes on such Delivery Date, or from Net Disposition

Proceeds held in the Mandatory Replacement Account or the Optional Reinvestment Account), to the Seller by wire transfer on the Closing Date (or other applicable Delivery Date) in respect of which the Seller has delivered a Delivery Schedule, with the Contributed remainder of such Purchase Price to be reflected by means of proper accounting entries being entered upon the accounts and records of the Seller and the Purchaser,

with such wire transfers in each case to be made to an account designated by the applicable Seller to the Purchaser on or before the applicable Delivery Date.

(h) On and after each Delivery Date and related Purchase Price payment as aforesaid, the Purchaser shall own the Railcars, related Leases and Related Assets Conveyed to the Purchaser on such date, and the Seller shall not take any action inconsistent with such ownership and shall not claim any ownership interest in such assets.

(i) Until the replacement of TILC as Servicer pursuant to the terms of the Servicing Agreement, TILC, as Servicer, shall conduct the administration, management and collection of the Railcars, related Leases and Related Assets Conveyed to Purchaser pursuant hereto and shall take, or cause to be taken, all such actions as may be necessary or advisable to administer, manage and collect such Conveyed Railcars, related Leases and Related Assets, from time to time, all in accordance with the terms of the Servicing Agreement.

(j) On each Delivery Date, the Seller shall deliver or cause to be delivered to the Purchaser (or to an assignee thereof, as directed by the Purchaser) each item required on such date to be delivered by the Seller and any Chattel Paper representing or evidencing the Leases being Conveyed on such Delivery Date.

ARTICLE III

CONDITIONS OF CONVEYANCE

Section 3.1 Conditions Precedent to Conveyance. Each Conveyance hereunder is subject to the condition precedent that the Purchaser shall have received, and the Indenture Trustee shall have received copies of, all of the following on or before the applicable Delivery Date, in form and substance satisfactory to the Purchaser:

(i) a Delivery Schedule executed by the Seller and setting forth the Railcars and Leases to be Conveyed on the applicable Delivery Date pursuant to this Agreement;

(ii) a related Bill of Sale;

(iii) a related Assignment and Assumption;

(iv) an Appraisal of the Railcars to be conveyed, with such Appraisal dated no earlier than 90 days prior to the applicable Delivery Date (or, in the case of the first Delivery Date relating to this Agreement, dated no earlier than March 31, 2018;

(v) copies of proper UCC financing statements, accurately describing the Conveyed Railcars and Leases and naming the Seller as the "Debtor" and the Purchaser as "Secured Party", or applicable filings with the STB or with the Registrar General of Canada, or other similar instruments or documents, all in such manner and in such places as may be required by law or as may be necessary or, in the opinion of the Purchaser or the Indenture Trustee (acting at the direction of the Requisite Majority), desirable to perfect the Purchaser's interest in all Conveyed Railcars, related Leases and Related Assets (provided that no such filings shall be required to be made in Mexico or under any Provincial Personal Property Security Act or other non-federal legislation in Canada);

(vi) copies of proper UCC financing statement terminations or partial terminations, STB or Registrar General of Canada filings, accurately describing the Conveyed Railcars and Leases, or other similar instruments or documents, in form and substance sufficient for filing under applicable law of any and all jurisdictions as may be necessary to effect or evidence a release or termination of any pre-existing Encumbrance evidenced by an existing filing of record in the applicable UCC, STB or Registrar General of Canada filing office against the Conveyed Railcars, related Leases and Related Assets;

(vii) in the case of a Delivery Date occurring in connection with the Closing Date for a Series of Equipment Notes, a confirmation or written advice to similar effect from counsel to the Purchaser and addressed to the Indenture Trustee, reasonably acceptable to the Indenture Trustee, that the Conveyance constitutes a true sale and that the Purchaser would not be consolidated in connection with a bankruptcy of the Seller; and

(viii) in the case of a Delivery Date occurring in connection with the Closing Date for a Series of Equipment Notes, such deliveries, and the satisfaction of such other conditions, as are set forth in the applicable Note Purchase Agreement or otherwise required for the issuance of such Series.

Section 3.2 Conditions Precedent to All Conveyances. The Conveyances to take place on any Delivery Date hereunder shall be subject to the further conditions precedent that:

(a) The following statements shall be true:

(i) the representations and warranties of the Seller contained in Article IV shall be true and correct on and as of such Delivery Date, both before and after giving effect to the Conveyance to take place on such Delivery Date and to the application of proceeds therefrom, as though made on and as of such date; and

(ii) the Seller shall be in compliance with all of its covenants and other agreements set forth in this Agreement and the other Operative Agreements to which it is a party.

(b) The Purchaser shall have received a Delivery Schedule, dated the date of the applicable Delivery Date, executed by the Seller, listing the Railcars and Leases being Conveyed on such date.

(c) The Seller shall have taken such other action, including delivery of approvals, consents, opinions, documents and instruments to the Purchaser, as the Purchaser or the Indenture Trustee (acting at the direction of the Requisite Majority) may reasonably request.

(d) The Seller shall have taken all steps necessary under all applicable law in order to Convey to the Purchaser the Railcars described on the applicable Delivery Schedules, all Leases related to such Railcars and all Related Assets related to such Railcars and/or Leases, and upon the Conveyance of such Railcars, related Leases and Related Assets from the Seller to the Purchaser pursuant to the terms hereof, the Purchaser will have acquired on such date good and marketable title to and a valid and perfected ownership interest in the Conveyed Railcars, related Leases and Related Assets, free and clear of any Encumbrance (other than Permitted Encumbrances).

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

Section 4.1 Representations and Warranties of the Seller-General. TILC makes the following representations and warranties for the benefit of the Purchaser, the Indenture Trustee, each Noteholder and each other Secured Party, on which the Purchaser relies in acquiring the Railcars, related Leases and Related Assets Conveyed by the Seller hereunder. Such representations are made as of each Delivery Date and at such other times specified below.

(a) TILC is a corporation duly organized, validly existing, and in good standing under the laws of the State of Delaware, is duly licensed or qualified and in good standing in each jurisdiction in which the failure to so qualify would reasonably be expected to have a material adverse effect on its ability to carry on its business as now conducted or as contemplated to be conducted or to execute, deliver and perform its obligations under the TILC Agreements, has the power and authority to carry on its business as now conducted and as contemplated to be conducted, and has the requisite power and authority to execute, deliver and perform its obligations under the TILC Agreements.

(b) The TILC Agreements have been duly authorized by all necessary corporate action by TILC, and duly executed and delivered by TILC, and (assuming the due authorization, execution and delivery by each other party thereto) constitute the legal, valid and binding obligations of TILC, enforceable against TILC 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 TILC of the TILC Agreements and compliance by TILC with all of the provisions thereof do not and will not contravene or, in the case of clause (iii), constitute (alone or with notice, or lapse of time or both) a default under or result in any breach of, or result in the creation or imposition of any

Encumbrance (other than pursuant to this Agreement) upon any property of TILC pursuant to, (i) any law or regulation, or any order, judgment, decree, determination or award of any court or governmental authority or agency applicable to or binding on TILC or any of its properties, or (ii) the provisions of its certificate of incorporation or bylaws or (iii) any indenture, mortgage, contract or other agreement or instrument to which TILC is a party or by which TILC or any of its properties may be bound or affected except, with respect to clause (iii), where such contravention, default or breach would not reasonably be expected to materially adversely affect TILC's ability to perform its obligations under the TILC Agreements or materially adversely affect its financial condition or business;

(d) There are no proceedings pending or, to the knowledge of TILC, threatened against TILC in any court or before any governmental authority or arbitration board or tribunal that, if adversely determined, would reasonably be expected to materially adversely affect TILC's ability to perform its obligations under the TILC Agreements or materially adversely affect its financial condition or business.

(e) TILC is not (x) in violation of any term of any charter instrument or bylaw or (y) in violation or breach of or in default under any other agreement or instrument to which it is a party or by which it or any of its property may be bound except in the case of clause (y) where such violation, breach or default would not reasonably be expected to materially adversely affect TILC's ability to perform its obligations under the TILC Agreements or materially adversely affect its financial condition or business. TILC is in compliance with all laws, ordinances, governmental rules, regulations, orders, judgments, decrees, determinations and awards to which it is subject, the failure to comply with which would reasonably be expected to have a material and adverse effect on its operations or condition, financial or otherwise, or would impair the ability of TILC to perform its obligations under the TILC Agreements, and has obtained all required licenses, permits, franchises and other governmental authorizations material to the conduct of its business.

(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 TILC or any governmental authority on the part of TILC is required in the United States in connection with the execution and delivery by TILC of the TILC Agreements (other than as contemplated thereby), or is required to be obtained in order for TILC to perform its obligations thereunder in accordance with the terms thereof, other than (i) as may be required under applicable laws, ordinances, governmental rules and regulations to be obtained, given, accomplished or renewed at any time after the applicable Delivery Date in connection with the performance of its obligations under the TILC Agreements and which are routine in nature and are not normally applied for prior to the time they are required, and which TILC has no reason to believe will not be timely obtained, and (ii) as may have been previously obtained in accordance with clause (i) immediately above.

(g) TILC is solvent and will not become insolvent after giving effect to any Conveyance contemplated by this Agreement, and after giving effect to any Conveyances contemplated by this Agreement, TILC will have an adequate amount of capital to conduct its business in the foreseeable future, and TILC does not intend to incur, nor believe that it has incurred, debts beyond its ability to pay as they mature.

(h) The location of TILC (within the meaning of Article 9 of the UCC) is in the State of Delaware. TILC has not been known by any name other than Trinity Industries Leasing Company within the past five (5) years.

(i) TILC will treat the transactions effected by this Agreement as sales of assets to, and/or contributions of assets to the capital of, the Purchaser in accordance with U.S. GAAP. TILC's financial records shall reflect that the Railcars and Leases Conveyed hereunder have been Conveyed to the Purchaser, are no longer owned by TILC and are not intended to be available to the creditors of TILC.

Section 4.2 Representations and Warranties of the Seller-Assets. The following representations and warranties are made with respect to each Delivery Date on which the Seller is to Convey assets to the Purchaser, by TILC for its own account, and in each case are made for the benefit of the Purchaser, the Indenture Trustee, each Noteholder and each other Secured Party as of the date of any Delivery Schedule delivered by the Seller to the Purchaser and solely with respect to the Railcars and Leases that are referred to in such Delivery Schedule and the Related Assets in respect of such Railcars and Leases.

(a) To the best knowledge of the Seller, no casualty event or other event that may constitute a Total Loss or makes repair of the applicable Railcar uneconomic or renders such Railcar unfit for commercial use or constitutes theft or disappearance of the applicable Railcar has occurred with respect to a Railcar being Conveyed.

(b) (i) The Seller has, and the Bill of Sale to be delivered on the Delivery Date shall convey to the Purchaser, all legal and beneficial title to the Railcars (and Related Assets in respect of such Railcars) that are being Conveyed, free and clear of all Encumbrances (other than Permitted Encumbrances of the type described in clauses (ii), (iii), (iv), (v) and (viii) of the definition thereof), and such conveyance constitutes a valid and absolute transfer (each such contribution or sale, as the case may be, constituting a "true sale" for bankruptcy law purposes) of all right, title and interest of the Seller in, to and under the Railcars (and Related Assets in respect of such Railcars) being Conveyed and will not be void or voidable under any applicable law; (ii) the Seller has, and the Assignment and Assumption to be delivered on the Delivery Date shall assign to the Purchaser, all legal and beneficial title to the Leases (and Related Assets in respect of such Leases) that are being Conveyed, free and clear of all Encumbrances (other than Permitted Encumbrances of the type described in clauses (ii), (iii), (iv), (v) and (viii) of the definition thereof), and such assignment constitutes a valid and absolute transfer (each such contribution or sale, as the case may be, constituting a "true sale" for bankruptcy law purposes) of all right, title and interest of the Seller in, to and under the Leases (and Related Assets in respect of such Leases) being Conveyed and will not be void or voidable under any applicable law; (iii) the Railcars being Conveyed on a Delivery Date are subject to Leases to the extent required under the Master Indenture in respect of such Conveyance, and (iv) all Leases relating to such Railcars are on rental and other terms that are no different, taken as a whole, from those for similar Railcars in the rest of the TILC Fleet.

(c) All sales, use or transfer taxes, if any, due and payable upon the Conveyance of the Railcars, related Leases and Related Assets being Conveyed on the applicable Delivery Date will have been paid or such transactions will then be exempt from any such taxes

and the Seller will cause any required forms or reports in connection with such taxes to be filed in accordance with applicable laws and regulations.

(d) The Railcars being Conveyed are substantially similar, in terms of objectively identifiable characteristics that are relevant for purposes of the services to be performed by TILC under the Servicing Agreement, to the equipment in the TILC Fleet.

(e) The Seller is not in default of its obligations as "lessor" (or other comparable capacity) under any Lease, and, to the best of the Seller's knowledge, there are (i) no defaults existing as of the date of Conveyance by any Lessee under any Lease, except such defaults that are not payment defaults (except to a de minimis extent (but giving effect to any applicable grace periods)) and are not material defaults under the applicable Lease, and (ii) no claims or liabilities arising as a result of the operation or use of any Railcar prior to the date hereof, as to which the Purchaser would be or become liable, except for ongoing maintenance and other obligations of the "lessor" provided for under full-service Leases, which obligations are required to be performed by the Servicer pursuant to the Servicing Agreement.

(f) None of the Railcars being Conveyed are subject to a purchase option under the terms of the related Lease except as described in the related Delivery Schedule, and each such purchase option is a Permitted Purchase Option.

(g) All written information provided by the Seller or any Affiliate of the Seller to the Appraiser with respect to the Railcars and Leases being Conveyed is true and correct in all material respects. All written information provided by the Seller or any Affiliate of the Seller to Deloitte & Touche LLP with respect to the Leases is true and correct in all material respects and accurately reflects the terms of the Leases. To the extent the written information referred to in this clause (g) was provided to the Appraiser and Deloitte & Touche LLP, in each case for their use in connection with their services rendered in connection with Conveyances contemplated hereby, such entities have been provided with the same written information (or relevant portions thereof).

(h) None of the Leases contain any renewal or extension options except for such options that are described in the Delivery Schedule.

(i) All information provided in the applicable Delivery Schedule, including each schedule thereto, is true and correct on and as of the related Delivery Date, including without limitation, all information provided therein with respect to each Railcar purported to be covered thereby and all information provided therein with respect to each Lease relating to any such Railcar. All other information concerning the Railcars, related Leases and Related Assets covered by the applicable Delivery Schedule that was provided to the Issuer or the Indenture Trustee prior to the related Delivery Date was true and correct in all material respects as of the date it was so provided.

(j) No Default, Event of Default or Servicer Termination Event has occurred and is continuing on the Delivery Date, and no event that, with the giving of notice, the passage of time or both, would constitute a Servicer Termination Event has occurred and is continuing on the Delivery Date.

Section 4.3 Representations and Warranties of the Purchaser. The Purchaser makes the following representations and warranties for the benefit of the Seller, on which the Seller relies in Conveying Railcars, related Leases and Related Assets to the Purchaser hereunder. Such representations are made as of each applicable Delivery Date.

(a) Organization and Good Standing. The Purchaser has been duly organized and is validly existing and in good standing as a limited liability company under the laws of the State of Delaware, with the power and authority to own its properties and to conduct its business as such properties are currently owned and such business is currently conducted, and had at all relevant times, and has, full power, authority and legal right to acquire and own the Railcars and Leases Conveyed hereunder.

(b) Due Qualification. The Purchaser is duly qualified (except where the failure to be so qualified would not have a material adverse effect on its ability to carry on its business as now conducted or as contemplated to be conducted) to do business as a foreign limited liability company in good standing, and has obtained all necessary licenses (except to the extent that such failure to obtain such licenses is inconsequential) and approvals in all jurisdictions in which the ownership or lease of its property or the conduct of its business requires such qualification, licenses and/or approvals.

(c) Power and Authority. The Purchaser has the power, authority and legal right to execute and deliver this Agreement and to carry out the terms hereof and to acquire the Railcars and Leases Conveyed hereunder; and the execution, delivery and performance of this Agreement and all of the documents required pursuant hereto have been duly authorized by the Purchaser by all necessary action.

(d) No Consent Required. The Purchaser is not required to obtain the consent of any other Person, or any consent, license (except to the extent that such failure to obtain such licenses is inconsequential), approval or authorization or registration or declaration with, any governmental authority, bureau or agency in connection with the execution, delivery or performance of this Agreement and the other Operative Agreements to which it is a party, except for such as have been obtained, effected or made.

(e) Binding Obligation. This Agreement constitutes a legal, valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms, subject, as to enforceability, to applicable bankruptcy, insolvency, reorganization, conservatorship, receivership, liquidation or other similar laws affecting the enforcement of creditors' rights generally and general principles of equity.

(f) No Violation. The execution, delivery and performance by the Purchaser of this Agreement, the consummation of the transactions contemplated by this Agreement and the other Operative Agreements to which it is a party and the fulfillment of the terms of this Agreement and the other Operative Agreements to which it is a party do not and will not conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time) a default under, the organizational documents of the Purchaser, or conflict with or breach any of the terms or provisions of, or constitute (with or without notice or lapse of time) a default under, any indenture, agreement, mortgage, deed of trust or other

instrument to which the Purchaser is a party or by which the Purchaser is bound or to which any of its properties are subject, or result in the creation or imposition of any lien upon any of its properties pursuant to the terms of any such indenture, agreement, mortgage, deed of trust or other instrument (other than liens created hereunder or under the Master Indenture), or violate any law or any order, rule or regulation, applicable to the Purchaser or its properties, of any federal or state regulatory body, any court, administrative agency, or other governmental instrumentality having jurisdiction over the Purchaser or any of its properties.

(g) No Proceedings. There are no proceedings or investigations pending, or, to the Purchaser's knowledge, threatened against the Purchaser before any court, regulatory body, administrative agency, or other tribunal or governmental instrumentality having jurisdiction over the Purchaser or its properties: (i) asserting the invalidity of this Agreement or any of the other Operative Agreements, (ii) seeking to prevent the consummation of any of the transactions contemplated by this Agreement or any of the other Operative Agreements, (iii) seeking any determination or ruling that could have an adverse effect on the performance by the Purchaser of its obligations under, or the validity or enforceability of, this Agreement or any of the other Operative Agreements, (iv) that may have an adverse effect on the federal or state income tax attributes of, or seek to impose any excise, franchise, transfer or similar tax upon, the transfer and acquisition of the Railcars and Leases Conveyed hereunder or (v) that could have an adverse effect on the Railcars and Leases Conveyed to the Purchaser hereunder.

(h) Consideration. The Purchaser has given fair consideration and reasonably equivalent value in exchange for the Conveyance of the Railcars, related Leases and Related Assets being Conveyed hereunder.

In the event of any breach of a representation and warranty made by the Purchaser hereunder, the Seller covenants and agrees that the Seller will not take any action to pursue any remedy that it may have hereunder, in law, in equity or otherwise, until a year and a day have passed since all Outstanding Obligations under all other Operative Agreements have been paid in full. The Seller and the Purchaser agree that damages will not be an adequate remedy for a breach of this covenant and that this covenant may be specifically enforced by the Purchaser or any third party beneficiary described in Section 6.8.

Section 4.4 Indemnification.

(a) The Seller shall defend, indemnify and hold harmless the Purchaser, the Servicer, the Indenture Trustee, each Noteholder, each of their respective Affiliates and each of the respective directors, officers, employees, successors and permitted assigns, agents and servants of the foregoing (each an "**Indemnified Person**") from and against any and all costs, expenses, losses, obligations, penalties, liabilities, damages, 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), that may be imposed upon, incurred by, suffered by or asserted against any Indemnified Person arising out of or resulting from any breach of the Seller's representations and warranties and covenants contained herein, except (A) those resulting solely from any gross negligence, bad faith or willful misconduct of the particular Indemnified Person claiming indemnification hereunder, (B) those in respect of taxes that are otherwise addressed by the provisions of (and subject to the limitations of) subsection (c) of this Section 4.4 below, or (C) to

the extent that providing such indemnity would constitute recourse for losses due to the uncollectibility of sale proceeds (or any particular amount of sale proceeds) in respect of a Railcar due to a diminution in market value of such Railcar, or of Lease or other third party payments due to the insolvency, bankruptcy or financial inability to pay of the related Lessee or other third party (the matters contemplated by clauses (A), (B) and (C) may be referred to collectively as the "**Excluded Amounts**").

(b) The Seller will defend and indemnify and hold harmless each Indemnified Person against any and all costs, expenses, losses, obligations, penalties, liabilities, damages, 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), that may be imposed upon, incurred by, suffered by or asserted against such Indemnified Person, other than Excluded Amounts, arising out of or resulting from any action taken by the Seller, other than in accordance with this Agreement or the Master Indenture or other applicable Operative Agreement, in respect of any portion of the Railcars, related Leases and Related Assets that are Conveyed hereunder.

(c) The Seller agrees to pay, and shall defend, indemnify and hold harmless each Indemnified Person from and against, any taxes (other than taxes based upon the income of an Indemnified Person and taxes that would constitute Excluded Amounts) that may at any time be asserted against any Indemnified Person with respect to the transactions contemplated in this Agreement, including, without limitation, any sales, gross receipts, general corporation, tangible or intangible personal property, privilege, or license taxes and costs and expenses in defending against the same, arising by reason of the acts to be performed by the Seller under this Agreement and imposed against such Person. Without limiting the foregoing, in the event that the Purchaser, the Servicer or the Indenture Trustee receives actual notice of any transfer taxes arising out of the Conveyance of any Railcar or Lease from the Seller to the Purchaser under this Agreement, on written demand by such party, or upon the Seller otherwise being given notice thereof, the Seller shall pay, and otherwise indemnify and hold harmless the applicable Indemnified Person, the Servicer and the Indenture Trustee harmless, on an After-Tax Basis, from and against any and all such transfer taxes (it being understood that none of the Purchaser, the Servicer, the Indenture Trustee or any other Indemnified Person shall have any contractual obligation to pay such transfer taxes).

(d) The Seller shall defend, indemnify, and hold harmless each Indemnified Person from and against any and all costs, expenses, losses, obligations, penalties, liabilities, damages, 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), to the extent that any of the foregoing may be imposed upon, incurred by, suffered by or asserted against such Indemnified Person (other than Excluded Amounts) due to the negligence, willful misfeasance, or bad faith of the Seller in the performance of its duties under this Agreement or by reason of reckless disregard of the Seller's obligations and duties under this Agreement.

(e) The Seller shall indemnify, defend and hold harmless each Indemnified Person from and against any costs, expenses, losses, obligations, penalties, liabilities, damages, 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), that may be imposed upon, incurred by, suffered by or asserted against such Indemnified Person, other than Excluded Amounts, as a

result of the failure of any Railcar or Lease Conveyed hereunder to comply with all requirements of applicable law as of the applicable Delivery Date.

Indemnification under this Section 4.4 shall include reasonable fees and expenses of counsel and expenses of litigation. The indemnity obligations hereunder shall be in addition to any obligation that the Seller may otherwise have under applicable law or any other Operative Agreement.

Section 4.5 Special Indemnification by TILC Regarding Exercise of Setoff by Customers. TILC (in its capacity as Servicer under the Servicing Agreement) hereby agrees, for the benefit of the Indenture Trustee, the Noteholders and each other Secured Party, that it will, within forty-five (45) days after the date on which it has knowledge that any Lessee shall have reduced any payments made by such Lessee under any Lease in the Portfolio as a result of or in connection with any setoff exercised by such Lessee (regardless of whether such Lessee actually has any contractual, statutory or other right to exercise such setoff) with respect to amounts owed or presumed owed to such Lessee pursuant to railcar leases managed by TILC that are not in the Portfolio, and provided that the applicable Lessee shall not have made payments aggregating the full amount payable by such Lessee under the applicable Lease prior to the end of such 45-day period, deposit into the Collections Account an amount, in immediately available funds, equal to the amount of such reduction.

Indemnification under this Section 4.5 shall include reasonable fees and expenses of counsel and expenses of litigation. The indemnity obligations hereunder shall be in addition to any obligation that TILC may otherwise have under applicable law or any other Operative Agreement.

ARTICLE V

COVENANTS OF SELLER

Section 5.1 Protection of Title of the Purchaser.

(a) On or prior to the date hereof, the Seller shall have filed or caused to be filed UCC-1 financing statements, STB or Registrar General of Canada filings (each in form proper for filing in the applicable jurisdiction) naming the Purchaser as purchaser or secured party, naming the Indenture Trustee as assignee and describing the Railcars, related Leases and Related Assets Conveyed by it to the Purchaser as collateral, with the office of the Secretary of State of the State of Delaware and in such other locations as the Purchaser or the Indenture Trustee shall have required. Without limiting the foregoing, the Seller hereby authorizes the Purchaser and/or any assignee thereof to prepare and file any such UCC-1 financing statements. From time to time thereafter, the Seller shall authorize and file such financing statements or cause to be authorized and filed such continuation statements, all in such manner and in such places as may be required by law (or deemed desirable by the Purchaser or any assignee thereof) to fully perfect, preserve, maintain and protect the interest of the Purchaser under this Agreement, and the security interest of the Indenture

Trustee under the Master Indenture, in the Railcars, related Leases and Related Assets that are Conveyed hereunder and in the proceeds thereof. The Seller shall deliver (or cause to be delivered) to the Purchaser and the Indenture Trustee file-stamped copies of, or filing receipts for, any document filed as provided above, following such filing in accordance herewith. In the event that the Seller fails to perform its obligations under this subsection, the Purchaser or the Indenture Trustee may perform such obligations, at the expense of the Seller and the Seller hereby authorizes the Purchaser or the Indenture Trustee and grants to the Purchaser and the Indenture Trustee an irrevocable power of attorney to take any and all steps in order to perform such obligations in the Seller's or in its own name, as applicable, and on behalf of the Seller as are necessary or desirable, in the determination of the Purchaser or Indenture Trustee or any assignee thereof, with respect to performing such obligations.

(b) On or prior to the Closing Date and any other applicable Delivery Date hereunder, the Seller shall take all steps necessary under all applicable law in order to transfer and assign to the Purchaser the Railcars and Leases being Conveyed on such date to the Purchaser so that, upon the Conveyance of such Railcar or Lease from the Seller to the Purchaser pursuant to the terms hereof on the applicable Delivery Date, the Purchaser will have acquired good and marketable title to and a valid and perfected ownership interest in such Railcars and Leases, free and clear of any Encumbrance (other than Permitted Encumbrances). On or prior to the applicable Delivery Date hereunder, the Seller shall cooperate with the Purchaser in order to take all steps required under applicable law in order for the Purchaser to grant to the Indenture Trustee a first priority perfected security interest in the Railcars and Leases being Conveyed to the Purchaser on such Delivery Date and, from time to time thereafter, the Seller shall cooperate with the Purchaser in order to take all such actions as may be required by applicable law (or deemed desirable by the Purchaser) to fully preserve, maintain and protect the Purchaser's ownership interest in, and the Indenture Trustee's first priority perfected security interest in the Railcars and Leases which have been Conveyed to the Purchaser hereunder. Notwithstanding anything to the contrary in this Agreement, the Seller shall not be required pursuant to this Agreement to make any filings, registrations or recordations in Mexico or under any Provincial Personal Property Security Act or other non-federal legislation in Canada.

(c) The Seller shall not change its name, identity, jurisdiction of organization or corporate structure in any manner that would or could make any financing statement or continuation statement filed by Purchaser in accordance with this Agreement seriously misleading within the meaning of § 9-506 of the UCC (or any similar provision of the UCC), unless the Seller shall have given the Purchaser, the Servicer and the Indenture Trustee at least thirty (30) days' prior written notice thereof, and shall promptly file and hereby authorizes the Purchaser or the Indenture Trustee to file appropriate new financing statements or amendments to all previously filed financing statements and continuation statements.

(d) The Seller shall give the Purchaser, the Servicer and the Indenture Trustee at least thirty (30) days' prior written notice of any relocation of its jurisdiction of organization if, as a result of such relocation, the applicable provisions of the UCC would require the filing of any amendment of any previously filed financing or continuation statement or of any new financing statement. The Seller shall at all times maintain its jurisdiction of organization, each office from which it manages or purchases Railcars and Leases and its principal executive office within the United States of America.

Section 5.2 Other Liens or Interests. Except for the Conveyances hereunder, the Seller will not sell, pledge, assign, transfer or otherwise convey to any other Person, or grant, create, incur, assume or suffer to exist any Encumbrance on the Railcars and Leases Conveyed hereunder or any interest therein (other than Permitted Encumbrances), and the Seller shall defend the right, title, and interest of the Purchaser and the Indenture Trustee in and to such Railcars and Leases against all Encumbrances or claims of Encumbrances of third parties claiming through or under the Seller. To the extent that any Railcar or Lease shall at any time secure any debt of the related Lessee to the Seller or any of its affiliates, the Seller agrees that any security interest in its favor arising from such a provision shall be subordinate to the interest of the Purchaser (and its further assignees) in such Railcars and Leases.

ARTICLE VI

MISCELLANEOUS

Section 6.1 Amendment. This Agreement may be amended by the Seller and the Purchaser only with the prior written consent of the Indenture Trustee (acting at the direction of the Requisite Majority).

Section 6.2 Notices. All demands, notices and communications to the Seller or the Purchaser hereunder shall be in writing, personally delivered, or sent by telecopier (subsequently confirmed in writing), reputable overnight courier or mailed by certified mail, return receipt requested, and shall be deemed to have been given upon receipt (a) in the case of the Seller at the following address: Trinity Industries Leasing Company, 2525 N. Stemmons Freeway, Dallas, Texas 75207, Attention: TILC Capital Markets Group, Email: TILC.CapitalMarkets.notices@trin.net, or such other address as shall be designated by the Seller in a written notice delivered to the Purchaser, and (b) in the case of the Purchaser at the following address: Trinity Rail Leasing 2018 LLC., c/o Trinity Industries Leasing Company, as Servicer, 2525 N. Stemmons Freeway, Dallas, Texas 75207, Attention: TILC Capital Markets Group, and with a copy to the Indenture Trustee at the notice address provided for same in the Master Indenture, or such other address as shall be designated by a party in a written notice delivered to the other party.

Section 6.3 Merger and Integration. Except as specifically stated otherwise herein, this Agreement and the other Operative Agreements set forth the entire understanding of the parties relating to the subject matter hereof, and all prior understandings, written or oral, are superseded by this Agreement and the other Operative Agreements. This Agreement may not be modified, amended, waived or supplemented except as provided herein.

Section 6.4 Severability of Provisions. If any one or more of the covenants, provisions or terms of this Agreement shall be for any reason whatsoever held invalid, then such covenants, provisions or terms shall be deemed severable from the remaining covenants, provisions or terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement.

Section 6.5 Governing Law. THIS AGREEMENT SHALL, IN ACCORDANCE WITH SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF

NEW YORK, BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO ANY CONFLICTS OF LAW PRINCIPLES THEREOF THAT WOULD CALL FOR THE APPLICATION OF THE LAWS OF ANY OTHER JURISDICTION.

Section 6.6 Counterparts. For the purpose of facilitating the execution of this Agreement and for other purposes, this Agreement may be executed simultaneously in any number of counterparts, each of which counterparts shall be deemed to be an original, and all of which counterparts shall constitute but one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or other electronic transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 6.7 Binding Effect; Assignability.

(a) This Agreement shall be binding upon and inure to the benefit of the Seller, the Purchaser and their respective successors and assigns; *provided*, however, that the Seller may not assign its rights or obligations hereunder or any interest herein without the prior written consent of the Purchaser and the Indenture Trustee (acting at the direction of the Requisite Majority). The Purchaser may assign as collateral security all of its rights hereunder to the Indenture Trustee, and such assignee shall have all rights of the Purchaser under this Agreement (as if such assignee were the Purchaser hereunder).

(b) This Agreement shall create and constitute the continuing obligation of the parties hereto in accordance with its terms, and shall remain in full force and effect until such time when all Outstanding Obligations are paid in full; *provided*, however, that rights and remedies with respect to any breach of any representation and warranty made by or on behalf of the Seller pursuant to Article IV hereof shall be continuing and shall survive any termination of this Agreement.

Section 6.8 Third Party Beneficiaries. The parties hereto hereby acknowledges that the Purchaser intends to assign as collateral security all of its rights under this Agreement to the Indenture Trustee for the benefit of the Secured Parties under the Master Indenture, and the Seller hereby consents to such assignment and agrees that upon such assignment, the Indenture Trustee (for the benefit of the Secured Parties) shall be a third party beneficiary of this Agreement and may exercise the rights of the Purchaser hereunder and shall be entitled to all of the rights and benefits of the Purchaser hereunder to the same extent as if it were party hereto.

In addition, whether or not otherwise expressly stated herein, all representations, warranties, covenants and agreements of the Purchaser and the Seller in this Agreement or in any document delivered by any of them in connection with this Agreement (including without limitation, in any Delivery Schedule), shall be for the express benefit of the Indenture Trustee, each Noteholder and each other Secured Party as express third party beneficiaries, and shall be enforceable by the Indenture Trustee (acting at the direction of the Requisite Majority) as if such Person were a party hereto. Each of the Purchaser and the Seller hereby acknowledges and agrees that such representations, warranties, covenants and agreements are relied upon by each Noteholder in purchasing the Equipment Notes issued under the Master Indenture.

Section 6.9 Term. This Agreement shall commence as of the date of execution and delivery hereof and shall continue in full force and effect until the payment in full of all Outstanding Obligations.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the day and year first above written.

TRINITY INDUSTRIES LEASING COMPANY

By:/s/ C. Lance Davis
Name: C. Lance Davis
Title: Vice President

TRINITY RAIL LEASING 2018 LLC

By:**Trinity Industries Leasing Company**, as sole member and manager

By:/s/ C. Lance Davis
Name: C. Lance Davis
Title: Vice President

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Section 6: EX-31.1 (EXHIBIT 31.1)

Exhibit 31.1

CERTIFICATION

I, Timothy R. Wallace, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Trinity Industries, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 26, 2018

/s/ Timothy R. Wallace

Timothy R. Wallace
Chairman, Chief Executive Officer, and President

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Section 7: EX-31.2 (EXHIBIT 31.2)

Exhibit 31.2

CERTIFICATION

I, James E. Perry, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Trinity Industries, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 26, 2018

/s/ James E. Perry

James E. Perry
Senior Vice President and Chief Financial Officer

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Section 8: EX-32.1 (EXHIBIT 32.1)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Trinity Industries, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Timothy R. Wallace, Chairman, Chief Executive Officer, and President of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company, as of, and for, the periods presented in the Report.

/s/ Timothy R. Wallace

Timothy R. Wallace
Chairman, Chief Executive Officer, and President
July 26, 2018

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

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Section 9: EX-32.2 (EXHIBIT 32.2)

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Trinity Industries, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James E. Perry, Senior Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the

Company, as of, and for, the periods presented in the Report.

/s/ James E. Perry

James E. Perry
Senior Vice President and Chief Financial Officer
July 26, 2018

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

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Section 10: EX-95 (EXHIBIT 95)

Exhibit 95

Mine Safety Disclosures

The Company owned or operated sand, gravel, shale, clay, and aggregate quarries during the three months ended June 30, 2018. The Financial Reform Act ("Dodd-Frank") requires us to disclose in our periodic reports filed with the SEC, specific information about each of our quarries comprised of notices, violations, and orders[1] made by the Federal Mine Safety and Health Administration pursuant to the Federal Mine Safety and Health Act of 1977.

The following table is a summary of the reportable information required for our quarries that operated during the three months ended June 30, 2018:

Mine or Operating Name/MSHA Identification Number	Section 104 S&S Citations (#)	Section 104 (b) Orders (#)	Section 104 (d) Citations and Orders (#)	Section 110(b) (2) Violations (#)	Section 107 (a) Orders (#)	Total Dollar Value of MSHA Assessments Proposed ($)	Total Number of Mining Related Fatalities (#)	Received Notice of Pattern of Violation Under Section 104 (e) (yes/no)	Received Notice of Potential to Have Pattern under Section 104 (e) (yes/no)	Legal Actions Pending as of Last Day of Period (#)	Legal Actions Initiated During Period (#)	Legal Actions Resolved During Period (#)
Rye (4102547)	—	—	—	—	—	$ —[2]	1[3]	No	No	—	—	—
Belton (4101043)	—	—	—	—	—	$ —	—	No	No	—	—	—
Malloy Bridge (4102946)	—	—	—	—	—	$ —	—	No	No	—	—	—
Cottonwood (4104553)	—	—	—	—	—	$ —[4]	—	No	No	—	—	—
Wills Point (4104113)	—	—	—	—	—	$ —	—	No	No	—	—	—
Indian Village (1600348)	—	—	—	—	—	$ —	—	No	No	—	—	—
Kopperl (4104450)	—	—	—	—	—	$ 118	—	No	No	—	—	—
Wills Point II (4104071)	—	—	—	—	—	$ —	—	No	No	—	—	—
Asa (4104399)	—	—	—	—	—	$ —	—	No	No	—	—	—
Paradise (4103253)	—	—	—	—	—	$ —	—	No	No	—	—	—
Anacoco (1600543)	—	—	—	—	—	$ 236	—	No	No	—	—	—
Curry (4105307)	—	—	—	—	—	$ 118	—	No	No	—	—	—
Streetman (4101628)	—	—	—	—	—	$ —	—	No	No	—	—	—
Boulder (0504415)	1	—	—	—	—	$ 2,039	—	No	No	—	—	—
Frazier Park (0400555)	—	—	—	—	—	$ —	—	No	No	—	—	—

Livingston (0100034)	—	—	—	—	—	$	—	—	No	No	—	—	—
Erwinville (1600033)	—	—	—	—	—	$	—	—	No	No	—	—	—
Brooks (1500187)	—	—	—	—	—	$	—	—	No	No	—	—	—
Brooklyn (1200254)	1	—	—	—	—	$	—	[5] —	No	No	—	—	—

[1] Significant and Substantial (S&S) citations are reported on this form. Non-S&S citations are not reported on this form but any assessments resulting from non-S&S citations are reported.

[2] One non-S&S citation was issued. Proposed penalty amount still pending.

[3] On April 12, 2018, a fatality occurred within the property boundaries of the Rye Plant. MSHA's investigation and determination of the fatality would be non-chargeable as a Mining-Related Fatality pursuant to Accident/Illness Investigations Procedure Handbook NUmber PH11-I-1, is pending.

[4] One non-S&S citation was issued. Proposed penalty amount still pending.

[5] One S&S citation was issued. Proposed penalty amount still pending.

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