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THE RIGHTS OF THE LESSOR UNDER THIS EQUIPMENT LEASE AND IN ALL EQUIPMENT COVERED HEREBY HAVE BEEN ASSIGNED TO, AND ARE SUBJECT TO A SECURITY INTEREST IN FAVOR OF, UNITED STATES TRUST COMPANY OF NEW YORK, AS TRUSTEE UNDER A TRUST INDENTURE DATED AS OF NOVEMBER 1, 1977, AS AMENDED AND AND SUPPLEMENTED. THIS EQUIPMENT LEASE HAS BEEN EXECUTED IN COUNTERPARTS. SEE SECTION 31(e) HEREOF FOR INFORMATION CONCERNING THE RIGHTS OF HOLDERS OF THE VARIOUS COUNTERPARTS.

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EQUIPMENT LEASE

INTERSTATE COMMERCE COMMISSION

Dated as of November 15, 1978

between

FIRST SECURITY BANK OF UTAH, N.A. and THOMAS C. CUTHBERT,  
not in their individual capacities, but  
solely as trustees under a Master  
Trust Agreement  
dated as of November 1, 1977  
between them and Itel Corporation, Leasing Division,  
as Lessor

and

SOLTEX POLYMER CORPORATION,  
as Lessee

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EQUIPMENT LEASE

THIS EQUIPMENT LEASE dated as of the date set forth in Exhibit C hereto (the Lease) between FIRST SECURITY BANK OF UTAH, N.A., a national banking association (the Corporate Trustee), and THOMAS C. CUTHBERT (the Individual Trustee), not in their individual capacities, but solely as trustees (the Lessor) under a Master Trust Agreement dated as of November 1, 1977 (the Trust Agreement) between them and Itel Corporation, Leasing Division, and the entity named as Lessee on the signature page hereof (the Lessee).

W I T N E S S E T H :

SECTION 1. Definitions; Construction of References.

In this Lease, unless the context otherwise requires:

(a) All references in this Lease to designated Sections and other subdivisions are to designated Sections and other subdivisions of this Lease, and the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Lease as a whole and not to any particular Section or other subdivision.

(b) The terms defined in this Section 1 or elsewhere in this Lease shall, for purposes of this Lease and all Exhibits hereto, have the meanings assigned to them in this Section 1 or elsewhere and include the plural as well as the singular.

(c) Except as otherwise indicated, all the agreements or instruments herein defined shall mean such agreements or instruments as the same may from time to time be supplemented or amended or the terms thereof waived or modified to the extent permitted by, and in accordance with, the terms thereof.

(d) The following terms shall have the following meanings for all purposes of this Lease:

Abatements shall have the meaning set forth in Section 4 hereof.

Appraisal shall mean a procedure whereby two independent appraisers, neither of whom shall be a manufacturer of the Item of Leased Equipment for which appraisal is required, one chosen by the Lessee and one by the Lessor, shall mutually agree upon the amount in question. The Lessor or the Lessee, as the case may be, shall deliver a written notice to the other party appointing its appraiser within 15 days after receipt from the other party of a written notice appointing that party's appraiser.

If within 15 days after appointment of the two appraisers, as described above, the two appraisers are unable to agree upon the amount in question, a third independent appraiser, who shall not be a manufacturer of such Item of Leased Equipment, shall be chosen within five days thereafter by the mutual consent of such first two appraisers or, if such first two appraisers fail to agree upon the appointment of a third appraiser, such appointment shall be made by an authorized representative of the American Arbitration Association or any organization successor thereto. The decision of the third appraiser so appointed and chosen shall be given within 10 days after the selection of such third appraiser and, upon receipt of such decision, the amount in question shall be definitively determined by averaging the respective decisions of all three appraisers and, thereafter such amount shall be binding and conclusive on the Lessor and the Lessee. The Lessor and the Lessee shall pay the fees and expenses of the respective appraisers appointed by them and the fees and expenses of the third appraiser shall be paid by the Lessee.

Basic Rent, Supplemental Rent and Rent shall have the meanings set forth in Section 3 hereof.

Beneficiary, Rent Commencement Date, Late Payment Rate, Basic Rent Dates, First Delivery Date, Final Delivery Date, Interim Rent Date, First Basic Rent Date, Last Basic Rent Date, Expiration Date, First Termination Date, Basic Lease Rate Factor, Daily Lease Rate Factor, Lease Extension Periods, Equipment Marking, Return of Equipment, Investment Credit Percentage, Depreciable Life, Depreciation Method, Net Salvage Value and Insurance shall have the meanings with respect to a Group of Equipment set forth in Exhibit C hereto, if, and to the extent, such terms are applicable to this Lease.

Business Day shall have the meaning set forth in the Participation Agreement.

Casualty Value and, if, and to the extent, such term is applicable to this Lease, Termination Value shall have the meanings with respect to each Group of Equipment set forth in Exhibit D hereto.

Certificate of Acceptance shall mean a certificate of acceptance substantially in the form of Exhibit B hereto.

Claims shall have the meaning set forth in Section 13 hereof.

Closing Date shall have the meaning set forth in the Participation Agreement.

Code shall have the meaning set forth in Section 15 hereof.

Default shall mean an event which, after the giving of notice or lapse of time, or both, would mature into an Event of Default.

Depreciation Deduction, Interest Deduction and Investment Credit shall have the meanings set forth in Section 15 hereof.

Equipment, and individually an Item or Item of Equipment, shall mean the items of equipment described in Exhibit A hereto.

Event of Default shall have the meaning set forth in Section 17 hereof.

Event of Loss shall have the meaning set forth in Section 11 hereof.

Fair Market Rental Value of an Item of Leased Equipment shall be determined on the basis of, and shall mean the amount which would be obtainable in, an arm's-length transaction between an informed and willing lessee (other than a lessee currently in possession) under no compulsion to lease and an informed and willing lessor under no compulsion to lease, in accordance with a lease on terms and conditions as herein provided. If the Lessor and the Lessee are unable to agree upon a determination of Fair Market Rental Value with respect to an Item of Leased Equipment, such Fair Market Rental Value shall be determined in accordance with the procedure for Appraisal.

Fair Market Value of an Item of Leased Equipment shall be determined on the basis of, and shall mean the amount which would be obtainable in, an arm's-length transaction between an informed and willing buyer or user (other than: (i) a lessee currently in possession, or (ii) a used equipment dealer) under no compulsion to buy and an informed and willing seller under no compulsion to sell, and in such determination costs of removal from the location of current use shall not be a deduction from such value and all alternative uses in the hands of such buyer or user, including without limitation, the further leasing of such Item of Leased Equipment, shall be taken into account in making such determination. If the Lessor and the Lessee are unable to agree upon a determination of Fair Market Value with respect to a particular Item of Leased Equipment, such Fair Market Value shall be determined in accordance with the procedure for Appraisal.

Group of Equipment and Lessor's Cost shall have the meanings set forth in the Certificate of Acceptance with respect to each Item of Leased Equipment.

Impositions shall have the meaning set forth in Section 8 hereof.

Improvement shall have the meaning set forth in Section 9 hereof.

Indenture shall mean the Trust Indenture dated as of November 1, 1977 between United States Trust Company of New York, a New York corporation (the Trustee), and the Lessor.

Insurance Requirements shall mean all terms of any insurance policy covering or applicable to any Item of Leased Equipment and required to be maintained pursuant to Section 12 hereof, all requirements of the issuer of any such policy, and all orders, rules, regulations and other requirements of the National Board of Fire Underwriters (or any other body exercising similar functions) applicable to or affecting any Item of Leased Equipment, or the use, condition, maintenance, repair or operation thereof, the violation of which would result in the cancellation or avoidance of any coverage of any such policy.

Leased Equipment, and individually an Item of Leased Equipment, shall have the meanings set forth in Section 2 hereof.

Liens and Lessor's Liens shall have the meanings set forth in Section 5 hereof.

Loss shall have the meaning set forth in Section 15 hereof.

Notes shall mean those promissory notes defined as Notes in the Participation Agreement issued in connection with the purchase of the Leased Equipment.

Participation Agreement shall mean the agreement, dated as of the date hereof, among the various parties thereto, including the Lessor, the Lessee, the Trustee, the Beneficiary and the Lender.

Person shall mean any individual, partnership, corporation, trust, unincorporated association or joint venture, a government or any department or agency thereof, or any other entity.

Purchase Documents shall mean those documents defined as "Purchase Documents" in the Participation Agreement.

Replacement Part shall have the meaning set forth in Section 9 hereof.

Requisition of Use shall have the meaning set forth in Section 11 hereof.

Return to Manufacturer shall have the meaning set forth in Section 11 hereof.

Supplement shall mean the supplement to the Indenture dated as of November 15, 1978, relating to the Notes.

SECTION 2. Lease of Equipment.

Subject to the terms and conditions of this Lease, the Lessor hereby agrees to lease to the Lessee, and the Lessee hereby agrees to lease from the Lessor, such Items of Equipment as the Lessor shall have acquired, or become obligated to pay for, pursuant to the Purchase Documents (Leased Equipment, and individually an Item of Leased Equipment). Subject to the provisions of the Participation Agreement, upon delivery of each Item of Equipment to the Lessor on or after the First Delivery Date, but on or before the Final Delivery Date, the Lessee will either (a) cause an authorized representative of the Lessee to inspect the same and, if such Item is found to be in good order, to accept such Item and to execute and deliver a Certificate of Acceptance with respect thereto, or (b) if the Lessee, acting in good faith, should find that such Item is not in good order, return the same to the manufacturer or seller thereof. Each Item of Equipment delivered to the Lessee in accordance with the Purchase Documents shall be subject to the terms and conditions of this Lease from the date the Lessor shall have acquired, or become obligated to pay for, such Item.

SECTION 3. Term and Rent.

(a) The term of this Lease shall begin on the date the first Item of Equipment shall become an Item of Leased Equipment hereunder, and shall end, with respect to each Group of Equipment, on the Expiration Date of such Group of Equipment, unless this Lease shall have been terminated, or the term of this Lease shall have been extended, by the terms hereof.

(b) The Lessee shall pay to the Lessor as basic rent (herein referred to as Basic Rent) for each Item of Leased Equipment, the following:

(1) on the Interim Rent Date, an amount equal to the Daily Lease Rate Factor, if any, multiplied by the Lessor's Cost of such Item, for each day elapsed from, and including, the Rent Commencement Date with respect to such Item to, but excluding, the Interim Rent Date;

(2) on the First Basic Rent Date, an amount equal to the Basic Lease Rate Factor multiplied by the Lessor's Cost of such Item; and

(3) on each Basic Rent Date thereafter to, and including, the Last Basic Rent Date, an amount equal to the Basic Lease Rate Factor multiplied by the Lessor's Cost of such Item.

(c) The Lessee shall pay to the Lessor the following amounts (herein referred to as Supplemental Rent and, together with all Basic Rent, as Rent):

(1) on demand, any amount payable hereunder (other than Basic Rent, Casualty Value and Termination Value, if any) which the Lessee assumes the obligation to pay, or agrees to pay, under this Lease to the Lessor, the Trustee or the holder of any Note;

(2) on the date provided herein, any amount payable hereunder as Casualty Value or Termination Value, if any; and

(3) on demand, to the extent permitted by applicable law, interest (computed on the basis of a 360-day year of actual days elapsed) at the Late Payment Rate on any payment of Basic Rent, Casualty Value or Termination Value, if any, not paid when due for any period during which the same shall be overdue.

(d) Subject to the provisions of the Participation Agreement, all payments of Rent hereunder shall be made so that the Lessor shall have immediately available funds no later than 12:00 noon New York City time on the date payable hereunder and shall be paid to the Lessor at its address set forth herein or at such other address or to such other Person as the Lessor may direct by notice in writing to the Lessee.

(e) Anything herein contained to the contrary notwithstanding, under any circumstances and in any event, (i) each installment of Basic Rent payable hereunder shall be an amount at least equal to the amount of any payments then required to be made on account of the principal of and interest on the Notes then outstanding, (ii) the Casualty Value that would be payable hereunder on any date in connection with an Event of Loss shall be an amount at least equal to the sum of the amounts set forth in clauses first, second and third of Section 6.2(a) of the Indenture, and (iii) the Termination Value which would be payable hereunder on any date in connection with a termination of this Lease pursuant to Sections 22 or 23 hereof shall be an amount at least equal to the sum of the amounts set forth in clauses first, second and third of Section 6.2(b) of the Indenture.

#### SECTION 4. Net Lease.

This Lease is a net lease, and the Lessee acknowledges and agrees that the Lessee's obligation to pay all Rent hereunder, and the rights of the Lessor in and to such Rent, shall be absolute and unconditional and shall not be subject to any abatement, reduction, set-off, defense, counterclaim or recoupment (Abatements) for any reason whatsoever, including, without limitation, Abatements due to any present or future claims of the Lessee against the Lessor under this Lease or otherwise, against the manufacturer or seller of any Item of Leased Equipment, or against any other Person for whatever reason. Except as otherwise expressly provided herein, this Lease shall not terminate, nor shall the obligations of the Lessee be affected, by reason of any defect in or damage to, or any loss or

destruction of, the Leased Equipment or any Item thereof from whatsoever cause, or the interference with the use thereof by any Person or the invalidity or unenforceability or lack of due authorization of this Lease or lack of right, power or authority of the Lessor to enter into this Lease, or any failure of the Lessor to perform any obligation of the Lessor to the Lessee or any other Person under this Lease, the Participation Agreement or any instrument or document executed in connection herewith, or any insolvency, bankruptcy, reorganization or similar proceeding by or against the Lessee or the Lessor, or for any other cause, whether similar or dissimilar to the foregoing, any present or future law or regulation to the contrary notwithstanding, it being the express intention of the Lessor and the Lessee that all Rent payable by the Lessee hereunder shall be, and continue to be, payable in all events unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease. The Lessee hereby waives, to the extent permitted by applicable law, any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender this Lease except in accordance with the express terms hereof. Except to the extent expressly provided to the contrary herein, each Rent payment made by the Lessee shall be final and the Lessee will not seek to recover all or any part of such payment from the Lessor for any reason whatsoever.

#### SECTION 5. Return of Equipment.

As soon as practicable on or after the expiration of the original or any extended term of this Lease, the Lessee will, at its own cost and expense, at the request of the Lessor, deliver the Items of Leased Equipment to the Lessor upon such storage tracks as the Lessor may reasonably designate, at one of the locations specified in Exhibit C hereto, as the Lessor may then supply in writing. The Lessor will store such Items of Leased Equipment on such tracks for a period not exceeding six months. The Items of Leased Equipment shall be returned in the condition in which they are required to be maintained by the Lessee under Section 9 of this Lease, shall be maintained in such condition during the period of storage provided for in this Section 5 and shall be insured during such period of storage in accordance with Section 12 and at the time of such return and during such period of storage shall be kept free and clear of all liens, charges, security interests and encumbrances in accordance with Section 7 of this Lease. Until each and every Item of Leased Equipment is delivered, all costs and expenses shall be borne by the Lessee and until each and every Item of Leased Equipment is delivered, the 90 Day Period (as defined below) shall not have commenced. All costs and expenses incurred during such period of storage (including costs and expenses of maintenance and insurance) shall be borne equally by the Lessor and the Lessee for a period of 90 days (the 90 Day Period) following return of the Items of Leased Equipment, after which 90 Day Period the Lessor shall become completely responsible for all storage costs. The movement of such Items of Equipment shall be at the expense and risk of the Lessee; and in the event that any Item of Leased Equipment shall suffer an Event of Loss (as defined in Section 11 of this Lease) during the 90 Day Period, the Lessee shall pay to the Lessor the Casualty Value thereof set forth in Section 11.

During the storage period, the Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser of such Items of Equipment, may inspect the same; provided, however, that the Lessee shall not be liable, except in the case of negligence of the Lessee or of its employees or agents, for any injury to, or the death of, any person exercising, either on behalf of the Lessor or any prospective purchaser, the right of inspection granted under this sentence. The assembling, transporting, delivery, storage, maintenance and insurance of the Items of Leased Equipment specified in this Section 5 are of the essence of this Lease, and, upon application to any court of equity having jurisdiction in the premises, the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the same. All amounts earned in respect of the Items of Leased Equipment after the expiration of the original term of any extended term of this Lease shall belong to the Lessor and, if received by the Lessee, shall be held in trust by the Lessee and shall be promptly turned over to the Lessor. In the event that any Item of Leased Equipment is not assembled, delivered and stored as hereinabove provided within 60 days after the expiration of the original or any extended term of this Lease, the Lessee shall, in addition, pay to the Lessor for each day thereafter an amount equal to the amount, if any, by which the per diem interchange for such Item of Leased Equipment for each such day exceeds the actual earnings received by the Lessor on such Item of Leased Equipment for each such day. If the Lessor shall elect to abandon any Item of Leased Equipment which has suffered an Event of Loss, it may deliver written notice to such effect to the Lessee and the Lessee shall thereupon assume and hold the Lessor harmless from all liability arising in respect of any responsibility of ownership thereof, from and after receipt of such notice. The Lessor shall execute and deliver to the Lessee, or to the Lessee's assignee or nominee, with respect to any Item of Leased Equipment so abandoned a bill of sale (without representations or warranties except that such Item of Leased Equipment is free and clear of all liens, charges, security interests and other encumbrances by or in favor of any person claiming by, through or under the Lessor other than the liens, charges, security interests and other encumbrances which the Lessee is obligated to discharge hereunder) for such Item of Leased Equipment, and such other documents as may be required to release such Item of Leased Equipment from the terms and scope of this Lease and to transfer title thereto to the Lessee, or such assignee or nominee, in such form as may reasonably be requested by the Lessee, all at the Lessee's expense. The Lessee shall have no liability to the Lessor in respect of any Item of Leased Equipment so abandoned by the Lessor; provided, however, that this sentence shall not in any way relieve the Lessee of its obligations pursuant to Section 11 of this Lease to make payments equal to the Casualty Value of any Item of Leased Equipment experiencing an Event of Loss while this Lease is in effect or during the storage period provided for in this Section 5.

SECTION 6. Warranty of the Lessor.

(a) The Lessor warrants that during the term of this Lease, if no Event of Default has occurred, the Lessee's use of the Leased Equipment

shall not be interrupted by the Lessor or anyone claiming solely through or under the Lessor.

(b) The warranty set forth in paragraph (a) of this Section is in lieu of all other warranties of the Lessor, whether written, oral or implied with respect to this Lease or the Leased Equipment, and the Lessor shall not be deemed to have modified in any respect the obligations of the Lessee pursuant to Section 4 hereof, which obligations are absolute and unconditional. THE LESSEE EXPRESSLY AGREES TO LEASE EACH ITEM OF LEASED EQUIPMENT "AS IS." THE LESSOR SHALL NOT BE DEEMED TO HAVE MADE, AND THE LESSOR HEREBY DISCLAIMS, ANY OTHER REPRESENTATION OR WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE DESIGN OR CONDITION OF THE LEASED EQUIPMENT, ITS MERCHANTABILITY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE, THE QUALITY OF THE MATERIAL OR WORKMANSHIP OF THE LEASED EQUIPMENT OR CONFORMITY OF THE LEASED EQUIPMENT TO THE PROVISIONS AND SPECIFICATIONS OF ANY PURCHASE ORDER OR ORDERS RELATING THERETO, NOR SHALL THE LESSOR BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING STRICT OR ABSOLUTE LIABILITY IN TORT), but the Lessor authorizes the Lessee, at the Lessee's expense, to assert for the Lessor's account, during the term of this Lease, so long as no Event of Default shall have occurred hereunder, all of the Lessor's rights under any applicable manufacturer's or seller's warranty and the Lessor agrees to cooperate with the Lessee in asserting such rights; provided, however, that the Lessee shall indemnify the Lessor and hold the Lessor harmless from and against any and all claims, and all costs, expenses, damages, losses and liabilities incurred or suffered by the Lessor in connection with, as a result of, or incidental to, any action by the Lessee pursuant to the above authorization. Any amount received by the Lessee as payment under any such warranty shall be applied to restore the Leased Equipment to the condition required by Section 9 hereof. In the event that the amount so received exceeds that which is necessary to restore the Leased Equipment in accordance with the preceding sentence, the Lessee shall be entitled to receive from such excess its reasonable out-of-pocket costs and expenses incurred in asserting the Lessor's rights together with an amount equal to any damages sustained by the Lessee and arising out of such breach, with the balance to be paid over to the Lessor.

#### SECTION 7. Liens.

The Lessee will not directly or indirectly create, incur, assume or suffer to exist any Liens on or with respect to the Leased Equipment, the Lessor's title thereto or any interest therein or in this Lease (and the Lessee will promptly, at its own expense, take such action as may be necessary duly to discharge any such Lien), except (a) the respective rights of the Lessor and the Lessee as herein provided, (b) Lessor's Liens, (c) Liens for taxes either not yet due or being contested by the Lessee in good faith with due diligence and by appropriate proceedings, if counsel for the Lessor shall have determined that the nonpayment of any such tax or the contest of any such payment in such proceedings does not, in the opinion of such counsel, adversely affect the title, property or rights of the Lessor or the Trustee, and (d) inchoate materialmen's, mechanics',

workmen's, repairmen's, employees' or other like Liens arising in the ordinary course of business of the Lessee and not delinquent.

SECTION 8. Taxes.

The Lessee agrees to pay and to indemnify the Lessor for, and hold the Lessor harmless from and against, all income, gross receipts, franchise, sales, use, personal property, ad valorem, value added, leasing, leasing use, stamp or other taxes, levies, imposts, duties, charges, assessments, fees (including, without limitation, license and registration fees), or withholdings of any nature, together with any penalties, fines or interest thereon (Impositions), arising out of the transactions contemplated by this Lease and imposed against the Lessor, the Lessee or any Item of Leased Equipment by any Federal, state, local or foreign government or taxing authority upon or with respect to any Item of Leased Equipment or upon the sale, purchase, ownership, delivery, leasing, possession, use, operation, return or other disposition thereof, or upon the rentals, receipts or earnings arising therefrom, or upon or with respect to this Lease, the Participation Agreement, or any of the documents referred to in or contemplated by the Participation Agreement, or upon or with respect to the issuance of any of the Notes (excluding, however, taxes on, or measured solely by, the net income of the Lessor) unless, and only to the extent that, the Lessee shall have given to the Lessor written notice of any such Imposition, which notice shall state that such Imposition is being contested by the Lessee in good faith with due diligence and by appropriate proceedings and counsel for the Lessor shall have determined that the nonpayment of any such tax or the contest of any such payment in such proceedings does not, in the opinion of such counsel, adversely affect the title, property or rights of the Lessor or the Trustee. If a claim is made against the Lessee or the Lessor for any Imposition, the party receiving notice of such claim shall promptly notify the other. In case any report or return is required to be made with respect to any obligation of the Lessee under this Section or arising out of this Section, the Lessee will either (after notice to the Lessor) make such report or return in such manner as will show the ownership of the Leased Equipment in the Lessor and send a copy of such report or return to the Lessor or will notify the Lessor of such requirement and make such report or return in such manner as shall be satisfactory to the Lessor. The Lessor agrees to cooperate fully with the Lessee in the preparation of any such report or return. In the event the Lessee is required to make any payment to the Lessor under this Section 8, the Lessee shall pay an amount which, after deduction of all taxes required to be paid by the Lessor in respect of the receipt thereof under the laws of the United States or of any political subdivision thereof (after giving credit for any savings in respect of any such taxes by reason of deductions, credits or allowances in respect of the payment of the expense indemnified against, and of any other such taxes), shall be equal to the amount of the aforesaid payment to the Lessor.

SECTION 9. Use, Maintenance and Operation; Equipment Marking.

(a) The Lessee agrees that the Leased Equipment will be used or is intended for use, in connection with interstate commerce and will be

used in compliance with any and all statutes, laws, ordinances and regulations of any governmental agency, including, but not limited to, the interchange rules of the Association of American Railroads and all rules of the United States Department of Transportation and the Interstate Commerce Commission and any other legislative or administrative body exercising jurisdiction over the Leased Equipment or an Item or Items of Leased Equipment applicable to the use of the Leased Equipment and in conformity with all Insurance Requirements. In the event that such laws, rules or requirements require any improvement, addition, modification or replacement of or to any Item of Leased Equipment, the Lessee will conform therewith at its own expense. Subject to the provisions of Section 14 hereof, the Lessee will at all times use the Items of Leased Equipment solely in the conduct of its business and such Items of Leased Equipment shall be and remain in the possession and control of the Lessee within the geographic limits of the continental United States; provided, however, that the Lessee may use or permit the use of each Item of Leased Equipment (for no more than 90 days per annum in the aggregate) outside the geographic limits of the continental United States in interchange in the normal course of its business, and provided, further, that not more than 15% of the Items of Leased Equipment may be located outside the geographic limits of the continental United States at any one point in time. Throughout the term of this Lease, the possession, use and maintenance of the Leased Equipment shall be at the sole risk and expense of the Lessee.

(b) The Lessee shall use the Items of Leased Equipment only in the manner for which they were designed and intended and will, at its own cost and expense, repair and maintain each Item of Leased Equipment so as to keep it in as good condition as when delivered to the Lessee hereunder, ordinary wear and tear excepted. Any replacement made by the Lessee upon an Item of Leased Equipment in connection with repairing such Item shall be considered an accession to such Item, and title to such replacement part (any such replacement part being herein referred to as a Replacement Part) shall upon installation or affixation thereof and full payment thereof by the Lessee, automatically vest in the Lessor. Effective upon installation or affixation of any Replacement Part, the Lessor shall be deemed to have disclaimed ownership of, and the Trustee shall be deemed to have released its security interest in, the original part so replaced.

(c) The Lessee may, without the prior written consent of the Lessor, either (1) repair any Item of Leased Equipment by the installation of a Replacement Part, or (2) affix or install any accessory, equipment or device on any Item of Leased Equipment or make any improvement or addition thereto (any such accessory, installed equipment or device, improvement or addition affixed or installed pursuant to this clause (2) being herein referred to as an Improvement) if such Improvement is identifiable by serial number or otherwise, will not impair the originally intended function or use of any such Item and is readily removable without causing material damage to such Item of Leased Equipment. Any other Improvement may be affixed or installed only with the prior written consent of the Lessor. Only such Improvements which are not so readily removable and which have been affixed to or installed on any Item with the consent of

the Lessor shall upon affixation or installation become the property of the Lessor and thereupon each such Improvement shall become a part of the Item of Leased Equipment to which it is affixed or on which it is installed.

(d) The Lessee agrees that each Item of Leased Equipment shall be, and shall continue to be throughout the term of this Lease, personal property under applicable law. The Lessee agrees (1) to take such action as shall be required from time to time by the Lessor to protect the respective interests of the Lessor and the Trustee in each such Item and the right of the Lessor to remove the same, and (2) not to affix any Item of Leased Equipment to any real property if, as a result thereof, any such Item will become a fixture under applicable law.

(e) The Lessee agrees, at its own cost and expense, to (1) cause each Item of Leased Equipment to be kept numbered with the identification or serial number therefor as specified in the Certificate of Acceptance therefor, and (2) maintain in a plain, visible and conspicuous manner the Equipment Marking on each Item of Leased Equipment and such other markings as from time to time may be required by law or otherwise deemed necessary by the Lessor in order to protect the title of the Lessor to such Item of Leased Equipment, the rights of the Lessor under this Lease and the Liens granted by the Lessor in financing the Lessor's Cost of the Leased Equipment. The Lessee will not place any Item of Leased Equipment in operation or exercise any control or dominion over the same until such Equipment Marking has been placed thereon. The Lessee will replace promptly any such Equipment Marking which may be removed, defaced or destroyed.

(f) To the extent that title to any Item of Leased Equipment is evidenced by a certificate of title, the Lessee agrees at its own expense to cause such certificate of title to designate the Lessor as the registered owner of such Item of Leased Equipment and the Trustee as the registered holder of a security interest in such Item of Leased Equipment.

#### SECTION 10. Inspection.

The Lessor shall have the right, but not the duty, to inspect the Leased Equipment. Upon the request of the Lessor, the Lessee shall confirm to the Lessor the location of each Item of Leased Equipment and shall, at any reasonable time, make the Leased Equipment, and the Lessee's records pertaining to the Leased Equipment, available to the Lessor for inspection. The Lessee shall promptly furnish the Lessor from time to time such information as the Lessor shall reasonably request concerning the Leased Equipment including, without limitation, information concerning its condition, maintenance and use.

#### SECTION 11. Loss or Destruction; Requisition of Use.

(a) In the event that any Item of Leased Equipment shall be or become damaged, worn out, destroyed, lost, stolen, or permanently rendered unfit for use for any reason whatsoever, or title thereto or use

thereof shall be requisitioned or otherwise taken by any governmental authority under power of eminent domain or otherwise (any such taking being herein referred to as a Requisition of Use), or any Item of Leased Equipment is returned to the manufacturer or seller thereof pursuant to the patent indemnity or warranty provisions of the Purchase Documents (any such return being herein referred to as Return to Manufacturer), such fact shall promptly be reported by the Lessee to the Lessor.

(b) The Lessee shall determine, within 15 days after the date of occurrence of any such damage or wearing out, whether such Item of Leased Equipment can be repaired or replaced.

(c) In the event the Lessee determines that such Item so damaged or worn out cannot be repaired or replaced or in the event of such destruction, loss, theft, unfitness for use, Requisition of Use for a stated period which exceeds the term of this Lease, or Return to Manufacturer other than for modification in the event of patent infringement or for repair or replacement (any of such occurrences being referred to as an Event of Loss, and the date thereof being 15 days after such damage or wearing out or the date of such destruction, loss, theft, unfitness for use, Requisition of Use for a stated period which exceeds the term of this Lease, or Return to Manufacturer, as the case may be), the Lessee shall promptly notify the Lessor of such Event of Loss. On the Basic Rent Date next following the date of such Event of Loss, the Lessee shall pay to the Lessor the Casualty Value of such Item determined as of such Basic Rent Date, together with any Rent then due. In the event the Lessee determines that such Item can be repaired or replaced, including repair or replacement in the event of Return to Manufacturer, the Lessee shall continue to make all payments of Basic Rent due with respect to such Item and shall (1) cause such Item to be repaired or replaced within 90 days after the occurrence of such damage or wearing out or Return to Manufacturer, and (2) in the event of replacement, take such action as may be required under and pursuant to the Indenture to perfect, protect and preserve any security interests granted by the Lessor under and pursuant to the Indenture; provided, however, that if the Lessee shall, within such 90-day period, have commenced the repair or replacement of such Item and be diligently pursuing such repair or replacement, but is prevented from completing such repair or replacement within such 90-day period due to causes beyond the Lessee's control, then the time for repair or replacement shall be extended by the number of days necessary to complete such repair or replacement up to a maximum of 90 additional days, and provided, further, that if the Lessee shall fail to cause such Item to be repaired or replaced within such repair or replacement period, including any extension thereof, the Lessee shall, on the Basic Rent Date next following the end of such repair or replacement period, including any extension thereof, pay to the Lessor the Casualty Value of such Item, determined as of such Basic Rent Date, together with any Rent then due. If at such time no more Basic Rent is or will become payable under this Lease, the Casualty Value shall be paid within 30 days following, as appropriate, the Event of Loss or the repair or replacement period. The obligation of the Lessee to pay Rent during the above-described replacement or repair period shall remain in full force and

effect and, upon replacement, any replacement item shall be considered an Item of Leased Equipment for all purposes of this Lease and the Lessee's obligation to pay Basic Rent with respect thereto shall be computed on the basis of the Lessor's Cost of the Item replaced. Notwithstanding the foregoing, the Lessee, pursuant to the provisions of Section 15 hereof, shall still be required to indemnify the Lessor for any Loss due to the Lessee's act of replacing such Item or otherwise causing such Item to be replaced, including replacement in the event of Return to Manufacturer, or its failure to repair or replace such Item during the periods of time provided herein. Upon making such Casualty Value payment in respect of such Item and all Rent due and owing with respect thereto, the Lessee's obligation to pay further Basic Rent for such Item shall cease, but the Lessee's obligation to pay Supplemental Rent, if any, for such Item, and to pay Rent for all other Items of Leased Equipment, shall remain unchanged. Except in the case of loss, theft, destruction, or Return to Manufacturer, the Lessor shall be entitled to recover possession of such Item, unless possession of any such Item is required to be delivered to an insurance carrier (other than the Lessee) in order to settle an insurance claim arising out of the Event of Loss. The Lessor shall be entitled to retain any salvage value collected by such insurance carrier in excess of the sum or amount paid to the Lessor by such insurance carrier and the expenses of such insurance carrier. The Lessor shall be under no duty to the Lessee to pursue any claim against any governmental authority, but the Lessee may at its own cost and expense pursue the same on behalf of the Lessor in such manner as may be satisfactory to the Lessor. Any replacement Item replacing another Item in accordance with the provisions of this paragraph shall be in as good operating condition as, and shall have a value and utility at least equal to, the Item replaced, and no Item of Leased Equipment shall be modified upon Return to Manufacturer in order to cause such Item to be non-infringing, unless, after modification, such Item shall have a value and utility at least equal to the value and utility of such Item before modification, assuming the Item replaced or modified was in the condition and state of repair required to be maintained by the terms hereof.

(d) Following payment of the Casualty Value of an Item of Leased Equipment in accordance with the provisions of paragraph (c) of this Section, the Lessee, if possible, shall, as agent for the Lessor, dispose of such Item as soon as it is able to do so for the best price obtainable. Any such disposition shall be on an as is, where is basis without recourse, representation or warranty, express or implied. As to each separate Item so disposed of, the Lessee may, after paying the Lessor the amounts specified in paragraph (c) of this Section and provided that no Event of Default hereunder shall have occurred and be continuing, retain all amounts of such price up to the Casualty Value thereof and the Lessee's reasonable costs and expenses of disposition attributable thereto and shall remit the excess, if any, to the Lessor. In the event of Return to Manufacturer of any Item of Leased Equipment, the Lessor agrees that the Lessee shall, provided that no Event of Default hereunder shall have occurred and be continuing, receive and retain all amounts payable to the Lessor by the manufacturer or seller of such Item, up to the amount, if

any, of the Casualty Value paid by the Lessee to the Lessor hereunder and the Lessee's reasonable costs and expenses attributable thereto, and any excess shall be paid over to or retained by the Lessor. With respect to a Requisition of Use of any Item of Leased Equipment for a stated period which exceeds the term of this Lease, the Lessor agrees that the Lessee shall receive and retain all amounts paid by any governmental authority up to the Casualty Value paid by the Lessee to the Lessor hereunder and any excess shall be paid over and retained by the Lessor.

(e) Except as provided in this Section, the Lessee shall bear the risk of loss and shall not be released from its obligations hereunder in the event of any damage to any Item of Leased Equipment or any Event of Loss relating thereto.

(f) In the case of a Requisition of Use of any Item of Leased Equipment for an indefinite period or for a stated period which does not exceed the term of this Lease, such Requisition of Use shall not terminate this Lease with respect to such Item and each and every obligation of the Lessee with respect thereto shall remain in full force and effect. So long as no Event of Default shall have occurred and be continuing under this Lease, the Lessee shall be entitled to all sums, attributable to the period such Item is subject to this Lease, received by reason of any such Requisition of Use referred to in the preceding sentence, up to the amount of the Basic Rent paid by the Lessee during the period of such Requisition of Use and the Lessor shall be entitled to all amounts in excess of the sum of the Basic Rent.

#### SECTION 12. Insurance.

At its own expense, the Lessee will cause to be carried and maintained casualty insurance with respect to each Item of Leased Equipment and public liability insurance, in each case in amounts and against risks customarily insured against by the Lessee on similar equipment or, if the Lessee shall have no such similar equipment, in amounts and against risks comparable to those insured against by the Lessee on other equipment owned by it, but in no event in amounts less than the amounts set forth under the heading Insurance in Exhibit C to this Lease with respect to casualty insurance and public liability insurance. Any policies with respect to such insurance shall (1) be with an insurance carrier acceptable to the Lessor, (2) name the Lessor, the Trustee (as assignee and secured party) and the Lessee as assureds and loss payees, as their interests may appear and neither the Lessor nor the Trustee shall have any obligation with respect to any premium, (3) provide that no such awards or proceeds shall be reduced by reason of any other insurance (or any awards or proceeds paid in respect thereof) carried with respect to any Item of Leased Equipment by the Lessor or any other Person, and (4) provide for at least 30 days' prior written notice by the insurance carrier to the Lessor and the Trustee in the event of cancellation, expiration or material modification. The Lessee shall, prior to the First Delivery Date and thereafter upon the request of the Lessor or the Trustee, and on the Date of Deposit under the Participation Agreement, furnish to the Lessor and the Trustee

appropriate evidence of such insurance, including duplicate originals of all policies (or certificates of the insurers thereunder) not theretofore delivered to the Lessor and the Trustee and a certificate of an officer of the Lessee to the effect that all insurance policies required to be maintained under this Section 12 are in full force and effect and are in compliance with the provisions of this Section 12 and that all premiums then due thereon have been paid in full.

SECTION 13. Indemnification.

The Lessee agrees to assume liability for, and does hereby agree to indemnify, protect, save and keep harmless the Lessor from and against any and all liabilities, obligations, losses, damages, penalties, claims (including, without limitation, claims involving strict or absolute liability in tort), actions, suits, costs, expenses and disbursements (including, without limitation, legal fees and expenses) of any kind and nature whatsoever (Claims) which may be imposed on, incurred by or asserted against the Lessor, whether or not the Lessor shall also be indemnified as to any such Claim by any other person, in any way relating to or arising out of this Lease or any document contemplated hereby, or the performance or enforcement of any of the terms hereof or thereof, or in any way relating to or arising out of the manufacture, purchase, acceptance, rejection, ownership, delivery, lease, sublease, possession, use, operation, maintenance, condition, registration, sale, return, storage or disposition of any Item of Leased Equipment or any accident in connection therewith (including, without limitation, latent and other defects, whether or not discoverable and any Claim for patent, trademark or copyright infringement); provided, however, that the Lessee shall not be required to indemnify the Lessor for (a) any Claim in respect of any Item of Leased Equipment arising from acts or events which occur after possession of such Item of Leased Equipment has been redelivered to the Lessor in accordance with Section 5 hereof, unless due to acts or events prior to redelivery, or (b) any Claim resulting from acts which would constitute the willful misconduct or gross negligence of the Lessor. To the extent that the Lessor in fact receives indemnification payments from the Lessee under the indemnification provisions of this Section, the Lessee shall be subrogated, to the extent of such indemnity paid, to the Lessor's rights with respect to the transaction or event requiring or giving rise to such indemnity; provided, however, that the Lessee shall not enforce any such rights by legal proceedings without the Lessor's approval, which approval shall not be unreasonably withheld. THE LESSEE AGREES THAT THE LESSOR SHALL NOT BE LIABLE TO THE LESSEE FOR ANY CLAIM CAUSED DIRECTLY OR INDIRECTLY BY THE INADEQUACY OF ANY ITEM OF LEASED EQUIPMENT FOR ANY PURPOSE OR ANY DEFICIENCY OR DEFECT THEREIN OR THE USE OR MAINTENANCE THEREOF OR ANY REPAIRS, SERVICING OR ADJUSTMENTS THERETO OR ANY DELAY IN PROVIDING OR FAILURE TO PROVIDE ANY THEREOF OR ANY INTERRUPTION OR LOSS OF SERVICE OR USE THEREOF OR ANY LOSS OF BUSINESS, ALL OF WHICH SHALL BE THE RISK AND RESPONSIBILITY OF THE LESSEE.

SECTION 14. Sublease.

The Lessee will not, without the prior written consent of the Lessor, which consent will not, in the case of a sublease, be unreasonably withheld, sublet or otherwise relinquish possession of any Item of Leased Equipment or assign any of its rights hereunder. No sublease shall be permitted hereunder unless (a) no Event of Default has occurred and is continuing, (b) any such sublease shall not affect, reduce or relieve the Lessee of any of its obligations hereunder or reduce, eliminate or otherwise materially adversely affect any rights or remedies of the Lessor or the Trustee hereunder or under the Indenture, including the Supplement, (c) all obligations of the Lessee hereunder shall continue in full effect as the obligations of a principal and not of a guarantor or surety, to the same extent as though no such sublease had been entered into, (d) the Leased Equipment is to remain within the continental United States; provided, however, that the terms of such sublease may permit the use of each Item of Leased Equipment (for no more than 90 days per annum in the aggregate) outside the geographic limits of the continental United States in interchange in the normal course of its business and provided, further, that not more than 15% of the Items of Leased Equipment may be located outside of the geographic limits of the continental United States at any one point in time, (e) the sublessee will not assign any of its rights under such sublease, or in and to the Items of Leased Equipment, and will not permit the Items of Leased Equipment to be in the possession of anyone but such sublessee, and (f) the rights of any sublessee pursuant to such sublease shall be subject and subordinate to the terms of this Lease, and such sublease shall by its terms be made expressly subject and subordinate to all terms of this Lease provided, however, that should the Lessee commit or suffer to be committed any of the acts specified in Section 17(f) or (g) or (h) of this Lease, then all rent due under such sublease shall be directly payable to the Trustee. The Lessee shall within 10 days after the execution and delivery of any sublease give notice to the Lessor and the Trustee of the existence and term of such sublease and of the name and address of the sublessee. No sublease, other relinquishment of the possession of any Item of Leased Equipment, or assignment by the Lessee of any of its rights hereunder shall in any way discharge or diminish any of the Lessee's obligations to the Lessor hereunder. This Lease shall not be mortgaged or pledged by the Lessee nor shall the Lessee mortgage or pledge the interest of the Lessee in and to any sublease or the rentals payable thereunder.

SECTION 15. Tax Indemnification.

(a) This Lease has been entered into on the basis (i) of the Lessee's representation to the Lessor that each Item of Equipment will have a Fair Market Value at the Expiration Date for each such Item (such Fair Market Value being determined without including in such value any increase or decrease for inflation or deflation before the Expiration Date and determined after subtracting from such value the cost, if any, for removal and redelivery of possession to the Lessor at such Expiration Date) equal to at least 20% of the Lessor's Cost for such Item, and that each Item is estimated to have a remaining useful life at its Expiration Date of at

least 20% of its original estimated useful life, and (ii) that the Lessor shall be entitled to such deductions, credits and other benefits as are provided to an owner of property including, without limitation:

(1) unless otherwise provided in Exhibit C hereto, the investment tax credit (the Investment Credit) allowed by section 38 and related sections of the Internal Revenue Code of 1954, as amended to the date hereof (the Code), in an amount equal to the Investment Credit Percentage of Lessor's Cost of each Item of Leased Equipment set forth in Exhibit C hereto;

(2) the deduction for accelerated depreciation (the Depreciation Deduction) on each Item of Leased Equipment under various sections of the Code based upon the Depreciable Life, Depreciation Method, and Net Salvage Value set forth in Exhibit C hereto;

(3) the deduction under section 163 of the Code (the Interest Deduction) in the full amount of any interest paid or accrued by the Lessor in accordance with the Lessor's method of accounting for tax purposes with respect to any indebtedness incurred by the Lessor in financing its purchase of each Item of Leased Equipment; and

(4) to treat amounts includible in gross income with respect to this Lease as income from sources within the United States.

(b) If the Lessor shall lose, shall not have or shall lose the right to claim, or if there shall be disallowed or recaptured with respect to the Lessor, all or any portion of the Investment Credit, the Interest Deduction or the Depreciation Deduction as is provided to an owner of property with respect to an item of Leased Equipment or the Lessor shall determine that all amounts includible in gross income with respect to this Lease cannot be treated as income from sources within the United States for any taxable year (or portion thereof) during which this Lease is in effect as a result of the location of any Item of Equipment outside the United States (Loss), then the Basic Lease Rate Factor applicable to such Item of Leased Equipment shall, on and after the next succeeding Basic Rent Date, upon written notice to the Lessee by the Lessor that a Loss has occurred, be increased by such amount for such Item which, in the reasonable opinion of the Lessor, will cause the Lessor's net return over the term of this Lease in respect of such Item to equal the net return that would have been available if the Lessor had been entitled to the utilization of all of the Investment Credit, the Interest Deduction or the Depreciation Deduction with respect to such Item. If such Loss occurs after the Last Basic Rent Date, the Lessor shall notify the Lessee in writing of such Loss and the Lessee shall, within 30 days after such notice, pay to the Lessor such sum as will, in the reasonable opinion of the Lessor, cause the Lessor's net return over the term of this Lease in respect of such Item to equal the net return that would have been available if the Lessor had been entitled to the utilization of all of the items specified in Section 15(a)(1), (a)(2), (a)(3) and (a)(4). The Lessee shall forthwith pay to the Lessor the amount of any interest which may be assessed by the United States or any state against the Lessor attributable to the Loss.

(c) For purposes of this Section, a Loss shall occur upon the earliest of (1) the happening of any event (such as a disposition or change in the use of any Item of Leased Equipment) which may cause such Loss, (2) the payment by the Lessor to the Internal Revenue Service of the tax increase resulting from such Loss, or (3) the adjustment of the tax return of the Lessor to reflect such Loss. With respect to any Item of Leased Equipment, the Lessor shall be responsible for, and shall not be entitled to a payment under this Section on account of, any Loss due to one or more of the following events: (i) a disqualifying disposition due to sale of such Item of Leased Equipment or the lease thereof by the Lessor prior to any default by the Lessee, or (ii) a failure of the Lessor to timely or properly claim the Investment Credit, the Interest Deduction or the Depreciation Deduction for such Item of Leased Equipment in the tax return of the Lessor, or (iii) a disqualifying change in the nature of the Lessor's business or liquidation thereof, or (iv) a foreclosure by any Person holding through the Lessor of a Lien on such Item of Leased Equipment, which foreclosure results solely from an act of the Lessor, or (v) any event which by the terms of this Lease requires payment by the Lessee of the Casualty Value or Termination Value of such Item, if such Casualty Value or Termination Value is thereafter actually paid by the Lessee, to the extent that such payment reimburses the Lessor for amounts otherwise payable by the Lessee pursuant to this Section, or (vi) the failure of the Lessor to have sufficient liability for tax against which to apply such Investment Credit or taxable income against which to apply such Depreciation Deduction or Interest Deduction.

(d) In the event and to the extent that the cost of any improvement, addition, modification or replacement (Capital Expenditure) to any Item of Leased Equipment made by the Lessee, is required to be included in the gross income of the Lessor for federal income tax purposes, then the Lessee shall pay to the Lessor on each Basic Rent Date thereafter, commencing with the first Basic Rent Date following the date on which the Lessee is required to furnish written notice of such inclusion to the Lessor pursuant to the succeeding paragraph (e), such amount which (after deduction of all taxes required to be paid by the Lessor on receipt thereof under the laws of the United States or any political subdivision thereof), when taken together with the amount of Basic Rent due on each such date will, in the reasonable opinion of the Lessor, after giving effect to an increase in Termination Values, if any, cause the Lessor's net after-tax return and cash flow over the term of the Lease in respect of such Item to equal the net return that would have been available if the cost of such Capital Expenditure had not been includible in the Lessor's gross income, and the Casualty Values and Termination Values payable with respect to such Item shall be adjusted in amounts calculated in a similar such manner by the Lessor. If such Capital Expenditure is required to be included in the gross income of the Lessor after the Last Basic Rent Date, the Lessor shall notify the Lessee in writing of such event and the Lessee shall, within 30 days after such notice, pay to the Lessor such sum as will, in the reasonable opinion of the Lessor, cause the Lessor's net return over the term of this Lease in respect of such Item or Items of Equipment to equal the net

return that would have been available if the Capital Improvement had not been made by the Lessee.

(e) For purposes of the preceding paragraph (d), the cost of any Capital Expenditure made by the Lessee shall be deemed to be "required to be included in the gross income of the Lessor for federal income tax purposes", if such inclusion is required by (i) any private ruling letter issued to the Lessor by the Internal Revenue Service that has not been revoked or otherwise rendered inapplicable at the time the cost of such Capital Expenditure is incurred, (ii) any provision of the Code or the applicable regulations thereunder, or (iii) any published revenue ruling or revenue procedure of the Internal Revenue Service which has not been held invalid by a court having ultimate appellate jurisdiction over the federal income tax liability of the Lessor. The Lessee shall, within 30 days after December 31 (or, if the Lessee's fiscal year end occurs on some other date, within 30 days of such other date) in each year in which the Lessee has made any Capital Expenditure which is required to be included in the gross income of the Lessor for federal income tax purposes, give written notice thereof to the Lessor describing such Capital Expenditure in reasonable detail and specifying the cost thereof.

(f) All of the Lessor's rights and privileges arising from the indemnities contained in this Section shall survive the expiration or other termination of this Lease with respect to any or all Items of Leased Equipment and such indemnities are expressly made for the benefit of, and shall be enforceable by the Lessor, its successors and assigns.

#### SECTION 16. Lease Extension.

(a) Provided that this Lease has not been terminated and provided that no Default has occurred and is continuing hereunder, the Lessee shall have the option to extend the term of this Lease with respect to any Group of Equipment at the Expiration Date with respect to such Group of Equipment for such Lease Extension Periods as are provided for in Exhibit C hereto for a rental equal to the Fair Market Rental Value thereof, determined as of such Expiration Date.

(b) Not less than 360 days prior to the Expiration Date with respect to such Group, the Lessee may indicate, by written notice to the Lessor, the Lessee's interest in exercising the Lessee's lease extension option described above, which notice shall set forth the Lessee's estimate of the Fair Market Rental Value of such Group of Equipment as of such Expiration Date. If, on or before a date 300 days prior to such Expiration Date, the Lessor and the Lessee are unable to agree upon a determination of the Fair Market Rental Value of such Group of Equipment, such Fair Market Rental Value shall be determined in accordance with the procedure for Appraisal. After a determination of the Fair Market Rental Value of such Group of Equipment has been made in accordance with the procedure described above, the Lessee may exercise its option to extend the term of this Lease

with respect to such Group of Equipment for the Fair Market Rental Value thereof by delivering written notice of such exercise to the Lessor not less than 240 days prior to the Expiration Date with respect to such Group.

SECTION 17. Events of Default.

The term Event of Default, wherever used herein, shall mean any of the following events under this Lease (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary, or come about or be effected by operation of law, or be pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) The Lessee shall fail to make any payment of Rent within 5 days after the same shall become due; or

(b) The Lessee shall fail to maintain insurance as required by Section 12 hereof; or

(c) The Lessee shall fail in any respect to perform any covenant, condition or agreement to be performed or observed by it specified in Section 14 or 29 hereof; or

(d) The Lessee shall fail to perform or observe any other covenant, condition or agreement to be performed or observed by it under this Lease, the Participation Agreement or any agreement, document or certificate delivered by the Lessee in connection herewith or therewith, and such failure shall continue for 20 days after written notice thereof from the Lessor to the Lessee; or

(e) Any representation or warranty made by the Lessee in this Lease, the Participation Agreement or any agreement, document or certificate delivered by the Lessee in connection herewith or therewith shall prove to have been incorrect in any material respect when any such representation or warranty was made or given; or

(f) The Lessee shall file a petition in bankruptcy or for reorganization or for an arrangement or any composition, readjustment, liquidation, dissolution or similar relief pursuant to the Bankruptcy Act or under any similar present or future law of any jurisdiction, or shall be adjudicated a bankrupt or become insolvent, or shall commit any act of bankruptcy as defined in any such law, or shall make an assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due, or shall voluntarily suspend transaction of its usual business, or shall take any corporate action in furtherance of any of the foregoing; or

(g) A petition or answer shall be filed proposing the adjudication of the Lessee as a bankrupt or its reorganization or arrangement, or

any composition, readjustment, liquidation, dissolution or similar relief with respect to it pursuant to the Bankruptcy Act or any similar present or future law of any jurisdiction, and the Lessee shall consent to the filing thereof, or such petition or answer shall not be discharged or denied within 60 days after the filing thereof; or

(h) A receiver, trustee or liquidator (or other similar official) of the Lessee or of all or substantially all of its assets shall be appointed and shall not be discharged within 60 days thereafter, or if the Lessee shall consent to or acquiesce in such appointment; or

(i) If a final judgment for the payment of money shall be rendered against the Lessee in excess of \$500,000, and such judgment shall remain undischarged for a period of 30 days during which execution shall not be effectively stayed; or

(j) The Lessee shall be in default under any material obligation for the payment of borrowed money or for the deferred purchase price of, or for the payment of any rent under any lease agreement covering, material real or personal property, and the applicable grace period with respect thereto shall have expired and the obligations shall not be contested in good faith with due diligence and by appropriate proceedings; or

(k) The Lessee shall (except as expressly permitted by the provisions of this Lease) attempt to remove, sell, transfer, encumber, part with possession of, assign or sublet any Item of Leased Equipment; or

(l) Any material obligation of the Lessee under this Lease or under the Participation Agreement shall cease to be valid and enforceable or the Lessee shall so claim in writing, and the effect thereof shall not have been remedied for a period of 30 days after written notice thereof by the Lessor to the Lessee; or

(m) The Indenture shall at any time not constitute a valid perfected first Lien on the Related Estate (as defined in the Indenture) subject only to Liens permitted by Section 7 hereof.

#### SECTION 18. Remedies.

(a) Upon the occurrence of any Event of Default and so long as the same shall be continuing, the Lessor may, at its option, declare this Lease to be in default by written notice to such effect given to the Lessee, and at any time thereafter, the Lessor may, to the extent permitted by, and subject to compliance with any mandatory requirements of, applicable law then in effect, exercise one or more of the following remedies, as the Lessor in its sole discretion shall lawfully elect:

(1) Proceed by appropriate court action, either at law or in equity, to enforce performance by the Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof;

(2) By notice in writing terminate this Lease, whereupon all rights of the Lessee to the use of the Leased Equipment shall absolutely cease and terminate but the Lessee shall remain liable as hereinafter provided; and thereupon the Lessee, if so requested by the Lessor, shall at its expense promptly return the Leased Equipment to the possession of the Lessor at such place as the Lessor shall designate and in the condition required upon the return thereof pursuant to and in accordance with the terms hereof, or the Lessor, at its option, may enter upon the premises where the Leased Equipment is located and take immediate possession of and remove the same by summary proceedings or otherwise. The Lessee shall, without further demand, forthwith pay to the Lessor an amount equal to any unpaid Rent due and payable for all periods up to and including the Basic Rent Date following the date on which the Lessor has declared this Lease to be in default, plus, as liquidated damages for loss of a bargain and not as a penalty, an amount equal to the Casualty Value of the Leased Equipment then subject to this Lease, computed as of the Basic Rent Date following the date on which the Lessor has declared this Lease to be in default. Following the return of the Leased Equipment to the Lessor pursuant to this paragraph (2) the Lessor shall proceed to sell the Leased Equipment in such manner as it shall deem appropriate. The proceeds of such sale shall be applied by the Lessor (A) first, to pay all costs, charges and expenses, including reasonable legal fees and disbursements, incurred by the Lessor as a result of the default and the exercise of its remedies with respect thereto, (B) second, to pay to the Lessor an amount equal to any unpaid Rent due and payable and the Casualty Value, to the extent not previously paid, and (C) third, to reimburse the Lessee for the Casualty Value to the extent previously paid by the Lessee as liquidated damages. Any surplus remaining thereafter shall be retained by the Lessor. To the extent that all Basic Rent then due and payable with respect to the Leased Equipment and the Casualty Value in respect of such Leased Equipment have not been previously paid, the Lessee shall forthwith pay to the Lessor, as liquidated damages for loss of a bargain and not as a penalty, the sum of (i) the amount by which (X) the sum of (a) all Basic Rent then due and payable with respect to the Leased Equipment, (b) the Casualty Value or portion thereof not theretofore paid, and (c) the amount payable under clause (A) of the preceding sentence, exceeds (Y) the sale price of the Leased Equipment, and (ii) interest at the Late Payment Rate on the full amount of the Casualty Value, computed from the date the Casualty Value is payable hereunder until such Casualty Value is paid by the Lessee; and/or

(3) Exercise any other right or remedy which may be available to it under applicable law.

(b) The Lessee shall be liable for all costs, charges and expenses, including reasonable legal fees and disbursements, incurred by

the Lessor by reason of the occurrence of any Event of Default or the exercise of the Lessor's remedies with respect thereto.

(c) No remedy referred to herein is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to above or otherwise available to the Lessor at law or in equity. No express or implied waiver by the Lessor of any Default or Event of Default hereunder shall in any way be, or be construed to be, a waiver of any future or subsequent Default or Event of Default. The failure or delay of the Lessor in exercising any rights granted it hereunder upon any occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or recurrence of any such contingencies or similar contingencies and any single or partial exercise of any particular right by the Lessor shall not exhaust the same or constitute a waiver of any other right provided herein. At any sale pursuant to this Section 18, the Lessor, the Trustee, the Beneficiary or the holder of any Note may bid for and purchase the Leased Equipment. To the extent permitted by applicable law, the Lessee hereby waives (i) any right to trial by jury in any proceeding or in any matter in any way connected with this Lease, (ii) the benefits of any laws now or hereafter in force exempting property from liability for rent or for debt, (iii) any rights now or hereafter conferred by statute or otherwise which may otherwise limit or modify any of the Lessor's rights or remedies under this Section 18 except as otherwise specifically set forth herein. Nothing contained in this Section 18 shall be deemed to affect the right of any person to indemnification under Section 8 or 13 hereof.

SECTION 19. Special Terms and Modifications.

Any special terms or modifications set forth in Exhibit C hereto shall be applicable to this Lease as though fully set forth herein.

SECTION 20. Notices.

All communications and notices provided for herein shall be in writing and shall become effective when deposited in the United States mail, with proper postage for first-class mail, prepaid, addressed (a) if to the Lessor, at P.O. Box 30007, Salt Lake City, Utah 84125, Attention: Trust Division, Corporate Trust Department (with copies to (1) ITEL Corporation, Financial Services Group, at One Embarcadero Center, San Francisco, California 94111, Attention: Contract Administration, (2) the Trustee, at 130 John Street, New York, New York 10038, Attention: Corporate Trust and Agency Division and (3) each Beneficiary, at its address set forth in Exhibit C hereto), and (b) if to the Lessee, at its address set forth on the signature page hereof.

SECTION 21. Successors, Assigns and Indemnified Parties.

This Lease, including all agreements, covenants, representations and warranties, (a) shall be binding upon and inure to the benefit of, and may be enforced by, (1) the Lessor and its successors, assigns, agents,

servants and personal representatives, and (2) the Lessee and its successors and, to the extent permitted hereby, assigns, and (b) shall inure to the benefit of, and may be enforced by, (i) where the context so requires, the Beneficiary, and (ii) the Trustee, as assignee and secured party, and the successors, assigns, agents, servants and personal representatives of each Beneficiary and the Trustee, as assignee and secured party. With respect to the provisions of Sections 6, 8 and 13 hereof, each Beneficiary, the Related Trust Estate, as such term is defined in the Trust Agreement, the Trustee, as assignee and secured party, any holder of obligations of the Lessor issued in connection with the purchase or acquisition of the Leased Equipment, and the successors, assigns, agents, servants and personal representatives of the foregoing shall each be indemnified thereunder as if named as an indemnified party therein and, with respect to clause (b) of the proviso to Section 13 hereof, the willful misconduct or gross negligence of the Lessor or any one such person shall not affect the rights of any other person indemnified under such Section 13. With respect to the provisions of Section 15 hereof, the "Lessor," as used therein, shall include the applicable Beneficiary and any affiliated group as defined in Section 1504 of the Code of which such beneficiary is a member if a consolidated return is filed for such affiliated group for federal tax purposes, and each such Beneficiary is hereby made a third party beneficiary for purposes of the provisions thereof.

#### SECTION 22. Voluntary Termination.

(a) The Lessee shall have the right, at any time on or after the First Termination Date, on at least 180 days' prior written notice to the Lessor, to terminate this Lease with respect to all, but not less than all, Items of Leased Equipment subject to this Lease, such termination to be effective on the Basic Rent Date next following the expiration of the 180-day notice period (the Termination Date); provided, however, that no Default or Event of Default shall have occurred and be continuing hereunder and that such Items shall have become obsolete or surplus to the Lessee's requirements. During the period from the giving of such notice until the Termination Date, the Lessor may, and the Lessee shall, use their best efforts to obtain bids for the purchase of such Items of Leased Equipment. The Lessee shall certify to the Lessor in writing the amount of each bid received by the Lessee and the name and address of the party submitting such bid. The Lessee may utilize agents for purposes of fulfilling its obligations set forth in this Section. On the Termination Date, the Lessor shall sell such Items of Leased Equipment, without recourse or warranty, for cash to whosoever shall have submitted the highest bid prior to such date and shall transfer to such purchaser all of the Lessor's right, title and interest in and to such Items, and thereupon the Lessee shall deliver such Items of Leased Equipment so sold to the Lessor in accordance with the terms of Section 5 of this Lease. The Lessor shall certify in writing to the Lessee (i) the amount of such total sale price, (ii) the expenses incurred by the Lessor in connection with such sale, and (iii) that such total sale price represents the highest bid received by the Lessor for the purchase of such Items. The total sale price realized at such sale shall be retained by the Lessor, and, in addition, on the Termination Date, the

Lessee shall pay to the Lessor the Basic Rent payment payable on such date and the amount, if any, by which (A) the Termination Value of such Items, computed as of the Termination Date, exceeds (B) the proceeds of such sale less all expenses incurred by the Lessor in selling such Items. If the proceeds of such sale, less all expenses incurred by the Lessor in connection therewith or with the collection or distribution of such payment, exceed the Termination Value for such Items, the Lessee shall be entitled to receive from such excess its reasonable out-of-pocket expenses incurred in connection with such sale. In the event no such sale takes place, this Lease shall continue in full force and effect as to such items. No sale shall be made directly or indirectly to the Lessee or any affiliated party of the Lessee.

(b) Notwithstanding the foregoing, upon receipt of all bona fide bids for the purchase of such Items, the Lessor may, with the prior written consent of the Trustee, elect not to sell such Items to the highest bidder on the Termination Date, in which case the Lessee shall deliver such Items to the Lessor in accordance with the terms of Section 5 of this Lease. In addition, on the Termination Date, the Lessee shall pay to the Lessor the Basic Rent due on such Termination Date and the amount, if any, by which the Termination Value of such Items plus the amount of any expenses incurred by the Lessor directly or indirectly in connection therewith exceeds such highest bid. Upon such redelivery and the payment of such amount, if any, the obligation of the Lessee to pay all Basic Rent accruing under this Lease with respect to such Items due and payable after, but not on or before, the Termination Date shall cease.

(c) Notwithstanding the foregoing, provided that no Default or Event of Default shall have occurred and be continuing hereunder, and provided further that the Lessor has not notified the Lessee in writing of the Lessor's election under paragraph (b) above, upon written notification given to the Lessor not less than 30 days prior to the Termination Date, the Lessee may elect to rescind the Lessee's notice of termination, in which case this Lease shall not terminate as set forth in this Section, but shall continue in full force and effect as though no such notice of termination had been given by the Lessee.

#### SECTION 23. Mandatory Termination.

(a) The Lessee hereby warrants and represents that it is a wholly owned subsidiary of Solvay Corporation and a wholly owned subsidiary of Solvay Corporation. Should the Lessee no longer be a wholly owned subsidiary of Solvay Corporation or its wholly owned subsidiary or wholly owned subsidiaries, the Lessee shall immediately notify the Lessor of such change in ownership, and the Lessor shall have the immediate and sole prerogative to require the Lessee to terminate this Lease with respect to all, and not less than all, Items of Leased Equipment subject to this Lease. Such termination shall be effective on the Basic Rent Date next following 90 days after the date of the Lessor's exercise of its preroga-

tive to require the Lessee to terminate this Lease (the Mandatory Termination Date). During such 90 day period, until the Mandatory Termination Date, the Lessee must sell all, and not less than all, the Items of Leased Equipment subject to this Lease. The Lessee shall proceed by certifying to the Lessor in writing the amount of each bid received by the Lessee and the name and address of the party submitting such bid. The Lessee may utilize agents for purposes of fulfilling its obligations set forth in this Section. On the Mandatory Termination Date, the Lessor shall dispose of such Items of Leased Equipment, without recourse or warranty, for cash to whomever shall have submitted the highest bid prior to such Mandatory Termination Date and shall transfer to such purchaser all of the Lessor's right, title and interest in and to such Items, and thereupon the Lessee shall deliver such Items of Leased Equipment so sold to the Lessor in accordance with the terms of Section 5 of this Lease. The Lessor shall certify in writing to the Lessee (i) the amount of such total sale price, (ii) the expenses incurred by the Lessor in connection with such sale, and (iii) that such total sale price represents the highest bid received by the Lessor for the purchase of such Items. The total sale price realized at such sale shall be retained by the Lessor, and, in addition, on the Mandatory Termination Date, the Lessee shall pay to the Lessor the Basic Rent payment payable on such date and the amount, if any, by which (A) the Termination Value of such Items, computed as of the Mandatory Termination Date, exceeds (B) the proceeds of such sale less all expenses incurred by the Lessor in selling such Items.

Should and to the extent that the proceeds of such sale less all expenses incurred by the Lessor in selling such Items exceed the Termination Value of such Items computed as of the Mandatory Termination Date, the Lessor shall reimburse the Lessee the out-of-pocket expenses reasonably incurred in connection with such sale.

(b) Notwithstanding the foregoing, upon receipt of all bona fide bids for the purchase of such Items, the Lessor may, subject to compliance with the provisions of paragraph (g) of Section 8.1 of the Indenture, including the Supplement, elect not to sell such Items to the highest bidder on the Mandatory Termination Date, in which case the Lessee shall deliver to the Lessor such Items in accordance with the terms of Section 5 of this Lease. In addition, on the Mandatory Termination Date, the Lessee shall pay to the Lessor the Basic Rent due on such Mandatory Termination Date and the amount, if any, by which the Termination Value of such Items plus the amount of any expenses incurred by the Lessor directly or indirectly in connection therewith exceeds such highest bid. Upon such redelivery and the payment of such amount, if any, the obligation of the Lessee to pay all Basic Rent accruing under this Lease with respect to such Items due and payable after, but not on or before, the Mandatory Termination Date, shall cease.

(c) Notwithstanding the foregoing, should the Lessee fail to receive any bona fide bid for the purchase of such Items, the Lessee shall pay to the Lessor the Basic Rent due on such Mandatory Termination Date

together with the amount of the Termination Value of such Items. Should the Lessor elect to sell such Items, the Lessee shall receive from the Lessor such amount, if any, by which (a) the Termination Value of such Items computed as of the Mandatory Termination Date, less all expenses incurred by the Lessor, directly or indirectly, in connection with such sale, exceeds (b) the proceeds of such sale.

SECTION 24. Right of First Refusal.

(a) Provided that no Default or Event of Default shall have occurred and be continuing hereunder, the Lessor agrees that for 30 days following the expiration of the term of this Lease or any extension thereof with respect to any Item of Leased Equipment, it will not sell such Item of Leased Equipment unless the Lessor shall have given the Lessee at least 15 Business Days' prior written notice of such sale, specifying the sale price and the terms of such sale, and the Lessee shall have the opportunity during said period to purchase such Item of Leased Equipment at the same price and on the same terms as specified in such notice; provided, however, that in no event shall such price be less than the Fair Market Value of such Item of Leased Equipment.

(b) In the event the Lessee exercises such right of first refusal to purchase any Item of Leased Equipment, then, upon payment of the purchase price, the Lessor shall, upon request of the Lessee, execute and deliver to the Lessee, or to the Lessee's assignee or nominee, a bill of sale (without representations or warranties except that such Item of Leased Equipment is free and clear of all Liens by or in favor of any Person claiming by, through or under the Lessor) for such Item of Leased Equipment, and such other documents as may be required to release such Item of Leased Equipment from the terms and scope of this Lease and to transfer title thereto to the Lessee or such assignee or nominee, in such form as may reasonably be requested by the Lessee, all at the Lessee's expense.

SECTION 25. No Merger.

There shall be no merger of this Lease or any leasehold interest hereby created with the title to or any other estate or interest in the Leased Equipment.

SECTION 26. Further Assurances.

The Lessee will promptly and duly execute and deliver to the Lessor such further documents and assurances and take such further action as the Lessor or the Trustee may from time to time reasonably request in order to carry out more effectively the intent and purpose of this Lease and to establish and protect the rights and remedies created or intended to be created in favor of the Lessor and the Trustee hereunder.

SECTION 27. The Lessor's Right to Perform for the Lessee.

(a) Subject to Section 16 of the Participation Agreement, if the Lessee fails to make any payment of Rent required to be made by it

hereunder or fails to perform or comply with any of its agreements contained herein, the Lessor or the Trustee may, with notice to but without demand upon the Lessee and without waiving any Event of Default or releasing the Lessee from any obligation, itself make such payment or perform or comply with such agreement, and the amount of such payment and the amount of the reasonable expenses of the Lessor and/or the Trustee incurred in connection with such payment or the performance of or compliance with such agreement, as the case may be, together with interest thereon at the Overdue Rate (as defined in the Indenture, including the Supplement), shall be deemed Supplemental Rent, payable by the Lessee upon demand.

(b) Without in any way limiting the obligations of the Lessee hereunder, the Lessee hereby irrevocably appoints the Lessor as its agent and attorney-in-fact, with full power and authority at any time at which the Lessee is obligated to deliver possession of any Item of Equipment to the Lessor, to demand and take possession of such Item in the name and on behalf of the Lessee from whomsoever shall be at the time in the possession thereof.

SECTION 28. Lessor Acting as Trustee.

(a) First Security Bank of Utah, N.A., and Thomas C. Cuthbert are entering into this Lease as trustees under the Trust Agreement and not in their individual capacities and in no case whatsoever shall First Security Bank of Utah, N.A., Thomas C. Cuthbert, the Trustee, the Related Beneficiary, the Interim Lender (as defined in the Participation Agreement), the Long-Term Lender (as defined in the Participation Agreement) or the holder of any Note be personally liable on, or for any loss in respect of, any of the representations, warranties, agreements or obligations of the Lessor hereunder, except in the case of First Security Bank of Utah N.A., and Thomas C. Cuthbert for any liability or loss caused by acts or omissions of either of them which are unrelated to the transactions contemplated by the Participation Agreement or by the wilful misconduct or gross negligence of either of them or for any loss caused by, or any Lien arising as a result of, claims or demands against either of them not related to the transactions contemplated by the Participation Agreement.

(b) The Lessee agrees that in the case of the appointment of any successor trustee pursuant to the terms of the Trust Agreement, such successor trustee shall, upon written notice by such successor trustee to the Lessee, succeed to all the rights, powers and titles of the Lessor hereunder and shall be deemed to be the Lessor and the owner of the Leased Equipment for all purposes hereof, without the necessity of any consent or approval by the Lessee and without in any way altering the terms of this Lease or the Lessee's obligations and liabilities hereunder. One such appointment and designation of a successor trustee shall not exhaust the right to appoint and designate further successor trustees pursuant to the Trust Agreement, but such right may be exercised repeatedly as long as this Lease shall be in effect. As used in this Lease, the terms "First Security Bank of Utah, N.A.", and "Thomas C. Cuthbert" shall be deemed to refer to any successor trustee in its individual capacity.

SECTION 29. Assignment by Lessor.

The Lessor agrees that prior to the occurrence of an Event of Default it will not assign or convey its right, title or interest in and to this Lease or the Leased Equipment except as contemplated by or provided in Sections 7.1 through 7.5 and 7.7 of the Trust Agreement; the Participation Agreement and the Indenture.

SECTION 30. Merger or Consolidation of the Lessee.

The Lessee may consolidate with or merge into any other person, convey or transfer all or substantially all of its assets to any other person, or permit any other person to consolidate with or merge into it, if and only if (A) the Person that results from such consolidation or merger or the transferee to which such sale shall have been made (herein, in this Section 30, called the "Surviving Corporation") is a corporation which is organized under the laws of the United States or a jurisdiction thereof, (B) the Surviving Corporation, if other than the Lessee, expressly and unconditionally assumes, by written agreement, all obligations of the Lessee hereunder and under the Participation Agreement and shall be obligated to perform all such obligations of the Lessee hereunder and under the Participation Agreement to the same extent as if the Surviving Corporation had originally executed and delivered this Lease and the Participation Agreement as the Lessee, and (C) no such consolidation, merger, conveyance or transfer shall result in the occurrence of an Event of Default or affect or reduce any obligations of the Surviving Corporation as lessee hereunder or under the Participation Agreement or any rights of the Lessor, the holder of any Note, the Beneficiary or the Trustee hereunder, under the Participation Agreement or under any of the documents contemplated therein.

SECTION 31. Amendments and Miscellaneous.

(a) The terms of this Lease shall not be waived, altered, modified, amended, supplemented or terminated in any manner whatsoever except by written instrument signed by the Lessor and the Lessee; provided, however, that no such waiver, alteration, modification, amendment or supplement shall make any change, and no termination shall be made, which is prohibited by the Indenture or any Supplement without the consent of the Trustee.

(b) All agreements, indemnities, representations and warranties contained in this Lease, the Participation Agreement or any agreement, document or certificate delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery of this Lease and the expiration or other termination of this Lease.

(c) Any provision of this Lease which may be determined by competent authority to be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction

shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, the Lessee hereby waives any provision of law which renders any provision hereof prohibited or unenforceable in any respect.

(d) This Lease shall constitute an agreement of lease and nothing herein shall be construed as conveying to the Lessee any right, title or interest in or to the Leased Equipment, except as lessee only.

(e) This Lease may be executed in any number of counterparts and by the different parties hereto on separate counterparts. The single executed original of this Lease marked "Original" shall be the "Original" and all other counterparts hereof shall be marked and be "Duplicates". To the extent that this Lease constitutes chattel paper, as such term is defined in the Uniform Commercial Code as in effect in any applicable jurisdiction, no security interest in this Lease may be created through the transfer or possession of any counterpart other than the "Original".

(f) This Lease shall be governed by, and construed in accordance with, the laws of the State of New York.

(g) The division of this Lease into sections, the provision of a table of contents and the insertion of headings are for the convenience of reference only and shall not affect the construction or interpretation of this Lease.

[This space intentionally left blank.]

(h) Although this Lease is dated as of the date first above written for convenience, the actual dates of execution hereof by the parties hereto are respectively the dates set forth under the signatures hereto, and this Lease shall be effective on the latest of such dates.

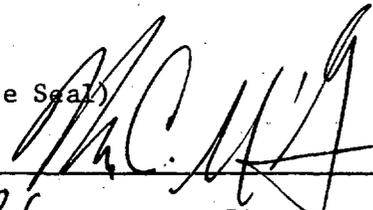
IN WITNESS WHEREOF, the parties hereto have each caused this Lease to be duly executed by their respective officers thereunto duly authorized.

FIRST SECURITY BANK OF UTAH, N.A.  
and THOMAS C. CUTHBERT, not in  
their individual capacities,  
but solely as trustees under a  
Master Trust Agreement dated as of  
November 1, 1977 between them and  
Itel Corporation, Leasing Division,  
as Lessor

(Corporate Seal)

Attest: \_\_\_\_\_

2-26, 1979



By FIRST SECURITY BANK OF UTAH,  
N.A., not in its individual capacity,  
but solely as Corporate Trustee and  
on behalf of the Individual Trustee,  
as Corporate Trustee

By \_\_\_\_\_

J. Taylor Walker  
Authorized Officer

Date \_\_\_\_\_

2/26/79

(Corporate Seal)

Attest: \_\_\_\_\_

\_\_\_\_\_, 1979

SOLTEX POLYMER CORPORATION,  
as Lessee

By \_\_\_\_\_

Date \_\_\_\_\_

Address: 3333 Richmond Avenue  
Houston, Texas 77027

Attention: Secretary

STATE OF UTAH        )  
                              )  
COUNTY OF SALT LAKE )

On this the 26 day of February, 1979 before me personally appeared J. TRACY WALKER, to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of First Security Bank of Utah, National Association, that one of the seals affixed to the foregoing instrument is the seal of said bank, that said instrument was signed and sealed on behalf of said bank by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said bank.

Verna L. DeCora  
Notary Public

(Notarial Seal)

My Commission expires 11-15-81

STATE OF TEXAS     )  
                              )  
COUNTY OF HARRIS )

On this the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_ before me personally appeared \_\_\_\_\_, to me personally known, who, being by me duly sworn, says that he is a \_\_\_\_\_ of Soltex Polymer Corporation, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

\_\_\_\_\_  
Notary Public

(Notarial Seal)

My Commission expires

EXHIBIT A  
to Lease

DESCRIPTION OF EQUIPMENT

<u>Group of Equipment (a)</u>	<u>Quantity (b)</u>	<u>Description</u>	<u>Estimated Lessor's Cost Per Item</u>
1 and 2	137	100 Ton Roller Bearing CF 5701 Center Flow Covered Hopper Rail Cars	\$41,000

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(a) The designation of a Group of Equipment is determined according to the appropriate classification above and, as follows, according to the date of acceptance of each Item of Leased Equipment as set forth in the Certificate of Acceptance for such Item:

EXHIBIT A  
to Lease

<u>Date of Acceptance set forth in Certificate of Acceptance</u>	<u>Group of Equipment</u>
February 23, 1979 - June 30, 1979	1
July 1, 1979 - August 5, 1979	2

(a) Except as otherwise expressly provided or as the context shall otherwise require, as used herein, in the Indenture, each Supplement and the Participation Agreement and in all certificates and other instruments delivered pursuant hereto and thereto, the terms "Group" and "Group of Equipment" shall refer to the subdesignations described above.

(b) Each Group of Equipment shall include such additional quantities of Items of Equipment specifically described above as the Lessee shall include in a Certificate of Acceptance; provided, however, that in no event shall either (i) the Lessor's Cost of any such additional Item of Equipment exceed 115% of the Estimated Lessor's Cost, as such term is defined in the Participation Agreement, of any Item of Equipment specifically described, or (ii) the Maximum Financing Cost, Maximum Investment Commitment or Maximum Loan Commitment, as such terms are defined in the Participation Agreement, be exceeded, without the express approval of each affected party.

EXHIBIT B  
to Lease

CERTIFICATE OF ACCEPTANCE NO. \_\_\_\_\_

under

EQUIPMENT LEASE dated as of November 15, 1978 (the Lease) between FIRST SECURITY BANK OF UTAH, N.A. and THOMAS C. CUTHBERT, as lessor (the Lessor), not in their individual capacities, but solely as trustees under a Master Trust Agreement dated as of November 1, 1977 between them and Itel Corporation, Leasing Division, and Soltex Polymer Corporation, as lessee (the Lessee).

1. Items of Equipment

The Lessee hereby certifies that the Items of Equipment set forth and described in Schedule 1 hereto (which Schedule includes the amount of the Lessor's Cost of each such Item), constituting Items of Leased Equipment of the Group of Equipment indicated below, have been delivered to the location indicated below, inspected by the Lessee, found to be in good order and accepted as Items of Leased Equipment under the Lease, all on the Date of Acceptance set forth below:

Group of Equipment:

Location of Items of Equipment:

Date of Acceptance:

2. Representations by the Lessee

The Lessee hereby represents and warrants to the Lessor, each Beneficiary, the Trustee and the Lender as such terms are defined in the Lease and the Participation Agreement, that on the Date of Acceptance set forth above:

(1) The representations and warranties of the Lessee set forth in the Participation Agreement are true and correct in all material respects as though made on and as of such Date of Acceptance.

EXHIBIT B  
to Lease

(2) The Lessee has satisfied or complied with all requirements set forth in the Participation Agreement, in any certificate of the Lessee and in the Lease to be satisfied or complied with on or prior to such Date of Acceptance.

(3) No Default or Event of Default under the Lease has occurred and is continuing on such Date of Acceptance.

(4) The Lessee has obtained, and there are in full force and effect, such insurance policies with respect to each Item of Leased Equipment accepted pursuant hereto as are required to be obtained under the terms of the Lease.

Soltex Polymer Corporation,  
as Lessee

By \_\_\_\_\_  
\_\_\_\_\_

Accepted on the Date of Acceptance set forth in paragraph 1 above on behalf of the Lessor: FIRST SECURITY BANK OF UTAH, N.A. and THOMAS C. CUTHBERT, not in their individual capacities, but solely as trustees under a Master Trust Agreement dated as of November 1, 1977 between them and IteI Corporation, Leasing Division, as Lessor

Soltex Polymer Corporation,  
as Authorized Representative

By \_\_\_\_\_  
\_\_\_\_\_

EXHIBIT B  
to Lease

SCHEDULE 1 TO

CERTIFICATE OF ACCEPTANCE NO. \_\_\_\_\_

Description of Equipment and Lessor's Cost:

<u>Quantity</u>	<u>Manufacturer or Seller</u>	<u>Description</u>	<u>Identification or Serial Number</u>	<u>New or Used</u>	<u>Lessor's Cost</u>
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Total \$ \_\_\_\_\_

EXHIBIT C  
to Lease

Groups 1 and 2 Equipment  
(20-year Basic Lease Term)

Date of Lease: As of November 15, 1978

Beneficiary: I. P. Morton Credit  
Corporation  
220 East 42nd Street  
New York, New York 10017

Rent Commencement Date: The earlier of the Date of Acceptance  
for any Item of Leased Equipment or  
the Closing Date for any Item

Late Payment Rate: A rate per annum equal to 1% over the  
Long-Term Debt Rate, as such term is  
defined in the Participation Agree-  
ment, but in no event at a rate  
per annum greater than that permitted  
by applicable law

Basic Rent Dates: 240 monthly rental payments payable  
in arrears

	<u>Group 1</u>	<u>Group 2</u>
<u>First Delivery Date:</u>	02/23/79	07/01/79
<u>Final Delivery Date:</u>	06/30/79	08/05/79
<u>Interim Rent Date:</u>	08/15/79	08/15/79
<u>First Basic Rent Date:</u>	09/15/79	09/15/79
<u>Last Basic Rent Date:</u>	08/15/99	08/15/99
<u>Expiration Date:</u>	08/15/99	08/15/99
<u>First Termination Date:</u>	08/15/94	08/15/94
<u>Basic Lease Rate Factor:</u>	.7033%	.7493%

EXHIBIT C  
to Lease

Daily Lease Rate Factor:

1/360th of 9.75% (based on actual days elapsed) which is the daily equivalent of the Debt Rate (as defined in the Participation Agreement).

Lease Extension Periods:

Two periods of up to three years each.

Equipment Marking:

FIRST SECURITY BANK OF UTAH, N.A. and THOMAS C. CUTHBERT, as trustees: Lessor and Owner; UNITED STATES TRUST COMPANY OF NEW YORK, as trustee: Secured Party and Lienholder

Return of Equipment:

In accordance with Section 5 of the Lease, the Items of Leased Equipment may be returned to a location within a 50-mile radius of the following terminal cities: St. Louis, Philadelphia, Atlanta, Houston

Investment Credit Percentage:

10%

Depreciable Life:

A 12-year depreciable life pursuant to section 167(m) of the Code for an asset described in Asset Guideline Class No. 00.25.

Depreciation Method:

Double-declining balance method switching to the sum-of-the-years digits method when most beneficial to the Beneficiary and without the prior consent of the Commissioner of Internal Revenue utilizing either the "modified half-year" or "half-year" convention pursuant to Reg. section 1.167(a)-11(c)(2) and taking into account the Net Salvage Value of the Leased Equipment.

EXHIBIT C  
to Lease

Net Salvage Value:

An amount equal to 10% of the Lessor's Cost of the Leased Equipment, which amount will be reduced by 10% of the Lessor's Cost as provided in section 167(m) of the Code.

Insurance:

Casualty Insurance:

An amount not less than the Casualty Value of each Item of Leased Equipment.

Public Liability Insurance:

\$1,000,000 (\$25,000 deductible)

**EXHIBIT D-1  
to Lease**

**Group of Equipment 1**

The Casualty Value and Termination Value, if any, of each Item of Leased Equipment shall be the percentage of Lessor's Cost of such Item set forth opposite the applicable rent payment:

<u>Interim Rent Date and Basic Rent Payment Number</u>		<u>Casualty Value</u>	<u>Termination Value</u>
		(a) (b)	(a) (b)
<b>1979</b>			
Interim Rent Date	0	87.6851 %	%
	1	87.9732	
	2	88.1994	
	3	88.4273	
	4	88.6568	
<b>1980</b>			
	5	88.8240	
	6	88.9924	
	7	89.1621	
	8	89.3330	
	9	89.4833	
	10	89.6347	
	11	89.7654	
	12	89.8969	
	13	90.0295	
	14	90.1411	
	15	90.2535	
	16	90.3667	
<b>1981</b>			
	17	90.4589	
	18	90.5517	
	19	90.6452	
	20	90.7393	
	21	90.8158	
	22	90.8929	
	23	90.9523	
	24	91.0120	
	25	91.0722	
	26	91.1145	
	27	91.1570	
	28	91.1999	
<b>1982</b>			
	29	91.2747	
	30	91.2497	
	31	91.2748	
	32	91.3000	
	33	91.3095	
	34	91.3190	
	35	91.3128	
	36	91.3064	
	37	91.2999	
	38	91.2774	
	39	91.2547	
	40	91.2318	

EXHIBIT D-1  
to Lease

<u>Basic Rent Payment Number</u>	<u>Casualty Value</u>	<u>Termination Value</u>
1983		
41	91.1928	
42	91.1534	
43	91.1137	
44	91.0735	
45	91.0197	
46	90.9653	
47	90.8971	
48	90.8284	
49	90.7590	
50	90.6756	
51	90.5916	
52	90.5067	
1984		
53	90.4079	
54	90.3082	
55	90.2076	
56	90.1062	
57	89.9431	
58	89.8790	
59	89.7531	
60	89.6262	
61	89.4983	
62	89.3564	
63	89.2174	
64	89.0751	
1985		
65	88.9209	
66	88.7654	
67	88.6086	
68	88.4505	
69	88.2829	
70	88.1138	
71	87.9352	
72	87.7550	
73	87.5733	
74	87.3819	
75	87.1889	
76	86.9944	
1986		
77	86.7900	
78	86.5839	
79	86.3761	
80	86.1666	
81	85.9497	
82	85.7311	
83	85.5051	
84	85.2772	
85	85.0474	
86	84.8101	
87	84.5709	
88	84.3298	
1987		
89	84.0810	
90	83.8302	
91	83.5774	
92	83.3224	
93	83.0625	
94	82.8004	
95	82.5333	
96	82.2640	
97	81.9924	
98	81.7158	
99	81.4368	
100	81.1556	

EXHIBIT D-1  
to Lease

<u>Basic Rent Payment Number</u>	<u>Casualty Value</u>	<u>Termination Value</u>
1988		
101	80.8691	
102	80.5803	
103	80.2892	
104	79.9956	
105	79.6995	
106	79.4009	
107	79.0997	
108	78.7961	
109	78.4900	
110	78.1812	
111	77.8698	
112	77.5560	
1989		
113	77.2393	
114	76.9197	
115	76.5971	
116	76.2715	
117	75.9454	
118	75.6162	
119	75.2865	
120	74.9537	
121	74.6178	
122	74.2814	
123	73.9418	
124	73.5990	
1990		
125	73.2556	
126	72.9086	
127	72.5580	
128	72.2037	
129	71.8510	
130	71.4946	
131	71.1397	
132	70.7811	
133	70.4189	
134	70.0581	
135	69.6935	
136	69.3252	
1991		
137	68.9583	
138	68.5872	
139	68.2119	
140	67.8324	
141	67.4564	
142	67.0761	
143	66.6994	
144	66.3185	
145	65.9332	
146	65.5515	
147	65.1654	
148	64.7750	

EXHIBIT D-1  
to Lease

<u>Basic Rent Payment Number</u>	<u>Casualty Value</u>	<u>Termination Value</u>
1992		
149	64.3881	
150	63.9966	
151	63.6005	
152	63.1997	
153	62.8036	
154	62.4028	
155	62.0068	
156	61.6061	
157	61.2007	
158	60.8000	
159	60.3945	
160	59.9843	
1993		
161	59.5788	
162	59.1685	
163	58.7532	
164	58.3331	
165	57.9179	
166	57.4979	
167	57.0829	
168	56.6629	
169	56.2381	
170	55.8182	
171	55.3933	
172	54.9635	
1994		
173	54.5385	
174	54.1086	
175	53.6734	
176	53.2332	
177	52.7982	
178	52.3581	
179	51.9233	
180	51.4834	51.4834
181	51.0382	51.0382
182	50.5983	50.5983
183	50.1532	50.1532
184	49.7029	49.7029
1995		
185	49.2578	49.2578
186	48.8074	48.8074
187	48.3516	48.3516
188	47.8904	47.8904
189	47.4349	47.4349
190	46.9739	46.9739
191	46.5185	46.5185
192	46.0578	46.0578
193	45.5916	45.5916
194	45.1309	45.1309
195	44.6648	44.6648
196	44.1933	44.1933

EXHIBIT D-1  
to Lease

<u>Basic Rent Payment Number</u>	<u>Casualty Value</u>	<u>Termination Value</u>
1996	43.7272	43.7272
197	43.2556	43.2556
198	42.7783	42.7783
199	42.2954	42.2954
200	41.6184	41.6184
201	41.3357	41.3357
202	40.8591	40.8591
203	40.3767	40.3767
204	39.8886	39.8886
205	39.4064	39.4064
206	38.9165	38.9185
207	38.4249	38.4249
208		
1997		
209	37.9371	37.9371
210	37.4434	37.4434
211	36.9438	36.9438
212	36.4383	36.4383
213	35.9391	35.9391
214	35.4339	35.4339
215	34.9350	34.9350
216	34.4302	34.4302
217	33.9194	33.9194
218	33.4148	33.4148
219	32.9043	32.9043
220	32.3877	32.3877
1998		
221	31.8773	31.8773
222	31.3611	31.3611
223	30.8390	30.8390
224	30.3109	30.3109
225	29.7899	29.7899
226	29.2629	29.2629
227	28.7430	28.7430
228	28.2172	28.2172
229	27.6853	27.6853
230	27.1605	27.1605
231	26.6298	26.6298
232	26.0930	26.0930
1999		
233	25.5631	25.5631
234	25.0290	25.0290
235	24.4904	24.4904
236	23.9475	23.9475
237	23.4446	23.4446
238	22.9376	22.9376
239	22.4710	22.4710
240 and thereafter	20.0000	0.0000

EXHIBIT D-1  
to Lease

(a) Casualty Values and Termination Values, if any, are expressed as percentages of Lessor's Cost. Such percentages have been computed without regard to recapture of Investment Credit. Consequently, such percentages applicable on the Interim Rent Date or any Basic Rent Date where Casualty Values or Termination Values, if any, shall be payable with respect to an Event of Loss or a Termination Date, if any, occurring before the third, fifth or seventh anniversary of the date of acceptance set forth in the Certificate of Acceptance for such Item shall be increased by the percentage of Lessor's Cost set forth below, and for purposes of this Lease, Casualty Values and Termination Values, if any, payable on such dates shall be determined on the basis of the sum of such percentages:

<u>Anniversary of the Date of Acceptance</u>	<u>Percentage of Lessor's Cost To be Added to the Foregoing Percentage</u>
Third	20.00%
Fifth	13.33%
Seventh	6.67%

(b) In the event the Basic Lease Rate Factor is increased pursuant to the tax indemnification provisions set forth in Section 15 of the Lease, Casualty Values and Termination Values, if any, shall be adjusted accordingly.

EXHIBIT D-2  
to Lease

Group of Equipment 2

The Casualty Value and Termination Value, if any, of each Item of Leased Equipment shall be the percentage of Lessor's Cost of such Item set forth opposite the applicable rent payment:

Interim Rent Date and Basic Rent Payment Number	Casualty Value		Termination Value	
	(a)	(b)	(a)	(b)
	1979			
Interim Rent Date	0	87.0728 %		%
	1	87.4634		
	2	87.7835		
	3	88.1058		
	4	88.4303		
	1980			
	5	88.6838		
	6	88.9390		
	7	89.1959		
	8	89.4545		
	9	89.6880		
	10	89.9231		
	11	90.1329		
	12	90.3441		
	13	90.5567		
	14	90.7438		
	15	90.9321		
	16	91.1215		
	1981			
	17	91.2854		
	18	91.4502		
	19	91.6159		
	20	91.7827		
	21	91.9281		
	22	92.0743		
	23	92.1991		
	24	92.3244		
	25	92.4505		
	26	92.5549		
	27	92.6597		
	28	92.7651		
	1982			
	29	92.8486		
	30	92.9324		
	31	93.0166		
	32	93.1011		
	33	93.1665		
	34	93.2321		
	35	93.2785		
	36	93.3249		
	37	93.3714		
	38	93.3985		
	39	93.4254		
	40	93.4523		

EXHIBIT D-2  
to Lease

<u>Basic Rent Payment Number</u>	<u>Casualty Value</u>	<u>Termination Value</u>
1983		
41	93.4596	
42	93.4666	
43	93.4733	
44	93.4797	
45	93.4694	
46	93.4587	
47	93.4312	
48	93.4031	
49	93.3744	
50	93.3288	
51	93.2824	
52	93.2353	
1984		
53	93.1711	
54	93.1060	
55	93.0400	
56	92.9731	
57	92.8921	
58	92.8099	
59	92.7135	
60	92.6159	
61	92.5171	
62	92.4039	
63	92.2894	
64	92.1736	
1985		
65	92.0432	
66	91.9114	
67	91.7781	
68	91.6434	
69	91.4970	
70	91.3491	
71	91.1894	
72	91.0280	
73	90.8650	
74	90.6900	
75	90.5133	
76	90.3348	
1986		
77	90.1442	
78	89.9518	
79	89.7574	
80	89.5611	
81	89.3557	
82	89.1484	
83	88.9319	
84	88.7132	
85	88.4925	
86	88.2625	
87	88.0302	
88	87.7958	

EXHIBIT D-2  
to Lease

<u>Basic Rent Payment Number</u>	<u>Casualty Value</u>	<u>Termination Value</u>
1987		
89	87.5520	
90	87.3058	
91	87.0573	
92	86.8065	
93	86.5493	
94	86.2897	
95	86.0237	
96	85.7552	
97	85.4842	
98	85.2068	
99	84.9267	
100	84.6440	
1988		
101	84.3547	
102	84.0628	
103	83.7681	
104	83.4707	
105	83.1698	
106	82.8662	
107	82.5591	
108	82.2492	
109	81.9364	
110	81.6200	
111	81.3008	
112	80.9785	
1989		
113	80.6527	
114	80.3235	
115	79.9908	
116	79.6546	
117	79.3176	
118	78.9771	
119	78.6356	
120	78.2906	
121	77.9420	
122	77.5925	
123	77.2393	
124	76.8825	
1990		
125	76.5247	
126	76.1627	
127	75.7966	
128	75.4264	
129	75.0577	
130	74.6848	
131	74.3135	
132	73.9380	
133	73.5583	
134	73.1800	
135	72.7975	
136	72.4107	
1991		
137	72.0254	
138	71.6352	
139	71.2403	
140	70.8406	
141	70.4449	
142	70.0444	
143	69.6479	
144	69.2466	
145	68.8404	
146	68.4382	
147	68.0312	
148	67.6192	

EXHIBIT D-2  
to Lease

<u>Basic Rent Payment Number</u>	<u>Casualty Value</u>	<u>Termination Value</u>
1992		
149	67.2111	
150	66.7979	
151	66.3794	
152	65.9557	
153	65.5374	
154	65.1138	
155	64.6956	
156	64.2722	
157	63.8434	
158	63.4200	
159	62.9914	
160	62.5573	
1993		
161	62.1286	
162	61.6945	
163	61.2548	
164	60.8096	
165	60.3702	
166	59.9252	
167	59.4859	
168	59.0411	
169	58.5907	
170	58.1460	
171	57.6957	
172	57.2397	
1994		
173	56.7894	
174	56.3334	
175	55.8717	
176	55.4041	
177	54.9425	
178	54.4751	
179	54.0138	53.5466
180	53.5466	53.0736
181	53.0736	52.6065
182	52.6065	52.1336
183	52.1336	51.6548
184	51.6548	
1995		
185	51.1820	51.1820
186	50.7031	50.7031
187	50.2182	50.2182
188	49.7272	49.7272
189	49.2425	49.2425
190	48.7517	48.7517
191	48.2673	48.2673
192	47.7767	47.7767
193	47.2801	47.2801
194	46.7897	46.7897
195	46.2931	46.2931
196	45.7904	45.7904

EXHIBIT D-2  
to Lease

<u>Basic Rent Payment Number</u>	<u>Casualty Value</u>	<u>Termination Value</u>
1996		
197	45.2940	45.2940
198	44.7912	44.7912
199	44.2821	44.2821
200	43.7666	43.7666
201	43.2578	43.2578
202	42.7426	42.7426
203	42.2340	42.2340
204	41.7191	41.7191
205	41.1977	41.1977
206	40.6829	40.6829
207	40.1617	40.1617
208	39.6340	39.6340
1997		
209	39.1129	39.1129
210	38.5852	38.5852
211	38.0508	38.0508
212	37.5098	37.5098
213	36.9757	36.9757
214	36.4349	36.4349
215	35.9012	35.9012
216	35.3608	35.3608
217	34.8136	34.8136
218	34.2733	34.2733
219	33.7264	33.7264
220	33.1726	33.1726
1998		
221	32.6257	32.6257
222	32.0723	32.0723
223	31.5121	31.5121
224	30.9454	30.9454
225	30.3863	30.3863
226	29.8206	29.8206
227	29.2626	29.2626
228	28.6979	28.6979
229	28.1265	28.1265
230	27.5629	27.5629
231	26.9924	26.9924
232	26.4153	26.4153
1999		
233	25.8457	25.8457
234	25.2712	25.2712
235	24.6917	24.6917
236	24.1071	24.1071
237	23.5641	23.5641
238	23.0163	23.0163
239	22.5103	22.5103
240 and thereafter	20.0000	.0000

(a) Casualty Values and Termination Values, if any, are expressed as percentages of Lessor's Cost. Such percentages have been computed without regard to recapture of Investment Credit. Consequently, such percentages applicable on the Interim Rent Date or any Basic Rent Date where Casualty Values or Termination Values, if any, shall be payable with respect to an Event of Loss or a Termination Date, if any, occurring before the third, fifth or seventh anniversary of the date of acceptance set forth in the Certificate of Acceptance for such Item shall be increased by the percentage of Lessor's Cost set forth below, and for purposes of this Lease, Casualty Values and Termination Values, if any, payable on such dates shall be determined on the basis of the sum of such percentages:

<u>Anniversary of the Date of Acceptance</u>	<u>Percentage of Lessor's Cost To be Added to the Foregoing Percentage</u>
Third	20.00%
Fifth	13.33%
Seventh	6.67%

(b) In the event the Basic Lease Rate Factor is increased pursuant to the tax indemnification provisions set forth in Section 15 of the Lease, Casualty Values and Termination Values, if any, shall be adjusted accordingly.