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INTERSTATE COMMERCE COMMISSION

EXECUTED IN 9 COUNTERPARTS OF
WHICH THIS IS COUNTERPART No. 7

GSCX SECOND EQUIPMENT CORPORATION

9-1/2% EQUIPMENT TRUST CERTIFICATES

DUE 1991

EQUIPMENT TRUST AND SECURITY AGREEMENT

Dated as of November 1, 1975

by and between

MELLON BANK, N.A.,
Trustee

and

GSCX SECOND EQUIPMENT CORPORATION

EQUIPMENT TRUST AND SECURITY AGREEMENT dated as of November 1, 1975, between MELLON BANK, N.A., a national banking association, as trustee (hereinafter called the Trustee), and GSCX SECOND EQUIPMENT CORPORATION, an Ohio corporation, having its principal place of business in the State of Ohio (hereinafter called the Company).

WHEREAS the Company has agreed to sell, assign and transfer to the Trustee a security interest in the railroad equipment described in Annex A hereto subject to the provisions hereof; and

WHEREAS such security interest is to be vested in and is to be retained by the Trustee and leased to the Company hereunder until such security interest is transferred to the Company under the provisions hereof; and

WHEREAS the Company proposes to enter into a Lease of Equipment dated as of November 1, 1975, with the Lessee (as hereinafter defined) pursuant to which the Company will lease such railroad equipment to the Lessee, and such Lease of Equipment is to be assigned to the Trustee pursuant to the Assignment (as hereinafter defined); and

WHEREAS GSCX Second Equipment Corporation 9-1/2% Equipment Trust Certificates, Due 1991 (hereinafter called the Trust Certificates), are to be issued and sold, and the proceeds of such sale are to be held in trust by the Trustee and are to constitute a fund to be known as GSCX SECOND EQUIPMENT CORPORATION EQUIPMENT TRUST, DUE 1991, to be applied by the Trustee as provided herein; and

WHEREAS the text of the Trust Certificates and the guaranty to be endorsed on the Trust Certificates by the Company are to be substantially in the following forms, respectively:

[FORM OF TRUST CERTIFICATE]

NOTE: THIS TRUST CERTIFICATE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND MUST BE HELD INDEFINITELY UNLESS A SUBSEQUENT DISPOSITION HEREOF IS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF SAID ACT.

\$

No.

GSCX SECOND EQUIPMENT CORPORATION

9-1/2% Equipment Trust Certificate

Due 1991

Mellon Bank, N .A., Trustee (hereinafter called the Trustee) under an Equipment Trust and Security Agreement dated as of November 1, 1975 (hereinafter called the Agreement), between the Trustee and GSCX Second Equipment Corporation, an Ohio corporation (hereinafter called the Company), certifies that

is entitled to an interest of \$ _____ or registered assigns _____ in GSCX Second Equipment Corporation Equipment Trust, Due 1991, due and payable on or before January 15, 1991, in instalments as hereinafter provided, and to interest on the amount of unpaid principal from time to time due and owing pursuant to this Certificate due and payable semiannually on January 15 and July 15 in each year commencing January 15, 1976, at the rate of 9-1/2% per annum from the date hereof until such principal amount becomes due and payable, with interest on any overdue principal and interest, to the extent legally enforceable, at the rate of 10-1/2% per annum. Payments of principal and interest shall be made to the registered holder at the principal corporate trust office of the Trustee in Pittsburgh, Pennsylvania, in such coin or currency of the United States of America as, at the time of payment, shall be legal tender for the payment of public and private debts. Each of such payments shall be made only from and out of rentals or other moneys received by the Trustee and applicable to such payment under the provisions of the Agreement or under the provisions of a Collateral Assignment of Lease and Agreement dated as of November 1, 1975, between the Company and the Trustee. The principal amount of the Trust Certificates is due and payable in 30 semiannual instalments of principal payable on January 15 and July 15, in each year commencing July 15, 1976, calculated as provided in the Agreement so that the aggregate of the principal and interest payable on each such date shall be substantially equal. Interest shall be computed hereunder on the basis of a 360-day year of twelve 30-day months.

Since partial payments of principal on this Certificate are not required to be noted on this Certificate, inquiry should be made at said office of the Trustee as to the principal amount at any time remaining unpaid hereon.

This Certificate is one of an authorized issue of Trust Certificates, in an aggregate principal amount not exceeding \$2,000,000 and issued or to be issued under the Agreement, under which a security interest in certain railroad equipment (or cash or obligations defined in the Agreement as "Investments" in lieu thereof, as provided in the Agreement) and the above-mentioned Collateral Assignment of Lease and Agreement are held by the Trustee in trust for the equal and ratable benefit of the holders of the Trust Certificates issued thereunder. Reference is made to the Agreement and the Annexes thereto (copies of which are on file with the Trustee at its said office) for a more complete statement of the terms and provisions thereof, to all of which the registered holder hereof, by accepting this Certificate, assents.

This Certificate is transferable in whole or in part upon the terms and conditions set forth in the Agreement by the registered holder hereof in person or by duly authorized attorney on the books of the Trustee upon surrender to the Trustee at said office of the Trustee of this Certificate accompanied by a written instrument of transfer, duly executed by the registered holder in person or by such attorney, in form satisfactory to the Trustee. The Trustee and the Company may deem and treat the person in whose name this Certificate is registered as the absolute owner hereof for the purpose of receiving payment of principal and interest and for all other purposes and shall not be affected by any notice to the contrary.

In case of the happening of an Event of Default (as defined in the Agreement) all instalments of principal and interest represented by this Certificate may become or be declared due and payable in the manner and with the effect provided in the Agreement.

IN WITNESS WHEREOF, the Trustee has caused this Certificate to be signed by one of its Vice Presidents or Assistant Vice Presidents, by his signature or a facsimile thereof, and its corporate seal or a facsimile thereof to be hereunto affixed or hereon imprinted and to be attested by

the manual signature of one of its Assistant Secretaries.

Dated as of

MELLON BANK, N.A., Trustee,

by

Vice President

Attest:

Assistant Secretary

GUARANTY

GSCX Second Equipment Corporation, for a valuable consideration, hereby unconditionally guarantees to the registered holder of the within Certificate the prompt payment when due of the principal of said Certificate and of the interest thereon specified in said Certificate, with interest on any overdue principal and interest, to the extent legally enforceable, at the rate of 10-1/2% per annum, all in accordance with the terms of said Certificate and the Equipment Trust and Security Agreement referred to therein and subject to the provisions of Section 9.02 of the Equipment Trust and Security Agreement.

GSCX SECOND EQUIPMENT CORPORATION,

by

President.

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

Please insert Social Security or other identifying number of Assignee

the within GSCX Second Equipment Corporation 9-1/2% Equipment Trust Certificate and does hereby irrevocably constitute and appoint _____ attorney to transfer said Certificate on the books of the within named Trustee, with full power of substitution in the premises.

Dated

WHEREAS, it is desired to secure to the holders of the Trust Certificates the payment of the principal thereof,

as hereinafter more particularly provided, with interest thereon, as hereinafter provided, payable semiannually in each year, and to evidence the rights of the holder or holders of the Trust Certificates in substantially the form hereinbefore set forth;

NOW, THEREFORE, in consideration of the mutual covenants and promises herein contained, the parties hereto hereby agree as follows:

ARTICLE ONE

DEFINITIONS

SECTION 1.01. Definitions. The following terms (except as otherwise expressly provided or unless the context otherwise requires) for all purposes of this Agreement shall have the respective meanings hereinafter specified:

Affiliate of any corporation shall mean any corporation which, directly or indirectly, controls or is controlled by, or is under common control with, such corporation. For the purposes of this definition, control (including controlled by and under common control with), as used with respect to any corporation, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such corporation, whether through the ownership of voting securities or by contract or otherwise.

Assignment shall mean the Collateral Assignment of Lease and Agreement dated as of November 1, 1975, by the Company to the Trustee substantially in the form of Annex C hereto.

Business Day shall mean a calendar day, excluding Saturdays, Sundays and holidays or other days on which banks are authorized by law to close in New York, N. Y. or Pittsburgh, Pennsylvania.

Casualty Payment Date shall mean January 15 or July 15 for purposes of Section 4.07 hereof.

Company shall mean GSCX Second Equipment Corporation, an Ohio corporation.

Corporate Trust Office shall mean the office of the Trustee in Pittsburgh, Pennsylvania, at which the corporate trust business of the Trustee shall, at the time in question, be administered, which office is, on the date of execution of this Agreement, located at Mellon Square, Pittsburgh, Pennsylvania 15230.

Cost, when used with respect to any Equipment, shall be as set forth in Annex A hereto, subject to increase or decrease as may be agreed by the Lessee and the manufacturer thereof, as certified by the Lessee pursuant to Section 3.04(c).

Cut Off Date shall mean the earliest of (i) January 14, 1976, (ii) the final settlement date of Equipment pursuant to Article Three or the date as of which the Trustee has actual knowledge of any Event of Default or the date of commencement of any proceedings described in clause D of § 9 of the Lease.

Deposited Cash shall mean the aggregate of (a) the proceeds from the sale of the Trust Certificates deposited with the Trustee pursuant to Section 2.01 and, when required or indicated by the context, any Investments (and the proceeds thereof) purchased by the use of such proceeds pursuant to the provisions of Section 8.04, subject, however, to the provisions of the last paragraph of Section 8.04, and (b) any sums restored to Deposited Cash from rentals pursuant to Section 4.04(1)(b) and on deposit with the Trustee.

Equipment shall mean the new standard gauge railroad equipment described in Annex A hereto.

Event of Default shall mean any event specified in Section 5.01 to be an Event of Default.

Execution Date shall mean November 1, 1975, for purposes of Section 9.07 hereof.

The word holder, when used with respect to Trust Certificates, shall mean the registered holder thereof and shall include the plural as well as the singular number.

Greenville shall mean Greenville Steel Car Company (Greenlease Division) and its successors and assigns.

Investment Payment Date shall mean the earlier of

January 15, 1976, or the final date for settlement of the Equipment pursuant to Article Three hereof for purposes of the fifth paragraph of Section 8.04 hereof.

Investments shall mean direct obligations of the United States of America or obligations for which the faith of the United States is pledged to provide for the payment of principal and interest.

Lease shall mean the Lease of Equipment dated as of November 1, 1975, between the Company and the Lessee substantially in the form of Annex B hereto.

Lessee shall mean The Cleveland Electric Illuminating Company, an Ohio corporation, the lessee under the Lease, and its successors and assigns.

Lessee's Certificate shall mean a certificate signed by the President, any Vice President, the Treasurer, any Assistant Treasurer, the Secretary or any Assistant Secretary of the Lessee.

Maximum Aggregate Principal Amount shall mean \$2,000,000 for purposes of Section 2.01 hereof.

Officer's Certificate shall mean a certificate signed by the President, any Vice President or any Assistant Vice President of the Company.

Opinion of Counsel shall mean an opinion in writing signed by legal counsel who shall be satisfactory to the Trustee and who may be an employee of the Company or the Lessee. The acceptance by the Trustee of, and its action on, an Opinion of Counsel shall be sufficient evidence that such counsel is satisfactory to the Trustee.

Penalty Rate shall mean a rate of interest of 10-1/2% per annum.

Purchase Agreement shall mean the Purchase Agreement dated as of November 1, 1975, among the Company, Greenville Steel Car Company (Greenlease Division) and the Purchasers named in Annex I thereto.

Purchaser shall mean each Purchaser named in Annex I to the Purchase Agreement and Purchasers shall mean all such Purchasers.

Reporting Date shall mean March 1 for purposes of Section 4.07 hereof.

Request shall mean a written request for the action therein specified received by the Trustee at least two Business Days prior to the time the action requested thereby is to be taken and signed on behalf of the Company by the President, any Vice President or any Assistant Vice President of the Company.

Trust Certificates shall mean GSCX Second Equipment Corporation 9-1/2% Equipment Trust Certificates, Due 1991, issued hereunder.

Trust Equipment shall mean all Equipment at any time subject to the terms of this Agreement.

Trustee shall mean Mellon Bank, N.A., a national banking association, and, subject to the provisions of Article Eight, any successor as trustee hereunder.

The words herein, hereof, hereby, hereto, hereunder and words of similar import refer to this Agreement as a whole and not to any particular Article, Section, paragraph or subdivision hereof.

ARTICLE TWO

TRUST CERTIFICATES AND ISSUANCE THEREOF

SECTION 2.01. Issuance of Trust Certificates. An amount equal to the proceeds of the sale of the Trust Certificates, but not less than the aggregate principal amount thereof, shall forthwith be deposited with the Trustee.

Thereupon, without waiting for the recording or filing of this Agreement or of any other instrument respecting the Trust Equipment, the Trustee shall issue and deliver, as the Company hereby agrees to direct by Request, Trust Certificates in the aggregate principal amount so sold.

The aggregate principal amount of Trust Certificates which shall be executed and delivered by the Trustee under this Section shall not exceed the Maximum Aggregate Principal Amount and the aggregate principal amount represented by all the Trust Certificates shall be payable as hereinafter set forth.

SECTION 2.02. Interests Represented by Trust Certificates; Interest; Maturity. Each of the Trust Certificates shall represent an interest in the amount therein specified in the trust created hereunder and shall bear a final maturity of January 15, 1991. The Trust Certificates will bear interest from the date thereof, payable on January 15 and July 15 of each year, commencing January 15, 1976, at the rate of 9-1/2% per annum, with interest payable on overdue principal and interest at the Penalty Rate. The first payment of principal of the Trust Certificates shall be payable on July 15, 1976, and subsequent instalments shall be payable semiannually thereafter on each January 15 and July 15 to and including January 15, 1991, each such date being hereinafter called a Payment Date. The principal amount of the Trust Certificates payable on each of the 30 semiannual Payment Dates shall be calculated on such a basis that the aggregate of the principal and interest payable on each Payment Date shall be substantially equal and such 30 instalments of principal will completely amortize the Trust Certificates. The Company will furnish to the Trustee and each Purchaser a schedule showing the respective amounts of principal and interest payable on each Payment Date.

The principal of and interest on the Trust Certificates shall be payable at the Corporate Trust Office, in such coin or currency of the United States of America as, at the time payable, shall be legal tender for the payment of public and private debts, but only from and out of rentals or other moneys received by the Trustee and applicable to such payment under the provisions hereof. Notwithstanding the provisions of the preceding sentence of this paragraph, in the case of payments of principal and interest to be made on a Trust Certificate not then to be paid in full, upon request and deposit with the Trustee of an agreement of the holder of such Trust Certificate (the responsibility of such holder to be satisfactory to the Company) obligating such holder, prior to any transfer or other disposition thereof, to surrender the same to the Trustee for notation thereon of the instalments of principal amount represented thereby theretofore paid in whole or in part, the Trustee will mail its check on the Business Day preceding the date each such payment is due to such registered holder at his address shown on the registry books maintained by the Trustee; provided, however, that this sentence shall not apply to any Purchaser so long as such Purchaser is a holder of Trust Certificates, and the Trustee shall make payments of principal and interest to each Purchaser at its "home office" address set forth in Annex I

to the Purchase Agreement in the manner specified therein.

SECTION 2.03. Forms of Trust Certificates and Guaranty. The Trust Certificates and the guaranty to be endorsed on the Trust Certificates by the Company as provided in Section 6.01 shall be in substantially the forms hereinbefore set forth.

SECTION 2.04. Execution by Trustee. The Trust Certificates shall be signed in the name and on behalf of the Trustee by the manual or facsimile signature of its President, one of its Vice Presidents or one of its Assistant Vice Presidents and its corporate seal or a facsimile thereof shall be affixed or imprinted thereon and attested by the manual signature of one of its Assistant Secretaries. In case any officer of the Trustee whose signature, whether facsimile or not, shall appear on any of the Trust Certificates shall cease to be such officer of the Trustee before the Trust Certificates shall have been issued and delivered by the Trustee or shall not have been acting in such capacity on the date of the Trust Certificates, such Trust Certificates may be adopted by the Trustee and be issued and delivered as though such person had not ceased to be or had then been such officer of the Trustee.

SECTION 2.05. Characteristics of Trust Certificates.

(a) The Trust Certificates: shall be registered, as to both principal and interest, in the name of the holder; shall be (i) transferable in whole or in part and (ii) exchangeable for Trust Certificates of other denominations of equal aggregate outstanding principal amount, upon presentation and surrender thereof for transfer or exchange at the Corporate Trust Office, accompanied, in the case of transfer, by appropriate instruments of transfer, duly executed by the registered holder of the surrendered Trust Certificate or Certificates or by duly authorized attorney, in form satisfactory to the Trustee, provided, however, that no Trust Certificate shall be issued in a principal amount less than \$10,000 except in the case of the transfer or exchange of a Trust Certificate which at the time is in an unpaid principal amount of less than \$10,000; shall be dated as of the date of issue unless issued in exchange for another Trust Certificate or Certificates bearing unpaid interest from an earlier date, in which case they shall be dated as of such earlier date; and shall entitle the registered

holder to interest from the date thereof. The Trustee shall, if any prepayment shall theretofore have been made pursuant to Section 3.01 or 4.07, attach to each Trust Certificate issued upon transfer or exchange a revised schedule of payments of principal and interest as provided in Sections 3.01 and 4.07.

(b) Anything contained herein to the contrary notwithstanding, the parties hereto may deem and treat the registered holder of any Trust Certificate as the absolute owner of such Trust Certificate for all purposes and shall not be affected by any notice to the contrary.

(c) The Trustee shall cause to be kept at the Corporate Trust Office books for the registration and transfer of the Trust Certificates and, upon presentation of the Trust Certificates for such purpose, the Trustee shall register any transfer as hereinabove provided, and under such reasonable regulations as it may prescribe.

(d) For any registration, transfer or exchange, the Trustee shall require payment by the person requesting same of a sum sufficient to reimburse it for any governmental charge connected therewith.

(e) Each Trust Certificate delivered pursuant to any provision of this Agreement in exchange for, or upon the transfer of the whole or any part, as the case may be, of one or more other Trust Certificates, shall carry all the rights to principal and to interest accrued and unpaid and to accrue, which were carried by the whole or such part, as the case may be, of such one or more other Trust Certificates, and, notwithstanding anything contained in this Agreement, the Trust Certificates shall be so dated that neither gain or loss in interest or principal shall result from such exchange, substitution or transfer.

(f) The Trustee shall not be required to issue, transfer or exchange any Trust Certificates for a period of ten Business Days next preceding any interest payment date.

SECTION 2.06. Replacement of Lost Trust Certificates. In case any Trust Certificate shall become mutilated or defaced or be lost, destroyed or stolen, then on the terms herein set forth, and not otherwise, the Trustee shall execute and deliver a new Trust Certificate of like tenor and date, and bearing such identifying number or designation

as the Trustee may determine, in exchange and substitution for, and upon cancelation of, the mutilated or defaced Trust Certificate, or in lieu of and in substitution for the same if lost, destroyed or stolen. The applicant for a new Trust Certificate pursuant to this Section shall furnish to the Trustee and to the Company evidence to their satisfaction of the loss, destruction or theft of such Trust Certificate alleged to have been lost, destroyed or stolen and of the ownership and authenticity of such mutilated, defaced, lost, destroyed or stolen Trust Certificate and also shall furnish such reasonable security or indemnity as may be requested by the Trustee and shall pay all expenses and charges of such substitution or exchange. All Trust Certificates are held and owned upon the express condition that the foregoing provisions are exclusive in respect of the replacement of mutilated, defaced, lost, destroyed or stolen Trust Certificates and shall preclude any and all other rights and remedies, any law or statute now existing or hereafter enacted to the contrary notwithstanding.

ARTICLE THREE

ACQUISITION OF THE SECURITY INTEREST TO TRUST EQUIPMENT BY TRUSTEE; DEPOSITED CASH

SECTION 3.01. Acquisition and Exclusion of Equipment; Prepayment of Deposited Cash. The Company shall sell, assign and transfer to the Trustee, as Trustee for the holders of the Trust Certificates, a security interest in all the Trust Equipment described in Annex A hereto; provided, however, that any Equipment not accepted pursuant to Section 4.02 and settled for pursuant to this Article Three on or before the Cut-Off Date, shall be excluded from this Agreement and not included in the term Trust Equipment. In the event of any such exclusion, the Company and the Trustee shall execute an agreement supplemental hereto limiting this Agreement to the Trust Equipment theretofore accepted and settled for hereunder.

In the event that the Company shall deem it necessary or desirable to procure for the use of the Company, and to include in the trust hereby created, units of Equipment other than those described in Annex A hereto, or in the event that any of the Trust Equipment shall suffer a Casualty Occurrence, as defined in Section 4.07, before being accepted by

the Trustee, the Company may sell, assign and transfer to the Trustee, security title to other units of Equipment to be substituted hereunder. In such event, the Company and the Trustee will, upon Request, enter into an agreement excluding from this Agreement such unit or units of the Equipment as the Company may request and including in substitution therefor such other units of Equipment as the Company may specify; provided, however, that the Lease is likewise amended so as to reflect such exclusion and inclusion.

In the event that on the Cut-Off Date any Deposited Cash shall remain in the possession of the Trustee, the Trustee shall (a) sell all Investments then held by it as soon as practicable and (b) apply Deposited Cash to the pro rata prepayment, in Pittsburgh Clearing House Funds, of each instalment of principal remaining unpaid on the Trust Certificates (in proportion to the principal amount represented by each such instalment), together with interest accrued thereon to the date of prepayment, each of the holders of the Trust Certificates to share proportionately in such prepayment. Thereupon the Company will promptly furnish to the Trustee and each of the holders of outstanding Trust Certificates a revised schedule of payments of principal thereafter to be made hereunder calculated as provided in Section 2.02.

SECTION 3.02. Payment of Deposited Cash. From time to time, when and as any of the Trust Equipment shall have become subject to the terms and provisions hereof as provided in Section 4.02, the Trustee shall (subject to the Company's compliance with the provisions of Section 3.04) pay, upon written Request of the Company, to such manufacturer or owner out of Deposited Cash then held by the Trustee, an amount not in excess of 73.335% of the aggregate Cost of such Trust Equipment, as specified in the certificate furnished to the Trustee pursuant to Section 3.04(c). Anything contained in this Agreement to the contrary notwithstanding, the Trustee shall have no duty to make any payment for the Equipment pursuant to this Section: (i) prior to the Closing Date (as defined in the Purchase Agreement), or (ii) in the event that on the Closing Date (as defined in the Purchase Agreement) the aggregate principal amount of Trust Certificates to be sold on the Closing Date shall not have been purchased by the Purchasers.

SECTION 3.03. Certificate as to Deficiency. The Company covenants that, contemporaneously with any payment by the Trustee pursuant to Section 3.02 with respect to any Trust Equipment, it will deliver to the Trustee an executed certificate from such manufacturer or such owner evidencing the fact that such manufacturer or such owner has no claim with respect to any payment for the Cost of such Trust Equipment.

SECTION 3.04. Supporting Papers. The Trustee shall not pay out any Deposited Cash pursuant to Section 3.02 with respect to any Trust Equipment unless the Trustee shall have received, in form and substance satisfactory to it and its counsel;

(a) one or more duly executed Certificates of Acceptance (as defined in the Lease) with respect to such Trust Equipment;

(b) a bill or bills of sale from the manufacturer or owner of such Trust Equipment to the Trustee confirming the transfer of a security interest to such Trust Equipment as contemplated herein, which bill or bills of sale shall specify the Trust Equipment described therein by number or numbers and shall contain a warranty to the Trustee that such security interest is free from all liens, security interests and other encumbrances prior to or pari passu with the security interest of the Trustee;

(c) a Lessee's Certificate, which shall state, (i) that such Trust Equipment is Equipment as herein defined, (ii) that the Cost of such Trust Equipment is an amount therein specified and (iii) that the fair value of such Trust Equipment is not less than the Cost thereof;

(d) an Opinion of Counsel for the Lessee addressed to the Trustee to the effect (i) that the Trust Equipment has come under and is subject to the Lease, (ii) that this Agreement, the Lease and the Assignment have been duly filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act and all necessary filings and recordations have been made in the State of Ohio and the Commonwealth of Pennsylvania in order to protect the interests of the Trustee under this Agreement, the Lease and the Assignment, and no other filing or recordation or re-filing or re-recordation is necessary for the protection of the rights of the Trustee here-

under and in and to the Lease in any state of the United States of America or the District of Columbia (except for the continuation statements specified therein) and (iii) set forth in § 14 of the Lease. In giving such opinion, counsel may rely on the Opinion of Counsel for the Company referred to in subsection (e) below as to the matters set forth therein and on the Opinion of Counsel for the Company referred to in the second paragraph of Section 6.03 hereof as to the matters set forth therein governed by the law of the Commonwealth of Pennsylvania;

(e) an Opinion of Counsel for the Company to the effect (i) that such bill or bills of sale have been duly authorized, executed and delivered and, at the time of delivery of the Trust Equipment hereunder and under the Lease, the manufacturer or owner thereof had good title thereto free from all liens, security interests and other encumbrances prior to or pari passu with the security interest of the Trustee and that such bill or bills of sale are valid and effective, either alone or in connection with any other instrument referred to in and accompanying such opinion, to vest in the Trustee security interest to such Trust Equipment as contemplated herein free from all liens, security interests and other encumbrances prior to or pari passu with the security interest of the Trustee, (ii) that the Trustee is vested with all the right, title and interest of the Company in and to the Lease purported to be assigned to the Trustee by the Assignment, and (iii) that this Agreement, the Lease and the Assignment have been duly authorized, executed, acknowledged and delivered by the Company and are legal, valid and binding instruments enforceable against the Company in accordance with their terms subject to usual equity principles relating to specific performance and, as to enforcement of remedies, to any applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting the enforcement of creditors' rights generally from time to time in effect;

(f) a receipt of the manufacturer or owner of such Trust Equipment for the amounts specified in Section 3.02;

(g) the certificate referred to in Section 3.03;
and

(h) in case of any Trust Equipment not specifically

described herein, an Opinion of Counsel that a proper supplement hereto in respect of such Trust Equipment has been duly executed by the Trustee and the Company and duly filed and recorded in accordance with Section 6.03.

ARTICLE FOUR

LEASE OF TRUSTEE'S INTEREST IN THE TRUST EQUIPMENT TO THE COMPANY

SECTION 4.01. Lease of Trustee's Interest in the Trust Equipment. The Trustee does hereby let and lease to the Company, from and after the date of acceptance thereof hereunder to the date of the stated maturity of the Trust Certificates, its interest in and to each unit of the Trust Equipment.

SECTION 4.02. Equipment Automatically Subjected. As and when any Equipment shall from time to time be accepted by the Lessee under the Lease as evidenced by a certificate or certificates referred to in Section 3.04(a), the same shall be deemed accepted by the Company hereunder and shall, ipso facto and without further instrument of lease, transfer or acceptance, become subject to all the terms and provisions hereof.

SECTION 4.03. Additional and Substituted Equipment Subject Hereto. In the event that the Company shall, as provided in Section 3.01, cause to be transferred to the Trustee a security interest in other Equipment in addition to or in substitution for any of the Equipment herein specifically described or subject hereto, such other Equipment shall be included as part of the Trust Equipment by supplement hereto to be executed by the Trustee and the Company and shall be subject to all the terms and conditions hereof and in all respects as though it had been part of the Trust Equipment herein specifically described.

SECTION 4.04. Rental Payments. The Company hereby accepts the lease of the Trustee's interest in and to all the Trust Equipment; and the Company covenants and agrees to pay to the Trustee at the Corporate Trust Office (or, in the case of taxes, to the proper taxing authority), in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, rental hereunder which shall be sufficient to pay and discharge the following items, when and as the same shall become due and payable (whether

or not any of such items shall become due and payable prior to the delivery and lease to the Company of its interest in and to any of the Trust Equipment and notwithstanding that any of the Trust Certificates shall have been acquired by the Company or any Affiliate of the Company or shall not have been presented for payment):

(1)(a) the necessary and reasonable expenses of the trust hereby created, including compensation and expenses provided for herein, and (b) an amount equal to (i) any expenses incurred in connection with any purchase, sale or redemption by the Trustee of Investments and (ii) any loss of principal (including interest accrued thereupon at time of purchase) incurred in connection therewith;

(2) any and all taxes, assessments and governmental charges upon or on account of the income or property of the Trust, or upon or on account of this Agreement, which the Trustee as such may be required to pay;

(3)(a) the amounts of interest payable on the Trust Certificates, when and as the same shall become due and payable, and (b) interest, at the rate of the Penalty Rate per annum from the due date, upon the amount of any instalments of interest or principal payable under this and the following subparagraph which shall not be paid when due, to the extent legally enforceable; and

(4) the instalments of principal on the Trust Certificates when and as the same shall become due and payable (whether upon the date of maturity thereof or by declaration or otherwise).

SECTION 4.05. Security Interest; Termination of Lease. It is understood that the transfer to the Trustee of a security interest in the Trust Equipment pursuant to this Agreement is being made solely to secure the performance by the Company of its obligations under this Agreement and that beneficial ownership in and to the Trust Equipment shall be and remain in the Company subject to compliance by the Company with all of its obligations under this Agreement. Accordingly, after all payments due or to become due from the Company hereunder shall have been completed and fully made to or for the account of the Trustee and the Company shall have performed all of its other obligations hereunder, (1) such payments shall be deemed to represent

the discharge in full of the Trustee's interest in the Trust Equipment at such time, (2) any moneys remaining in the hands of the Trustee after providing for all outstanding Trust Certificates and after paying the expenses of the Trustee, including its reasonable compensation, shall be paid to the Company, (3) full title to all the Trust Equipment shall vest in the Company and (4) the Trustee shall execute for record in public offices, at the expense of the Company, such instrument or instruments in writing as reasonably shall be requested by the Company in order to make clear upon public records the Company's full title to all the Trust Equipment and the Company's full right, title and interest as lessor under the Lease under the laws of any jurisdiction; provided, however, that until that time the Trustee shall retain a security interest in and to all the Trust Equipment, notwithstanding the possession and use thereof by, and the lease of the Trustee's interest to, the Company pursuant to the terms of this Agreement.

SECTION 4.06. Marking of Trust Equipment. The Company agrees that it will cause each unit of the Trust Equipment to be kept numbered with the identifying number set forth in Annex A hereto and will keep and maintain plainly, distinctly, permanently and conspicuously marked on each side of such unit in letters not less than one inch in height, the following words:

"SECURITY INTEREST IN THIS CAR IS VESTED IN A TRUSTEE UNDER THE TERMS OF AN EQUIPMENT TRUST AGREEMENT FILED UNDER SECTION 20c OF THE INTERSTATE COMMERCE ACT"

or other appropriate words designated by the Trustee, with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the security interest of the Trustee to such unit and the rights of the Company and the Trustee under this Agreement. The Company will not place or permit any unit of the Trust Equipment to be placed in operation or exercise any control or dominion over the same until such words shall have been so marked on both sides thereof and will replace or cause to be replaced promptly any such words which may be removed, defaced or destroyed. The Company will not permit the identifying number of any unit of the Trust Equipment to be changed except in accordance with a statement of new identifying numbers to be substituted therefor, which statement previously shall have been filed with the Trustee by the Com-

pany and filed, recorded or deposited in all public offices where this Agreement will have been filed, recorded or deposited.

Except as above provided, the Company will not allow the name of any person, association or corporation to be placed on the units of the Trust Equipment as a designation that might be interpreted as a claim of full legal ownership; provided, however, that the Company may cause the Trust Equipment to be lettered with the names, initials or other insignia customarily used by the Lessee or an Affiliate of the Lessee on railroad equipment used by it of the same or a similar type for convenience of identification of its right to use the Trust Equipment under the Lease, and the Trust Equipment may be lettered in an appropriate manner for convenience of identification of the interest of the Company therein.

SECTION 4.07. Maintenance of Trust Equipment; Casualty Occurrences; Annual Report. The Company agrees that it will maintain or cause to be maintained and keep or cause to be kept all the Trust Equipment in good order and repair at no cost or expense to the Trustee, ordinary wear and tear excepted, unless and until it becomes worn out, lost, stolen, destroyed, irreparably damaged, from any cause whatsoever or taken or requisitioned by condemnation or otherwise by the United States Government, or by any other governmental entity resulting in the loss of possession by the Company for a period of 90 consecutive days (such occurrences being hereinafter called a Casualty Occurrence).

Whenever any unit of the Trust Equipment shall suffer a Casualty Occurrence the Company shall, promptly after it is informed of a Casualty Occurrence under the Lease, notify the Trustee in writing with respect thereto. On the Casualty Payment Date next succeeding such notice by the Company (or, in the event such Casualty Payment Date shall occur within 15 days after notice of such Casualty Occurrence is given by the Lessee to the Company and the Lessee exercises its option provided in § 6 of the Lease, on the following Casualty Payment Date) the Company shall deposit with the Trustee an amount in cash equal to the value of such unit as of such Casualty Payment Date and, upon such payment, the security interest of the Trustee in such unit shall terminate and full title to such unit shall vest in the Company. The

*for a period which shall exceed
the date of the stated maturity
of the Trust Certificates*

Handwritten signatures and initials, including a large signature that appears to be 'JMM' and several other initials and scribbles.

rights and remedies of the Trustee to enforce or to recover any of the rental payments shall not be affected by reason of such Casualty Occurrence. For all purposes of this paragraph, value shall be set forth in an Officer's Certificate and shall be determined as follows (and the manner of such determination shall be set forth in such Officer's Certificate):

The value of any unit of Trust Equipment having suffered a Casualty Occurrence shall be deemed to be 73.335% of the Cost thereof as theretofore certified to the Trustee, less an amount equal to the aggregate of payments of rental theretofore made pursuant to Section 4.04(4) applicable to such unit. Rentals paid pursuant to section 4.04(4) shall be deemed to be applied pro rata to each unit on each rental payment date in the same proportion as the Cost of such unit bears to the aggregate Cost of all Units of Trust Equipment hereunder on such date.

Cash deposited with the Trustee pursuant to this Section 4.07 shall be applied to the pro rata prepayment on such date of each instalment of principal remaining unpaid on the Trust Certificates (in proportion to the principal amount represented by each such instalment), each of the holders of the Trust Certificates to share proportionately in such prepayment. The Company will promptly furnish to the Trustee and each of the holders of outstanding Trust Certificates a revised schedule of payments of principal thereafter to be made calculated as provided in Section 2.02.

On or before the Reporting Date in each year, commencing with the year immediately following the date of this Agreement, the Company will furnish or cause to be furnished to the Trustee, in such number of counterparts or copies as may reasonably be requested, an accurate statement (1) showing as of the preceding December 31, the amount, description and numbers of all units of the Trust Equipment that may have suffered a Casualty Occurrence whether by accident or otherwise during the preceding calendar year (or since the date of this Agreement in the case of the first such statement) and such other information regarding the condition and state of repair of Trust Equipment as the Trustee may reasonably request, (2) identifying the units of Trust Equipment then subject to the Lease, and (3) stating that, in the case of all units of Trust Equipment repaired or repainted during the period covered by such statement, the markings required by

Section 4.06 have been preserved or replaced.

SECTION 4.08. Possession of Trust Equipment. So long as the Company shall not be in default under this Agreement, the Company shall be entitled to the possession and use of the Trust Equipment and also to enter into the Lease which shall be subject and subordinate to this Agreement and to permit the Trust Equipment to be used as provided therein; provided, however, that the Lease shall forthwith be assigned to the Trustee as security for the obligations of the Company hereunder pursuant to the Assignment.

The Company may assign and/or transfer any or all of its rights under this Agreement and/or any or all of its rights to any of the Trust Equipment; provided, however, any such assignment or transfer must be subject to the rights and remedies of the Trustee hereunder. Any such assignment or transfer may be made by the Company without the assignee or transferee assuming any of the obligations of the Company hereunder. All of the rights of the Company hereunder shall inure to the benefit of the Company's assigns (and to any corporation, trust [including any beneficiary or trustee thereof] or other person for which the Company is acting as nominee).

SECTION 4.09. Compliance With Laws and Rules; Additions; Indemnity. The Company covenants and agrees to comply in all respects with all laws of the jurisdictions in which operations involving any unit of the Trust Equipment may extend, with the Interchange Rules of the Association of American Railroads, if applicable, and with all lawful rules of the Interstate Commerce Commission, the Department of Transportation and any other legislative, executive, administrative or judicial body or officer exercising any power or jurisdiction over any unit of the Trust Equipment, to the extent such laws and rules affect the operations or use of such unit; and the Company agrees to cause to be indemnified and held harmless the Trustee from any and all liabilities that may arise from any infringement or violation of any such law or rule by the Company, or the Company's employees, or any other person. In the event that such laws or rules require the alteration of any such unit of the Trust Equipment, the Company will cause such unit to be conformed therewith and will cause the same to be maintained in proper condition or operation under such laws and rules; provided, however, that the Company or the Lessee may in good faith contest the validity or application of any such law or rule, in

any reasonable manner which does not in the opinion of the Trustee adversely affect the property or rights of the Trustee or of the holders of the Trust Certificates hereunder.

Any and all additions to any unit of the Trust Equipment and any replacements thereto and of parts thereof made by the Company or the Lessee shall constitute accessions to such unit (except such as can be readily removed without causing material damage to such Unit without cost or expense to the Trustee), and there shall immediately be vested in the Trustee the same security interest in such accessions as the security interest of the Trustee in such unit.

The Company agrees to cause to be indemnified and protected and hold harmless the Trustee from and against all losses, damages, injuries, liabilities, claims and demands whatsoever, regardless of the cause thereof, and expenses in connection therewith, including, but not limited to, reasonable counsel fees and expenses, patent liabilities, penalties and interest, arising out of or as the result of (i) the entering into or the performance of or the occurrence of an Event of Default under this Agreement or the Lease, (ii) the ownership of any unit of Trust Equipment, (iii) the ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage or return of any unit of Trust Equipment, (iv) any accident in connection with the operation, use, condition, possession, storage or return of any unit of Trust Equipment resulting in damage to property or injury or death to any person or (v) the transfer of title to the Trust Equipment by the Trustee pursuant to any provision of this Agreement. The indemnities contained in this paragraph shall survive payment of all other obligations under this Agreement or the termination of this Agreement.

SECTION 4.10. Taxes. All payments to be made by the Company hereunder will be free of expense (after giving effect to Federal, state and local income tax benefits accruing to the Trustee) to the Trustee for collection or other charges and will be free of expense (after giving effect to Federal, state and local income tax benefits accruing to the Trustee) to the Trustee with respect to the amount of any local, state, Federal, or foreign taxes, including, but not limited to, sales, use and personal property taxes (other than any United States Federal gross receipts, income and excess profits taxes payable by the Trustee in consequence of the receipt of payments provided for herein and other than the aggregate of all state or local taxes

measured by gross receipts or by net income based on receipt of such payment and all state and local excess profits taxes, up to the amount of any such taxes based on such receipts which would be payable to the state and locality in which the Trustee has its principal place of business without apportionment to any other state, except any such tax which is in substitution for or relieves the Company from the payment of taxes which it would otherwise be obligated to pay or reimburse as herein provided) or license fees, assessments, charges, fines or penalties (all such expenses, taxes, including, but not limited to, sales, use and personal property taxes, license fees, assessments, charges, fines and penalties being hereinafter called impositions) hereafter levied or imposed upon the Trustee or the Company in connection with or measured by this Agreement or any sale, rental, use, payment, shipment, delivery or transfer of title under the terms of this Agreement, all of which impositions the Company assumes and agrees to pay on demand in addition to the payments to be made by it provided for herein. The Company will also pay promptly all impositions which may be imposed upon any unit of Trust Equipment or for the use or operation thereof (except as provided above) or upon the earnings arising therefrom (except as provided above) or upon the Trustee solely by reason of its security interest therein and will keep at all times all and every part of such unit of Trust Equipment free and clear of all impositions which might in any way affect the security interest of the Trustee or result in a lien upon any such unit; provided, however, that the Company shall be under no obligation to pay any impositions of any kind so long as it is contesting in good faith and by appropriate legal or administrative proceedings such impositions and the nonpayment thereof does not, in the reasonable opinion of the Trustee or its counsel, adversely affect the security interest of the Trustee under this Agreement. The Company agrees to give the Trustee notice of such contest within 30 days after institution thereof and the Trustee agrees to provide such information as may be reasonably requested by the Company in furtherance of such contest. If any impositions shall have been charged or levied against the Trustee directly and paid by the Trustee, the Company shall reimburse the Trustee on presentation of an invoice therefor; provided, however, that where practicable, the Trustee shall have given the Company written notice of such imposition prior to such payment.

In the event any reports with respect to impositions are required to be made, the Company will either make

such reports in such manner as to show the interest of the Trustee in such units, or notify the Trustee of such requirement and make such reports in such manner as shall be satisfactory to the Trustee.

In the event that, during the continuance of this Agreement, the Company becomes liable for the payment or reimbursement of any imposition, pursuant to this Section 4.10, such liability shall continue, notwithstanding the expiration of this Agreement, until all such impositions are paid or reimbursed by the Company.

To the extent the Company may be prohibited by law from performing in its own name the duties required by this Section 4.10, the Trustee hereby authorizes the Company to act in its own name and on its behalf; provided, however, that the Company shall indemnify and hold the Trustee harmless from and against any and all claims, costs, expenses, damages, losses and liabilities incurred in connection therewith as a result of, or incident to, any action by the Company pursuant to this authorization.

The Company shall, whenever reasonably requested by the Trustee, submit to the Trustee copies of returns, statements, reports, billings and remittances, or furnish other evidence satisfactory to the Trustee of the Company's performance of its duties under this Section 4.10. The Company shall also furnish promptly upon request such data as the Trustee reasonably may require to permit the Trustee's compliance with the requirements of taxing jurisdictions.

ARTICLE FIVE

EVENTS OF DEFAULT AND REMEDIES

SECTION 5.01. Events of Default. The Company covenants and agrees that in case:

(a) the Company shall default in the payment of any part of the rental payable hereunder for more than 10 days after the same shall have become due and payable, or

(b) the Company shall make or suffer any unauthorized assignment or transfer of its rights hereunder or under the Lease or shall make any unauthorized transfer

or lease (including, for the purpose of this clause, contracts for the use thereof) of any of the Trust Equipment, or, except as herein authorized or contemplated, shall part with the possession of any of the Trust Equipment, and shall fail or refuse either to cause such assignment or transfer or lease to be canceled by agreement of all parties having any interest therein and recover possession of such Trust Equipment within 30 days after the Trustee shall have demanded in writing such cancelation and recovery of possession, or within said 30 days to deposit with the Trustee a sum in cash equal to the value, as of the date of such unauthorized action (determined in the manner provided in Section 4.07), of such Trust Equipment (any sum so deposited to be returned to the Company upon the cancelation of such assignment, transfer or lease and the recovery of possession by the Company of such Trust Equipment), or

(c) the Company or Greenville, as the case may be, shall, for more than 30 days after the Trustee shall have demanded in writing performance thereof, fail or refuse to comply with any other of the terms and covenants hereof or in the Purchase Agreement on its part to be kept and performed, or to make provision satisfactory to the Trustee for such compliance, or

(d) a decree or order shall have been entered by a court of competent jurisdiction adjudging the Company bankrupt or insolvent or approving as properly filed a petition seeking reorganization or arrangement of the Company under the Bankruptcy Act, or any other federal or state law relating to bankruptcy or insolvency, or appointing a receiver for the Trust Equipment or decreeing or ordering the winding up or liquidation of the affairs of the Company, and any such decree or order shall remain in force undischarged and unstayed for a period of 60 days, or

(e) the Company shall institute proceedings to be adjudicated bankrupt or insolvent or shall consent to the institution of bankruptcy or insolvency proceedings against it or shall file a petition or answer or consent seeking reorganization or relief under the Bankruptcy Act or any other federal or state law relating to bankruptcy or insolvency or shall consent to the filing of any such petition or shall consent to the appointment

of a receiver for the Trust Equipment 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 action shall be taken by the Company in furtherance of any of the aforesaid purposes, or

(f) an Event of Default (as defined therein) shall occur under the Lease,

then, in any such case (herein sometimes called an Event of Default), if the same shall then be continuing, the Trustee in its discretion may, and upon the written request of the holders of a majority in principal amount of the then outstanding Trust Certificates shall, by notice in writing delivered to the Company, declare to be due and payable forthwith the entire amount of the rentals (except rentals required for the payment of interest accruing after the date of such declaration) payable by the Company as set forth in Section 4.04 and not theretofore paid. Thereupon the entire amount of such rentals shall forthwith become and shall be due and payable immediately without further demand, together with interest at the rate of the Penalty Rate per annum, to the extent legally enforceable, on any portion thereof overdue.

In case one or more Events of Default shall happen, and if the same shall then be continuing, the Trustee in its discretion also may, and upon the written request of the holders of a majority in principal amount of the then outstanding Trust Certificates shall, by notice in writing delivered to the Company, declare the principal of all the Trust Certificates then outstanding to be due and payable, and thereupon the same shall become and be immediately due and payable.

In case the Company shall fail to pay any installment of rental payable pursuant to Section 4.04(3) or (4) when and as the same shall have become due and payable hereunder, and such default shall have continued for a period of 10 days, the Trustee, in its own name and as trustee of an express trust, shall be entitled and empowered to institute any action or proceedings at law or in equity for the collection of the rentals so due and unpaid, and may prosecute any such action or proceedings to judgment or final decree, and may enforce any such judgment or final decree against the Company and collect in the manner provided by law out of the

property of the Company wherever situated the moneys adjudged or decreed to be payable.

In case there shall be pending proceedings for the bankruptcy or for the reorganization of the Company under the Bankruptcy Act or any other applicable law, or in case a receiver or trustee shall have been appointed for the Trust Equipment, or in case of any other judicial proceedings relative to the Company, or to the creditors of the Company or the Trust Equipment, the Trustee, irrespective of whether the rental payments hereunder or the principal of the Trust Certificates shall then be due and payable as herein or therein expressed whether by declaration or otherwise and irrespective of whether the Trustee shall have made any demand or declaration pursuant to the provisions of this Section, shall be entitled and empowered, by intervention in such proceedings or otherwise, to file and prove a claim or claims for the entire amount of the rentals (except rentals required for the payment of interest accruing after the date of such declaration), and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for reasonable compensation to the Trustee, its agents, attorneys and counsel, and for reimbursement of all expenses and liabilities incurred, and all advances made, by the Trustee except as a result of its gross negligence or wilful misconduct) and of the holders of the Trust Certificates allowed in such proceedings and to collect and receive any moneys or other property payable or deliverable on any such claims, and to distribute all amounts received with respect to the claims of the holders of the Trust Certificates and of the Trustee on their behalf; and any receiver, assignee or trustee in bankruptcy or reorganization is hereby authorized by each of the holders of the Trust Certificates to make payments to the Trustee, and, in the event that the Trustee shall consent to the making of payments directly to the holders of the Trust Certificates, to pay to the Trustee such amount as shall be sufficient to cover reasonable compensation to the Trustee, its agents, attorneys and counsel, and all other expenses and liabilities incurred, and all advances made, by the Trustee except as a result of its gross negligence or wilful misconduct.

All rights of action and to assert claims under this Agreement, or under any of the Trust Certificates, may be enforced by the Trustee without the possession of any of the Trust Certificates or the production thereof on any trial or other proceedings relative thereto, and any such action or

proceedings instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall be for the ratable benefit of the holders of the Trust Certificates. In any proceedings brought by the Trustee (and also any proceedings involving the interpretation of any provision of this Agreement to which the Trustee shall be a party) the Trustee shall be held to represent all the holders of the Trust Certificates, and it shall not be necessary to make any holders of the Trust Certificates parties to such proceedings.

SECTION 5.02. Remedies. Upon the happening of any Event of Default, the Trustee may by its agents enter upon the premises of the Company, any Affiliate of the Company or any lessee (or other person having acquired the use of the Trust Equipment) where any of the Trust Equipment may be and take possession of all or any part of the Trust Equipment and withdraw the same from said premises, retaining all payments which up to that time may have been made on account of rental for the Trust Equipment and otherwise, and shall be entitled to collect, receive and retain all unpaid per diem, mileage or other charges of any kind earned by the Trust Equipment or any part thereof, and may lease or otherwise contract for the use of the Trust Equipment or any part thereof; or the Trustee may with or without retaking possession (but only after declaring due and payable the entire amount of rentals payable by the Company and the principal of all the then outstanding Trust Certificates, as provided in Section 5.01) sell the Trust Equipment or any part thereof, free from any and all claims of the Company at law or in equity, in one lot and as an entirety or in separate lots, at public or private sale, for cash or upon credit, in its discretion, and may proceed otherwise to enforce its rights and the rights of the holders of then outstanding Trust Certificates, all subject to any mandatory requirements of law applicable thereto. Upon any such sale, the Trustee itself may bid for the property offered for sale or any part thereof. Any such sale may be held or conducted at such place and at such time as the Trustee may specify, or as may be required by law, and without gathering at the place of sale the Trust Equipment to be sold, and in general in such manner as the Trustee may determine, but so that the Company may and shall have a reasonable opportunity to bid at any such sale. After the Trustee has fully exercised its remedies hereunder, the Company shall cease to have any rights or remedies in respect of the Trust Equipment hereunder, but all such rights and remedies shall be deemed thenceforth to have been waived and surrendered by

the Company, and no payments theretofore made by the Company for the rent or use of the Trust Equipment or any of it shall give to the Company any legal or equitable interest or title in or to the Trust Equipment or any of it or any cause or right of action at law or in equity in respect of the Trust Equipment against the Trustee or the holders of interests hereunder. No such taking possession, withdrawal, lease or sale of the Trust Equipment by the Trustee shall be a bar to the recovery by the Trustee from the Company of rentals then or thereafter due and payable, or of principal and interest in respect of the Trust Certificates, and the Company shall be and remain liable for the same until such sums have been realized as, with the proceeds of the lease or sale of the Trust Equipment, shall be sufficient for the discharge and payment in full of all the obligations of the Company under this Agreement (other than interest not then accrued), whether or not they shall have then matured.

SECTION 5.03. Application of Proceeds. If the Trustee shall exercise any of the powers conferred upon it by Sections 5.01 and 5.02, all payments made by the Company to the Trustee and the proceeds of any judgment collected from the Company by the Trustee, and the proceeds of every sale or lease by the Trustee of any of the Trust Equipment, together with any other sums which may then be held by the Trustee under any of the provisions hereof (other than sums held in trust for the payment of specific Trust Certificates or a part thereof, or interest thereon) shall be applied by the Trustee to the payment, in the following order of priority, (a) of all proper charges, expenses or advances made or incurred by the Trustee in accordance with the provisions of this Agreement and (b) of the interest then due, with interest on overdue interest at the rate of the Penalty Rate per annum to the extent legally enforceable, and of the principal of all the outstanding Trust Certificates, with interest thereon at the rate of the Penalty Rate per annum to the extent legally enforceable from the date of default, whether such Trust Certificates shall have then matured by their terms or not, all such payments to be in full if such proceeds shall be sufficient, and if not sufficient, then pro rata without preference between principal and interest.

After all such payments shall have been made in full, the security interest in any of the Trust Equipment remaining unsold shall be conveyed by the Trustee to the Company free from any further liabilities or obligations to the Trustee hereunder. If after applying all such sums of money

realized by the Trustee as aforesaid there shall remain any amount due to the Trustee under the provisions hereof (hereinafter called the Deficiency) the Company agrees to pay the amount of the Deficiency to the Trustee, upon demand; and if the Company shall fail to pay the Deficiency, the Trustee may bring suit therefor and shall be entitled to recover judgment therefor against the Company. If after applying as aforesaid the sums of money realized by the Trustee there shall remain a surplus in the possession of the Trustee, such surplus shall be paid to the Company.

SECTION 5.04. Waivers of Default. Prior to the declaration of the acceleration of the maturity of the rentals and of the maturity of all the Trust Certificates as provided in Section 5.01, the holders of a majority in aggregate principal amount of the Trust Certificates at the time outstanding may on behalf of the holders of all the Trust Certificates waive any past default and its consequences, except a default in the payment of any instalment of rental payable pursuant to Section 4.04(3) or (4), but no such waiver shall extend to or affect any subsequent default or impair any right consequent thereon.

If at any time after the principal of all the Trust Certificates shall have been declared and become due and payable or if at any time after the entire amount of rentals shall have been declared and become due and payable, all as provided in Section 5.01, but before the date of the stated maturity thereof, all arrears of rent (with interest at the rate of the Penalty Rate per annum upon any overdue instalments, to the extent legally enforceable), the expenses and reasonable compensation of the Trustee, together with all expenses of the trust occasioned by the Company's default, and all other sums which shall have become due and payable by the Company hereunder (otherwise than by such declaration or declarations) shall be paid by the company before any sale or lease by the Trustee of any of the Trust Equipment (or the making of any agreement for such sale or lease), and every other default shall be made good or secured to the satisfaction of the Trustee, or provision deemed by the Trustee to be adequate shall be made therefor, then, and in every such case, the Trustee, if so requested by the holders of a majority in principal amount of the Trust Certificates then outstanding, shall by written notice to the Company waive the default by reason of which there shall have been such declaration or declarations and the consequences of such default, but no such waiver shall extend to or affect any subsequent

default or impair any right consequent thereon.

SECTION 5.05. Obligations of Company Not Affected by Remedies. No retaking of possession of the Trust Equipment by the Trustee, or any withdrawal, lease or sale thereof, nor any action or failure or omission to act against the Company or in respect of the Trust Equipment, on the part of the Trustee or on the part of the holder of any Trust Certificate, nor any delay or indulgence granted to the Company by the Trustee or by any such holder, shall affect the obligations of the Company hereunder or the obligations of the Company under the guaranty endorsed on the Trust Certificates.

The Company hereby waives presentation and demand in respect of any of the Trust Certificates and waives notice of presentation, of demand and of any default in the payment of the principal of and interest on the Trust Certificates.

SECTION 5.06. Company to Deliver Trust Equipment to Trustee. In case the Trustee shall rightfully demand possession of any of the Trust Equipment in pursuance of this Agreement, the Company will, at its own expense, promptly cause such Trust Equipment to be drawn to such point or points as shall reasonably be designated by the Trustee and will there deliver or cause to be delivered the same to the Trustee; or, at the option of the Trustee, the Trustee may keep such Trust Equipment, at the expense of the Company, on any lines of railroad or premises approved by the Trustee until the Trustee shall have leased, sold or otherwise disposed of the same. The performance of the foregoing covenant is of the essence of this Agreement and upon application to any court having jurisdiction in the premises, the Trustee shall be entitled to a decree against the Company requiring the specific performance thereof.

SECTION 5.07. Trustee to Give Notice of Default. The Trustee shall give to the holders of the Trust Certificates notice of each default hereunder known to the Trustee, not more than 30 days after it has actual knowledge of the same, unless remedied or cured before the giving of such notice.

SECTION 5.08. Control by Holders of Trust Certificates. The holders of a majority in aggregate principal amount of the then outstanding Trust Certificates, by an instrument or instruments in writing executed and delivered to the Trustee, shall have the right to direct the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust

or power conferred on the Trustee; provided, however, that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action so directed may not lawfully be taken.

SECTION 5.09. Remedies Cumulative; Subject to Mandatory Requirements of Law. The remedies in this Agreement provided in favor of the Trustee and the holders of the Trust Certificates, or any of them, shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in their favor existing at law or in equity; and such remedies so provided in this Agreement shall be subject in all respects to any mandatory requirements of law at the time applicable thereto, to the extent such requirements may not be waived on the part of the Company.

SECTION 5.10. Transfer of Trust Certificates to the Company. At any time after the occurrence and during the continuation of an Event of Default and upon request of the Company made to each holder of an outstanding Trust Certificate, each holder of a Trust Certificate agrees that, unless the holders of a majority in aggregate principal amount of the Trust Certificates shall have waived such Event of Default, it will, upon receipt from the Company of an amount equal to the aggregate unpaid principal of and accrued interest on all Trust Certificates then held by such holder plus all other sums then due and payable to such holder hereunder or under such Trust Certificates, forthwith sell, assign, transfer and convey to the Company all of the right, title and interest of such holder in and to the Trust Equipment, this Agreement, all Trust Certificates then held by such holder, the Purchase Agreement, the Lease and the Assignment. Anything contained in this Section to the contrary notwithstanding, no holder of any outstanding Trust Certificate shall have any obligation to sell such Trust Certificate to the Company unless the event constituting the Event of Default shall also constitute an Event of Default under the Lease. If the Company shall request, such holder will comply with all the provisions of Section 2.05 to enable the new Trust Certificates to be issued to the Company in such denominations as the Company shall request. All charges and expenses required pursuant to Section 2.05 in connection with the issuance of any new Trust Certificates shall be borne by the Company. In the event that the Company shall have acquired all the Trust Certificates in the manner contemplated by this Section and all amounts owing to the Trustee pursuant to this Agreement shall have been paid, the Trustee shall not exercise any remedies

under this Agreement, the Assignment or the Lease without the approval of the Company.

ARTICLE SIX

ADDITIONAL COVENANTS AND AGREEMENTS BY THE COMPANY

SECTION 6.01. Guaranty of Company. The Company unconditionally covenants, agrees and guarantees that the holder of each of the Trust Certificates shall receive the principal amount thereof, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, when and as the same shall become due and payable, in accordance with the provisions thereof or of this Agreement (and, if not so paid, with interest thereon until paid at the rate of the Penalty Rate per annum to the extent legally enforceable), and shall receive interest thereon in like money at the rate specified therein, at the times and place and otherwise as expressed in the Trust Certificates (and, if not so paid, with interest thereon until paid at the rate of the Penalty Rate per annum to the extent legally enforceable); and the Company agrees to endorse upon each of the Trust Certificates, at or before the issuance and delivery thereof by the Trustee, its guaranty of the prompt payment of the principal thereof and of the interest thereon, in substantially the form hereinbefore set forth. Said guaranty so endorsed shall be signed in the name and on behalf of the Company by the manual or facsimile signature of its President, any Vice President or any Assistant Vice President. In case any officer of the Company whose signature shall appear on said guaranty shall cease to be such officer before the Trust Certificate shall have been issued and delivered by the Trustee, or shall not have been acting in such capacity on the date of the Trust Certificates, such guaranty shall nevertheless be as effective and binding upon the Company as though the person who signed said guaranty had not ceased to be or had then been such officer.

SECTION 6.02. Discharge of Liens. The Company covenants and agrees that it will pay and discharge, or cause to be paid and discharged, or make adequate provision for the satisfaction or discharge of, any debt, tax, charge, assessment, obligation or claim which if unpaid might become a lien, charge or security interest upon or against any of

the Trust Equipment or the Lease or the rentals payable thereunder prior to or pari passu with the security interest of the Trustee; but this provision shall not require the payment of any such debt, tax, charge, assessment, obligation or claim so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings, provided that such contest will not adversely affect the rights or interests of the Trustee or the holders of the Trust Certificates and the Trustee shall have been furnished with an Opinion of Counsel to such effect. If the Company does not forthwith pay and discharge, or cause to be paid and discharged, or make adequate provision for the satisfaction or discharge or, any such debt, tax, charge, assessment, obligation or claim as required by this Section, the Trustee may, but shall not be obligated to, pay and discharge the same and any amount so paid shall be secured by and under this Agreement until reimbursed by the Company.

SECTION 6.03. Recording. The Company will at its own expense, promptly after the execution and delivery of this Agreement, the Lease and the Assignment, and each supplement or amendment hereto or thereto, respectively, cause the same to be duly filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act and cause all necessary filing and recordations to be made in the State of Ohio and the Commonwealth of Pennsylvania in respect thereof. The Company will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register, record and deposit (and will refile, reregister, rerecord or redeposit whenever required) any and all further instruments required by law or reasonably requested by the Trustee for the purposes of proper protection, to the satisfaction of the Trustee, of the security interest of the Trustee in the Trust Equipment and the rights of the holders of the Trust Certificates, or for the purpose of carrying out the intention of this Agreement.

Promptly after the execution and delivery of this Agreement and of the Assignment, and of each supplement or amendment hereto or thereto, the Company will furnish or cause to be furnished to the Trustee an Opinion of Counsel for the Company stating that, in the opinion of such counsel, such document has been properly recorded and filed pursuant to Section 20c of the Interstate Commerce Act and under the laws of the Commonwealth of Pennsylvania and an Opinion of Counsel for the Lessee, stating that, in the opinion of such counsel, such document has been properly recorded and filed under the laws of the State of Ohio, so as effectively to protect the security interest of the Trustee in the Trust Equip-

ment and its interests in the Lease and its rights and the rights of the holders of the Trust Certificates hereunder and thereunder and reciting the details of such action.

SECTION 6.04. Further Assurances. The Company covenants and agrees from time to time at its expense to do all such acts and execute all such instruments of further assurance as it shall be reasonably requested by the Trustee to do or execute for the purpose of fully carrying out and effectuating this Agreement and the intent hereof.

ARTICLE SEVEN

CONCERNING THE HOLDERS OF TRUST CERTIFICATES

SECTION 7.01. Evidence of Action Taken by Holders of Trust Certificates. Whenever in this Agreement it is provided that the holders of a specified percentage in aggregate principal amount of the Trust Certificates may take any action (including the making of any demand or request, the giving of any notice, consent or waiver or the taking of any other action), the fact that at the time of taking any such action the holders of such specified percentage have joined therein may be evidenced by any instrument or any number of instruments of similar tenor executed by holders of Trust Certificates in person or by agent or proxy appointed in writing.

SECTION 7.02. Proof of Execution of Instruments and of Holding of Trust Certificates. Proof of the execution of any instrument by a holder of Trust Certificates or his agent or proxy and proof of the holding by any person of any of the Trust Certificates shall be sufficient if made in the following manner:

The fact and date of the execution by any such person of any instrument may be proved by the certificate of any notary public or other officer of any jurisdiction within the United States of America authorized to take acknowledgments of deeds to be recorded in such jurisdiction that the person executing such instrument acknowledged to him the execution thereof, or by an affidavit of a witness to such execution sworn to before any such notary or other such officer.

The ownership of Trust Certificates and the unpaid principal amount thereof may be proved by the register of

such Trust Certificates or by a certificate of the Trustee.

SECTION 7.03. Trust Certificates Owned by Company. In determining whether the holders of the requisite principal amount of the Trust Certificates have concurred in any direction, request or consent under this Agreement, Trust Certificates (other than those acquired by the Company in the manner required by Section 5.10) which are owned by the Company, the Lessee or by an Affiliate of the Company or the Lessee shall (unless all of the Trust Certificates are so owned) be disregarded, except that for the purpose of determining whether the Trustee shall be protected in relying on any such direction, request or consent, only Trust Certificates which the Trustee actually knows are so owned shall be disregarded.

SECTION 7.04. Right of Revocation of Action Taken. At any time prior to (but not after) the evidencing to the Trustee, as provided in Section 7.01, of the taking of any action by the holders of the percentage in aggregate principal amount of the Trust Certificates specified in this Agreement in connection with such action, any holder of a Trust Certificate the serial number of which is shown by the evidence to be included in the Trust Certificates the holders of which have consented to such action may, by filing written notice with the Trustee at its Corporate Trust Office and upon proof of holding as provided in Section 7.02, revoke such action in so far as concerns such Trust Certificate. Except as aforesaid, any such action taken by the holder of any Trust Certificate shall be conclusive and binding upon such holder and upon all future holders and owners of such Trust Certificate and of any Trust Certificate issued in exchange or substitution therefor, irrespective of whether or not any notation in regard thereto is made upon such Trust Certificate. Any action taken by the holders of the percentage in aggregate principal amount of the Trust Certificate specified in this Agreement in connection with such action shall be conclusive and binding upon the Company, the Trustee and the holders of all the Trust Certificates.

ARTICLE EIGHT

THE TRUSTEE

SECTION 8.01. Acceptance of Trust. The Trustee hereby accepts the trust imposed upon it by this Agreement,

and covenants and agrees to perform the same as herein expressed.

SECTION 8.02. Duties and Responsibilities of the Trustee. In case an Event of Default has occurred (which has not been cured), the Trustee shall exercise such of the rights and powers vested in it by this Agreement and use the same degree of care and skill in its exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

No provision of this Agreement shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own wilful misconduct, except that

(a) prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred:

(1) the duties and obligations of the Trustee shall be determined solely by the express provisions of this Agreement, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Agreement, and no implied covenants or obligations shall be read into this Agreement against the Trustee; and

(2) in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Trustee and conforming to the requirements of this Agreement; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Agreement;

(b) the Trustee shall not be liable for any error of judgment made by it in good faith, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts or that its action or inaction was contrary to the express provisions of this Agreement;

(c) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the holders of a majority in aggregate principal amount of the then outstanding Trust certificates relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred upon the Trustee under this Agreement;

(d) the Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, Trust Certificate, guaranty or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties;

(e) the Trustee may consult with counsel, and any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with such Opinion of Counsel and not contrary to any express provision of this Agreement;

(f) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Agreement at the request, order or direction of any of the holders of the Trust Certificates, pursuant to the provisions of this Agreement, unless such holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred therein or thereby; and

(g) the Trustee shall not be liable for any action taken by it in good faith and reasonably believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Agreement.

SECTION 8.03. Application of Rentals; Responsibility of Trustee to Insure or Record. The Trustee covenants and agrees to apply the rentals received by it under Section 4.04 when and as the same shall be received, and to the extent that such rentals shall be sufficient therefor, for the purposes specified in Section 4.04.

The Trustee shall not be required to undertake any act or duty in the way of insuring, taking care of or taking

possession of the Trust Equipment or to undertake any other act or duty under this Agreement until fully indemnified to its satisfaction by the Company or by one or more of the holders of the Trust Certificates against all liability and expenses; and the Trustee shall not be responsible for the filing or recording, required under Section 6.03, of this Agreement or of any supplement hereto or statement of new indentifying numbers.

SECTION 8.04. Funds May be Held by Trustee. Any money at any time paid to or held by the Trustee hereunder until paid out or invested by the Trustee as herein provided need not be segregated in any manner except to the extent required by law and may be carried by the Trustee on deposit with its general banking department, and the Trustee shall not be liable for any interest thereon.

At any time, and from time to time, if at the time no Event of Default shall have occurred and be continuing, the Trustee, on Request shall invest and reinvest at the Company's risk Deposited Cash held by it in Investments, at such prices, including any premium and accrued interest, as set forth in such Request, such Investments to be held by the Trustee in trust for the benefit of the holders of the Trust Certificates.

The Trustee shall, on Request, in the event funds are required in connection with a settlement for Trust Equipment pursuant to Section 3.02 or in the event funds are required for the prepayment of the Trust Certificates pursuant to Section 3.01 or Section 4.07, sell such Investments, or any portion thereof, and restore to Deposited Cash the proceeds of any such sale up to the amount paid for such Investments, including any accrued interest.

The Trustee shall restore to Deposited Cash, out of rentals received by it for that purpose under the provisions of Section 4.04(1)(b), an amount equal to any expenses incurred in connection with any purchase, sale or redemption of Investments and also an amount equal to any loss or principal (including interest accrued thereupon at the time of purchase) incurred in connection with any such purchase, sale or redemption.

Any interest (in excess of accrued interest paid from Deposited Cash at the time of purchase) or other profit which may be realized from any sale or redemption of Invest-

ments and held by the Trustee shall be paid to the Company on the Investment Payment Date, provided that the Company is not in default hereunder and the Lessee is not in default under the Lease.

SECTION 8.05. Trustee Not Liable for Delivery Delays or Defects in Equipment or Title; Agents; Expenses; etc. The Trustee shall not be liable to anyone for any delay in the delivery of any of the Trust Equipment, or for any default on the part of the Company, or for any defect in any of the Trust Equipment or in the title thereto, nor shall anything herein be construed as a warranty on the part of the Trustee in respect thereof or as a representation on the part of the Trustee in respect of the value thereof or in respect of the title thereto.

The Trustee may perform its powers and duties hereunder by or through such attorney and agents as it shall appoint, and shall be answerable only for its own acts, and not for the acts of any attorney or other agent appointed by it with reasonable care. The Trustee shall not be responsible in any way for the recitals herein contained or for the execution or validity of this Agreement, the Lease, the Assignment or of the Trust Certificates (except the Trustee for its own execution thereof) or for the guaranty by the Company.

The Trustee shall be entitled to receive payment of all of its expenses and disbursements, hereunder, including reasonable counsel fees, and to receive reasonable compensation for all services rendered by it in the execution of its duties hereunder, all of which shall (unless otherwise specifically provided herein to be paid by some other person) be paid by the Company.

The Trustee may in its individual capacity own, hold and dispose of Trust Certificates.

Any moneys at any time held by the Trustee shall, until paid out or invested as herein provided, be held by it in trust as herein provided for the benefit of the holders of the Trust Certificates.

SECTION 8.06. Resignation and Removal of Trustee; Appointment of Successor Trustee.

(a) The Trustee may resign and be discharged of the trust created by this Agreement by giving 30 days' written

notice to the Company and to the registered holders of the Trust Certificates and such resignation shall take effect 30 days after the delivery thereof to the Company or upon receipt by the Trustee of an instrument of acceptance executed by a successor trustee as hereinafter provided in this Section.

(b) The Trustee may be removed at any time by an instrument in writing signed by the holders of a majority in principal amount of the Trust Certificates then outstanding, delivered to the Trustee and the Company.

(c) If at any time the Trustee shall resign or be removed or otherwise become incapable of acting or, if at any time a vacancy shall occur in the office of the Trustee for any other cause, a successor trustee may be appointed by the holders of a majority of the aggregate principal amount of the then outstanding Trust Certificates by an instrument in writing delivered to the company and the Trustee. Until a successor trustee shall be appointed by the holders of Trust Certificates as herein authorized, the Company by an instrument in writing executed by order of its Board of Directors shall appoint a trustee to fill such vacancy. A successor trustee so appointed by the Company shall immediately and without further act be superseded by a successor trustee appointed by the holders of Trust Certificates in the manner provided above. Every successor trustee appointed pursuant to this Section shall be a national bank or a bank or trust company incorporated under the laws of the United States of America or the State of New York or the Commonwealth of Pennsylvania, and having a capital and surplus of not less than \$50,000,000, if there be such an institution willing, qualified and able to accept the trust upon reasonable or customary terms.

(d) The Company shall give notice to the holders of all outstanding Trust Certificates of each resignation or removal of the then Trustee and of each appointment by the Company of a successor trustee pursuant to this Section by mailing written notice of such event by first class mail, postage prepaid.

SECTION 8.07. Acceptance of Appointment by Successor Trustee. Any successor trustee appointed as provided in Section 8.06 shall execute, acknowledge and deliver to the Company and to its predecessor trustee an instrument accepting such appointment hereunder, and thereupon (unless such resignation shall have become effective earlier pursuant to Section

8.06(a) the resignation or removal of the predecessor trustee shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named as Trustee herein; but, nevertheless, on the written request of the Company or of the successor trustee, upon payment of its charges then unpaid, the trustee ceasing to act shall execute and deliver an instrument transferring to each successor trustee all the rights and powers of the trustee so ceasing to act. Upon request of any such successor trustee, the Company shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor trustee all such rights and powers. Any trustee ceasing to act shall, nevertheless, retain a lien upon all property or funds held or collected by such trustee by it or for its account to secure any amounts then due it pursuant to the provisions of Section 8.05.

SECTION 8.08. Merger or Consolidation of Trustee. Any corporation into which the Trustee may be merged or with which it may be consolidated or any corporation resulting from any merger or consolidation to which the Trustee shall be a party shall be the successor of the Trustee hereunder, provided such corporation shall be qualified under the provisions of Section 8.06, without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

ARTICLE NINE

MISCELLANEOUS

SECTION 9.01. Rights Confined to Parties and Holders. Nothing expressed or implied herein is intended or shall be construed to confer upon or to give to any person, firm or corporation, other than the parties hereto, the holders of the Trust Certificates and the assignees and/or transferees contemplated by the second paragraph of Section 4.08 any right, remedy or claim under or by reason of this Agreement or of any term, covenant or condition hereof, and all the terms, covenants, conditions, promises and agreements contained herein shall be for the sole and exclusive benefit of the parties hereto and their successors and of the holders of the Trust Certificates and such assignees and transferees.

SECTION 9.02. No Recourse. No recourse shall be had in respect of any obligation due under this Agreement, or referred to herein, or under the guaranty endorsed on any Trust Certificate, against any incorporator, stockholder, director or officer, past, present or future, of the Company, or against any principal or principals (disclosed or undisclosed) of the Company or assignee or assignees or transferee or transferees of the Company if the Company is acting in an agency or nominee capacity, whether by virtue of any constitutional provision, statute or rule of law or by enforcement of any assessment or penalty or otherwise, all such liability, whether at common law, in equity, by any constitutional provision, statute or otherwise, of incorporators, stockholders, directors, officers, assignees, transferees or principals being forever released as a condition of and as consideration for the execution of this Agreement and the said guaranty.

SECTION 9.03. Binding Upon Assigns. Except as otherwise provided herein, the provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

SECTION 9.04. Satisfaction of Obligations. The obligations of the Company under Section 4.06, the first and last paragraphs of Section 4.07, Section 4.09, Section 4.10 and Section 6.02 and the second paragraph of Section 6.03 (as such pertains to the Opinion of Counsel as to all necessary filings and recordations to be made in the State of Ohio) shall be deemed in all respects satisfied by the Lessee's undertakings contained in the Lease. The Company shall not have any responsibility for the Lessee's failure to perform such obligations, but if the same shall not be performed by the Lessee such nonperformance may constitute the basis for an Event of Default hereunder pursuant to Section 5.01.

SECTION 9.05. Notices. Except as otherwise expressly provided herein, all demands, notices and communications hereunder shall be in writing and shall be deemed to have been duly given if personally delivered at or mailed by registered mail to (a) in the case of the Company, in care of Mellon Bank, N.A., Mellon Square, Pittsburgh, Pennsylvania, 15230, attention of Corporate Trust Department (with a copy to Greenville Steel Car Company, Greenville, Pennsylvania 16125, attention of Treasurer), or such other address as may hereafter be furnished to the Trustee in writing by the Company, (b) in the case of the Trustee, at its Corporate Trust Office or such other address as may hereafter be furnished to

the Company in writing by the Trustee (with a copy to each Purchaser at its address set forth in Annex I to the Purchase Agreement). An affidavit by any person representing or acting on behalf of the Company or the Trustee as to such mailing, having the registry receipt attached, shall be conclusive evidence of the giving of such demand, notice or communication.

SECTION 9.06. Effect of Headings. The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 9.07. Execution. Although this Agreement is dated as of the Execution Date, for convenience, the actual date or dates of execution hereof by parties hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.

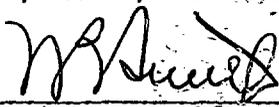
SECTION 9.08. Applicable Laws. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, the Company hereby waives any provision of law which renders any provision hereof prohibited or unenforceable in any respect.

SECTION 9.09. Pennsylvania Law Governs. The provisions of this Agreement, and all the rights and obligations of the parties hereunder, shall be governed by the laws of the Commonwealth of Pennsylvania; provided, however, that the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act, such additional rights arising out of the filing, recording or depositing hereof and of any assignment hereof or out of the marking of the Trust Equipment as shall be conferred by the laws of the several jurisdictions in which this Agreement or any assignment hereof shall be filed, recorded or deposited or in which any Trust Equipment may be located. The Company warrants that its principal place of business is in Pennsylvania.

IN WITNESS WHEREOF, the Trustee and the Company have caused their names to be signed thereto by their respective officers thereunto duly authorized and their respective

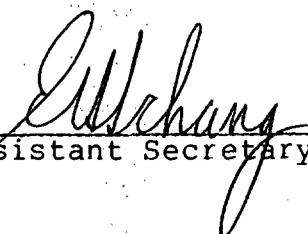
corporate seals, duly attested, to be hereunto affixed as of the day and year first written.

MELLON BANK, N.A., as Trustee,

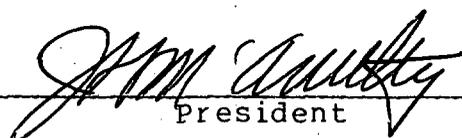
by 
Vice President

[Corporate Seal]

Attest:

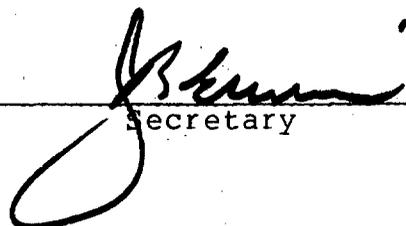

Assistant Secretary

GSCX SECOND EQUIPMENT CORPORATION,

by 
President

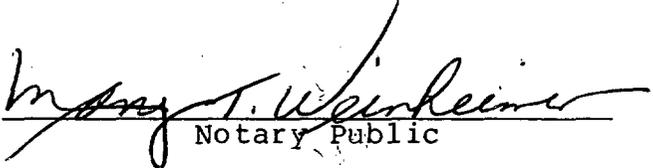
[Corporate Seal]

Attest:


Secretary

COMMONWEALTH OF PENNSYLVANIA,)
) SS.:
COUNTY OF ALLEGHENY,)

On this *13th* day of *November*, 1975, before me personally appeared *R. S. Smith*, to me personally known, who, being by me duly sworn, says that he is a Vice President of MELLON BANK, N.A., that one of the seals affixed to the foregoing instrument is the corporate seal of said national bank, that said instrument was signed and sealed on behalf of national bank said 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 national bank.

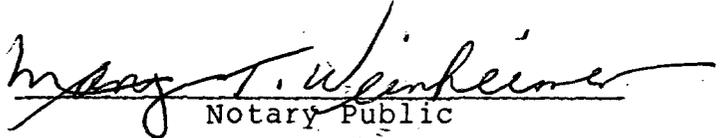

Notary Public

[Notarial Seal]

Mary T. Weinheimer, Notary Public
Pittsburgh, Allegheny County, Pennsylvania
My Commission Expires January 24, 1978

COMMONWEALTH OF PENNSYLVANIA,)
) SS.:
COUNTY OF ALLEGHENY,)

On this *13th* day of *NOVEMBER* 1975, before me personally appeared *J. H. Manully*, to me personally known, who, being by me duly sworn, says that he is the President of GSCX SECOND EQUIPMENT CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, 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]

Mary T. Weinheimer, Notary Public
Pittsburgh, Allegheny County, Pennsylvania
My Commission Expires January 24, 1978

ANNEX A TO EQUIPMENT TRUST AGREEMENT

<u>Quantity</u>	<u>Type and Specifications</u>	<u>Cost</u>	<u>Identifying Numbers (both inclusive)</u>
100	100-ton triple hopper cars, GSC Co. specification No. H-3051; AAR Mechanical Designation HT	\$2,727,214	GSCX 12000 to 12099

LEASE OF EQUIPMENT

BETWEEN

GSCX SECOND EQUIPMENT CORPORATION

AND

THE CLEVELAND ELECTRIC ILLUMINATING COMPANY

Dated as of November 1, 1975

LEASE OF EQUIPMENT, dated as of November 1, 1975, between GSCX SECOND EQUIPMENT CORPORATION, an Ohio corporation (hereinafter called the Lessor), and THE CLEVELAND ELECTRIC ILLUMINATING COMPANY, an Ohio corporation (hereinafter called the Lessee).

WHEREAS the Lessor has entered into an Equipment Trust and Security Agreement dated as of November 1, 1975 (hereinafter called the Equipment Trust Agreement), with Mellon Bank, N.A., as Trustee (hereinafter called the Trustee), under which the Lessor has agreed to sell, assign and transfer to the Trustee a security interest in all the units of railroad equipment (hereinafter called the Units) described in Annex A thereto and under which such security interest in the Units will be reserved to the Trustee until the Lessor fulfills all its obligations under the Equipment Trust Agreement;

WHEREAS the Lessee desires to lease from the Lessor all the Units as are delivered and accepted and settled for under the Equipment Trust Agreement on or prior to January 14, 1976, at the rentals and for the terms and upon the conditions hereinafter provided;

NOW, THEREFORE, in consideration of the premises and of the rentals to be paid and the covenants hereinafter mentioned to be kept and performed by the Lessee, the Lessor hereby leases the Units to the Lessee upon the following terms and conditions, but subject and subordinate to all the rights and remedies of the Trustee under the Equipment Trust Agreement.

§ 1. Delivery and Acceptance of Units. The Lessor will cause each Unit accepted pursuant to the Equipment Trust Agreement to be tendered to the Lessee at such point or points as may be mutually acceptable to the Lessor and the Lessee. Immediately upon such tender, the Lessee will cause its authorized inspectors or representatives to inspect the same, and if such Unit is found to conform to the applicable specifications for each such Unit set forth in Annex A hereto, to accept delivery of such Unit and to execute and deliver to the Lessor a certificate of acceptance (hereinafter called a Certificate of Acceptance) certifying as to the actual date of acceptance of delivery by the Lessee and each such

Unit having been marked in accordance with § 4 hereof; whereupon, except as provided in the the next sentence hereof, such Unit shall be deemed to have been delivered to and accepted by the Lessee under this Lease and shall be subject thereafter to all the terms and conditions of this Lease and such Certificate of Acceptance shall be absolutely binding upon the Lessee. Any Unit or Units excluded from the Equipment Trust Agreement pursuant to Section 3.01 of the Equipment Trust Agreement shall likewise be excluded from this Lease.

§ 2. Rentals; Net Lease. The Lessee agrees to pay to the Lessor as rental for each Unit subject to this Lease 31 consecutive semiannual payments payable on each January 15 and July 15 of each year, commencing January 15, 1976. The first such semiannual payment shall be in an amount equal to .02726% of the Cost (as such term is defined in the Equipment Trust Agreement) of each Unit subject to this Lease for each day elapsed from and including the date of acceptance of such Unit by the Lessee pursuant to § 1 hereof to and including January 15, 1976, and the final 30 of which shall each be in an amount equal to 4.97571% of the Cost of each Unit subject to this Lease.

If any of the semiannual rental payment dates referred to above is not a business day, the semiannual rental payment otherwise payable on such date shall be payable on the next succeeding business day. The term "business day" as used herein means a calendar day, excluding Saturdays, Sundays and any other day on which banking institutions in New York, New York, or Pittsburgh, Pennsylvania, are authorized or obligated to remain closed.

The Lessor irrevocably instructs the Lessee to make all the payments provided for in this Lease, including, but not limited to, the payments provided for in this § 2 and in § 6 hereof, at the principal office of the Trustee, for the account of the Lessor in care of the Trustee with instructions to the Trustee first, to apply such payments to satisfy the obligations of the Lessor under the Equipment Trust Agreement, and second, so long as no event of default or event which with the lapse of time and/or demand provided for in the Equipment Trust Agreement could constitute an Event of Default under the Equipment Trust Agreement shall have occurred and be continuing, to pay any balance promptly to the Lessor at such place as the Lessor shall specify in writing. The Lessee agrees to make each payment provided for herein as contemplated by this paragraph in Federal or other funds irrevocable and

immediately available to the Trustee by 11:00 a.m., local time, on the date when and in the place where such payment is due.

This Lease is a net lease and the Lessee shall not be entitled to any abatement of rent, reduction thereof or set-off against rent, including, but not limited to, abatements, reductions or set-offs due or alleged to be due to, or by reason of, any past, present or future claims of the Lessee against the Lessor under this Lease or otherwise or against the Trustee; nor, except as otherwise expressly provided herein, shall this Lease terminate, or the respective obligations of the Lessor or the Lessee be otherwise affected, by reason of any defect in or damage to or loss of possession or loss of use of or destruction of all or any of the Units from whatsoever cause, any liens, encumbrances or rights of others with respect to any of the Units, the prohibition of or other restriction against Lessee's use of all or any of the Units, the interference with such use by any private person or entity, the invalidity or unenforceability or lack of due authorization of this Lease, any insolvency of or any bankruptcy, reorganization or similar proceeding against the Lessee, or lack of right, power or authority of the Lessor to enter into this Lease, any insolvency of or any bankruptcy, reorganization or similar proceeding against the Lessee, or by reason of any failure by the Lessor to perform any of its obligations herein contained, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the rents and other amounts payable by the Lessee hereunder shall continue to be payable in all events in the manner and at the times herein provided unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease. To the extent permitted by applicable law, the Lessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender the Lease of any of the Units except in accordance with the express terms hereof. Each rental or other payment made by the Lessee hereunder shall be final and the Lessee shall not seek to recover all or any part of such payment from the Lessor for any reason whatsoever.

§ 3. Term of Lease. The term of this Lease as to each Unit shall begin upon acceptance thereof by the Lessee pursuant to § 1 hereof and, subject to the provisions of §§ 1, 6, 9 and 12 hereof, shall terminate on the date on which the final semiannual payment of rent in respect thereof is due hereunder.

§ 4. Identification Marks. The Lessee will cause each Unit to be kept numbered with the identifying number as set forth in Annex A hereto and will keep and maintain, plainly, distinctly, permanently and conspicuously marked on each side of such Unit, in letters not less than one inch in height, the following words: "SECURITY INTEREST IN THIS CAR IS VESTED IN A TRUSTEE UNDER THE TERMS OF AN EQUIPMENT TRUST AGREEMENT FILED UNDER SECTION 20c OF THE INTERSTATE COMMERCE ACT," or other appropriate words designated by the Trustee, with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the title of the Lessor and the security interest of the Trustee in such Unit and the rights of the Lessor under this Lease and the Equipment Trust Agreement and of the Trustee under the Equipment Trust Agreement. The Lessee will not place any such Unit in operation or exercise any control or dominion over the same until such words shall have been so marked on both sides thereof and will replace promptly any such words which may be removed, defaced or destroyed. The Lessee will not change or permit the identifying number of any Unit to be changed unless and until (i) a statement of new identifying numbers to be substituted therefor shall have been filed with the Trustee and the Lessee by the Lessor and duly filed, recorded or deposited by the Lessor in all public offices where this Lease and the Equipment Trust Agreement shall have been filed, recorded or deposited and (ii) the Lessor shall have furnished the Trustee and the Lessee an opinion of counsel to such effect.

Except as above provided the Lessee will not allow the name of any person, association or corporation to be placed on the Units as a designation that might be interpreted as a claim of ownership; provided, however, that the Lessee may cause the Units to be lettered with the names, initials or other insignia customarily used by the Lessee or its affiliates or any permitted sublessee on railroad equipment used by it of the same or similar type for convenience of identification of their right to use the Units.

§ 5. Taxes. All payments to be made by the Lessee hereunder will be free of expense (after giving effect to Federal, state and local income tax benefits accruing to the Lessor) to the Lessor for collection or other charges and will be free of expense (after giving effect to Federal, state and local income tax benefits accruing to the Lessor) to the Lessor with respect to the amount of any local, state, Federal, or foreign taxes, including, but not limited to, sales, use and personal property taxes (other than any United States Federal

gross receipts, income and excess profits taxes payable by the Lessor in consequence of the receipt of payments provided for herein and other than the aggregate of all state or local taxes measured by gross receipts or by net income based on receipt of such payment and all state and local excess profits taxes, up to the amount of any such taxes based on such receipts which would be payable to the state and locality in which the Lessor has its principal place of business without apportionment to any other state, except any such tax which is in substitution for or relieves the Lessee from the payment of taxes which it would otherwise be obligated to pay or reimburse as herein provided) or license fees, assessments, charges, fines or penalties (all such expenses, taxes, including, but not limited to, sales, use and personal property taxes, license fees, assessments, charges, fines and penalties being hereinafter called impositions) hereafter levied or imposed upon the Lessor or the Lessee in connection with or measured by this Lease or any sale, rental, use, payment, shipment, delivery or transfer of title under the terms hereof or the Equipment Trust Agreement, all of which impositions the Lessee assumes and agrees to pay on demand in addition to the payments to be made by it provided for herein. The Lessee will also pay promptly all impositions which may be imposed upon any Unit or for the use or operation thereof (except as provided above) or upon the earnings arising therefrom (except as provided above) or upon the Lessor solely by reason of its ownership thereof and will keep at all times all and every part of such Unit free and clear of all impositions which might in any way affect the title of the Lessor or the interest of the Lessor or result in a lien upon any such Unit; provided, however, that the Lessee shall be under no obligation to pay any impositions of any kind so long as it is contesting in good faith and by appropriate legal or administrative proceedings such impositions and the nonpayment thereof does not, in the reasonable opinion of the Lessor or its counsel, adversely affect the title, property or rights of the Lessor hereunder or the Trustee under the Equipment Trust Agreement. The Lessee agrees to give the Lessor notice of such contest within 30 days after institution thereof and the Lessor agrees to provide such information as may be reasonably requested by the Lessee in furtherance of such contest. If any impositions shall have been charged or levied against the Lessor directly and paid by the Lessor, the Lessee shall reimburse the Lessor on presentation of an invoice therefor; provided, however, that where practicable, the Lessor shall have given the Lessee written notice of such imposition prior to such payment.

In the event that the Lessor shall become obligated

to make any payment to the Trustee or otherwise pursuant to any correlative provision of the Equipment Trust Agreement not covered by the foregoing paragraph of this § 5, the Lessee shall pay such additional amounts (which shall also be deemed impositions hereunder) to the Lessor as will enable the Lessor to fulfill completely its obligations pursuant to said provision.

In the event any reports or tax returns with respect to impositions are required to be made, the Lessor will either make such reports or tax returns in such manner as shall be satisfactory to the Lessee and the Trustee.

In the event that, during the continuance of this Lease, the Lessee becomes liable for the payment or reimbursement of any imposition, pursuant to this § 5, such liability shall continue, notwithstanding the expiration of this Lease, until all such impositions are paid or reimbursed by the Lessee.

To the extent the Lessee may be prohibited by law from performing in its own name the duties required by this § 5, the Lessor hereby authorizes the Lessee to act in its own name and on its behalf; provided, however, that the Lessee shall indemnify and hold the Lessor harmless from and against any and all claims, costs, expenses, damages, losses and liabilities incurred in connection therewith as a result of, or incident to, any action by the Lessee pursuant to this authorization.

The Lessee shall, whenever reasonably requested by the Lessor, submit to the Lessor copies of returns, statements, reports, billings and remittances, or furnish other evidence satisfactory to the Lessor of the Lessee's performance of its duties under this § 5. The Lessee shall also furnish promptly upon request such data as the Lessor reasonably may require to permit the Lessor's compliance with the requirements of taxing jurisdictions.

§ 6. Payment for Casualty Occurrences. In the event that any Unit shall be or become worn out, lost, stolen, destroyed or irreparably damaged, from any cause whatsoever, or taken or requisitioned by condemnation or otherwise by the United States Government or by any other governmental entity resulting in the loss of possession by the Lessee for a period of 90 consecutive days (such occurrences being hereinafter called Casualty Occurrences) during the term of this

Lease, or until such Unit shall have been returned to the Lessor in the manner provided in § 13 hereof, the Lessee shall promptly and fully notify the Lessor and the Trustee with respect thereto. On the rental payment date next succeeding a Casualty Occurrence with respect to any Unit (whether or not such notice shall have been given), the Lessee shall pay to the Lessor the accrued unpaid rental for such Unit pursuant to § 2 hereof to such rental payment date, whereupon such rental for such Unit shall cease to accrue as of such rental payment date. If the Lessee shall make any rental payment with respect to such Unit after such rental with respect thereto shall cease to accrue, the Lessee shall receive a credit therefor against any Casualty Value to be paid in respect of such Unit on any rental payment date occurring after the rental payment date next succeeding such Casualty Occurrence. On the rental payment date next succeeding such notice (or in the event such rental payment date shall occur within 15 days after such notice, at the option of the Lessee, on the following rental payment date) the Lessee shall pay to the Lessor a sum equal to the Casualty Value (as hereinafter defined) of such Unit as of the rental payment date next succeeding the date of such Casualty Occurrence as set forth in such notice, provided, however, that if the Lessee shall pay such Casualty Value on a date subsequent to the rental payment date next succeeding the date of the Casualty Occurrence, the Lessee shall pay interest on such Casualty Value at a rate per annum equal to 9-1/2% from the rental payment date next succeeding such Casualty Occurrence with respect to such Unit to the rental payment date on which such Casualty Value in respect thereto is paid. Upon the payments of such accrued rental and such Casualty Value in respect of any Unit, the term of this Lease as to such Unit shall terminate and (except in the case of the loss, theft or complete destruction of such Unit) the Lessor shall be entitled to recover possession of such Unit. The Lessor hereby appoints the Lessee its agent to dispose of any Unit suffering a Casualty Occurrence or any component thereof, at the best price obtainable on an "as is, where is" basis. Provided that the Lessee has previously paid the Casualty Value to the Lessor, the Lessee shall be entitled to the proceeds of any sale to the extent they do not exceed the Casualty Value of such Unit, and shall pay any excess to the Lessor.

The Casualty Value of each Unit shall be that percentage of the Cost (as defined in the Equipment Trust Agreement) of such Unit as is set forth in the schedule attached hereto as Annex B opposite the applicable rental payment date for purposes of such determination as aforesaid.

Whenever any Unit shall suffer a Casualty Occurrence after termination of this Lease and before such Unit shall have been returned in the manner provided in § 13 hereof, the Lessee shall promptly and fully notify the Lessor with respect thereto and pay to the Lessor an amount equal to the Casualty Value of such Unit, which shall be an amount equal to 20% of the Cost of such Unit. Upon the making of any such payment by the Lessee in respect of any Unit (except in the case of the loss, theft or complete destruction of such Unit), the Lessor shall be entitled to recover possession of such Unit. The Lessor hereby appoints the Lessee its agent to dispose of any Unit suffering such Casualty Occurrence or any component thereof, at the best price obtainable on an "as is, where is" basis. Provided that the Lessee has previously paid the Casualty Value to the Lessor, the Lessee shall be entitled to the proceeds of such sale to the extent they do not exceed the Casualty Value of such Unit, and shall pay any excess to the Lessor.

Except as hereinabove in this § 6 provided, the Lessee shall not be released from its obligations hereunder in the event of, and shall bear the risk of, any Casualty Occurrence to any Unit from and after delivery and acceptance thereof by the Lessee hereunder.

§ 7. Reports. On or before March 1 in each year, commencing with the year 1976, the Lessee will furnish to the Lessor and the Trustee, in such number of counterparts or copies as may reasonably be requested, an accurate statement signed by an authorized officer, (i) showing, as of the preceding December 31, the amount, description and numbers of the Units then leased hereunder and the amount, description and numbers of all Units that may have suffered a Casualty Occurrence, whether by accident or otherwise, during the preceding calendar year (or since the date of this Lease in the case of the first such statement), and such other information regarding the condition and state of repair of the Units as the Lessor or the Trustee may reasonably request and (ii) stating that, in the case of all Units repaired or repainted during the period covered by such statement, the marking required by § 4 hereof and Section 4.06 of the Equipment Trust Agreement have been preserved or replaced.

The Lessee will deliver to the Trustee, the Lessor and the Purchasers (as defined in the Equipment Trust Agreement) (i) as soon as available and in any event within 120 days after the end of each fiscal year, a certificate signed

by the President, any Vice President, the Treasurer or any Assistant Treasurer of the Lessee stating that a review of the activities of the Lessee during such year has been made under his supervision with a view to determining whether the Lessee has kept, observed, performed and fulfilled all of its obligations under this Lease and that to the best of his knowledge the Lessee during such year has kept, observed, performed and fulfilled each and every covenant, obligation and condition contained herein and in this Lease, or if an Event of Default shall exist or if an event has occurred and is continuing which, with the giving of notice or the passage of time or both, would constitute an Event of Default, specifying such Event of Default and all such events and the nature and status thereof, (ii) as soon as available and to the extent available, and in any event within 60 days after the end of the first, second and third quarterly accounting periods in each fiscal year of the Lessee copies of the consolidated balance sheet of the Lessee as of the end of such accounting period and copies of the related consolidated statements of income and retained earnings of the Lessee for the portion of its fiscal year, the twelve months' period, or the three months' period ended with the last day of such quarterly accounting period, all in reasonable detail and stating in comparative form the figures for the corresponding date and period in the previous fiscal year, (iii) as soon as available, and in any event within 120 days after the end of each fiscal year, copies, in comparative form with the preceding fiscal year, of the balance sheet of the Lessee as at the end of such fiscal year, and of the statements of income and retained earnings of the Lessee for such fiscal year, all in reasonable detail and stating in comparative form the consolidated figures as of the end of and for the previous fiscal year, and accompanied by an opinion as to such financial statements by the Lessee's independent accountants; (iv) as soon as available, a copy of any annual or quarterly report which is required to be filed by the Lessee by the provisions of the Securities Exchange Act of 1934 and the rules promulgated thereunder; and (v) upon request of the Lessor, the Trustee or the Purchasers, such additional information reasonably necessary to verify the accuracy of all information furnished.

§ 8. Disclaimer of Warranties; Compliance With Laws and Rules; Maintenance; Indemnification; and Insurance.
THE LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE DESIGN, COMPLIANCE WITH SPECIFICATIONS, OR CONDITION OF, OR AS TO THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, OR AS TO THE SUITABILITY, ADEQUACY,

OPERATION, USE OR PERFORMANCE OF THE UNITS DELIVERED TO THE LESSEE HEREUNDER, AND THE LESSOR MAKES NO WARRANTY OF MERCHANTABILITY OR FITNESS OF THE UNITS FOR ANY PARTICULAR PURPOSE OR AS TO ITS TITLE TO THE UNITS OR ANY COMPONENT THEREOF OR ANY OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO ANY UNIT, EITHER UPON DELIVERY THEREOF TO THE LESSEE OR OTHERWISE, it being agreed that all such risks, as between the Lessor and the Lessee, are to be borne by the Lessee; but the Lessor hereby irrevocably appoints and constitutes the Lessee its agent and attorney-in-fact during the term of this Lease to assert and enforce from time to time, in the name of and for the account of the Lessor and/or the Lessee as their interests may appear, whatever claims and rights the Lessor may have against the manufacturer of the Units or of the components thereof. Lessor shall have no responsibility or liability under this Lease to Lessee or any other person with respect to any of the following: (i) any liability, loss or damage caused or alleged to be caused directly or indirectly by any Units or by any inadequacy thereof or deficiency or defect therein or by any other circumstance in connection therewith; (ii) the use, operation or performance of any Units or any risks relating thereto; (iii) any interruption of service, loss of business or anticipatory profits or consequential damages; or (iv) the delivery, operation, servicing, maintenance, repair, improvement or replacement of any Units. The Lessee's acceptance of delivery of the Units shall be conclusive evidence as among the Lessee, the Lessor and the Trustee, that all Units described in a Certificate of Acceptance are in all the foregoing respects satisfactory to the Lessee and the Lessee will not assert any claim of any nature whatsoever against the Lessor or the Trustee based on any of the foregoing matters.

The Lessee agrees, for the benefit of the Lessor and the Trustee, to comply in all respects (including, without limitation with respect to the use, maintenance and operation of each Unit) with all applicable laws of the jurisdictions in which its operations involving any Unit subject to this Lease may extend, with the Interchange Rules of the Association of American Railroads, if applicable, and with all lawful rules of the Interstate Commerce Commission, the Department of Transportation and any other legislative, executive, administrative or judicial body or officer exercising any power or jurisdiction over any such Unit, to the extent such laws and rules affect the title, operations or use of such Unit; and the Lessee shall and does hereby

indemnify the Lessor and the Trustee and agrees to hold the Lessor and the Trustee harmless from and against any and all liability that may arise from any infringement or violation of any such laws or rules by the Company or the Lessee, or their employees, or any other person. In the event that, prior to the expiration of this Lease or any renewal thereof, such laws or rules require any alteration, replacement, addition or modification of or to any part of any Unit, the Lessee will conform therewith at its own expense; provided, however, that the Lessee may, in good faith, contest the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of the Lessor or the Trustee, adversely affect the property or rights of the Lessor or the Trustee hereunder or under the Equipment Trust Agreement.

The Lessee agrees that, at its own cost and expense, it will be responsible for ordinary maintenance and repairs required to maintain and keep each Unit which is subject to this Lease in good operating order, repair and condition, ordinary wear and tear excepted.

The Lessee, at its own cost and expense, may make such additions, modifications and improvements to the Units during the term of this Lease as are readily removable without causing material damage to the Units. The additions, modifications and improvements made by the Lessee under the preceding sentence shall be owned by the Lessee, except to the extent such additions, modifications or improvements are made in order to comply with the preceding paragraph or the next succeeding paragraph.

Any and all parts installed on and additions and replacements made to any Unit (i) which are not readily removable without causing material damage to such Unit, (ii) the cost of which is included in the Cost (as defined in the Equipment Trust Agreement) of such Unit or (iii) which are required for the operation or use of such Unit by the Interstate Commerce Commission, the Department of Transportation or any other applicable regulatory body, shall constitute accessions to such Unit and full ownership thereof free from any lien, charge, security interest or encumbrance (except for those created by the Equipment Trust Agreement) shall immediately be vested in the Lessor and the Trustee as their respective interests may appear in the Unit itself.

The Lessee agrees to indemnify, protect and hold harmless the Lessor and the Trustee from and against all losses, damages, injuries, liabilities, claims and demands

whatsoever, regardless of the cause thereof, and expenses in connection therewith, including, but not limited to, reasonable counsel fees and expenses, patent liabilities, penalties and interest, arising out of or as the result of (i) entering into or the performance of or the occurrence of an Event of Default under the Equipment Trust Agreement or this Lease, (ii) the ownership of any Unit, (iii) the ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage or return of any Unit, (iv) any accident in connection with the operation, use, condition, possession, storage or return of any Unit resulting in damage to property or injury or death to any person, except as otherwise provided in § 13 of this Lease or (v) the transfer of title to the Units by the Trustee pursuant to any provision of the Equipment Trust Agreement. The indemnities arising under this paragraph shall continue in full force and effect notwithstanding the full payment of all obligations under this Lease or the expiration or termination of the term of this Lease.

The Lessor agrees to prepare and file any and all reports required to be filed with any Federal, state or other regulatory authority by reason of the ownership by the Lessor of the Units, the security interest of the Trustee in the Units or the leasing of the Units to the Lessee.

§ 9. Default. If, during the continuance of this Lease, one or more of the following events (hereinafter sometimes called Events of Default) shall occur:

A. default shall be made in the payment of any part of the rental provided in §§ 2, 6 or 12 hereof (other than any payment arising out of any adjustment of rental required by the provisions of § 17 hereof) and such default shall continue for five days; or

B. the Lessee shall make or permit any unauthorized assignment or transfer of this Lease or any unauthorized sublease or use of the Units, or any thereof; or

C. default shall be made in the observance or performance of any other of the covenants, conditions and agreements on the part of the Lessee contained herein and such default shall continue (and the Lessee shall not make effective provisions for curing such default) for 30 days after written notice from the Lessor or the Trustee to the Lessee specifying

the default and demanding that the same be remedied;
or

D. any proceedings shall be commenced by or against the Lessee for any relief under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit any readjustments of the obligations of the Lessee hereunder), unless such proceedings shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such effectiveness shall continue), and all the obligations of the Lessee under this Lease shall not have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees or receiver or receivers appointed for the Lessee or for the property of the Lessee in connection with any such proceedings in such manner that such obligations shall have the same status as obligations incurred by such a trustee or trustees or receiver or receivers, within 30 days after such appointment, if any, or 60 days after such proceedings shall have been commenced, whichever shall be earlier;

then, in any such case, the Lessor, at its option, may:

(a) proceed by appropriate court action or actions, 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; or

(b) by notice in writing to the Lessee terminate this Lease, whereupon all right of the Lessee to the use of the Units shall absolutely cease and determine as though this Lease had never been made, but the Lessee shall remain liable as hereinafter provided; and thereupon, the Lessor may by its agents enter upon the premises of the Lessee or other premises where any of the Units may be and take possession of all or any of such Units and thenceforth hold, possess and enjoy the same free from any right of the Lessee, or its successors or assigns, to use the Units for any purposes whatever;

but the Lessor shall, nevertheless, have the right to recover from the Lessee any and all amounts which under the terms of this Lease may then be due or which may have accrued to the date of such termination (computing the rental for any number of days less than a full rental period by multiplying the rental for such full period by a fraction of which the numerator is such number of days and the denominator is the total number of days in such full rental period), and also to recover forthwith from the Lessee as liquidated damages for loss of the bargain and not as a penalty, whichever of the following amounts the Lessor, in its sole discretion, shall specify: (x) a sum, with respect to each Unit, equal to (A) the excess of the present value, at the time of such termination, of the entire unpaid balance of all rental for such Unit which would otherwise have accrued hereunder from the date of such termination to the end of the term of this Lease as to such Unit over the then present value of the rental which the Lessor reasonably estimates to be obtainable for the Unit during such period, such present value to be computed in each case on the basis of a 9-1/2% per annum discount, compounded semiannually from the respective dates upon which rentals would have been payable hereunder had this Lease not been terminated plus (B) 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 any Federal, state or local government or taxing authority of the United States of America or under the laws of any taxing authority or governmental subdivision of a foreign country, shall, in the reasonable opinion of the Lessor, cause the Lessor's net return under this Lease (computed on the basis of the same assumptions used in originally evaluating this transaction) to be increased by the portion of such net return lost by the Lessor that would have been available to the Lessor if it had been entitled to utilization of all or such portion of the ADR Deduction the Interest Deduction and the Investment Tax Credit (as such deductions are defined in § 17 hereof) which was lost, not claimed, not available for claim or disallowed or recaptured in respect of a Unit as a direct or indirect result of the breach of one or more of the representations, warranties and covenants made by the Lessee in § 17 hereof or any other provision

of this Lease, the inaccuracy of any statement in any letter or document furnished to the Lessor by the Lessee, the termination of this Lease, the Lessee's loss of the right to use such Unit, any action or inaction by the Lessee or the sale or other disposition of the Lessor's interest in such Unit after the occurrence of an Event of Default plus such sum as will pay or reimburse the Lessor for any interest, penalties or additions to tax incurred in connection with such loss, failure to claim, inability to claim, disallowance or recapture; or (y) an amount equal to the excess, if any, of the Casualty Value as of the rental payment date on or next preceding the date of termination over the amount the Lessor reasonably estimates to be the sales value of such Unit at such time; provided, however, that in the event the Lessor shall have sold any Unit, the Lessor, in lieu of collecting any amounts payable to the Lessor by the Lessee pursuant to the preceding clauses (x) and (y) of this part (B) with respect to such Unit, may, if it shall so elect, demand that the Lessee pay the Lessor and the Lessee shall pay to the Lessor on the date of such sale, as liquidated damages for loss of a bargain and not as a penalty, an amount equal to the excess, if any, of the Casualty Value for such Unit, as of the rental payment date on or next preceding the date of termination over the net proceeds of such sale.

In addition, the Lessee shall be liable, except as otherwise provided above, for any and all unpaid amounts due hereunder before, during or after the exercise of any of the foregoing remedies and for all reasonable attorneys' fees and other costs and expenses incurred by reason of the occurrence of any Event of Default or the exercise of the Lessor's remedies with respect thereto, including all costs and expenses incurred in connection with the return of any Unit.

The remedies in this Lease provided in favor of the Lessor shall not be deemed exclusive, but shall be cumulative and may be exercised concurrently or consecutively, and shall be in addition to all other remedies in its favor existing at law or in equity. The Lessee hereby waives any mandatory requirements of law, now or hereafter in effect, which might limit or modify the remedies herein provided, to the extent that such waiver is not, at the time in ques-

tion, prohibited by law. The Lessee hereby waives any and all existing or future claims to any offset against the rental payments due hereunder, and agrees to make such payments regardless of any offset or claim which may be asserted by the Lessee or on its behalf.

The failure of the Lessor to exercise the rights granted it hereunder upon the 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.

§ 10. Return of Units Upon Default. If this Lease shall terminate pursuant to § 9 hereof, the Lessee shall forthwith deliver possession of the Units to the Lessor. Each Unit so delivered shall be in the same operating order, repair and condition as when originally delivered to the Lessee, ordinary wear and tear excepted. For the purpose of delivering possession of any Unit or Units to the Lessor as above required, the Lessee shall at its own cost, expense and risk:

(a) forthwith and in the usual manner (including, but not limited to, in the event the Units have been interchanged, the giving of prompt telegraphic and written notice to the Association of American Railroads and all railroads to which any Unit or Units have been so interchanged) and at the usual speed, place such Units upon such storage tracks as the Lessor reasonably may designate;

(b) permit the Lessor to store such Units on such tracks at the risk of the Lessee without charge for insurance, rent or storage until such Units have been sold, leased or otherwise disposed of by the Lessor; and

(c) transport the same to any reasonable place on the tracks of the Lessee or any of its affiliates, or at the Lessee's request, such other tracks as the Lessor may reasonably determine, or to any connecting carrier for shipment, all as directed by the Lessor.

The assembling, delivery, storage, insurance and transporting of the Units as hereinbefore provided shall be at the expense and risk of the Lessee and 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 covenants of the Lessee so to assemble, deliver, store and transport the Units. During any storage period, the Lessee will, at its own cost and expense, maintain and keep the Equipment in good order and repair, ordinary wear and tear excepted, and will permit the Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser of any such Unit, to inspect the same at any reasonable time. All amounts earned in respect of the Units after the date of termination of this Lease shall belong to the Lessor and, if received by the Lessee, shall be promptly turned over to the Lessor. In the event any Unit is not assembled, delivered and stored, as hereinabove provided, within 60 days after such termination, the Lessee shall, in addition, pay to the Lessor for each day thereafter an amount equal to the amount, if any, by which .02726% of the Purchase Price of such Unit for each such day exceeds the actual earnings received by the Lessor on such Unit for each such day.

Without in any way limiting the obligation of the Lessee under the foregoing provisions of this § 10, the Lessee hereby irrevocably appoints the Lessor as the agent and attorney of the Lessee, with full power and authority, at any time while the Lessee is obligated to deliver possession of any Unit to the Lessor, to demand and take possession of such Unit in the name and on behalf of the Lessee from whomsoever shall be at the time in possession of such Unit. In connection therewith the Lessee will supply the Lessor with such documents as the Lessor may reasonably request.

§ 11. Assignment; Possession and Use. This Lease and the rentals and other sums due hereunder shall be assignable in whole or in part by the Lessor without the consent of the Lessee, but the Lessee shall be under no obligation to any assignee of the Lessor except upon written notice of such assignment from the Lessor. All the rights of the Lessor hereunder shall inure to the benefit of the Lessor's assigns (and to any corporation, trust [including any beneficiary or trustee thereof] or other person for which the Lessor is acting as nominee).

So long as the Lessee shall not be in default under this Lease and no Event of Default shall exist under the Equipment Trust Agreement, the Lessee shall be entitled

to the possession and use of the Units as components of unit trains moving on lines of railroads operating in the United States between various coal mines and the Lessee's plants in the Cleveland, Ohio area. While it is understood that the Units are intended to be used exclusively in such unit train service, the Lessor and Lessee agree that if for any reason any Units are not needed in that service, the Lessee may sublease or otherwise utilize such Units for other service, hauling coal or similar commodities, in which event the Lessee shall give written notice to the Lessor and the Lessee. The Lessee shall not assign its interest in this Lease without the prior written consent of the Trustee and the Lessor, except that the Lessee may without the consent of the Trustee and the Lessor, assign all of its interest in this Lease to a subsidiary or affiliated corporation or a corporation which results from a merger or consolidation of the Lessee and which assumes all of the liabilities of the Lessee under this Lease, provided that no such assignment shall relieve the Lessee of liability hereunder.

The Lessee, at its own expense, will as soon as possible cause to be duly discharged any lien, charge, security interest or other encumbrance prior to or pari passu with the security interest of the Trustee or the title of the Lessor (other than an encumbrance resulting from claims against the Lessor or the Trustee not related to the ownership or leasing of, or the security interest of the Trustee in, the Units) which may at any time be imposed on or with respect to any Unit including any accession thereto or the interest of the Lessor, the Trustee or the Lessee therein. The Lessee shall not, without the prior written consent of the Lessor, part with the possession or control of, or suffer or allow to pass out of its possession or control, any of the Units, except to the extent permitted by the provisions of this § 11.

Nothing in this § 11 shall be deemed to restrict the right of the Lessee to assign or transfer its leasehold interest under this Lease in the Units or possession of the Units to any corporation (which shall have duly assumed the obligations hereunder of the Lessee) into or with which the Lessee shall have become merged or consolidated or which shall have acquired the property of the Lessee as an entirety or substantially as an entirety.

§ 12. Renewal Options. Provided that this Lease has not earlier been terminated and the Lessee is not in default hereunder, the Lessee may, by written notice delivered to the Lessor not less than 60 days prior to the end of the original term of this Lease or any extended term thereof, as the case may be, elect to extend the term of this Lease or any extended term thereof in respect of all but not less than all of the then existing Units then covered by this Lease for a period of one year except such Units which the Lessee shall determine to have become economically obsolete or surplus in the Lessee's business, the first such period to commence on the scheduled expiration of the original term of this Lease and any successive one-year period commencing on the scheduled expiration of any such extended term, provided that no such extended term shall extend beyond January 15, 2011, at semiannual rentals each in an amount equal to the Fair Rental Value of each Unit, such semiannual payments to be made on January 15 and July 15 in each year of the extended term.

Fair Market Rental shall be determined on the basis of, and shall be equal in amount to, the rental which would obtain in an arm's-length transaction between an informed and willing lessee (other than a lessee currently in possession) and an informed and willing lessor under no compulsion to lease and, in such determination, costs of removal from the location of current use shall not be a deduction from such rental. If, after 60 days from the giving of notice by the Lessee of the Lessee's election to extend the term of this Lease, the Lessor and the Lessee are unable to agree upon a determination of the Fair Market Rental of the Units in respect of which the term of this Lease shall be extended, such rental shall be determined in accordance with the foregoing definition by the following procedure: If either party to such determination shall have given written notice to the other requesting determination of such value by this appraisal procedure, the parties shall consult for the purpose of appointing a qualified independent appraiser by mutual agreement. If no such appraiser is so appointed within 20 business days after such notice is given, each party shall appoint an independent appraiser within 25 business days after such notice is given, 35 business days after such notice is given, either party may apply, to make such appointment, to the American Arbitration Association, and both parties shall be bound by any appointment so made. Any appraiser or appraisers appointed

pursuant to the foregoing procedure shall be instructed to determine the Fair Market Rental of the Units subject to the proposed extended term within 90 days after his or their appointment. If the parties shall have appointed a single appraiser or if either party shall have failed to appoint an appraiser, the determination of Fair Market Rental of the single appraiser appointed shall be final. If three appraisers shall be appointed, the determination of the appraiser which differs most from the other two appraisers shall be excluded, the remaining two determinations shall be averaged and such latter average shall be final and binding upon the parties hereto as the Fair Market Rental. The appraisal proceedings shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association as in effect on the date hereof, except as modified hereby. The provision for this appraisal procedure shall be the exclusive means of determining Fair Market Rental and shall be in lieu of any judicial or other procedure for the determination thereof, and each party hereto hereby consents and agrees not to assert any judicial or other procedures. The expenses of the appraisal procedure shall be borne equally by the Lessee and the Lessor.

§ 13. Return of Units Upon Expiration of Term.

The Lessor intends to retain the Units for re-lease at the expiration of the term of this Lease. As soon as practicable on or after the expiration of the original or extended term of this Lease, the Lessee will, at its own cost and expense, at the request of the Lessor, deliver possession of such Unit to the Lessor upon such storage tracks as the Lessor may designate, or, in the absence of such designation, as the Lessee may select, and permit the Lessor to store such Unit on such tracks for a period not exceeding three months and transport the same, at any time within such three-month period, to any reasonable place on the tracks of the Lessee, or, at the request of the Lessee, any tracks reasonably determined by the Lessor, or to any connecting carrier for shipment, all as directed by the Lessor, the movement and storage of such Units to be at the expense and risk of the Lessee. During any such storage period the Lessee will permit the Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser, lessee or user of such Unit, to 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, lessee or user, the rights of inspection granted under this sentence. Each Unit returned to the Lessor pursuant to this § 13 shall (i) be in the same operating order, repair and condition as when originally delivered to the Lessee, ordinary wear and tear excepted, and (ii) meet the standards then in effect under the Interchange Rules of the Association of American Railroads, if applicable, and/or the applicable rules of any governmental agency or other organization with jurisdiction. The assembling, delivery, storage and transporting of the Units as hereinbefore provided 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 covenants of the Lessee so to assemble, deliver, store and transport the Units. All amounts earned in respect of the Units after the date of termination of this Lease shall belong to the Lessor and, if received by the Lessee, shall be promptly turned over to the Lessor. In the event any Unit is not assembled, delivered and stored, as hereinabove provided, within 60 days after such termination, the Lessee shall, in addition, pay to the Lessor for each day thereafter an amount equal to the amount, if any, by which .02726% of the Purchase Price of such Unit for each such day exceeds the actual earnings received by the Lessor on such Unit for each such day.

§ 14. Representations and Warranties; Opinion of Counsel. The Lessee represents and warrants to the Lessor, the Trustee and the Purchasers (as defined in the Equipment Trust Agreement) that:

A. the Lessee is a corporation legally incorporated and validly existing, in good standing, under the laws of the State of Ohio, with full corporate power to enter into this Lease;

B. this Lease has been duly authorized, executed and delivered by the Lessee and constitutes a valid, legal and binding agreement, enforceable in accordance with its terms;

C. this Lease has been duly filed and recorded as specified in § 15 hereof, and, together with the Equipment Trust Agreement, will protect the Lessor's

title and interest in and to the Units and the Trustee's security interest in the Units, and no filing, recording or deposit (or giving of notice) with any other Federal, state or local government or agency or instrumentality thereof is necessary to protect the title and interest of the Lessor or the security interest of the Trustee in the Units in the United States of America;

D. no authorization or approval from any governmental or public body or authority of the United States of America or any of the States thereof is necessary for the execution, delivery and/or performance by the Lessee of this Lease except for the approval of The Public Utilities Commission of Ohio which has been obtained;

E. the Lessee is not a "holding company" within the meaning of, or a subsidiary of a "holding company" registered under, the Public Utility Holding Company Act of 1935;

F. neither the execution and delivery of this Lease nor the consummation of the transactions herein contemplated or the fulfillment of, or compliance with, the terms and provisions hereof will conflict with, or result in a breach of, any of the terms, conditions or provisions of the Amended Articles of Incorporation or the Code of Regulations of the Lessee or of any bond, debenture, note, mortgage, indenture, agreement or other instrument to which the Lessee is now a party or by which it or its property may be bound, or constitute (with the giving of notice or the passage of time or both) a default thereunder;

G. neither the execution and delivery by the Lessee of this Lease nor the consummation of the transactions herein contemplated nor the fulfillment of, or compliance with, the terms and provisions hereof will conflict with, or result in a breach of, any of the terms, conditions or provisions of any law, or any regulation, order, injunction or decree of any court or governmental instrumentality; and

H. no mortgage, deed of trust or other lien of any nature whatsoever which now covers or affects any property or interest therein of the Lessee, now attaches or hereafter will attach to the Units or in any manner affects or will affect adversely the right, title and

interest of the Lessor or the Trustee therein; provided, however, that such liens may attach to the rights of the Lessee under the Lease in and to the Units.

The Lessee also agrees to furnish to the Lessor, Trustee and the Purchasers such evidence of corporate authorizations as may reasonably be requested by the Lessor or the Trustee.

On the date on which Trust Certificates are issued to the Purchasers pursuant to Section 2.01 of the Equipment Trust Agreement, the Lessee will deliver to the Lessor, the Trustee and the Purchasers (i) the written opinion of counsel for the Lessee, in such number of counterparts as may be reasonably requested, and addressed to the Lessor, the Trustee and the Purchasers, in scope and substance satisfactory to them and their special counsel to the effect set forth in clauses A through H above as provided in Paragraph 6(c) of the Purchase Agreement and (ii) the Lessee's Certificate required by Paragraph 6(f) of the Purchase Agreement. On each settlement date for the Units under the Equipment Trust Agreement, the Lessee shall also furnish the certificates and opinions of counsel required of the Lessee pursuant to Section 3.04 thereof. In giving the opinions required hereunder counsel may qualify its opinion to the effect that any agreement is a legal, valid and binding instrument enforceable in accordance with its terms by a general reference to limitations as to usual equity principles relating to specific performance and, as to the enforcement of remedies, to any bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforcement of creditors' rights generally from time to time in effect.

§ 15. Recording. Prior to the delivery and acceptance of any Unit, the Lessor will, at its own expense, cause the Equipment Trust Agreement, this Lease and any assignments hereof to be filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act and all necessary filings and recordations to be made within the State of Ohio and the Commonwealth of Pennsylvania to perfect the interests of the Trustee thereunder. The Lessor will, from time to time, do and perform any other act and will execute, acknowledge, deliver, file, register, record and deposit (and will refile, reregister, rerecord or redeposit whenever required) any and all further instruments required by law or reasonably requested by the Trustee, for the purpose of proper protection, to the satisfaction of the Trustee, of the Lessor's and the Trustee's respective interests in the Units, or for the purpose of

carrying out the intention of this Lease and any assignments thereof and the Equipment Trust Agreement. The Lessor will promptly furnish to the Trustee evidence of all such filing, registering, recording, depositing, refiling, reregistering, rerecording and/or redepositing and an opinion or opinions of counsel for the Lessor with respect thereto satisfactory to the Trustee regarding any such actions taken in accordance with Section 20c of the Interstate Commerce Act and under the laws of the Commonwealth of Pennsylvania and an opinion or opinions of counsel for the Lessee, which the Lessee agrees to furnish, with respect thereto satisfactory to the Lessor and the Trustee regarding any such actions taken under the laws of the State of Ohio.

§ 16. Interest on Overdue Rentals. Anything to the contrary herein contained notwithstanding, any nonpayment of rentals and other obligations due hereunder shall result in the obligation on the part of the Lessee promptly to pay also an amount equal to 10-1/2% per annum of the overdue rentals for the period of time during which they are overdue.

§ 17. Federal Income Tax. (A) Greenville Steel Car Company, a Pennsylvania corporation (hereinafter called the Beneficiary), and the Lessor have entered into a Nominee Agreement dated as of the date hereof (hereinafter called the Nominee Agreement), which provides that the Lessor, in taking title to the Units, in leasing the Units pursuant to this Lease, and in executing this Lease, the Equipment Trust Agreement and certain other documents, will act solely as nominee for the Beneficiary, and that all the right, title and interest of the Lessor in and to this Lease, the Equipment Trust Agreement and certain other documents, and in and to the Units, will be held by the Lessor as nominee for the Beneficiary. The Lessor and the Beneficiary have also entered into an Assignment and Agreement dated as of the date hereof (hereinafter called the Beneficiary's Agreement), pursuant to which the Lessor has assigned to the Beneficiary all right, title and interest of the Lessor in and to the Units and in and to the Equipment Trust Agreement and certain other documents, and all the rights, powers, privileges and remedies of the Lessor.

(B) This Lease and the Equipment Trust Agreement have been entered into on the assumption that the Beneficiary, as the beneficial owner of the Units, will be entitled to such deductions, credits and other benefits as are provided by the Internal Revenue Code of 1954, as amended to the date hereof (hereinafter called the Code), to an owner of property, including, without limitation,

(i) the maximum depreciation deduction with respect to the units authorized under section 167 of the Code (hereinafter called the ADR Deduction) (a) utilizing a 12-year depreciable life, which is the lower limit listed in Revenue Procedure 72-10, 1972-1 C.B. 721, for property in Asset Guideline Class No. 00.25, in accordance with the Class Life Asset Depreciation Range System described in section 167(m) of the Code and § 1.167-11(a) of the Income Tax Regulations promulgated thereunder as in effect on the date hereof, (b) employing initially the 200% declining-balance method of depreciation with a change, not requiring the consent of the Commissioner of Internal Revenue, to the sum of the years-digits method of depreciation when most beneficial to the Lessor, (c) including in the basis of the Units the entire Cost thereof (as such term is defined in the Equipment Trust Agreement) and all other items properly includible under section 1012 of the Code (hereinafter called the Basis), and (d) taking into account a salvage value, after the reduction allowed by section 167(f) of the Code, of zero;

(ii) deductions with respect to interest payable under the Equipment Trust Agreement pursuant to section 163 of the Code (hereinafter called the Interest Deduction); and

(iii) the 10% investment credit with respect to 100% of the Basis of the Units (hereinafter called the Investment Credit) pursuant to section 38 and related sections of the Code.

(C) The Lessee agrees that neither it nor any corporation controlled by it, in control of it or under common control with it, directly or indirectly, will at any time take any action or file any returns or other documents inconsistent with the statements, representations and agreements in this § 17, or (unless required by law) which would increase the amount of rentals required to be taken into income by the Lessor or the Beneficiary over the amounts set forth per Unit in § 2 hereof, and that it and each of such corporations will file such returns, take such action and execute such documents as may be reasonable and necessary to facilitate accomplishment of the intent of this § 17. The Lessee agrees to keep and make available for inspection and copying by the Lessor such records as will enable the Beneficiary to determine whether it is (i) entitled to the full benefit of the ADR Deduction, the Interest Deduction and the Investment Credit with respect to the Units, (ii) entitled to treat amounts includible in gross income with respect to this Lease as

income from sources within the United States, and (iii) required to include in gross income the amount of any Additional Expenditures (as that term is defined in Subsection F hereof).

(D) The Lessee represents and warrants that (i) all the Units constitute property the entire Basis of which qualifies for the 10% Investment Credit under Section 50 of the Code; (ii) at the time the Lessor becomes the owner of the Units, the Units will constitute "new section 38 property" within the meaning of section 48(b) of the Code, and at the time the Lessor becomes the owner of the Units, the Units will not have been used by any person so as to preclude "the original use of such property" within the meaning of sections 48(b) and 167(c)(2) of the Code from commencing with the lessor; (iii) at all times during the term of this Lease, each Unit will constitute "section 38 property" within the meaning of section 48(a) of the Code; and (iv) none of the Units will be "used predominantly outside the United States" within the meaning of section 48(a)(2) of the Code. The Lessee shall not be liable under its representations and warranties set forth in this § 17 for any loss to the Lessor to the extent such loss is recovered by the Lessor as a part of any Casualty Value paid by the Lessee pursuant to § 6 hereof or if such loss occurred as a direct result of the occurrence of any of the events described in clauses (ii), (iii), (iv) or (v) of Subsection (E) of this § 17.

(E) If for any reason whatsoever (subject to the limitations set forth in the last sentence of Subsection (K) of this § 17 and other than for the reasons set forth below) all or any part of the ADR Deduction, the Interest Deduction or the Investment Credit with respect to any Unit shall be unavailable in computing each of the items of income, gain, loss, deduction or credit of the Beneficiary, then the rental applicable to such Unit set forth in § 2 hereof shall, on the next succeeding rental payment date after written notice to the Lessee by the Lessor of such fact, be increased by such amount as shall, in the reasonable opinion of the Beneficiary, cause the Beneficiary's net after-tax annual cash flow and net after-tax rate of return to be increased by the portion of such net after-tax annual cash flow and net after-tax rate of return lost by the Beneficiary as a result of the unavailability of the ADR Deduction, the Interest Deduction or the Investment Credit; provided, however, that such rental shall not be so increased to the extent that the ADR Deduction, the Interest Deduction or the Investment

Credit with respect to such Unit is unavailable as a direct result of the occurrence of any of the following events:

(i) a Casualty Occurrence with respect to such Unit if the Lessee shall have paid to the Lessor the Casualty Value for each such Unit set forth in § 6 hereof;

(ii) any voluntary act or failure to act of the Lessor, including without limitation, a voluntary transfer by the Lessor of legal title to such Unit, a voluntary disposition by the Lessor of any interest in such Unit or a voluntary reduction by the Lessor of its interest in the rentals from such Unit under this Lease (except pursuant to an assignment of this Lease to the Trustee), unless, in each case, an Event of Default shall have occurred and be continuing;

(iii) the failure of the Beneficiary to claim the ADR Deduction, the Interest Deduction or the Investment Credit on its income tax return for the appropriate year in a proper and timely manner, unless such Beneficiary shall have received an opinion of independent tax counsel to the effect that the Beneficiary is not entitled to claim the ADR Deduction, the Interest Deduction or the Investment Credit;

(iv) the failure of the Beneficiary to have sufficient liability for federal income tax against which to credit the Investment Credit or sufficient income to benefit from the ADR Deduction or the Interest Deduction; or

(v) any change, which becomes effective on or after January 1, 1977, in the Code or the Regulations promulgated thereunder.

The recomputation of the rental payable by the Lessee pursuant to this Subsection (E) will be based on the same assumptions used by the Beneficiary in originally evaluating this transaction, including the assumption that any taxable income generated by this transaction is subject to tax at an effective rate of 52.94% and that any net loss generated by this transaction is a tax benefit against taxes imposed at an effective rate of 48%.

(F) In the event and to the extent that the cost

of any improvement and/or addition to a Unit or any expenditure by the Lessee in respect of any Unit or this Lease (hereinafter called Additional Expenditures) made by the Lessee, under and pursuant to the terms of this Lease or otherwise, is required to be included in the gross income of the Beneficiary for federal income tax purposes at any time prior to the time such Unit is disposed of in a taxable transaction, then the rentals for the Units set forth in § 2 hereof shall, on the next succeeding rental payment date after the date on which the Lessee is required to furnish written notice to the Lessor pursuant to the last paragraph of this Subsection (F) that such inclusion in the Beneficiary's gross income is required, be increased to such amount or amounts as shall, in the reasonable opinion of the Beneficiary (after taking into account any present or future tax benefits that the Beneficiary reasonably anticipates it will derive from its additional investment in the Units by reason of such inclusion, including, without limitation, any current deductions, future depreciation deductions and investment tax credit), cause the Beneficiary's net after-tax annual cash flow and net after-tax rate of return (calculated on the same basis as used by the Beneficiary in originally evaluating this transaction) to equal the net after-tax cash flow and net after-tax rate of return that would have been realized by the Beneficiary if the cost of such Additional Expenditures had not been includible in the Beneficiary's gross income.

In determining the present or future tax benefits to be taken into account by the Beneficiary in establishing the rental increase required by this Subsection (F), the Beneficiary shall attempt to maximize such benefits and hence minimize the increase in rentals by making such elections (including, where advantageous, the applicable asset guideline repair allowance and accelerated depreciation if then permitted) and utilizing such conventions and accounting methods as will further such objectives; provided, however, that the Beneficiary shall not be required to make any election or utilize a particular convention or accounting method if the Beneficiary determines, in its sole discretion but in good faith, that in so doing it will adversely affect its federal income tax liability determined without regard to the adjustments contemplated by this Subsection (F).

The Lessee agrees that, within 30 days after the close of any calendar year (or in the event the lessor gives the Lessee written notice that the Lessor's taxable year closes on a date specified therein other than December 31,

within 30 days after said date) in which the Lessee has made Additional Expenditures which are required to be included in the gross income of the Lessor for federal income tax purposes prior to the time such Unit is disposed of in a taxable transaction, the Lessee will give written notice thereof to the Lessor and the Beneficiary describing such Additional Expenditures in reasonable detail and specifying the cost thereof with respect to each Unit.

(G) In the event a claim shall be made against the Lessor or the Beneficiary which, if successful, would result in payment by the Lessee of increased rental pursuant to Subsections (E) or (F) above, and if, in the opinion of independent tax counsel (hereinafter called Counsel) selected by the Beneficiary and acceptable to the Lessee, a bona fide defense to all or a part of such claim exists, the Lessor and the Beneficiary shall, upon request and at the expense of the Lessee, take all such legal or other appropriate action deemed reasonable by Counsel in order to sustain such defense; provided, however, that the Lessor or the Beneficiary shall not be obligated to take any such legal or other appropriate action unless the Lessee shall first have indemnified the Lessor and the Beneficiary for all liabilities and expenses that may be entailed therein and shall have furnished the Lessor and the Beneficiary such reasonable assurance therefor as may be requested. The Lessor and the Beneficiary may, at the option of the Beneficiary but after consultation with the Lessee, take such action prior to making payment of any tax, interest or penalty with respect to such claim (hereinafter called a Tax Payment) or may make such Tax Payment and then sue for a refund.

(i) If the Lessor and the Beneficiary take such action prior to making such Tax Payment, such increased rental need not be paid by the Lessee while such action is pending. In such case, if the final determination shall be adverse to the Beneficiary, the increased rental shall be computed by the Beneficiary as of the date of such final determination and the Lessee shall commence payment thereof on the rental payment date next succeeding such final determination and, on or before such rental payment date, the Lessee shall pay to the Lessor as additional rental an amount which, when reduced by any increase in the Lessor's or the Beneficiary's income tax liability or liabilities resulting from the Lessor's receipt of such additional rental, will equal the amount

of all interest and penalty paid by the Lessor or the Beneficiary in respect of such final determination, together with interest thereon from the date such payment is made by the Lessor or the Beneficiary to the date the Lessee reimburses the Lessor therefor at the prime rate of interest at Mellon Bank, N .A., Pittsburgh, Pennsylvania, as in effect on the date of such final determination.

(ii) If the Lessor or the Beneficiary makes such Tax Payment and then sues for a refund, such increased rental shall commence to be payable by the Lessee on the first rental payment date after such Tax Payment is made and, on or before such rental payment date, the Lessee shall pay to the Lessor as additional rental an amount which, when reduced by the increase in the Lessor's or the Beneficiary's income tax liability or liabilities resulting from the Lessor's receipt of such additional rental, will equal the amount of all interest and penalty included in such Tax Payment. In such case, if the final determination shall be in favor of the Lessor, (a) the rental payable by the Lessee to the Lessor shall be adjusted by such amount as shall be required, in the reasonable opinion of the Beneficiary, and pursuant to the assumptions set forth in the last sentence of Subsection (E), to cause the Beneficiary's net after-tax total cash flow and net after-tax rate of return to be at least the same as such net after-tax total cash flow and net after-tax rate of return would have been if such Tax Payment had not been made (or such adjustment shall be made proportionately if the final determination is partly in favor of and partly adverse to the Lessor) and such adjusted rental shall be payable by the Lessee on the rental payment date next succeeding such final determination and thereafter, and (b) the Lessor shall pay, as a refund of rental payments, to the Lessee an amount which, when reduced by the tax benefit to the Lessor or the Beneficiary resulting from the payment of such amount, will equal the amount of any penalty or interest refunded to the Lessor or to the Beneficiary as a result of such final determination and any interest on such refunded penalty and interest paid to the Lessor or the Beneficiary by the government, promptly upon receipt thereof.

(H) In the event that the Lessee shall pay all or any portion of any instalment of rental prior to the date upon which such payment is herein required to be made, the

Lessee shall pay to the Lessor an amount which, after deduction of all taxes and other charges in respect of the receipt of such amount under the laws of any federal, state or local governmental or taxing authority in the United States or under the laws of any foreign country or subdivision of any taxing authority thereof, shall be equal to the excess of (i) the taxes and other charges payable by the Lessor and the Beneficiary as a result of the receipt of such instalment of rental over (ii) the taxes and other charges that would have been payable by the Lessor and the Beneficiary had such instalment of rent been paid by the Lessee on the date upon which such payment is herein required to be made.

(I) In the event the rental rates shall be adjusted as hereinbefore provided, the Casualty Values provided for in § 6 hereof shall be adjusted accordingly.

(J) The Lessee's and the Lessor's agreements to pay any sums which may become payable pursuant to this § 17 shall survive the expiration or other termination of this Lease.

(K) The Lessor and the Beneficiary shall request rulings from the Internal Revenue Service (hereinafter called the Rulings) to the effect, among other things, that this Lease is a true lease, that the Lessor is the owner of the Units and that the Beneficiary has the right to claim the ADR Deduction, the Interest Deduction and the Investment Credit. The Lessee will join in the request for the Rulings and will furnish such documents, records and representations to support the matters claimed in such request as shall be deemed necessary and appropriate by the Lessor. While the Request is pending, neither the Lessor nor the Beneficiary shall take any action with respect to the Request without the prior approval of the Lessee. If Rulings satisfactory to the Lessor and the Beneficiary are obtained, then all the provisions of Subsection (E) above shall be and become null and void and of no further force or effect, except to the extent the Lessee takes any action inconsistent with the Rulings.

§ 18. Notices. Any notice required or permitted to be given by either party hereto to the other shall be deemed to have been given when deposited in the United States registered mails, first-class postage prepaid, addressed as follows:

if to the Lessor, c/o Mellon Bank, N.A., Mellon

Square, Pittsburgh, Pennsylvania 15230, Attention of Corporate Trust Department (with a copy to Greenville Steel Car Company, Greenville, Pennsylvania, Attention of Treasurer);

if to the Lessee, The Cleveland Electric Illuminating Company, P. O. Box 5000, Cleveland, Ohio 44101, Attention of Treasurer's office;

or addressed to either party at such other address as such party shall hereafter furnish to the other party in writing.

§ 19. Definitions. If this Lease is assigned to the Trustee (or any successor thereto) for collateral purposes, wherever the term "Lessor" is used in this Lease it shall apply and refer to the Trustee (and any successors thereto) unless the context shall otherwise require; and the fact that the Trustee is specifically named in certain provisions shall not be construed as to mean that the Trustee (and any successors thereto) is not entitled to the benefits of other provisions where only the Lessor is named or where only the Trustee, as the case may be, is named.

§ 20. Severability. Any provision of this Lease which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

This Lease exclusively and completely states the rights of the Lessor and the Lessee with respect to the Units and supersedes all other agreements, oral or written, with respect to the Units. No variation or modification of this Lease and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized officers of the Lessor and the Lessee.

§ 21. Execution. Although this Lease is dated as of November 1, 1975, for convenience, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.

§ 22. Law Governing. The terms of this Lease and all rights and obligations hereunder shall be governed

by the laws of the State of Ohio; provided, however, that the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act, such additional rights arising out of the filing, recording or depositing hereof and of any assignment hereof or out of the marking on the Units as shall be conferred by the laws of the several jurisdictions in which this Agreement or any assignment hereof shall be filed, recorded or deposited or in which any Unit may be located.

§ 23. No Recourse. No recourse shall be had in respect of any obligation due under this Lease, or referred to herein, against any incorporator, stockholder, director or officer, past, present or future, of the Lessor or the Lessee, or against any principal or principals (disclosed or undisclosed) of the Lessor or assignee or assignees or transferee or transferees of the Lessor if the Lessor is acting in an agency or nominee capacity, whether by virtue of any constitutional provision, statute or rule of law or by enforcement of any assessment or penalty or otherwise, all such liability, whether at common law, in equity, by any constitutional provision, statute or otherwise, of incorporators, stockholders, directors, officers, assignees, transferees or principals being forever released as a condition of and as consideration for the execution of this Lease.

IN WITNESS WHEREOF, the Lessor and the Lessee, each pursuant to due corporate authority, have caused this instrument to be signed in their respective corporate names by duly authorized officers and their respective corporate seals to be hereunto affixed and duly attested, all as of the date first above written.

GSCX SECOND EQUIPMENT CORPORATION,

by

[Corporate Seal]

President

ATTEST:

Secretary

THE CLEVELAND ELECTRIC ILLUMINATING
COMPANY,

by

[Corporate Seal]

Vice President

ATTEST:

Secretary

COMMONWEALTH OF PENNSYLVANIA,)
) ss.:
COUNTY OF ALLEGHENY,)

On this day of 1975, before personally appeared , to me personally known, who, being by me duly sworn, says that he is the President of GSCX SECOND EQUIPMENT CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of the said corporation, 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]

STATE OF OHIO,)
) ss.:
COUNTY OF CUYAHOGA,)

On this day of 1975, before personally appeared , to me personally known, who, being by me duly sworn, says that he is a Vice President of THE CLEVELAND ELECTRIC ILLUMINATING COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of the said corporation, 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]

ANNEX A TO LEASE

<u>Quantity</u>	<u>Type and Specifications</u>	<u>Cost</u>	<u>Identifying Numbers (both inclusive)</u>
100	100-ton triple hopper cars, Specification No. H-3051; AAR Mechanical Designation HT	\$2,727,214	GSCX 12000 to 12099

ANNEX B TO LEASE

<u>Rental Payment Date*</u>	<u>Percentage of Cost**</u>
January 15, 1976	105.0042
July 15, 1976	105.0042
January 15, 1977	105.4241
July 15, 1977	105.6076
January 15, 1978	105.3388
July 15, 1978	104.7564
January 15, 1979	103.7609
July 15, 1979	95.4212
January 15, 1980	93.7974
July 15, 1980	92.1197
January 15, 1981	90.2470
July 15, 1981	81.2808
January 15, 1982	79.2019
July 15, 1982	77.1292
January 15, 1983	74.8572
July 15, 1983	65.5223
January 15, 1984	63.0575
July 15, 1984	60.6209
January 15, 1985	57.9567
July 15, 1985	55.3295
January 15, 1986	52.4590
July 15, 1986	49.6357
January 15, 1987	46.5520
July 15, 1987	43.5269

* As defined in § 2 of the Lease.

** As defined in the Equipment Trust Agreement.

ANNEX B TO LEASE

<u>Rental Payment Date*</u>	<u>Percentage of Cost**</u>
January 15, 1988	40.2231
July 15, 1988	37.0027
January 15, 1989	33.5313
July 15, 1989	30.1942
January 15, 1990	26.5863
July 15, 1990	23.1306
January 15, 1991 and thereafter	20.0000

* As defined in § 2 of the Lease.

** As defined in the Equipment Trust Agreement.

COLLATERAL ASSIGNMENT OF LEASE AND AGREEMENT

between

GSCX SECOND EQUIPMENT CORPORATION

and

MELLON BANK, N.A.,
Trustee

Dated as of November 1, 1975

COLLATERAL ASSIGNMENT OF LEASE AND AGREEMENT dated as of November 1, 1975, by and between GSCX SECOND EQUIPMENT CORPORATION, an Ohio corporation (hereinafter called the Company), and MELLON BANK, N.A., as Trustee (hereinafter called the Trustee) under an Equipment Trust and Security Agreement dated as of November 1, 1975 (hereinafter called the Equipment Trust Agreement), between the Trustee and the Company.

WHEREAS the Company, as Lessor, and The Cleveland Electric Illuminating Company, as Lessee (hereinafter called the Lessee), have entered into a Lease (as defined in the Equipment Trust Agreement), providing for the leasing by the Company to the Lessee of the Units (as defined in the Lease); and

WHEREAS, in order to provide security for the obligations of the Company under the Equipment Trust Agreement and an inducement to the purchasers of the equipment trust certificates to be issued under the Equipment Trust Agreement to purchase said certificates, the Company has agreed to assign for security purposes its rights in, to and under the Lease to the Trustee;

NOW, THEREFORE, in consideration of the premises and of the payments to be made and the covenants hereinafter mentioned to be kept and performed, the parties hereto agree as follows:

1. As security for the payment and performance of its obligations under the Equipment Trust Agreement, the Company hereby assigns, transfers, and sets over unto the Trustee all the Company's right, title and interest as Lessor under the Lease, together with all rights, powers, privileges, and other benefits of the Company as Lessor under the Lease including, without limitation, the immediate right to receive and collect all rentals, profits and other sums payable to or receivable by the Company from the Lessee under or pursuant to the provisions of the Lease whether as rent, casualty payment, indemnity, liquidated damages or otherwise (such moneys being hereinafter called the Payments), and the right to make all

waivers and agreements, to give all notices, consents and releases, to take all action upon the happening of an Event of Default specified in the Lease, and to do any and all other things whatsoever which the Company, as Lessor, is or may become entitled to do under the Lease.

The Company agrees to cause all the Payments to be made directly to the Trustee at Mellon Square, Pittsburgh, Pennsylvania 15230, attention of Corporate Trust Division. The Trustee will accept all Payments and all payments pursuant to this Assignment and will apply the same as follows: first, to or toward the payment of all amounts then due and payable under the Equipment Trust Agreement in satisfaction of the obligations of the Lessor thereunder; and the Trustee shall credit such Payments and such payments pursuant to this Assignment so applied to the amounts so due and payable by the Company under the Equipment Trust Agreement; and second, so long as, to the actual knowledge of the Trustee, no Event of Default (as defined in the Equipment Trust Agreement) or event which, to the actual knowledge of the Trustee with notice or lapse of time or both, would constitute an Event of Default shall have occurred and then be continuing, any balance of such Payments and such payments pursuant to this Assignment remaining shall be paid over to the Company by the Trustee. So long as, to the actual knowledge of the Trustee, an Event of Default or event which, to the actual knowledge of the Trustee with notice or lapse of time or both, would constitute an Event of Default shall then be continuing, the Trustee shall not pay over any of the Payments or such payments pursuant to this Assignment, but, during such continuance, shall apply all Payments and all such payments pursuant to this Assignment in a manner consistent with the provisions of the Equipment Trust Agreement. Anything in this Assignment to the contrary notwithstanding, no amounts shall be considered to be due and payable by the Company under the Equipment Trust Agreement in the event that such amounts shall have been indefeasibly paid by the Lessee to the Trustee pursuant to the Lease, the Equipment Trust Agreement and/or this Assignment.

2. The assignment made hereby is executed only as security and, therefore, the execution and delivery of this Assignment shall not subject the Trustee to, or transfer, or pass, or in any way affect or modify any liability of the Company under the Lease, it being understood and agreed that notwithstanding such assignment or any subsequent assignment all obligations of the Company to the Lessee shall

be and remain enforceable by the Lessee, its successors and assigns, against, and only against, the Company or persons other than the Trustee.

3. To protect the security afforded by this Assignment the Company agrees as follows:

(a) Faithfully to abide by, perform and discharge each and every obligation, covenant and agreement of the Lease by the Company to be performed; at the sole cost and expense of the Company (except as otherwise provided herein or by any of the instruments or agreements referred to herein or in the Equipment Trust Agreement), to enforce or secure the performance of each and every obligation, covenant, condition and agreement contained in the Lease by the Lessee to be performed; without the written consent of the Trustee not to anticipate the rents under the Lease or to waive, excuse, condone, forgive or in any manner release or discharge the Lessee thereunder of or from any of the obligations, covenants, conditions and agreements to be performed by the Lessee, including, without limitation, the obligation to pay the rents in the manner and at the time and place specified therein; to hold any Payments received by the Company which are assigned and set over to the Trustee by this Assignment in trust for the Trustee and to turn them to the Trustee forthwith in the same form in which they are received for application in accordance with the terms and conditions hereof.

(b) At the Company's sole cost and expense (except as otherwise provided herein or by any of the instruments or agreements referred to herein or in the Equipment Trust Agreement), to (i) appear in and defend every action or proceeding arising under, growing out of or in any manner connected with the Lease or the obligations, duties or liabilities of the Company and the Lessee thereunder and (ii) pay all costs and expenses of the Trustee, including attorneys' fees in a reasonable sum, in any action or proceeding pertaining thereto in which the Trustee may appear.

(c) That should the Company fail to make any payment or to do any act as herein provided, then the Trustee, but without obligation so to do and without notice to or demand on the Company and without releasing

the Company from any obligation hereunder, may make or do the same in such manner and to such extent as the Trustee may deem necessary to protect the security hereof, including specifically, without limiting its general powers, the right to appear in and defend any action or proceeding purporting to affect the security hereof and the rights or powers of the Trustee, and also the right to perform and discharge each and every obligation, covenant and agreement of the Company contained in the Lease; and in exercising any such powers to pay necessary costs and expenses, employ counsel and incur and pay reasonable attorneys' fees.

(d) To pay immediately upon demand, all sums expended by the Trustee under the authority hereof, together with interest thereon at the rate of 10-1/2% per annum.

4. The Company does hereby constitute the Trustee the Company's true and lawful attorney, irrevocably, with full power (in the name of the Company, or otherwise), to ask, require, demand, receive, compound and give acquittance for any and all payments due and to become due under or arising out of the Lease to which the Company is or may become entitled, to enforce compliance by the Lessee with all the terms and provisions of the Lease, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which to the Trustee may seem to be necessary or advisable in the premises.

5. Upon the full discharge and satisfaction of all the Company's obligations under the Equipment Trust Agreement, the assignment made hereby and all rights herein assigned to the Trustee shall terminate, and all estate, right, title and interest of the Trustee in and to the Lease and the Payments shall revert to the Company.

6. The Company represents and warrants that (a) the execution and delivery by the Company of the Lease, this Assignment and the Equipment Trust Agreement have each been duly authorized, and the Lease, this Assignment and the Equipment Trust Agreement are and will remain the valid and binding obligations of the Company in accordance with their terms; (b) the Company has not executed any other assignment of the Lease (except assignments made expressly subject hereto in the manner permitted by Paragraph 13 hereof

and § 11 of the Lease) and the Trustee's right to receive all payments under the Lease is and will continue to be free and clear of any and all liens, agreements, security interests or other encumbrances prior to or pari passu with the interests of the Trustee, (c) notwithstanding this Assignment, the Company will conform and comply with each and all of the covenants and conditions in the Lease and the Equipment Trust Agreement set forth to be complied with by it, (d) to the knowledge of the Company, it has performed all obligations on its part to be performed under the Lease and the Equipment Trust Agreement on or prior to the date hereof and (e) the Lease and the Equipment Trust Agreement are in full force and effect and have not been canceled and to the knowledge of the Company there has not occurred on or prior to the date hereof any Event of Default (as that term is defined in the Lease and the Equipment Trust Agreement) or any event which with notice and/or lapse of time would constitute such an Event of Default.

If an Event of Default (as defined in the Equipment Trust Agreement) shall occur and be continuing, the Trustee shall be entitled (i) to exercise all the rights, privileges and remedies available to the Lessor under the Lease and to the Trustee under the Equipment Trust Agreement and (ii) to do any acts which the Trustee deems proper to protect the security hereof, either with or without taking possession of the Units. The taking possession of the Units and the taking of any action permitted as aforesaid shall not cure or waive any default or waive, modify or affect any default hereunder or under the Lease or the Equipment Trust Agreement, or invalidate any act done hereunder.

7. The Company covenants and agrees with the Trustee that in any suit, proceeding or action brought by the Trustee under the Lease for any instalment of, or interest on, any rental or other sum owing thereunder, or to enforce any provisions of the Lease, the Company will save, indemnify and keep the Trustee harmless from and against all expense, loss or damage suffered by reason of any defense, setoff, counterclaim or recoupment whatsoever of the Lessee or its successors, arising out of a breach by the Company of any obligation under the Lease or arising out of any other indebtedness or liability at any time owing to the Lessee or its successors from the Company. Any and all such obligations of the Company shall be and remain enforceable against and only against the Company and shall not be enforceable against the Trustee or any party or parties

in whom any of the rights of the Company under the Lease shall vest by reason of the successive assignments or transfers.

8. The Company will from time to time execute all such financing statements and supplemental instruments and documents as the Trustee may from time to time reasonably request in order to confirm or further assure the assignment made hereby and the provisions hereof.

9. The Trustee may assign to any successor trustee appointed pursuant to Section 8.06 of the Equipment Trust Agreement all or any of its rights under the Lease, including the right to receive any payments due or to become due to it from the Lessee thereunder. In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all obligations of the Trustee hereunder.

10. The Company agrees that it will not, without the prior written consent of the Trustee, enter into any agreement amending, modifying or terminating the Lease and that any amendment, modification or termination thereof without such consent shall be void.

11. This Assignment shall be governed by the laws of the Commonwealth of Pennsylvania; provided, however, that the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act, such additional rights arising out of the filing, recording or depositing hereof and of any assignment hereof or out of the markings on the Units as shall be conferred by the laws of the several jurisdictions in which this Agreement or any assignment hereof shall be filed, recorded or deposited or in which any Unit may be located.

12. The Company shall cause copies of all notices received in connection with the Lease to be promptly delivered to the Trustee at Mellon Square, Pittsburgh, Pennsylvania 15230, attention of Corporate Trust Department, or at such other address as the Trustee shall designate.

13. The Company may assign and/or transfer any or all of its rights under this Assignment and/or any or all of its rights to the Lease and any or all of the Payments; provided, however, any such assignment or transfer must be

subject to the rights and remedies of the Trustee hereunder and under the Equipment Trust Agreement. All the rights of the Company hereunder shall inure to the benefit of the Company's assigns (and to any corporation, trust [including any beneficiary or trustee thereof] or other person for which the Company is acting as nominee).

14. No recourse shall be had in respect of any obligation due under this Assignment, or referred to herein, against any incorporator, stockholder, director or officer, past, present or future, of the Company, or against any principal or principals (disclosed or undisclosed) of the Company or assignee or assignees or transferee or transferees of the Company if the Company is acting in an agency or nominee capacity, whether by virtue of any constitutional provision, statute or rule of law or by enforcement of any assessment or penalty or otherwise, all such liability, whether at common law, in equity, by any constitutional provision, statute or otherwise, of incorporators, stockholders, directors, officers, assignees, transferees or principals being forever released as a condition of and as consideration for the execution of this Assignment.

15. Any provision of this Assignment which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, the Company hereby waives any provision of law which renders any provision hereof prohibited or unenforceable in any respect.

16. Although this Assignment is dated as of November 1, 1975, for convenience, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates of the acknowledgments annexed hereto.

IN WITNESS WHEREOF, the Company has caused this instrument to be signed by an officer thereunto duly authorized, as of the date first above written.

GSCX SECOND EQUIPMENT CORPORATION,

by

President

[Corporate Seal]

Attest:

Secretary

Accepted:

MELLON BANK, N.A., as Trustee,

by

Vice President

ACKNOWLEDGMENT OF NOTICE OF ASSIGNMENT

Receipt of a copy of, and due notice of the assignment made by, the foregoing Collateral Assignment of Lease and Agreement is hereby acknowledged as of the date set forth below.

THE CLEVELAND ELECTRIC ILLUMINATING
COMPANY,

by

Vice President

Dated: _____