

CONRAIL



RECORDATION NO. 9854 Filed 1425

NOV 20 1978-1 55 PM

INTERSTATE COMMERCE COMMISSION

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November 17, 1978 RECORDATION NO. 9856 Filed 1425

NOV 20 1978-1 55 PM

INTERSTATE COMMERCE COMMISSION

HAND-DELIVER

RECORDATION NO. 9855 Filed 1425

NOV 20 1978-1 55 PM

INTERSTATE COMMERCE COMMISSION

Mr. H. G. Homme, Jr., Acting Secretary
Interstate Commerce Commission
12th and Constitution Avenue
Washington, D. C. 20423

Dear Mr. Homme:

Pursuant to Section 20c of the Interstate Commerce Act and as provided by Volume 49 Code of Federal Regulations Sections 1116.1 through 1116.4 we present the following document for recordation:

1. Lease of Equipment, dated as of September 30, 1978

Lessor: Wells Fargo Leasing Corporation
425 California Street
San Francisco, California 94104

Lessee: United States Lease Financing, Inc.
633 Battery Street
San Francisco, California 94111

2. Lease of Equipment, dated as of September 30, 1978.

Lessor: United States Lease Financing, Inc.
633 Battery Street
San Francisco, California 94111

Lessee: Consolidated Rail Corporation
Six Penn Center Plaza
Philadelphia, Pennsylvania 19104

J. S. Taylor
[Signature]

RECEIVED
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I.C.C.
FEE OPERATION BR.

3. Security Agreement, dated as of September 30, 1978.

Debtor: Wells Fargo Leasing Corporation
425 California Street
San Francisco, California 94104

Secured
Party: The Hartford National Bank and Trust Company
777 Main Street
Hartford, Connecticut 06115

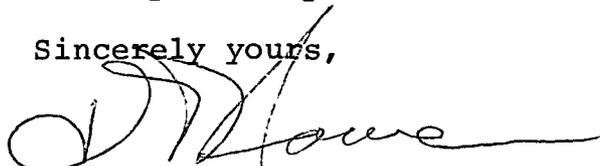
The following Equipment is covered by this transaction:

(SEE ATTACHED EXHIBIT)

Enclosed is our check for \$150 to cover the recordation fee. These documents have not been previously recorded with the Interstate Commerce Commission. After recording a counter-part original of these documents, please return the remaining copies, stamped with your recordation number to the individual presenting them for recordation.

Thank you for your assistance.

Sincerely yours,



Joseph T. Rowan
Corporate Counsel

JTR:oms

Attachment

EXHIBIT

<u>TYPE</u>	<u>AAR MECHANICAL DESIGNATION</u>	<u>NO. OF UNITS</u>	<u>MARKED</u>	<u>NUMBERS INCLUSIVE</u>
Lift Truck 5000 # capacity Clark Model C300 Y50 with LPG engine, Bearcat Amoro- guard tires with drive tires 700-15 shield on bleeder valve Manufactured by Industrial Lift Trust	NONE	28	NONE	V-5083 through V-5085 V-5090 through V-5114
Lift Truck 5000 # capacity Clark Model C300 Y50 with gasoline engine, Bearcat Amoroguard tires with drive tires 500-15 shield on bleeder valve Manufactured by Industrial Lift Truct	NONE	4	NONE	V-5086 through V-5089
Crane, hydraulic 12-1/2-ton, Galion Model 125 Series A, with self-aligning pusher plate Manufactured by T. C. Johnson Co.	NONE	3	NONE	Y-4013-X through Y-4015-X
Crane, hydraulic 15-ton, Galion Model 150 Series A, with self-aligning pusher plate Manufactured by T. C. Johnson Co.	NONE	4	NONE	Y-5010-X through Y-5013-X
Crane, hydraulic 8-ton, Galion Model 80 Manufactured by T. C. Johnson Co.	NONE	3	NONE	Y-3023-X through Y-3025-X

Continued . . .

<u>TYPE</u>	<u>AAR MECHANICAL DESIGNATION</u>	<u>NO. OF UNITS</u>	<u>MARKED</u>	<u>NUMBERS INCLUSIVE</u>
110-ton railroad re-railing crane, Model 220 RRC with 220,000 lb. capacity with sister hook, equipped with hydraulic tank oil heaters and automatic transmission oil heater Manufactured by Pettibone Ohio Corp.	NONE	4	NONE	S-3053-X, through S-3057-X
100-ton rail-highway crane, Model RC-100, with 7,000 lb. counterweight, auxiliary carrier cab heater and sister hook, equipped with CR-1161 transmission heater Manufactured by Ernest Holmes Co.	NONE	1	NONE	S-3051-X

Interstate Commerce Commission
Washington, D.C. 20423

11/20/78

OFFICE OF THE SECRETARY

Joseph T. Rowan
Consolidated Rail Corporation
Six Penn Center Plaza
Phila. PA.19104

Dear

Sir:

The enclosed document(s) was recorded pursuant to the
provisions of Section 20(c) of the Interstate Commerce Act,

49 U.S.C. 20(c), on

11/20/78

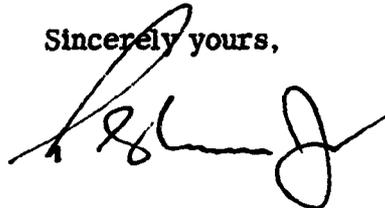
at

1:55pm

and assigned recordation number(s)

9854, 9855 & 9856

Sincerely yours,



H.G. Homme, Jr.,
Secretary

Enclosure(s)

SE-30-T
(2/78)

RECORDATION NO. 9854 Filed 1425

NOV 20 1978-1 55 PM

INTERSTATE COMMERCE COMMISSION

EQUIPMENT LEASE
Dated as of September 30, 1978

BETWEEN

WELLS FARGO LEASING CORPORATION
as Lessor

and

UNITED STATES LEASE FINANCING, INC.,
as Lessee

EQUIPMENT LEASE

THIS EQUIPMENT LEASE, dated as of September 30, 1978 (the Lease), between WELLS FARGO LEASING CORPORATION (the Lessor) and UNITED STATES LEASE FINANCING, INC., a California corporation (the Lessee).

W I T N E S S E T H :

SECTION 1. Definitions; Construction of References.

In this Lease, unless the context otherwise requires:

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

(b) The terms defined in this Section 1 or elsewhere in this Lease shall have the meanings assigned to them in this Section 1 or elsewhere and include the plural as well as the singular;

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

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

(1) Appraisal shall mean a procedure whereby two independent appraisers, neither of whom shall be a manufacturer of the Item of Equipment for which Appraisal is required, one chosen by the Lessee and one by the Lessor, shall mutually agree upon the amount in question. The Lessor or the Lessee, as the case may be, shall deliver a written notice to the other party appointing its appraiser within 15 days after receipt from the other party of a written notice appointing that party's appraiser. If within 15 days after appointment of the two appraisers as described above, the two appraisers are unable to agree upon the amount in question, a third independent appraiser, who shall not be a manufacturer of such Item, shall be chosen within five days thereafter by the mutual consent of such first two appraisers or, if such first two appraisers fail to agree upon the appointment of a third appraiser, such appointment shall be made by an authorized representative of the American Arbitration Association or any organization successor thereto. The decision of the third appraiser so appointed and chosen shall be given within 10 days after the selection of such third appraiser and such decision shall be binding and conclusive on the Lessor and the Lessee. The Lessee shall pay all fees and expenses of any Appraisal.

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

(3) Basic Rent Dates for First Group, Basic Rent Dates for Second Group, Rent Commencement Date for First Group, Rent Commencement Date for Second Group, Interim Rent Daily Factor for Series A Equipment in First Group, Interim Rent Daily Factor for Series B Equipment in First Group, Interim Rent Daily Factor for Series A Equipment in Second Group, Interim Rent Daily Factor for Series B Equipment in Second Group, Basic Lease Rate Factor for Series A Equipment in First Group, Basic Lease Factor for Series B Equipment in First Group, Basis Lease Rate Factor For Series A Equipment in Second Group, Basic Lease Rate Factor for Series B Equipment in Second Group, Expiration Date for Series A Equipment in First Group, Expiration Date for Series B Equipment in First Group, Expiration Date for Series A Equipment in Second Group, Expiration Date for Series B Equipment in Second Group, First Delivery Date, Final Delivery Date, First Basic Rent Date for First Group, First Basic Rent Date for Second Group, Last Basic Rent Date for Series A Equipment in First Group, Last Basic Rent Date for Series B Equipment in First Group, Last Basic Rent Date for Series A Equipment in Second Group, Last Basic Rent Date for Series B Equipment in Second Group, Overdue Rate, Lease Extension Periods, Return of Equipment and Equipment Marking shall have the meanings set forth in Exhibits C-1, C-2, C-3 and C-4 hereto.

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

(5) Casualty Value for Series A Equipment in First Group, Casualty Value for Series B Equipment in First Group, Casualty Value for Series A Equipment in Second Group, and Casualty Value for Series B Equipment in Second Group shall have the meanings with respect to each such Item of Equipment as are set forth in Exhibits D-1, D-2, D-3 and D-4 hereto, respectively.

(6) Certificate of Acceptance shall mean a certificate of acceptance for Series A Equipment or Series B Equipment substantially in the form of Exhibits B-1 or B-2 hereto, respectively.

(7) Closing Date, Purchase Agreement and Purchase Contract shall have the meanings set forth in the Participation Agreement.

(8) Equipment in First Group and individually an Item of Equipment in First Group shall mean the Items of Series A and Series B Equipment that are accepted for lease under this Lease pursuant to Section 2 hereof on or after the First Delivery Date and on or before December 31, 1978, and Equipment in Second Group and individually an Item of Equipment in Second Group shall mean the Items of Series A and Series B Equipment accepted for lease under this Lease pursuant to Section 2 hereof on or after January 1, 1979 and on or before the Final Delivery Date.

(9) Fair Market Value or Fair Market Rental Value of an Item of Equipment shall be determined on the basis of, and shall mean the aggregate amount which would be obtainable in, an arm's-length transaction between an

informed and willing buyer, user or lessee (other than a used equipment dealer) and an informed and willing seller or lessor under no compulsion to sell or lease, and in such determination costs of removal from the location of current use shall not be a deduction from such value and all alternative uses in the hands of such buyer, user or lessee including without limitation, the further leasing of such Item of Equipment, shall be taken into account in making such determination. If the Lessor and the Lessee are unable to agree upon a determination of Fair Market Value or Fair Market Rental Value with respect to a particular Item of Equipment, such Fair Market Value or Fair Market Rental Value shall be determined in accordance with the procedure for Appraisal.

(10) Lessor's Cost with respect to each Item of Equipment shall mean the total cost invoiced to and payable by the Lessor (including applicable freight, taxes and delivery charges) and shall be set forth in Schedule 1 to the Certificate of Acceptance describing such Item of Equipment.

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

(12) Guarantor shall mean United States Leasing International, Inc.

(13) Participation Agreement shall mean the Participation Agreement, dated as of the date hereof, among the Lessee, the Lessor, the Guarantor, The Hartford National

Bank and Trust Company, as Lender (the Lender), and the Railroad.

(14) Purchase Documents shall mean those documents defined as purchase documents in the Participation Agreement.

(15) Railroad shall mean Consolidated Rail Corporation.

(16) Security Agreement shall mean the Security Agreement dated as of the date hereof granted by the Lessor to the Lender pursuant to the Participation Agreement and each and every Supplement.

(17) Series A Equipment and individually an Item of Series A Equipment, and Series B Equipment and individually an Item of Series B Equipment, shall mean the equipment set forth in Exhibits A-1 and A-2 hereto, respectively.

(18) Series A Equipment in First Group and individually an Item of Series A Equipment in First Group, and Series B Equipment in First Group and individually an Item of Series B Equipment in First Group, shall mean, respectively, the Items of Series A and Series B Equipment accepted for lease under this Lease pursuant to Section 2 hereof on or after the First Delivery Date and on or before December 31, 1978, and Series A Equipment in Second Group and individually an Item of Series A Equipment in Second Group, and Series B Equipment in Second Group and individually an Item of Series B Equipment in Second Group, shall mean, respectively, the Items of Series A and Series B

Equipment accepted for lease under this Lease pursuant to Section 2 hereof on or after January 1, 1979 and on or before the Final Delivery Date.

(19) Supplement shall mean each supplement to the Security Agreement.

SECTION 2. Lease of Equipment.

Subject to the terms and conditions of this Lease and the Participation Agreement, the Lessor hereby agrees to lease to the Lessee and the Lessee hereby agrees to lease from the Lessor such Items of Equipment as shall be described in one or more Certificates of Acceptance executed and delivered on behalf of the Lessor with respect thereto and as shall have been delivered and accepted on or after the First Delivery Date but on or before the Final Delivery Date and which conform to the description contained on Exhibits A-1 and A-2 hereto as incorporated in the Participation Agreement (Equipment, and individually an Item or Item of Equipment). Subject to the provisions of the Participation Agreement, upon delivery of each Item of Equipment to the Lessor, the Lessee will cause an authorized representative of the Lessee to inspect the same and, if such Item of Equipment is found to be in good order and condition and meets the specifications in the Purchase Contract therefor, to accept such Item of Equipment and to execute and deliver a Certificate of Acceptance satisfactory to the Lessor with respect thereto, whereupon, but also subject to the terms and conditions of the Participation Agreement and the Lease and to acceptance of the Certificate of Acceptance for such Item by the Lessor, such Item of Equipment shall be deemed to have been delivered to and

accepted by the Lessee and shall be subject to the terms and conditions of this Lease.

SECTION 3. Term and Rent.

(a) The term of this Lease as to each Item of Series A Equipment in First Group, each Item of Series B Equipment in First Group, each Item of Series A Equipment in Second Group and each Item of Series B Equipment in Second Group shall begin on its date of acceptance, as set forth in the Certificate of Acceptance executed and delivered with respect thereto, and shall end on the Expiration Date for Series A Equipment in First Group, Expiration Date for Series B Equipment in First Group, Expiration Date for Series A Equipment in Second Group, and Expiration Date for Series B Equipment in Second Group, respectively, unless this Lease shall have been terminated, or the term of this Lease with respect to such Item of Equipment shall have been extended, by the terms hereof.

(b) The Lessee shall pay to the Lessor as Basic Rent (herein referred to as Basic Rent) for each Item of Equipment subject to this Lease, the following:

(1) on the First Basic Rent Date for First Group and on each of the Basic Rent Dates for First Group thereafter to and including the Last Basic Rent Date for Series A Equipment in First Group, an amount equal to the Basic Lease Rate Factor for Series A Equipment in First Group multiplied by the Lessor's Cost of each Item of Series A Equipment in First Group;

(2) on the First Basic Rent Date for First Group and on each of the Basic Rent Dates for First Group thereafter to and including the Last Basic Rent Date for Series B Equipment in First Group, an amount equal to the Basic Lease Rate Factor for Series B Equipment in First Group multiplied by the Lessor's Cost of each Item of Series B Equipment in First Group;

(3) on the First Basic Rent Date for Second Group and on each of the Basic Rent Dates for Second Group thereafter to and including the Last Basic Rent Date for Series A Equipment in Second Group, an amount equal to the Basic Lease Rate Factor for Series A Equipment in Second Group multiplied by the Lessor's Cost of each Item of Series A Equipment in Second Group; and

(4) on the First Basic Rent Date for Second Group and on each of the Basic Rent Dates for Second Group thereafter to and including the Last Basic Rent Date for Series B Equipment in Second Group, an amount equal to the Basic Lease Rate Factor for Series B Equipment in Second Group multiplied by the Lessor's Cost of each Item of Series B Equipment in Second Group.

(c) The Lessee shall pay the Lessor as Interim Rent (herein referred to as Interim Rent) for each Item of Equipment subject to this Lease, the following:

(1) on the Rent Commencement Date for First Group an amount equal to the product of (i) the Interim Rent Daily Factor for Series A Equipment in First Group times (ii) the Lessor's Cost of each Item of Series A Equipment in First

Group times (iii) the number of days from (and including) the Closing Date for such Item of Series A Equipment in First Group to (but excluding) the Rent Commencement Date for First Group;

(2) on the Rent Commencement Date for First Group an amount equal to the product of (i) the Interim Rent Daily Factor for Series B Equipment in First Group times (ii) the Lessor's Cost of each Item of Series B Equipment in First Group times (iii) the number of days from (and including) the Closing Date for such Item of Series B Equipment in First Group to (but excluding) the Rent Commencement Date for First Group;

(3) on the Rent Commencement Date for Second Group an amount equal to the product of (i) the Interim Rent Daily Factor for Series A Equipment in Second Group times (ii) the Lessor's Cost of each Item of Series A Equipment in Second Group times (iii) the number of days from (and including) the Closing Date for such Item of Series A Equipment in Second Group to (but excluding) the Rent Commencement Date for Second Group;

(4) on the Rent Commencement Date for Second Group an amount equal to the product of (i) the Interim Rent Daily Factor for Series B Equipment in Second Group times (ii) the Lessor's Cost of each Item of Series B Equipment in Second Group times (iii) the number of days from (and including) the Closing Date for such Item of Series B Equipment in Second Group to (but excluding) the Rent Commencement Date for Second Group.

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

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

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

(3) to the extent permitted by applicable law, interest (computed on the basis of a 360-day year of twelve 30-day months) at the Overdue Rate on any payment of Basic Rent or Interim Rent or Casualty Value, if any, not paid when due for any period for which the same shall be overdue and on any payment of Supplemental Rent (including, without limitation, interest payable under this clause (3), but excluding payment of Casualty Value, if any) not paid when demanded hereunder for the period from the date of such demand until the date on which the same shall be paid.

(e) Subject to the provisions of the Participation Agreement, all payments of Rent hereunder shall be made so that the Lessor or any assignee of the Lessor, shall have immediately available funds on the date payable hereunder, and shall be paid to the Lessor at its address set forth herein or at such other address as the Lessor may direct by notice in writing to the Lessee.

SECTION 4. Net Lease, Assignment by Lessor.

(a) Net Lease. This Lease is a net lease and the Lessee acknowledges and agrees that the Lessee's obligations to pay all Rent hereunder, and the rights of the Lessor in and to such Rent, shall be absolute and unconditional and shall not be subject to any abatement, reduction, set-off, defense, counterclaim or recoupment (Abatement) for any reason whatsoever, including, without limitation, Abatements due to any present or future claims of the Lessee against the Lessor under this Lease or otherwise, or against the manufacturer or seller of any Item of Equipment. Except as otherwise expressly provided herein, this Lease shall not terminate, nor shall the respective obligations of the Lessor or the Lessee be affected, by reason of any defect in or damage to, or any loss or destruction of, the Equipment or any Item thereof from whatsoever cause, or the interference with the use thereof by any private person, corporation or governmental authority, or the invalidity or unenforceability or lack of due authorization of this Lease or lack of right, power or authority of the Lessor to enter into this Lease, or for any other cause, whether similar or dissimilar to the foregoing, any present or future law or regulation to the contrary notwithstanding, it being the express intention of the Lessor and the Lessee that all Rent payable by the Lessee hereunder shall be, and continue to be, payable in all events unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease.

(b) Assignment by Lessor. The Lessor shall have the right to mortgage the Equipment or assign, pursuant to the Security Agreement or other separate form of assignment, all or any part of its rights under this Lease. In such event, the assignee shall be entitled to enforce the rights so assigned, but shall be under no liability to the Lessee to perform any of the obligations of the Lessor. The Lessee agrees that it will pay all sums so assigned and due by Lessee hereunder directly to such assignee (or to whomsoever the assignee shall direct) after receipt of notice of such assignment. Any assignee of Lessor's rights may reassign such rights with the same force and effect as an original assignment.

SECTION 5. Return of Equipment.

Upon the expiration or termination of this Lease with respect to Items of Equipment, the Lessee, at its own risk and expense, will return such Items of Equipment then subject to this Lease to the Lessor pursuant to the Lessor's instructions set forth under the heading Return of Equipment in Exhibits C-1, C-2, C-3 and C-4 to this Lease and in the condition in which such Equipment is required to be maintained pursuant to Section 9 hereof. Such Equipment, upon redelivery pursuant hereto, shall be free and clear of all mortgages, liens, security interests, charges, encumbrances and claims (Liens), other than Liens described in Section 7(h) of the Participation Agreement (such Liens being herein referred to as Lessor's Liens). Upon return of each Item of Equipment, if the Lessor shall so require, the Lessee will provide free storage and insurance (pursuant to Section 12 hereof) for such Item at the place it is required to

be returned for a period not exceeding forty five (45) days from the Expiration Date for such Item or from the last day of any Lease Extension Period therefor.

SECTION 6. Warranties of the Lessor.

(a) The Lessor warrants that during the term of this Lease, if no Event of Default has occurred, the Lessee's use of the Equipment shall not be interrupted by the Lessor or anyone claiming solely through or under the Lessor other than the Lender.

(b) The warranties set forth in paragraph (a) of this Section are in lieu of all other warranties of the Lessor, whether written, oral or implied with respect to this Lease or the Equipment; and the Lessor shall not be deemed to have made, and the LESSOR LEASES THE EQUIPMENT AS-IS AND HEREBY DISCLAIMS, ANY OTHER REPRESENTATION OR WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE DESIGN OR CONDITION OF THE EQUIPMENT, ITS MERCHANTABILITY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE, THE QUALITY OF THE MATERIAL OR WORKMANSHIP OF THE EQUIPMENT OR CONFORMITY OF THE EQUIPMENT TO THE PROVISIONS AND SPECIFICATIONS OF ANY PURCHASE ORDER OR ORDERS RELATING THERETO, NOR SHALL THE LESSOR BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING STRICT LIABILITY IN TORT), but the Lessor authorizes the Lessee, at the Lessee's expense, to assert for the Lessor's account, during the term of this Lease, so long as no Event of Default shall have occurred hereunder and be continuing, all of the Lessor's rights under any applicable manufacturer's or seller's warranty and the Lessor agrees to cooperate with the Lessee in asserting such rights; provided,

however, that the Lessee shall indemnify and shall hold the Lessor harmless from and against any and all claims, and all costs, expenses, damages, losses and liabilities incurred or suffered by the Lessor in connection with, as a result of, or incidental to, any action by the Lessee pursuant to the above authorization. Any amount received as payment under any such warranty shall be payable jointly to the Lessee and the Lessor and, if no Event of Default has occurred and is continuing hereunder, such amount shall be applied (a) if the breach of such warranty resulted in defects or deficiencies in the Equipment, to restore the Equipment to the condition required by Section 9 hereof and if any excess funds are available after application as set forth in (a), then, (b) if the breach of such warranty resulted in other loss, expense or liability, to pay any such loss, expense or liability or as reimbursement to the Lessee or any sublessee for any payments of that nature made or incurred by the Lessee or any sublessee.

SECTION 7. Liens.

The Lessee will not mortgage, encumber or directly or indirectly create, incur, assume or suffer to exist any Liens on or with respect to the Equipment or the Sublease, the Lessor's title thereto or any interest therein (and the Lessee will promptly, at its own expense, take such action as may be necessary to duly discharge any such Lien), except (a) the respective rights of the Lessor and the Lessee as herein provided, (b) Lessor's Liens, (c) Liens for taxes either not yet due or being contested in good faith and by appropriate proceedings, if counsel for the Lessor shall have determined that

the nonpayment of any such tax or the contest of any such payment in such proceedings does not, in the opinion of such counsel, adversely affect the title, property, or rights of the Lessor, (d) inchoate materialmen's, mechanics', workmen's, repairmen's, employees' or other like Liens arising in the ordinary course of business of the Lessee and not delinquent, (e) Liens granted by the Lessor to any assignee or security assignee of the Lessor, and (f) the sublease of the Equipment by the Lessee to the Railroad (the Sublease) made with the approval of the Lessor and the Lender and the assignment thereof pursuant to this Lease.

SECTION 8. Taxes.

The Lessee agrees to pay and to indemnify the Lessor for, and hold the Lessor harmless from and against, all income, franchise, sales, use, personal property, ad valorem, value added, leasing, leasing use, stamp or other taxes, levies, imposts, duties, charges, or withholdings of any nature, licensing or registration fees, together with any penalties, fines or interest thereon or reasonable attorneys' fees incurred by the Lessor with respect thereto (Impositions), arising out of the transactions contemplated by this Lease and imposed against the Lessor, the Lessee or the Equipment by any federal, state, local or foreign government or taxing authority upon or with respect to the Equipment or upon the sale, purchase, ownership, delivery, leasing, possession, use, operation, return or other disposition thereof, or upon the rentals, receipts or earnings arising therefrom, or upon or with respect to this Lease (excluding, however, taxes on, or measured by, the net income of the Lessor and (i) imposed by the jurisdiction in which the

principal office of the Lessor is located or (ii) imposed by any other jurisdiction in which the Lessor would, without having entered into this Lease, be subject to such taxes as a result of business or transactions similar to leasing) unless, and only to the extent that, the Lessee shall have given to the Lessor written notice within 35 days of any such Imposition, which notice shall state that such Imposition is being contested by the Lessee in good faith and by appropriate proceedings and counsel for the Lessor shall have determined that the nonpayment thereof or the contest thereof in such proceedings does not, in the opinion of such counsel, adversely affect the title, property or rights of the Lessor. If a claim is made against the Lessee or the Lessor for any Imposition, the party receiving notice of such claim shall promptly notify the other. In case any report or return is required to be made with respect to any obligation of the Lessee under this Section 8 or arising out of this Section 8, the Lessee will either (after notice to the Lessor) make such report or return in such manner as will show the ownership of the Equipment in the Lessor and send a copy of such report or return to the Lessor or will notify the Lessor of such requirement and make such report or return in such manner as shall be satisfactory to the Lessor. The Lessor agrees to cooperate fully with the Lessee in (a) the preparation of any such report or return and (b) provided the Lessee shall pay all costs and expenses of the Lessor, any contest contemplated in this Section 8.

SECTION 9. Use, Location, Maintenance and Operation;
Identifying, Marks.

(a) The Lessee agrees that the Equipment will be used, and when redelivered to the Lessor will be, in compliance with any and all statutes, law, ordinances and regulations of any governmental agency applicable to the use of the Equipment, and, subject to the provisions of Section 14 hereof, will at all times be used solely in the conduct of its business and be and remain in the possession and control of the Lessee. The Lessee agrees that no Item of Equipment will be used or maintained predominantly outside the United States of America or in a manner which would cause any Item of Equipment to cease to be "Section 38 property" as such term is defined in Section 48 of the Internal Revenue Code of 1954 as amended. During the term of this lease or any extension thereof Lessee shall not move any Item of Series A Equipment, nor permit any such Item to be moved, from the location shown on the Certificate of Acceptance for such Item of Series A Equipment to a location other than those locations listed in Annex A to Exhibits A-1 and A-2 hereto ("Permitted Locations") except as provided herein. In the event that Lessee moves or permits to be moved any Item of Series A Equipment leased hereunder to a state not a Permitted Location (the "State"), the Lessee

(i) shall execute and file at Lessee's expense any Uniform Commercial Code statement, and any other documents necessary to perfect, protect and preserve in such State (1) the title of the Lessor to, and (2) the

security interest of the Lender in, such Item of Series A Equipment; and

(ii) shall notify Lessor and Lender of such move and shall furnish Lessor and Lender with evidence satisfactory to each of them (including Opinion of Counsel, if requested) of such filing no later than thirty (30) days prior to the expiration of the period of grace provided by the laws of such State for the perfection of a security interest previously perfected in another jurisdiction.

No later than thirty (30) days after the close of any calendar year during the term of this Lease or any extension thereof Lessee shall, at Lessee's cost and expense, provide Lessor and Lender with a report of the location of each Item of Series A and Series B Equipment leased hereunder and indicating each Item which has been moved during the calendar year to a state which is not a Permitted Location. Throughout the term of this Lease or any extension thereof, the possession, use and maintenance of the Equipment shall be at the sole risk and expense of the Lessee.

(b) The Lessee shall use the Items of Equipment only in the manner for which they were designed and intended and will, at its own cost and expense, install or otherwise provide all mechanisms, modifications and improvements required for the Equipment to be in compliance with Section 9(a) hereof and repair and maintain each Item of Equipment in accordance with manufacturer's recommendations for preventative maintenance and repair and to keep it in as good condition as when delivered to

the Lessee hereunder, ordinary wear and tear excepted, provided, however, that any Item which becomes worn out, unfit for use or unserviceable due to ordinary wear and tear (or any other cause) shall be considered as having suffered an Event of Loss.

(c) The Lessee will not, without the prior written consent of the Lessor, affix or install any accessory, equipment or device on any Item of Equipment leased hereunder which will either impair the originally intended function or use or adversely affect the commercial value of any such Item or constitute an improvement or addition to such Item of Equipment which is not, within the meaning of any law, regulation or procedure then in effect, readily removable (non-removable addition). The Lessor shall be deemed to have consented in advance to any non-removable addition which is required by the terms of Section 9(b) hereof. The Lessee agrees that any non-removable addition to the Equipment which has been furnished, attached or affixed to any Item with the consent of the Lessor shall upon attachment or affixation become the property of the Lessor and thereupon all such accessories, equipment and devices shall become a part of the Equipment leased hereunder. The Lessee agrees that each such Item is, and shall continue to be throughout the term of this Lease, personal property under applicable law and the Lessee agrees to take such action as shall be required from time to time by the Lessor to protect the Lessor's title to each such Item and the right of the Lessor to remove the same.

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

(e) The Lessee represents that it has no present intention to make any non-removable addition and that it does not presently foresee that any such non-removable addition will be required by the terms of this Lease.

SECTION 10. Inspection.

The Lessor shall have the right, but not the duty, to inspect the Equipment. Upon the request of the Lessor, the Lessee shall confirm to the Lessor the location of each Item of Equipment and shall, at any reasonable time, make the Equipment, and the Lessee's records pertaining to the Equipment, available to the Lessor for inspection at such location.

SECTION 11. Loss or Destruction; Requisition of Use.

(a) In the event that any Item of Equipment shall be or become damaged, worn out, destroyed, lost, stolen, or permanently rendered unfit for its original intended use for any reason whatsoever, or title thereto shall be requisitioned or otherwise taken by any governmental authority under power of eminent domain or otherwise (Requisition of Use), or any Item of Equipment is returned to the manufacturer or seller thereof pursuant to any patent indemnity provisions of the Purchase Documents, such fact shall promptly be reported by the Lessee to the Lessor.

(b) The Lessee shall determine and notify the Lessor of the determination which has been made within 45 days after the date of occurrence of any such damage or wearing out, whether such Item of Equipment can be repaired within four months from the date of such notice (Repair Period).

(c) In the event that such Item cannot be repaired within the Repair Period or in the event of such damage, wearing out, destruction, loss, theft, unfitness for use, Requisition of Use for a stated period which exceeds the remaining term of this Lease, a Requisition of Use for an unstated period which exists for more than 90 days or until the Expiration Date for such Item, or return of such Item to the manufacturer or seller thereof without replacement thereof within four months of the date of such return (any of such occurrences being referred to as an Event of Loss), the Lessee shall promptly notify the Lessor of such Event of Loss. On the Rent Commencement Date or the Basic

Rent Date for the Item affected next following the date of such Event of Loss the Lessee shall pay to the Lessor the Casualty Value of such Item, determined as of such Basic Rent Date or Rent Commencement Date together with a full payment of Basic Rent for such Item of Equipment and any other amounts then due. In the event the Lessee determines that such Item can be repaired or returns such Item to the manufacturer for replacement, the Lessee shall continue to make all payments of Basic Rent due with respect to such Item and shall cause such Item to be repaired within the Repair Period or in the event an Item is returned to the Manufacturer or seller and replaced within four months, the Lessee shall take such action as may be required to protect the Lessor's title thereto and perfect, protect and preserve the interests of the Lessor and any security interests created by the Lessor; provided, that if the Lessee shall fail to repair such Item within the Repair Period or replace any such returned Item within four months the Lessee shall, on the Basic Rent Date for the Item affected next following the end of the Repair Period or time limit for replacement, pay to the Lessor the Casualty Value of such Item, determined as of such Basic Rent Date, together with a full payment of Basic Rent for such Item of Equipment and any other amounts then due. If at such time no more Basic Rent is or will become payable under this Lease, the Casualty Value shall be paid at the end of the Repair Period or time limit for replacement and the Lessee shall pay the Lessor interest at the Overdue Rate on an amount equal to the Casualty Value, as of the Expiration Date for such Item, from the Expiration Date for such

Item to the date the Casualty Value is paid. If the Item to be repaired is repaired or an Item to be replaced is replaced within the time period allowed and is returned to the Lessor after the Expiration Date for such Item at the time of such return the Lessee shall pay the Lessor interest at the Overdue Rate on an amount equal to the Fair Market Value of such Item at the time it is returned from the Expiration Date for such Item to the date of its return to the Lessor. Notwithstanding the foregoing, the Lessee pursuant to the provisions of Section 15 hereof, shall still be required to indemnify the Lessor for any Loss, as defined in Section 15 hereof, due to the replacement or modification of an Item of Equipment as authorized hereby. Upon making such Casualty Value payment in respect of such Item and the full payment of Basic Rent and all other Rent due and owing with respect thereto, the Lessee's obligation to pay further Basic Rent for such Item shall cease, but the Lessee's obligation to pay Supplemental Rent, if any, for such Item, and to pay Rent for all other Items of Equipment shall remain unchanged and the Lessee shall be obligated to pay Interim Rent and each and every installment of Basic Rent up to and including Rent on the date for the payment of Casualty Value. Except in the case of loss, theft, destruction, or return to the manufacturer or seller, the Lessor shall be entitled to recover possession of such Item, unless possession of such Item is required to be delivered to an insurance carrier (other than the Lessee) in order to settle an insurance claim arising out of the Event of Loss. The Lessor shall be entitled to retain any salvage value collected by such

insurance carrier in excess of the amount paid to the Lessor by said insurance carrier. The Lessor shall be under no duty to Lessee to pursue any claim against any governmental authority, but the Lessee may at its own cost and expense pursue the same on behalf of the Lessor in such manner as may be satisfactory to the Lessor. Any replacement Item provided by the manufacturer or seller in exchange for the original Item in accordance with the provisions of this Section 11(c) shall be in as good operating condition as, and shall have a value and utility at least equal to, the original Item replaced, assuming the Item replaced was in the condition and state of repair required to be maintained by the terms hereof.

(d) Following payment of the Casualty Value of an Item of Equipment in accordance with the provisions of Section 11(c), the Lessee shall, as agent for the Lessor, dispose of such Item as soon as it is able to do so for the best price obtainable. Any such disposition shall be on an "as is", "where is" basis without representation or warranty, express or implied. As to each separate Item so disposed of, the Lessee may, after paying the Lessor the amounts specified in Section 11(c), retain all amounts of such price, up to the Casualty Value of such Item as set forth in the Sublease, whether or not the Sublease is then in effect, plus the Lessee's reasonable costs and expenses of disposition attributable thereto, and shall remit the excess, if any, to the Lessor. As to each Item of Equipment returned to the manufacturer or seller thereof in the manner described in Section 11(a) and not replaced or modified by the manufacturer or seller

pursuant to any patent indemnity provisions of the Purchase Documents, the Lessor agrees that after paying the Lessor the amount specified in Section 11(c), the Lessee shall receive and retain all amounts payable to the Lessor by the manufacturer or seller for the return of such Item, up to the Casualty Value of such Item as set forth in the Sublease whether or not the Sublease is then in effect, and any excess shall be paid over to or retained by the Lessor. As to each Item of Equipment modified and each replacement Item installed by the manufacturer or seller pursuant to any patent indemnity provisions of the Purchase Documents, the Lessor and the Lessee agree that such modified Item or replacement Item shall be delivered to the Lessee and shall, without any further act of the Lessor or the Lessee, be considered an Item for all purposes of this Lease.

(e) The Lessee shall bear the risk of loss and shall not be released from its obligations hereunder in the event of any damage or Event of Loss to any Item of Equipment after delivery to and acceptance by the Lessee hereunder.

(f) In the case of a Requisition of Use of any Item of Equipment for a stated period which does not exceed the remaining term of this Lease for such Item such Requisition of Use shall not terminate this Lease with respect to such Item, and each and every obligation of the Lessee with respect thereto shall remain in full force and effect. So long as no Event of Default shall have occurred and be continuing under this Lease, the Lessee shall be entitled to all sums received by reason of any such Requisition of Use.

SECTION 12. Insurance.

The Lessee will at all times after delivery and acceptance of each Item of Equipment, at its own expense, keep or cause to be kept each such Item insured by a reputable insurance company or companies, satisfactory to the Lessor, in amounts, against risks and with deductibles customarily insured against consistent with prudent industry practice by lessees of similar equipment owned or leased by railroads, provided, however, that if, in the Lessor's reasonable opinion, the Guarantor's financial condition has materially and adversely changed from its financial condition as of the date hereof such that physical damage insurance and/or public liability insurance is required to assure the Lessee's and the Guarantor's ability to meet their obligations under this Lease and the Participation Agreement, respectively, the Lessor shall so notify the Lessee and the Lessee shall promptly arrange for such insurance to be carried and maintained, further provided, however, under no circumstances shall the Lessor's requirement for insurance hereunder exceed physical damage insurance with a maximum coverage equal to the Casualty Value of the Equipment from time to time and subject to a maximum \$1,000,000 deductible and public liability insurance with a maximum coverage of \$30,000,000 and subject to a maximum \$5,000,000 deductible after a credit for insurance provided by the Sublessee or any other sublessee of the Equipment. Any such insurance may be carried under blanket policies maintained by the Lessee or the Railroad so long as such policy otherwise complies with the provisions of this Section 12. All such insurance and

deductibles thereunder shall be satisfactory in form, content and amounts to the Lessor and the Lender and shall cover the interest of the Lessor, the Lessee and the Lender in the Items, as their interests may appear, and shall protect the Lessor, the Lessee and the Lender in respect of risks arising out of the condition, maintenance, use, ownership, or operation of the Items. Such insurance may provide that losses shall be adjusted with the Lessee. All liability policies shall name the Lessor, the Lessee and the Lender as insureds. All policies required hereby covering loss or damage to any Item shall name the Lessor, the Lessee and the Lender as insureds and shall provide that any payment thereunder for any loss or damage shall (except as provided below) be made to the Lender and the Lessor, as their interests may appear under a standard mortgagee loss payable clause satisfactory to the Lessor and the Lender and shall provide that the insurer thereunder waives all rights of subrogation against the Lessor, the Lessee and the Lender, and that such insurance as to the interest of the Lender and the Lessor therein shall not be invalidated by any act or neglect of the Lessor, the Lessee or the Lender or by any foreclosure or other remedial proceedings or notices thereof relating to the Items or any Items or any interest therein nor by any change in the title or ownership of the Items or any interest therein or with respect thereto, or by the use or operation of the Items for purposes more hazardous or in a manner more hazardous than is permitted by such policy. No such policy shall contain a provision relieving the insurer thereunder of liability for any

loss by reason of the existence of other policies of insurance covering the Items against the peril involved, whether collectible or not. If no Event of Default has occurred and is continuing hereunder, all proceeds of insurance received by the Lessor and the Lender with respect to any Items of Equipment not suffering an Event of Loss shall be paid to the Lessee upon proof satisfactory to the Lessor and the Lender that any damage to any Item with respect to which such proceeds were paid has been fully repaired and the Item has been restored to the condition required hereunder. Any such proceeds of insurance received by the Lessor and the Lender with respect to an Event of Loss shall be credited toward the payment required by this Lease with respect to an Event of Loss. The Lessee shall upon request of the Lessor and the Lender allow the Lessor and the Lender an opportunity to read and review the insurance policies required hereunder and shall furnish the Lessor and the Lender certificates or other satisfactory evidence of maintenance of the insurance required hereunder and with respect to any renewal policy or policies shall furnish certificates evidencing such renewal not less than 30 days prior to the expiration date of the original policy or renewal policies. All such policies shall provide that the same shall not be cancelled or materially altered without at least 30 days prior written notice to each assured named therein.

SECTION 13. Indemnification.

The Lessee agrees to assume liability for, and does hereby agree to indemnify, protect, save and keep harmless the Lessor from and against any and all liabilities, obligations,

losses, damages, penalties, claims (including, without limitation, claims involving strict or absolute liability), actions, suits, costs, expenses and disbursements (including, without limitation, legal fees and expenses) of any kind and nature whatsoever (Claims) which may be imposed on, incurred or asserted against the Lessor, whether or not the Lessor shall also be indemnified as to any such Claim by any other person, in any way relating to or arising out of this Lease or the Sublease or any document contemplated hereby or the performance or enforcement of any of the terms hereof or thereof, or in any way relating to or arising out of the manufacture, purchase, acceptance, rejection, ownership, delivery, lease, sublease, possession, use, operation, maintenance, condition, registration, sale, return, storage or disposition of any Item of Equipment or any accident in connection therewith (including, without limitation, latent and other defects, whether or not discoverable and any Claim for patent, trademark or copyright infringement); provided, however, that the Lessee shall not be required to indemnify the Lessor for (a) any Claim in respect of any Item of Equipment arising from acts or events which occur after possession of such Item of Equipment has been redelivered to the Lessor, (b) any Claim resulting from acts which would constitute the willful misconduct or gross negligence of the Lessor or (c) any Claim arising from a Lessor's Lien or a default by the Lessor under the Notes or the Security Agreement; unless any Claim referenced in (a), (b) or (c) above shall have been directly or indirectly caused by the Lessee, the Guarantor, their agents,

employees or sublessees, or any default under the Lease or the Sublease. To the extent that the Lessor in fact receives indemnification payments from the Lessee under the indemnification provisions of this Section 13, the Lessee shall be subrogated, to the extent of such indemnity paid, to the Lessor's rights with respect to the transaction or event requiring or giving rise to such indemnity; provided, however, that the Lessee shall not enforce any such rights by legal proceedings (which shall be at Lessee's expense) without the Lessor's approval, which approval shall not be unreasonably withheld. The Lessee agrees that the Lessor shall not be liable to the Lessee for any Claim caused directly or indirectly by the inadequacy of any Item of Equipment for any purpose or any deficiency or defect therein or the use or maintenance thereof or any repairs, servicing or adjustments thereto or any delay in providing or failure to provide any thereof or any interruption or loss of service or use thereof or any loss of business, all of which shall be the risk and responsibility of the Lessee. The rights and indemnities of the Lessor hereunder are expressly made for the benefit of, and shall be enforceable by, the Lessor notwithstanding the fact that the Lessor is either no longer a party to this Lease, or was not a party to this Lease at its outset.

SECTION 14. Sublease.

The Lessee may sublease the Equipment to the Railroad under the Sublease. Any Item of Equipment returned to the possession or control of the Lessee for any reason, provided no

Event of Default shall have occurred and be continuing hereunder, may be subleased by the Lessee provided (a) the rights of the sublessee thereunder are expressly subject and subordinate to the rights of the Lessor and any security assignee of the Lessor, and (b) the Items of Equipment to be subleased shall be located only in those jurisdictions in the continental United States which shall have adopted and shall have in effect the Uniform Commercial Code and (c) the expiration date of such sublease is not later than the Expiration Date for any such Item (any and all such subleases including the Sublease are referred to as the Permitted Subleases). No sublease, other relinquishment of the possession of any of the Equipment, or assignment by the Lessee of any of its rights hereunder shall in any way discharge or diminish any of the Lessee's obligations to the Lessor hereunder.

SECTION 15. Tax Indemnification.

(a) The Lessor and the Lessee acknowledge that this Lease has been entered into on the assumption that the Lessor, as owner of the Equipment, will be entitled to such deductions, credits and other benefits as are provided to an owner of property under federal and state income tax laws. The Lessee agrees that if the ten percent (10%) investment credit (Investment Credit) (100% of which is assumed available in respect of Series B Equipment and 66-2/3% is assumed available in respect of Series A Equipment), pursuant to Section 38 and related sections of the Internal Revenue Code of 1954, as amended (Code), based on Lessor's Cost of the Equipment, or the most accelerated method of depreciation permitted under Section 167(b)

of the Code (Depreciation Deduction), or the deduction under Section 163 of the Code in the full amount of any interest paid or accrued by the Lessor in accordance with the Lessor's method of accounting for tax purposes with respect to the indebtedness incurred by the Lessor in financing its purchase of the Equipment (Interest Deduction), is lost, disallowed, eliminated, reduced, recaptured or otherwise unavailable in whole or in part (Loss) (i) because the Equipment does not constitute new Section 38 property or (ii) as a result of the Lessee's acts or failure to act, or (iii) as a result of any change in the Code or regulations of the Treasury thereunder which is effective on or prior to December 31, 1979 (including any such change which is adopted on or prior to June 30, 1980, but which is made effective on or prior to December 31, 1979), then commencing with the next succeeding Basic Rent Date after written notice to the Lessee by the Lessor that a Loss has occurred, the Basic Lease Rate Factor applicable to such Item(s) of Equipment shall be increased by an amount which, when added to such Basic Lease Rate Factor (or, if a Loss shall occur after the expiration of the term of this Lease, the Lessee shall pay the Lessor on demand an amount as additional rent), 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, shall in the reasonable opinion of the Lessor cause the Lessor's net after-tax yield and net after-tax earnings to equal the net after-tax yield and net after-tax earnings (all computed on the same basis and using the same assumptions as the

Lessor used in originally calculating such yield and earnings) that the Lessor would have realized had such Loss not occurred. For the purposes of this Lease, the date of any such Loss shall be the earliest of (a) the occurrence of any event (such as disposition or change in use of any Item of Equipment which may cause such Loss, (b) the payment by the Lessor to the Internal Revenue Service of the tax increase resulting from such Loss, or (c) the adjustment of the tax return of the Lessor to reflect such Loss. The Lessee shall not be required to pay the foregoing amounts if and to the extent the Loss results directly and solely from the occurrence of any of the following events: (a) failure of the Lessor to have sufficient liability for tax against which to apply the Investment Credit or taxable income against which to apply the Depreciation Deduction, or the Interest Deduction, or (b) failure of the Lessor to claim in a timely or proper manner the Investment Credit or the Depreciation Deduction, or the Interest Deduction, or (c) a voluntary transfer of the Item(s) of Equipment or any interest therein or this Lease or the rentals due hereunder (other than any such transfer or disposition made to secure the indebtedness incurred to finance the Lessor's acquisition or ownership of the Equipment), unless in each case such transfer or disposition occurs in connection with an Event of Default which shall have occurred and be continuing, or (d) a disqualifying change in the nature of the Lessor's business or the liquidation thereof, or (e) any event which by the terms of this Lease requires payment by the Lessee to the Lessor of the Casualty Value of such Item, if such Casualty Value is thereafter

actually paid to the Lessor by the Lessee, to the extent that such payment reimburses the Lessor for amounts otherwise payable by the Lessee pursuant to this Section 15.

(b) If the Lessor has suffered the realization of taxable income as a result of the making or installation by the Lessee of, or the payment by the Lessee of the costs of, any improvement, modifications, or additions to the Equipment, then, effective with the next succeeding Basic Rent Date, the Basic Lease Rate Factor applicable to such Item(s) of Equipment shall be increased by an amount which, when added to such Basic Lease Rate Factor (or, if such income realization shall occur after the expiration of the term of this Lease, the Lessee shall pay the Lessor on demand an amount as additional rent), 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, shall in the reasonable opinion of the Lessor cause the Lessor's net after-tax yield and net after-tax earnings to equal the net after-tax yield and net after-tax earnings (all computed on the same basis and using the same assumptions as the Lessor used in originally calculating such yield and earnings) that the Lessor would have realized had such income realization not occurred after taking into account any present or future tax benefits that the Lessor reasonably anticipates it will derive from its additional investment in the Item by reason of such inclusion, including, without limitation, any current deductions, future depreciation deductions and investment tax credit). Lessee agrees that, within 30 days after

the close of any calendar year in which the Lessee has made such improvements, modification or additions with respect to which the Lessor has or will realize taxable income, the Lessee will give the Lessor written notice thereof describing same in reasonable detail and specifying the cost thereof with respect to each Item.

(c) In addition to and concurrently with the applicable payments to be made as provided above, the Lessee shall pay the Lessor an amount which, after deduction of all taxes required to be paid by the Lessor in respect to the receipt thereof under the laws of any federal, state or local governmental or taxing authority, is equal to the amount of any interest and/or penalties (including additions to tax because of underpayment of estimated tax) payable by the Lessor which are attributable to a Loss, or any such realization of taxable income.

(d) If a Loss shall occur or if the Lessor shall suffer the realization of taxable income as set forth in (b) hereof, the Lessor agrees to take such action in any claim or ruling of the Internal Revenue Service with respect thereto as Lessee shall reasonably request from time to time; provided, that (i) within 30 days after notice by the Lessor to the Lessee of such claim or ruling, the Lessee notifies the Lessor that the Lessee requests that such claim or ruling be contested or that the modification thereof be sought, (ii) the Lessor, at its sole option, may forego any and all administrative appeals, proceedings, hearings and conferences with the Internal Revenue Service in respect of such contest or modification and may, at

its sole option, either pay the tax claimed and sue for a refund in the appropriate District Court or in the Court of Claims, as the Lessor shall elect, or contest such claim or ruling in the Tax Court, considering, however, in good faith such request as the Lessee shall make concerning the most appropriate forum in which to proceed, (iii) the Lessee shall furnish the Lessor with an opinion of independent tax counsel, reasonably satisfactory to the Lessor, to the effect that a meritorious defense exists to such claim or ruling (iv) the Lessee shall agree to pay and shall indemnify the Lessor for an amount, 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, and in a manner satisfactory to the Lessor, against any liability or loss which the Lessor may incur in connection with contesting or seeking the modification of such claim or ruling, including, without limitation (a) reasonable attorneys' and accountants' fees and disbursements and (b) the amount of any interest, penalty and other sums which may ultimately be payable as the result of contesting or seeking the modification for such claim or ruling, and (v) the Lessee shall furnish reasonable security for such indemnification as may be requested. In the case of any such claim or ruling, the Lessor agrees to notify the Lessee in writing of such claim or ruling and agrees not to make payment of the tax claimed for at least 30 days after the giving of such notice and agrees to cooperate with the Lessee in order to contest effectively or obtain the modification of any such claim or ruling. Notwithstanding

anything herein contained to the contrary, if the Lessee elects to contest or seek the modification of such claim or ruling and is successful, the Lessee agrees to pay the Lessor's expenses, including reasonable attorneys' fees, incurred in such contest or proceeding.

(e) All of the Lessor's rights and privileges arising from the indemnities contained in this Section 15 shall survive the expiration or other termination of this Lease with respect to any or all Items of Equipment and such indemnities are expressly made for the benefit of and shall be enforceable by the Lessor, its successors and assigns. For purposes of this Section 15, the term "Lessor" shall be deemed to include any group filing consolidated tax returns of which the Lessor is a member.

SECTION 16. Lease Extension, Purchase Option.

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

(b) Not less than 180 days prior to the Expiration Date or end of the last renewal period, the Lessee may indicate, by written notice to the Lessor, the Lessee's interest in

exercising the Lessee's lease extension or purchase option described above, which notice shall set forth the Lessee's estimate of the Fair Market Rental Value or Fair Market Value of the Equipment as of such date. If, on or before a date 160 days prior to such date, the Lessor and the Lessee are unable to agree upon a determination of the Fair Rental Value or Fair Market Value, such amount shall be determined in accordance with the procedure for Appraisal. After a determination has been made in accordance with the procedure described above, the Lessee may exercise its option to extend the term of this Lease or purchase the Equipment by delivering written notice of such exercise to the Lessor not less than 100 days prior to the Expiration Date or end of the last renewal period.

SECTION 17. Events of Default.

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

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

(b) The Lessee shall fail to maintain insurance in accordance with the requirements of Section 12 hereof; or

(c) The Lessee shall fail to perform or observe any other covenant, condition, or agreement to be performed or observed by it under this Lease or any agreement, document or certificate delivered by the Lessee in connection herewith, and such failure shall continue for 30 days after written notice thereof from the Lessor to the Lessee; or

(d) The Guarantor shall fail to perform or observe any covenant, condition or agreement to be performed by it under the Participation Agreement or any agreement, document or certificate delivered by the Guarantor in connection therewith and such failure shall continue for 30 days after written notice thereof from the Lessor to the Lessee and the Guarantor; or

(e) Any representation or warranty made by the Lessee in this Lease or by the Lessee or the Guarantor in the Participation Agreement, except for the representations and warranties contained in Section 10(e) thereof, or in any document (including financial statements) or certificate furnished to the Lessor in connection herewith shall prove to have been incorrect in any material respect when any such representation or warranty was made or given; or

(f) A petition in bankruptcy shall be filed by the Lessee or the Guarantor, or the Lessee or the Guarantor shall make an assignment for the benefit of creditors or consent to the appointment of a trustee or receiver; or a trustee or a receiver shall be appointed for the Lessee or the Guarantor, for any Item of Equipment or for a substantial part of any of their property without consent and shall not be dismissed within a period of 60

days; or bankruptcy, reorganization or insolvency proceedings shall be instituted against the Lessee or the Guarantor and shall not be dismissed for a period of 60 days; or

(g) The Lessee, the Guarantor, or the Guarantor's main operating subsidiary, United States Leasing Corporation shall be in default under any material obligation for the payment of borrowed money or for the deferred purchase price of, or for the payment of any rent under any lease agreement covering, real or personal property, notice of any such default shall have been given to such defaulting party, if required, and any applicable grace period with respect thereto shall have expired; or

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

For purposes of clause (g) above a material obligation shall mean an obligation, the principal, purchase price or aggregate rental amount of which, exceeds \$250,000.

SECTION 18. Remedies.

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

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

(2) By notice in writing terminate this Lease, whereupon all rights of the Lessee to the use of the Equipment shall absolutely cease and terminate but the Lessee shall remain liable as hereinafter provided; and thereupon the Lessee, if so requested by the Lessor, shall at its expense promptly return the Equipment to the possession of the Lessor at such place as the Lessor shall designate and in the condition required upon the return thereof pursuant to and in accordance with the terms hereof, or the Lessor, at its option, may enter upon the premises where the Equipment is located and take immediate possession of and remove the same by summary proceedings or otherwise. The Lessee shall, without further demand, forthwith pay to the Lessor an amount equal to any unpaid Rent due and payable for all periods up to and including the Basic Rent Date following the date on which the Lessor has declared this Lease to be in default, plus, as liquidated damages for loss of a bargain and not as a penalty an amount equal to the Casualty Value of the Equipment then subject to this Lease, computed as of the Basic Rent Date following the date on which the Lessor has declared this Lease to be in default. Following the return of the Equipment to the Lessor pursuant to this paragraph (2), the Lessor shall proceed to

sell or otherwise dispose of the Equipment in such manner as it shall deem appropriate to maximize the proceeds therefrom. The proceeds of such sale or other disposition shall be applied by the Lessor (A) first, to all costs, charges and expenses, including reasonable legal fees and disbursements, incurred by the Lessor as a result of the default and the exercise of its remedies with respect thereto, and (B) second, to reimburse the Lessee for the Casualty Value to the extent previously paid by the Lessee as liquidated damages. Any surplus remaining thereafter shall be retained by the Lessor. To the extent that the Casualty Value has not been previously paid, the Lessee shall forthwith pay to the Lessor the sum of (i) the amount by which (X) the sum of (a) the Casualty Value thereof, and (b) the amount payable under Clause (A) of the preceding sentence, exceeds (Y) the sale price of the Equipment, and (ii) interest at the Overdue Rate on the full amount of the Casualty Value, computed from the date the Casualty Value is payable hereunder until such Casualty Value is paid by the Lessee.

(b) The Lessee shall be liable for all costs, charges and expenses, including reasonable legal fees and disbursements, incurred by the Lessor by reason of the occurrence of any Event of Default or the exercise of the Lessor's remedies with respect thereto.

(c) Any remedy herein may be exercised with respect to the Equipment or any Item as to which an Event of Default exists. No remedy referred to herein is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to above or otherwise available to the Lessor at law or in equity. No express or implied waiver by the Lessor of any default or Event of Default hereunder shall in any way be, or be construed to be, a waiver of any future or subsequent default or Event of Default. The failure or delay of the Lessor in exercising any rights granted it hereunder upon any occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or recurrence of any such contingencies or similar contingencies and any single or partial exercise of any particular right by the Lessor shall not exhaust the same or constitute a waiver of any other right provided herein.

SECTION 19. Performance by Permitted Sublessees.

Without limiting the responsibility of the Lessee to comply with its obligations provided herein or the responsibility of the Guarantor to perform the undertakings of the Lessee provided for herein in the event the Lessee shall fail to do so, it is hereby understood and agreed that in the event the Railroad or any other sublessee under Permitted Subleases shall perform one or more of the obligations of the Lessee provided for herein, other than the payment of Basic Rent, such performance shall constitute compliance by the Lessee with such obligation and no Event of Default shall result from the full and complete

performance of such obligation by the Railroad or any other such sublessee in lieu of such performance by the Lessee.

20. Collateral Assignment by Lessee of Permitted Subleases.

20.1. Assignment. As collateral security for the payment of any and all of the obligations and liabilities of the Lessee due hereunder, the Lessee does hereby grant a security interest in and assigns to the Lessor all of its right, title and interest which it has acquired or may hereafter acquire under and pursuant to each and all Permitted Subleases of the Equipment arising from, by virtue of, or in connection with, the Equipment, whether now existing or hereafter entered into, including, without limitation, the Sublease and any and all extensions and renewals thereof or of any other Permitted Subleases as and only to the extent that the other Permitted Subleases relate to the Equipment, including the right to any and all sums and moneys payable to the Lessee pursuant thereto or to any other Permitted Subleases and any and all rights of the Lessee to receive said sums and moneys; provided, however, that so long as the Lessee shall not be in default hereunder, it is understood and agreed that (i) the Lessee shall be entitled to take any action upon a default under any Permitted Subleases and to have all sums and moneys recovered held by the Lessor or any assignee applied to the payment of any and all of the Lessee's obligations under this Lease, but no such sums and moneys shall be collected prior to the due date thereof, and (ii) the Lessee may consent to the amendment of any Permitted Subleases or waive its rights

thereunder without the prior written consent of the Lessor and any assignee thereof but only so long as any such amendment or waiver will not reduce the amount of Rent payable under such Permitted Subleases or, in the case of the Sublease, the Term thereof or the Stipulated Loss Values payable thereunder.

20.2. Further Assignment. The Lessee acknowledges and agrees that (i) all rights and interests of the Lessor pursuant to this Section 20 may be assigned by the Lessor to the Lender and any assignee, and (ii) the assignment provided for in this Section 20 shall not in any way obligate the Lessor or any of its successors or assigns to perform or satisfy any of the obligations or liabilities of the Lessee under any of such Permitted Subleases.

20.3. Power of Attorney. Subject to the limitations contained in this Section 20 (including without limitation the rights of the Lessee under clauses (i) and (ii) of Section 20.1 hereof), the Lessee hereby irrevocably constitutes and appoints the Lessor its true and lawful attorney with full power of substitution for it in its name and stead to ask, demand, collect, receive, receipt for, sue for, compound and give acquittance for any and all sums or properties which may be or become due, payable or distributable to and in respect of the interests assigned under this Section 20, with full power to settle, adjust or compromise any claim thereof or therefor as fully as the Lessee could itself do and to endorse the name of the Lessee on all commercial paper or other instrument given in payment or part payment of and all documents of satisfaction,

discharge or receipt required or requested in connection therewith and in its discretion, to file any claim, to take any other action or proceeding, either in its name or name of the Lessee or otherwise, which the Lessor may deem necessary or appropriate to collect or otherwise realize upon any and all interest assigned hereunder, or which may be necessary or appropriate to protect and preserve the right, title and interest of the Lessor in and to the interests assigned under this Section 20 and the security intended to be afforded hereby.

20.4. Rights under Uniform Commercial Code. Upon the occurrence of any Event of Default under this Lease, the Lessor shall, in addition to all other rights and remedies provided for herein, have in connection with the assignment provided for in this Section 20, all the rights of a secured party under the Uniform Commercial Code of Pennsylvania (regardless of whether such Code is the law of the jurisdiction where the rights or remedies are asserted).

20.5. Further Assurance. Without limiting the foregoing, the Lessee hereby further covenants that at the Lessee's expense it will, upon the written request of the Lessor execute and deliver such further instruments and do and perform such other acts and things as the Lessor or its assigns may deem necessary or appropriate effectively to invest in and secure to the Lessor and its assigns the interests assigned pursuant to this Section 20 or other rights or interests due or hereafter to become due.

20.6. Application of Moneys. All distributions and payments to the Lessor shall be applied by the Lessor to the payment and reduction of the obligations and liabilities of the Lessee under this Lease and in accordance with the terms and provisions of the Security Agreement.

20.7. Duration. The satisfaction or discharge of any part of the obligations or liabilities of the Lessee under this Lease shall not in any way satisfy or discharge the assignment provided for in this Section 20, but such assignment shall remain in full force and effect so long as any amount remains unpaid on any such obligations or liabilities.

SECTION 21. Notices.

All communications and notices provided for herein shall be in writing and shall become effective when deposited in the United States mail, with proper postage for first-class mail prepaid, addressed

(a) if to Lessor at:

Wells Fargo Leasing Corporation
425 California Street
San Francisco, California 94104
Attention: Contract Administration

(b) if to Lessee at:

633 Battery Street
San Francisco, California 94111
Attention: Vice President

with copies to the Guarantor at the same address.

SECTION 22. Amendments and Miscellaneous.

(a) The terms of this Lease shall not be waived, altered, modified, amended, supplemented or terminated in any manner whatsoever except by written instrument signed by the Lessor and the Lessee; provided that no such waiver, alteration, modification, amendment or supplement shall make any change, and no termination shall be made, which is prohibited by the Security Agreement or any Supplement.

(b) This Lease, including all agreements, covenants, representations and warranties, shall be binding upon and inure to the benefit of (1) the Lessor and its successors, assigns, agents, servants and personal representatives, and, where the context so requires, the Lender, as assignee and secured party, and the successors, assigns, agents, servants and personal representatives of the Lender as assignee and secured party, and (2) the Lessee and its successors and, to the extent permitted hereby, assigns. With respect to the provisions of Sections 6, 8 and 13 hereof, the Lender as assignee and secured party, any holder of obligations of the Lessor issued in connection with this Lease, and the successors, assigns, agents, servants and personal representatives of the foregoing shall each be indemnified thereunder.

(c) All agreements, indemnifications, covenants, representations and warranties contained in this Lease or in any document or certificate delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Lease and the expiration or other termination of this Lease.

(d) Any provision of this Lease which may be determined by competent authority to be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, the Lessee hereby waives any provision of law which renders any provision hereof prohibited or unenforceable in any respect.

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

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

(g) This Lease shall be construed in accordance with, and shall be governed by, the laws of the Commonwealth of Pennsylvania.

STATE OF CALIFORNIA)
) SS
CITY AND COUNTY OF SAN FRANCISCO)

On this 14th day of November, 1978, before me personally appeared MARVIN L. FERENSTEIN, to me personally known, who being by me duly sworn, says that he is the Vice President of UNITED STATES LEASE FINANCING, INC., 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.

Walter Paul
Notary Public

(SEAL)

My commission expires: December 6, 1979

STATE OF CALIFORNIA)
) SS
CITY AND COUNTY OF SAN FRANCISCO)

On this 15th day of November, 1978, before me personally appeared Charles A. Greenberg, to me personally known, who being by me duly sworn, says that he is the SENIOR VICE PRESIDENT of WELLS FARGO LEASING 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.

Mary Margaret Shypert
Notary Public

(SEAL) 

My commission expires: 4-4-81

STATE OF CALIFORNIA)
) SS
CITY AND COUNTY OF SAN FRANCISCO)

On this 14th day of November, 1978, before me personally appeared Peter R. Ashby, to me personally known, who being by me duly sworn, says that he is the Assistant Secretary of UNITED STATES LEASE FINANCING, INC., 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.

Walter J. Bushell
Notary Public

(SEAL)

My commission expires: December 6, 1979

STATE OF CALIFORNIA)
) SS
CITY AND COUNTY OF SAN FRANCISCO)

On this 15th day of November, 1978, before me personally appeared Craig Adryan, to me personally known, who being by me duly sworn, says that he is the VICE PRESIDENT of WELLS FARGO LEASING 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.



(SEAL)

Mary Margaret Shypertt
Notary Public

My commission expires: 4-4-81

EXHIBIT A-1
TO
EQUIPMENT LEASE

DESCRIPTION OF SERIES A EQUIPMENT

<u>Quantity</u>	<u>*Description</u>	<u>Estimated Lessor's Cost (Per Item)</u>
28	Lift Truck 5000 # capacity Clark Model C300 Y50 with LPG engine, Bearcat Amoroguard tires with drive tires 700-15 shield on bleeder valve Manufactured by Industrial Lift Truck	\$ 13,784.
4	Lift Truck 5000 # capacity Clark Model C300 Y50 with gasoline engine, Bearcat Amoroguard tires with drive tires 500-15 shield on bleeder valve Manufactured by Industrial Lift Truck	13,466.
3	Crane, hydraulic 12-1/2-ton, Galion Model 125 Series A, with self-aligning pusher plate Manufactured by T. C. Johnson Co.	71,805.
4	Crane, hydraulic 15-ton, Galion Model 150 Series A, with self-aligning pusher plate Manufactured by T. C. Johnson Co.	73,802.
3	Crane, hydraulic 8-ton, Galion Model 80 Manufactured by T. C. Johnson Co.	47,025.
	TOTAL:	<hr/> \$1,091,514. =====

* Parts and accessories are also included.

EXHIBIT A-2
TO
EQUIPMENT LEASE

DESCRIPTION OF SERIES B EQUIPMENT

<u>Quantity</u>	<u>*Description</u>	<u>Estimated Lessor's Cost (Per Item)</u>
4	110-ton railroad re-railing crane, Model 220 RRC with 220,000 lb. capacity with sister hook, equipped with hydraulic tank oil heaters and automatic transmission oil heater Manufactured by Pettibone Ohio Corp.	282,085.
1	100-ton rail-highway crane, Model RC-100, with 7,000 lb. counter- weight, auxiliary carrier cab heater and sister hook, equipped with CE-1161 transmission heater Manufactured by Ernest Holmes Co.	268,739.
	TOTAL:	<hr/> \$1,397,079. =====

* Parts and accessories are also included.

ANNEX A
TO
EXHIBITS A-1 AND A-2
TO
EQUIPMENT LEASE

PERMITTED LOCATIONS

Connecticut
New Haven

Delaware
Wilmington

Illinois
Chicago
Danville

Indiana
Avon
Beech Grove
Elkhart

Michigan
Detroit

New Jersey
Camden
Elizabeth

New York
Buffalo
East Buffalo
East Syracuse
Rochester
Selkirk

Ohio
Cleveland
Columbus
Macedonia
Mingo Junction
Ontario
Sharonville
Youngstown

Pennsylvania
Altoona
Conway
Enola
Hollidaysburg
Philadelphia
Pitcairn
Renova
South Altoona

EXHIBIT B-1
TO
EQUIPMENT LEASE

CERTIFICATE OF ACCEPTANCE NO. _____
FOR SERIES A EQUIPMENT

Equipment Lease dated as of September 30, 1978 (the Lease) between WELLS FARGO LEASING CORPORATION, as lessor (the Lessor) and UNITED STATES LEASE FINANCING, INC., as lessee (the Lessee).

1. Items of Equipment

The Lessee hereby certifies that the the Items of Series A Equipment set forth and described in Schedule 1 hereto (which Schedule includes the amount of the Lessor's Cost of each such Item), have been delivered to a Permitted Location as defined in the Lease and specified in Schedule 1 hereto, tested and inspected by the Lessee, found to be in good order and accepted as Items of Series A Equipment under the Lease, all on the dates indicated below:

Dates of Acceptance: As set forth in Schedule I hereto.

2. Representations by the Lessee

The Lessee hereby represents and warrants to the Lessor and the Lender as such terms are defined in the Lease, that on the Date of Acceptance with respect to each Item of Series A Equipment and on the date hereof:

(1) the representations and warranties of the Lessee set forth in the Participation Agreement, as such term is defined in the Lease, are true and correct in all material respects on and as of each such date as though made on and as of each such date;

(2) the Lessee has satisfied or complied with all requirements set forth in the Participation Agreement and in the Lease to be satisfied or complied with on or prior to each such date;

(3) no Event of Default under the Lease or event which, with the giving of notice or the lapse of time, or both, would become such an Event of Default has occurred and is continuing; and

(4) the Lessee has obtained, and there are in full force and effect, such insurance policies with respect to such

Item of Series A Equipment required to be obtained under the terms of the Lease.

3. Rent.

As rent for the Items of Series A Equipment described above, Lessee shall pay Lessor the following amounts:

(1) Interim Rent. Lessee shall pay Lessor as Interim Rent the sum of _____ (\$ _____), payable on _____, 19__.

(2) Basic Rent. Lessee shall pay Lessor as Basic Rent the sum of _____ (\$ _____) in 10 semiannual installments of _____ (\$ _____) each, payable in arrears, commencing on _____, 19__.

UNITED STATES LEASE
FINANCING, INC.
as Lessee

By _____
its

Dated: _____

Items of Series A Equipment described above are hereby accepted on the Date of Acceptance set forth in paragraph 1 above:

WELLS FARGO LEASING CORPORATION
as Lessor

By _____
its

By _____
its

EXHIBIT B-1
TO
EQUIPMENT LEASE

SCHEDULE 1 TO
CERTIFICATE OF ACCEPTANCE NO. _____
FOR SERIES A EQUIPMENT

Description of Series A Equipment, Lessor's Cost and Location

<u>Description*</u>	<u>Lessor's Cost</u>	<u>Location</u>
---------------------	----------------------	-----------------

*(include Serial Number, name of manufacturer
and all other important descriptive matters,
list spare parts and accessories)

EXHIBIT B-2
TO
EQUIPMENT LEASE

CERTIFICATE OF ACCEPTANCE NO. _____
FOR SERIES B EQUIPMENT

Equipment Lease dated as of September 30, 1978 (the Lease) between WELLS FARGO LEASING CORPORATION, as lessor (the Lessor) and UNITED STATES LEASE FINANCING, Inc., as lessee (the Lessee).

1. Items of Equipment

The Lessee hereby certifies that the the Items of Series B Equipment set forth and described in Schedule 1 hereto (which Schedule includes the amount of the Lessor's Cost of each such Item), have been delivered to a Permitted Location as defined in the Lease and specified in Schedule 1 hereto, tested and inspected by the Lessee, found to be in good order and accepted as Items of Series B Equipment under the Lease, all on the dates indicated below.

Dates of Acceptance: As set forth in Schedule I hereto.

2. Representations by the Lessee

The Lessee hereby represents and warrants to the Lessor and the Lender as such terms are defined in the Lease, that on the Date of Acceptance with respect to each Item of Series B Equipment and on the date hereof:

(1) the representations and warranties of the Lessee set forth in the Participation Agreement, as such term is defined in the Lease, are true and correct in all material respects on and as of each such date as though made on and as of each such date;

(2) the Lessee has satisfied or complied with all requirements set forth in the Participation Agreement and in the Lease to be satisfied or complied with on or prior to each such date;

(3) no Event of Default under the Lease or event which, with the giving of notice or the lapse of time, or both, would become such an Event of Default has occurred and is continuing; and

(4) the Lessee has obtained, and there are in full force and effect, such insurance policies with respect to such

Item of Series B Equipment required to be obtained under the terms of the Lease.

3. Rent.

As rent for the Items of Series B Equipment described above, Lessee shall pay Lessor the following amounts:

(1) Interim Rent. Lessee shall pay Lessor as Interim Rent the sum of _____ (\$ _____), payable on _____, 19__.

(2) Basic Rent. Lessee shall pay Lessor as Basic Rent the sum of _____ (\$ _____) in 14 semiannual installments of _____ (\$ _____) each, payable in arrears, commencing on _____, 19__.

UNITED STATES LEASE
FINANCING, INC.
as Lessee

By _____
its

Dated: _____

Items of Series B Equipment described above are hereby accepted on the Date of Acceptance set forth in paragraph 1 above:

WELLS FARGO LEASING CORPORATION
as Lessor

By _____
its

By _____
its

EXHIBIT B-2
TO
EQUIPMENT LEASE

SCHEDULE 1 TO
CERTIFICATE OF ACCEPTANCE NO. _____
FOR SERIES B EQUIPMENT

Description of Series B Equipment, Lessor's Cost and Location

<u>Description*</u>	<u>Lessor's Cost</u>	<u>Location</u>
---------------------	----------------------	-----------------

*(include Serial Number, name of manufacturer
and all other important descriptive matters,
list spare parts and accessories)

(L/Exhs)

EXHIBIT C-1
TO
EQUIPMENT LEASE

SCHEDULE FOR
SERIES A EQUIPMENT IN FIRST GROUP

First Delivery Date:
(Initial delivery date
for First Group) November , 1978

Cut-off Date for First Group: December 31, 1978

Rent Commencement Date
for First Group: January 17, 1979
(all accrued Interim Rent
for First Group
due on this date)

Expiration Date for
Series A Equipment
in First Group: January 17, 1984

Basic Lease Rate Factor
for Series A Equipment
in First Group: 9.91469%

Interim Rent Daily Factor:
for Series A Equipment
in First Group: .0185701%

First Basic Rent Date
for First Group: July 17, 1979

Basic Rent Dates for
First Group: Each January 17 and July
17

Last Basic Rent Date
for Series A Equipment
in First Group: January 17, 1984

Overdue Rate: 12%, or such lesser rate
as may be the maximum
rate allowed by
applicable law.

Lease Extension Periods: Five (5) one-year terms.

Return of Equipment:

Within 150 miles of the situs (a) of original delivery to Consolidated Rail Corporation, or (b) to which moved pursuant to the Lease, as requested by the Lessor.

Equipment Marking:

Property of Wells Fargo Leasing Corporation as Owner; and subject to a security interest in favor of The Hartford National Bank and Trust Company.

EXHIBIT C-2
TO
EQUIPMENT LEASE

SCHEDULE FOR
SERIES B EQUIPMENT IN FIRST GROUP

First Delivery Date: (Initial delivery date for First Group)	November , 1978
Cut-off Date for First Group:	December 31, 1978
Rent Commencement Date for First Group: (All accrued Interim Rent for First Group due on this date:	January 17, 1979
Expiration Date for Series B Equipment in First Group:	January 17, 1986
Basic Lease Rate Factor for Series B Equipment in First Group:	7.47130%
Interim Rent Daily Factor for Series B Equipment in First Group:	.0178376%
First Basic Rent Date for First Group:	July 17, 1979
Basic Rent Dates for First Group:	Each January 17 and July 17
Last Basic Rent Date for Series B Equipment in First Group:	January 17, 1986
Overdue Rate:	12%, or such lesser rate as may be the maximum rate allowed by applicable law.
Lease Extension Periods:	Five (5) one-year terms.
Return of Equipment:	Within 150 miles of the situs (a) of original delivery to Consolidated Rail Corporation, or (b) to which moved pursuant to the Lease, as requested by the Lessor.

Equipment Marking:

Property of Wells Fargo
Leasing Corporation as
Owner; and subject to a
security interest in
favor of the Hartford
National Bank and Trust
Company.

EXHIBIT C-3
TO
EQUIPMENT LEASE

SCHEDULE FOR
SERIES A EQUIPMENT IN SECOND GROUP

Initial Delivery Date for Second Group:	January 1, 1979
Final Delivery Date:	March 10, 1979
Rent Commencement Date for Second Group: (all accrued Interim Rent for First Group due on this Date)	March 30, 1979
Expiration Date for Series A Equipment in Second Group:	March 30, 1984
Basic Lease Rate Factor for Series A Equipment in Second Group:	10.25604%
Interim Rent Daily Factor for Series A Equipment in Second Group:	.0185701%
First Basic Rent Date for Second Group:	September 30, 1979
Basic Rent Dates for Second Group:	Each March 30 and September 30
Last Basic Rent Date for Series A Equipment in Second Group:	March 30, 1984
Overdue Rate:	12%, or such lesser rate as may be the maximum rate allowed by applicable law.
Lease Extension Periods:	Five (5) one-year terms.
Return of Equipment:	Within 150 miles of the situs (a) of original delivery to Consolidated Rail Corporation, or (b) to which moved pursuant to the Lease, as requested by the Lessor.

Equipment Marking:

Property of Wells Fargo
Leasing Corporation as
Owner; and subject to a
security interest in
favor of The Hartford
National Bank and Trust
Company.

EXHIBIT C-4
TO
EQUIPMENT LEASE

SCHEDULE FOR
SERIES B EQUIPMENT IN SECOND GROUP

Initial Delivery Date for Second Group:	January 1, 1979
Final Delivery Date:	March 10, 1979
Rent Commencement Date for Second Group:	March 30, 1979
Expiration Date for Series B Equipment in Second Group:	March 30, 1986
Basic Lease Rate Factor for Series B Equipment in Second Group:	7.77087%
Interim Rent Daily Factor for Series B Equipment in Second Group:	.0178376%
First Basic Rent Date for Second Group:	September 30, 1979
Basic Rent Dates for Second Group:	Each March 30 and September 30
Last Basic Rent Date for Series B Equipment in Second Group:	March 30, 1986
Overdue Rate:	12%, or such lesser rate as may be the maximum rate allowed by applicable law.
Lease Extension Periods:	Five (5) one-year terms.
Return of Equipment:	Within 150 miles of the situs (a) of original delivery to Consolidated Rail Corporation or (b) to which moved pursuant to the Lease, as requested by the Lessor.
Equipment Marking:	Property of Wells Fargo Leasing Corporation as Owner; and subject to a

security interest in
favor of The Hartford
National Bank and Trust
Company.

EXHIBIT D-1
TO
EQUIPMENT LEASE

The Casualty Value of each Item of Series A Equipment in First Group shall be the percentage of Lessor's Cost of such Item set forth opposite the Rent Commencement or applicable Basic Rent Date for First Group:

<u>DATE</u>	<u>CASUALTY VALUE</u>
1/17/79	104.714
7/17/79	100.806
1/17/80	95.844
7/17/80	89.887
1/17/81	82.511
7/17/81	74.733
1/17/82	60.066
7/17/82	51.851
1/17/83	43.515
7/17/83	34.950
1/17/84	20.000
Thereafter	20.000

In the event the Basic Lease Rate Factor for Series A Equipment in First Group is increased, pursuant to the tax indemnification provisions set forth in Section 15 of the Lease or pursuant to the Participation Agreement, Casualty Values for Items of Series A Equipment in First Group will be adjusted accordingly.

EXHIBIT D-2
TO
EQUIPMENT LEASE

The Casualty Value of each Item of Series B Equipment in First Group shall be the percentage of Lessor's Cost of such Item set forth opposite the Rent Commencement or applicable Basic Rent Date for First Group:

<u>DATE</u>	<u>CASUALTY VALUE</u>
1/17/79	105.505
7/17/79	103.896
1/17/80	101.116
7/17/80	97.718
1/17/81	93.562
7/17/81	89.050
1/17/82	77.598
7/17/82	72.641
1/17/83	67.498
7/17/83	62.135
1/17/84	49.860
7/17/84	44.202
1/17/85	38.466
7/17/85	32.609
1/17/86	20.000
Thereafter	20.000

In the event the Basic Lease Rate Factor for Series B Equipment in First Group is increased, pursuant to the tax indemnification provisions set forth in Section 15 of the Lease or pursuant to the Participation Agreement, Casualty Values for Items of Series B Equipment in First Group will be adjusted accordingly.

EXHIBIT D-3
TO
EQUIPMENT LEASE

The Casualty Value of each Item of Series A Equipment in Second Group shall be the percentage of Lessor's Cost of such Item set forth opposite the Rent Commencement or applicable Basic Rent Date for Second Group:

<u>DATE</u>	<u>CASUALTY VALUE</u>
3/30/79	105.767
9/30/79	101.996
3/30/80	97.860
9/30/80	91.087
3/30/81	83.077
9/30/81	75.260
3/30/82	60.326
9/30/82	52.086
3/30/83	43.534
9/30/83	34.939
3/30/84	20.000
Thereafter	20.000

In the event the Basic Lease Rate Factor for Series A Equipment in Second Group is increased, pursuant to the tax indemnification provisions set forth in Section 15 of the Lease or pursuant to the Participation Agreement, Casualty Values for Items of Series A Equipment in Second Group will be adjusted accordingly.

EXHIBIT D-4
TO
EQUIPMENT LEASE

The Casualty Value of each Item of Series B Equipment in Second Group shall be the percentage of Lessor's Cost of such Item set forth opposite the Rent Commencement or applicable Basic Rent Date for Second Group:

<u>DATE</u>	<u>CASUALTY VALUE</u>
3/30/79	106.519
9/30/79	105.204
3/30/80	103.649
9/30/80	99.773
3/30/81	94.747
9/30/81	90.072
3/30/82	78.435
9/30/82	73.410
3/30/83	68.097
9/30/83	62.664
3/30/84	50.225
9/30/84	44.492
3/30/85	38.586
9/30/85	32.644
3/30/86	20.000
Thereafter	20.000

In the event the Basic Lease Rate Factor for Series B Equipment in Second Group is increased, pursuant to the tax indemnification provisions set forth in Section 15 of the Lease or pursuant to the Participation Agreement, Casualty Values for Items of Series B Equipment in Second Group will be adjusted accordingly.