

HUDSON STRETCH CAR CORPORATION
One Linden Place
Great Neck, New York 11021

RECORDATION NO. 7664 Filed & Recorded

OCT 1 1974 - 11 05 AM

INTERSTATE COMMERCE COMMISSION

September 16, 1974

RECORDATION NO. 7664-A Filed & Recorded

OCT 1 1974 - 11 05 AM

INTERSTATE COMMERCE COMMISSION

Interstate Commerce Commission
Office of the Secretary
Washington, D.C. 20423

RECORDATION NO. 7664-B Filed & Recorded

OCT 1 1974 - 11 05 AM

Gentlemen:

Enclosed herewith for filing and recording pursuant to Section 49 U.S.C. P.20c, are original and four counterparts of the following:

1. Trust Agreement dated as of June 15, 1974 between General Electric Credit Corporation, as Owner Participant, and United States Trust Company of New York, not in its individual capacity, but solely as Trustee;
2. Lease of Railroad Equipment dated as of June 15, 1974 between Hudson Stretch Car Corporation, as Lessee and United States Trust Company of New York, not in its individual capacity but solely as Trustee, as Lessor; and
3. Sublease of Railroad Equipment dated as of June 15, 1974 between Hudson Stretch Car Corporation as Sublessor and Vermont Railway Inc., as Sublessee.

Attached is this Corporation's check in the amount of \$150.00 covering the recordation fees.

The names and addresses of the parties to the documents are as follows:

Owner Participant under
Trust Agreement:

General Electric Credit Corp.
P.O.B. 81 (North Station)
White Plains, New York 10603
Attn: Philip G. Lisciandra
Loan Officer

Trustee under Trust
Agreement and Lessor
under Lease:

United States Trust Company of
New York, as Trustee
130 John Street
New York, New York 10038
Attn: Corporate Trust & Agency
Division

Lessee under Lease
and Sublessor under
Sublease:

Hudson Stretch Car Corporation
One Linden Place
Great Neck, New York 11021
Attn: Jay B. Langner, President

Sublessee under Sub-
lease:

Vermont Railway, Inc.
267 Battery Street
Burlington, Vermont 05401
Attn: Jay Wolfson, President

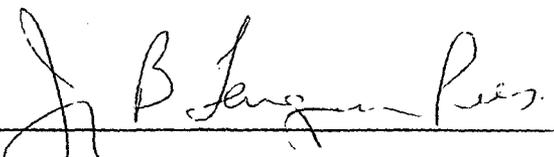
The equipment which is the subject of the Trust Agreement, Lease and Sublease consists of 300 50-foot, 50-ton box cars, which are presently being rehabilitated. Each of the cars will become subject to the Trust Agreement, Lease and Sublease as its rehabilitation is completed. From time to time we will submit to your office, for filing and recording, Supplements to the Trust Agreement, Lease and Sublease setting forth the car numbers of the cars which have so become subject to the Trust Agreement, Lease and Sublease. Each of the cars will be identified as Vermont Railway cars, and will also be marked with the words "United States Trust Company of New York, as Trustee, Owner".

Since the three documents relate to the same equipment, we would appreciate it if they and the aforesaid Supplements were filed and recorded under the same basic recordation number with a letter suffix added to the recordation numbers for the Lease and Sublease, and their respective Supplements.

Would you please stamp three of the counterparts to each of the documents with the appropriate recordation number, time and date and return such stamped counterparts to me together with your fee receipt and your usual letter confirming recordation.

Very truly yours,

HUDSON STRETCH CAR CORPORATION

By: 

LEASE OF RAILROAD EQUIPMENT

dated as of June 15, 1974

between

HUDSON STRETCH CAR CORPORATION,

as Lessee

and

UNITED STATES TRUST COMPANY OF NEW YORK,
Not in its individual capacity but solely as Trustee

as Lessor

7664-A
RECORDATION NO. _____ Filed & Recorded

OCT 1 1974 11 05 AM

INTERSTATE COMMERCE COMMISSION

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LEASE OF RAILROAD EQUIPMENT dated as of June 15, 1974, between UNITED STATES TRUST COMPANY OF NEW YORK, a New York corporation (the "Lessor"), not in its individual capacity but solely as Trustee under a Trust Agreement (the "Trust Agreement") dated as of June 15, 1974 with General Electric Credit Corporation (the "Owner Participant") and Hudson Stretch Car Corporation, a New York corporation (the "Lessee");

W I T N E S S E T H:

Section 1. Certain Definitions. For all purposes of this Lease, the following terms shall have the following meanings (such definitions to be equally applicable both to the singular and the plural forms of the terms herein defined):

(a) "Basic Rent" with respect to any Unit shall mean the aggregate rent payable throughout the Term of the Lease for such Unit pursuant to Section 3(b) of this Lease and Section 5 of the Lease Supplement for such Unit.

(b) "Basic Rent Payment Date" with respect to any Unit shall mean each of the 48 quarter annual anniversary dates of the Final Delivery Date, each of which, respectively, shall be the day of each third calendar month after the date of the Final Delivery Date corresponding to the Final Delivery Date; provided, however,

that if any such month does not contain such a corresponding date, the Basic Rent Payment Date for such month shall be the last day of such month.

(c) "Builder" shall mean Whittaker Corporation, Berwick Forge and Fabricating Division, the builder under the Rehabilitation Agreement, and, unless the context otherwise requires, any subcontractor or supplier thereof or any successor owner of said Berwick Forge and Fabricating Division.

(d) "Business Day" shall mean any day other than a Saturday, Sunday, or holiday on which banks are authorized by law to close in the State of New York.

(e) "Certificate of Acceptance" with respect to any Unit shall mean the certificate of acceptance referred to in Article 1 of the Rehabilitation Agreement, to be delivered to the Builder by the Lessor's authorized representative or representatives, evidencing the acceptance of such Unit on behalf of the Lessor.

(f) "Dedication Agreement" shall mean the Dedicated Service Agreement relating to the Units, dated as of the date hereof between the Sublessee and the Guarantor.

(g) "Delivery Date" with respect to any Unit shall mean the date on which such Unit shall be delivered to and accepted by the Lessor from the Builder pursuant to the Rehabilitation Agreement.

(h) "Equipment" shall mean the Units and Hulks, collectively.

(i) "Event of Default" shall have the meaning specified in Section 16 hereof.

(j) "Event of Loss" with respect to any Unit shall mean any of the following events with respect to such Unit:

(i) receipt by the Lessee of knowledge as to the actual or constructive total loss or destruction of such Unit;

(ii) when the Lessee, in good faith, determines that such Unit has been damaged beyond repair or permanently rendered unfit for normal use for any reason whatsoever;

(iii) the condemnation, nationalization, confiscation, or seizure of, or requisition of title to such Unit by any governmental authority, for an aggregate period of six (6) months or more.

In respect of (i) and (ii), any determination by the insurer of such Unit that the conditions specified in either or both of (i) and (ii) shall exist, shall be binding and conclusive on both Lessor and Lessee.

(k) "Final Delivery Date" shall mean the earlier of the final date upon which all Units shall be delivered to and accepted by the Trustee pursuant to the Rehabilitation Agreement, or June 30, 1975; provided, however, that the Final Delivery Date shall be extended to a date not later than July 31, 1975 with respect to any

Unit or Units which on June 30, 1975 are in the process of being rehabilitated by the Builder pursuant to the Rehabilitation Agreement; and provided, further, that the Final Delivery Date shall be extended to a date no later than August 29, 1975 with respect to any Unit or Units completion of the rehabilitation of which shall be delayed beyond June 30, 1975 as a result of acts of God, strikes, supplier's delay or other causes beyond the reasonable control of the Builder. In the event that the Final Delivery Date shall be extended to a date later than June 30, 1975 pursuant to the terms hereof, such later date shall be the "Final Delivery Date" for all purposes hereof.

(l) "Hulk" shall mean any one of the items of used railroad equipment described in Exhibit A to the Hulk Purchase Agreement. "Hulks" shall mean all such Hulks, collectively.

(m) "Hulk Purchase Agreement" shall mean the Hulk Purchase Agreement dated as of the date hereof between the Lessor and the Seller.

(n) "Immediately Available Funds" shall mean collected funds immediately available to the recipient thereof.

(o) "Interim Period" with respect to any Unit shall mean the period commencing on and including Delivery Date thereof and terminating on and including the day immediately preceding the Final Delivery Date.

(p) "Interim Rent" shall mean the aggregate amount of rent payable by the Lessee to the Lessor on the Final Delivery Date pursuant to Section 3(a) hereof.

(q) "Lease Agreement", "this Lease Agreement", "this Lease", "this Agreement", "herein", "hereof", "hereunder", or other like terms shall mean this Lease of Railroad Equipment and (unless the context otherwise requires) shall include all Lease Supplements hereto and all amendments hereto from time to time entered into.

(r) "Lease Supplement" shall mean each of the Lease Supplements, substantially in the form of Exhibit B hereto, entered into between Lessor and Lessee for the purposes of (i) identifying the specific Units subject to this Lease and (ii) leasing such Units pursuant to the provisions of this Lease Agreement, all as provided in such Lease Supplements, each of which Lease Supplements shall incorporate by reference all of the provisions of this Lease Agreement.

(s) "Lessor's Cost" for any Unit shall be the sum of (1) the Rehabilitation Price for such Unit paid to the Builder pursuant to the Rehabilitation Agreement with respect to the construction of such Unit, as invoiced by the Builder on the Delivery Date thereof; and (2) the purchase price of the Hulk from which such Unit was constructed paid to the Seller pursuant to

the Hulk Purchase Agreement, as invoiced by the Seller on or before the Delivery Date thereof; provided, however, that the aggregate Lessor's Cost for all Units shall in no event exceed \$6,000,000.00, plus 10% thereof for variations in equipment costs.

(t) "Lien" shall mean any mortgage, pledge, lien, charge, encumbrance, security interest or claim of any kind.

(u) "Participation Agreement" shall mean that certain Participation Agreement to be dated as of the date hereof, among the Lessee, the Owner Participant, the Loan Participants named therein, the Guarantor and the Trustee, as said Participation Agreement 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 and of the Trust Agreement.

(v) "Rehabilitation Agreement" shall mean the Rehabilitation Agreement dated as of the date hereof between the Trustee and the Builder.

(w) "Rehabilitation Price" with respect to any Unit shall be as defined in the Rehabilitation Agreement.

(x) "Rent" shall mean and include Basic Rent, Interim Rent, Renewal Rent (as defined in Section 6 hereof) and Supplemental Rent, collectively.

(y) "Renewal Term" with respect to any Unit shall mean

any renewal term for which such Unit is re-leased pursuant to Section 6(c) hereof.

(z) "Seller" shall mean Hudson Railway Equipment Leasing Company, Inc., a Delaware corporation, the seller under the Hulk Purchase Agreement.

(aa) "Stipulated Loss Value" for any Unit in respect of any Event of Loss which occurs or is deemed to have occurred on or after the Delivery Date thereof shall mean (i) with respect to the Final Delivery Date, or any Basic Rent Payment Date for such Unit, an amount determined by multiplying Lessor's Cost for such Unit by the percentage specified in Schedule B hereto with respect to such Final Delivery Date or opposite such Basic Rent Payment Date, as the case may be; and (ii) during any Renewal Term thereof the fair market value thereof determined in the manner provided in Section 17 hereof. Anything contained in this Lease to the contrary notwithstanding, the Stipulated Loss Value with respect to any Unit as of the Final Delivery Date or as of any Basic Rent Payment Date, as the case may be, shall in no event be less than the amount which bears the same proportion to the amount consisting of the sum of (a) the aggregate unpaid principal amount of the Loan Certificates which are outstanding as of the Final Delivery Date or as of such Basic Rent Payment Date, as the case may be, plus (b) all interest accrued thereon to such date, that the Lessor's Cost of such Unit

bears to the aggregate Lessor's Cost of all of the Equipment.

(bb) "Sublease" shall mean the sublease relating to the Units, between the Lessee and the Sublessee.

(cc) "Sublessee" shall mean Vermont Railway, Inc., a Vermont railway corporation.

(dd) "Supplemental Rent" shall mean any and all amounts, liabilities and obligations which Lessee assumes or agrees to pay hereunder to Lessor or others, including Stipulated Loss Value and Termination Value payments, but excluding Basic Rent and Interim Rent.

(ee) "Tax Ruling Application" shall mean the letter relating to the transaction contemplated hereby to be submitted to the Internal Revenue Service by Messrs. Morgan, Lewis & Bockius requesting a ruling from the Internal Revenue Service on behalf of the Owner Participant and the Lessee, as the same may be supplemented or modified, to the effect that (i) the Owner Participant is the owner for Federal income tax purposes of the assets of the trust created by the Trust Agreement with the consequence that all items of income, deductions and credits attributable to the trust are to be taken into account by the Owner Participant in computing its Federal income tax liability; (ii) the Lease is a true lease for Federal income tax purposes and the Owner Participant is the owner of the Equipment and Hudson Stretch Car Corporation is the Lessee; (iii)

the Owner Participant may depreciate the Rehabilitation Price of each Unit pursuant to any of the methods described in Section 167(b) of the Internal Revenue Code of 1954 (the "Code"), as amended, that it may select, and the balance of the full cost of each Unit using any of the other allowable methods prescribed for used tangible personal property, including the 150% declining balance method, using in each case a class life of twelve years; (iv) the Owner Participant is eligible for the Section 38(a) investment tax credit at the rate of 7% of the Rehabilitation Price of the Equipment; and (v) the Owner Participant may deduct the interest payable on the Loan Certificates.

(ff) "Term" with respect to any Unit shall mean the period commencing on the Delivery Date thereof and expiring, unless earlier terminated pursuant to the provisions hereof, on the forty-eighth (48th) Basic Rent Payment Date.

(gg) "Termination Value" with respect to any Unit shall mean (i) during the Term thereof with respect to any Basic Rent Payment Date for such Unit an amount determined by multiplying Lessor's Cost for such Unit by the percentage specified in Schedule C hereto opposite such Basic Rent Payment Date; and (ii) during any Renewal Term thereof the fair market value thereof determined in the manner provided in Section 17 hereof. Anything contained in this Lease to the contrary notwithstanding, the Termination Value with respect to any Unit as of each Basic Rent Payment Date shall

in no event be less than the amount which bears the same proportion to the amount consisting of the sum of (a) the aggregate unpaid principal amount of the Loan Certificates which are outstanding as of such Basic Rent Payment Date plus (b) all interest accrued thereon to such date that the Lessor's Cost of such Unit bears to the aggregate Lessor's Cost of all of the Equipment.

(hh) "Trust Agreement" shall mean that certain Trust Agreement to be dated as of the date hereof between General Electric Credit Corporation, as Owner Participant, and United States Trust Company of New York, as Trustee, as said Trust Agreement may from time to time be supplemented or amended, or the terms thereof waived or modified, to the extent permitted thereby and in accordance with the terms thereof. Unless the context otherwise requires, "Trust Agreement" shall include all Trust Agreement Supplements and amendments to the Trust Agreement entered into from time to time.

(ii) "Trustee" shall mean United States Trust Company of New York, not in its individual capacity but solely as Trustee under the Trust Agreement and, to the extent permitted thereby, its successors and assigns.

(jj) "Unit" shall mean any one of the 50-foot, 50-ton box cars to be constructed by the Builder pursuant to the Rehabilitation Agreement which shall be delivered to and accepted by the Lessor in accordance with the provisions of Article I of the said Rehabilitation

Agreement and pursuant to the Participation Agreement. A description of, and the identifying numbers of all Units potentially subject to this Lease are set forth in Exhibit A hereto.

All other terms used herein, unless specifically defined herein, shall have the meanings ascribed to them in the Trust Agreement.

Section 2. Acceptance and Lease.

(a) Lessor hereby agrees to lease to Lessee hereunder, and Lessee hereby agrees to lease from Lessor hereunder, each Unit of the Equipment delivered to Lessor by the Builder provided same shall have been rehabilitated by the Builder in accordance with all of the terms of the Rehabilitation Agreement and Lessor shall have delivered to the Builder a Certificate of Acceptance in respect thereof. The delivery by Lessor of any Unit pursuant to this Lease and the acceptance thereof by Lessee shall be evidenced by the execution by Lessor and Lessee of a Lease Supplement with respect to such Unit. Any delivery of a Unit by Lessor to Lessee referred to in this Section 2(a) shall be deemed to occur simultaneously with the delivery of such Unit by the Builder to Lessor. All such deliveries shall take place at Reading, Pennsylvania or such other location agreed to by the Lessor and the Builder.

(b) Notwithstanding anything to the contrary herein, Lessor's obligation to accept delivery from the Builder of any Unit on

the Delivery Date thereof and to lease such Unit to Lessee hereunder shall be subject to satisfaction of all of the conditions set forth in Section 5 of the Participation Agreement to be met with respect to such Unit on such Date and to the provisions of the last sentence of Section 3 of the Participation Agreement.

(c) Lessor will cause each Unit to be delivered to Lessee at the location at which such Unit is delivered to Lessor by the Builder. Lessor will authorize one representative of Lessee and one representative of the Guarantor, to be designated by Lessee and the Guarantor, respectively, as the authorized representatives of Lessor to inspect each Unit tendered by the Builder on the Delivery Date thereof, and if such Unit is found to be acceptable by both such representatives, to accept delivery of such Unit on behalf of Lessor and to execute and deliver to the Builder a Certificate of Acceptance in respect thereof. Lessee agrees that, in the event that delivery of any Unit shall be accepted by both of such representatives pursuant to such authorization by Lessor, such acceptance of delivery on behalf of Lessor shall, without any further act, irrevocably constitute acceptance by Lessee of such Unit for all purposes of this Lease.

(d) Lessor hereby grants to Lessee (and to any sublessee thereof, the sublease of the Equipment by whom shall be permitted under the terms of Section 19 hereof) the right of quiet enjoyment

and possession of the Equipment and each Unit thereof during the Term of this Lease and any Renewal Term with respect thereto and hereby covenants that it will not (i) interfere in the Lessee's (or such sublessee's) quiet enjoyment or possession of any Unit during the Term of this Lease and any Renewal Term with respect thereto or (ii) take any other action during the Term of this Lease and any Renewal Term with respect to any Unit which would result in any defect in the title to, or the existence of third party rights with respect to, such Unit, except for the rights of the Loan Participants and the Trustee, or would result in any danger to or loss or destruction of such Unit, or any interruption or cessation in enjoyment or possession of such Unit by Lessee (or such sublessee) for any reason whatsoever, so long as an Event of Default or an event which, upon lapse of time or giving of notice, or both would constitute an Event of Default shall not have occurred and be continuing. Lessor also grants Lessee and such sublessee the right, subject to the conditions and restrictions herein contained, to operate and use each Unit, during the Term of the Lease thereof, and any Renewal Term thereof, upon lines of railroad owned or operated by Lessee or such sublessee or upon lines of railroad over which Lessee or such sublessee has trackage or other operating rights or over which railroad equipment of Lessee or such sublessee is regularly operated pursuant to contract, and also to permit the

use of the Units by connecting and other carriers in the usual interchange of traffic and to carry out the provisions of the Dedication Agreement, but only upon and subject to all the terms and conditions of this Lease; provided, however, that Lessee shall not use, operate or maintain or permit the use, operation or maintenance, directly through a sublease, assignment of this Lease, or otherwise, of any Unit outside the United States of America. Lessee may receive and retain compensation received, whether directly or through such sublessee, for such use from other railroads so using any of the Units.

(c) Supplemental Rent. Lessee also agrees to pay to Lessor, or to whomsoever shall be entitled thereto, any and all Supplemental Rent promptly as the same shall become due and owing, and in the event of any failure on the part of Lessee to pay any Supplemental Rent, Lessor shall have all rights, powers and remedies provided for herein or by law or equity or otherwise in the case of non-payment of Basic Rent. Lessee will also pay to Lessor, on demand, as Supplemental Rent, to the extent permitted by applicable law, interest at the rate of 12% per annum (computed on the basis of a 360-day year of twelve 30-day months) on any part of any installment of Interim Rent or Basic Rent not paid when due for any period for which the same shall be overdue and on any payment of Supplemental Rent not paid when demanded by Lessor for the

period from the date of such demand until the same shall be paid.

Section 3. Rentals.

(a) Interim Rent. Lessee hereby agrees to pay Lessor a single payment of Interim Rent on the Final Delivery Date for each Unit delivered prior to the Final Delivery Date, such payment to be in an amount equal to .031990% of Lessor's Cost for such Unit if the Delivery Date therefor is on or before December 31, 1974, and .033164% of Lessor's Cost for such Unit if the Delivery Date therefor is after December 31, 1974, such amount to be calculated for each day from and including the Delivery Date of such Unit to and including the day immediately preceding the Final Delivery Date.

(b) Basic Rent. Lessor further agrees to pay to Lessor Basic Rent for each Unit computed on the basis set forth in Schedule A hereto in forty-eight (48) equal consecutive quarter annual installments each payable in arrears on each of the forty-eight (48) Basic Rent Payment Dates in Immediately Available Funds.

All Rent shall be due and payable no later than 10:00 a.m. New York City time on the day due.

Section 4. Term. The Term for each Unit shall commence on the Delivery Date thereof and, unless earlier terminated or renewed pursuant to Section 6(c) hereof, shall end on the forty-eighth (48th) Basic Rent Payment Date.

Section 5. Lessor's Representations and Warranties. AS

BETWEEN LESSOR AND LESSEE, LESSEE TAKES THE EQUIPMENT AND EACH UNIT THEREOF AS IS, AND LESSEE ACKNOWLEDGES THAT NEITHER LESSOR (WHETHER ACTING AS LESSOR HEREUNDER OR IN ANY OTHER CAPACITY) NOR ANY PARTICIPANT SHALL BE DEEMED TO HAVE MADE ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE TITLE, COMPLIANCE WITH SPECIFICATIONS, CONDITION, MERCHANTABILITY, DESIGN, QUALITY, DURABILITY, OPERATION OR FITNESS FOR USE OR PURPOSE OF THE EQUIPMENT, OR ANY UNIT THEREOF, OR ANY COMPONENT PART THEREOF, OR ANY OTHER REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE EQUIPMENT, OR ANY UNIT THEREOF, OR COMPONENT PART THEREOF OR OTHERWISE. Unless and until an Event of Default (or other event which after lapse of time or notice or both would become an Event of Default) shall have occurred and be continuing, Lessor agrees to assign or otherwise make available to Lessee such rights as Lessor may have under any warranty made with respect to any Unit by the Builder thereof.

Section 6. Disposition of Units Upon Expiration.

(a) Return of Units. Upon the expiration of the Term (or any Renewal Term) for any Unit, unless such Unit is then being purchased or re-leased by Lessee as provided in Section 6(c) hereof, Lessee will return such Unit to Lessor upon such storage tracks of Lessee (or any sublessee thereof the sublease of the Equipment by whom shall be permitted under the terms of Section 19 hereof) as

Lessor shall designate to Lessee in writing at any time prior to the expiration of such Term (or Renewal Term) or, in the absence of such designation, as Lessee may select. Lessee shall permit Lessor, or cause Lessor to be permitted, to store such Unit on such tracks for a period not to exceed three months and shall transport the same or cause the same to be transported, if so directed by Lessor at any time within such three-month period, to any place or places on the lines of railroad operated by Lessee (or such permitted sublessee thereof) or to any connecting carrier for shipment, as directed by Lessor; all such storage and transport of Units to be at Lessee's own cost and expense and at its own risk. During any such storage period Lessee will permit Lessor or cause Lessor to be permitted to inspect any Unit, either directly or through any person or persons designated by Lessor, including any authorized representative or representatives of any prospective purchaser or lessee of such Unit; provided, however, that Lessee shall not be liable, except in the case of negligence or intentional act of Lessee or any sublessee thereof or any of their respective agents and employees, for any injury to, or death of, any person exercising, either on behalf of Lessor or any prospective purchaser or lessee, the rights of inspection granted hereunder. The assembling, delivery, storage and transporting of the Units as hereinbefore provided are of the essence of this Lease, and upon application to any court

of equity having jurisdiction with respect thereto, Lessor shall be entitled to a decree against Lessee requiring specific performance of the covenants of Lessee herein so to assemble, deliver, store or transport the Units. At the time of such return, each Unit shall be in the condition in which it is required to be maintained under Section 10 hereof, and shall be free and clear of all Liens (other than the rights of Lessor and the Liens created by or pursuant to the Trust Agreement), and other than (i) liens for taxes not yet due or being contested in good faith and by appropriate proceedings by Lessee; and (ii) materialmens', mechanics', workmens', repairmens' or employees' liens arising in the ordinary course of business, and securing obligations which are not delinquent or which are being contested in good faith and by appropriate proceedings by Lessee. It is understood that Guarantor will not guarantee any payments applicable to this subsection (a) that Lessee may be obligated to make to Lessor with respect to any events occurring after expiration of the Term (unless the Term shall have expired as a result of an Event of Default) nor shall Guarantor have any liability of any nature whatsoever to Lessor or any other party for reason of the matters covered in this subsection (a) occurring after expiration of the Term (unless the Term shall have expired as a result of an Event of Default).

(b) Lessor's Right to Abandon. Unless Lessee shall have

exercised an option pursuant to Section 6(c), Lessor may, in its sole discretion, elect to abandon any Unit upon the expiration of the Term (or any Renewal Term) for such Unit by delivering written notice to such effect to Lessee. Title to any Unit so abandoned shall pass to Lessee, without any recourse, warranty or representation whatsoever, other than Lessor's warranty as to the absence of any defects of title arising out of any action or inaction of Lessor, upon Lessee's receipt of such notice, and thereafter Lessee shall hold Lessor harmless from any and all liability arising from Lessor's ownership of such Unit. If Lessee shall so request in writing, Lessor shall execute and deliver to Lessee a bill of sale transferring to Lessee (or upon its order) Lessor's title to and property in any Unit so abandoned. The abandoning of any Unit by Lessor pursuant to this Section 6(b) shall not in any way relieve Lessee of any of its obligations to make any payments with respect to such Unit, whether of the Stipulated Loss Value thereof or otherwise, which are required by the terms of this Lease.

(c) Lessee's Purchase or Renewal Option. Not less than 180 days before the expiration of the Term (or any Renewal Term) for the Units, Lessor and Lessee shall commence the appraisal procedures in respect of the Units then subject to this Lease in accordance with the provisions of Section 17 hereof. Such appraisal shall be made not less than 150 days before the expiration of the

Term (or any Renewal Term) for the Units. Within 60 days after the determination of the "fair market value" or "fair market rental", as the case may be, of such Units by the appraiser or appraisers appointed in accordance with such procedures, the Lessee shall have the right, provided that no Event of Default (or other event which after lapse of time or notice or both would become an Event of Default) shall have occurred and be continuing, to deliver to Lessor a written notice either (i) electing to purchase all but not less than all of the Units then subject to this Lease for cash in an amount equal to the fair market value thereof or (ii) electing to renew this Lease with respect to all but not less than all of the Units then subject to this Lease for a further term of 5 years for a rental equal to the then fair market rental thereof. Lessee shall pay the fees and expenses of all appraisers required to determine such fair market value or fair market rental, as the case may be. Failure by Lessee to give such written notice within said 60 day period shall be deemed to be an election by Lessee on the expiration of said period not to either purchase or renew this Lease as to any Units.

During the 60-day period following such election by the Lessee, if such election has occurred during the original Term (rather than during a Renewal Term), or, if Lessee has elected or has been deemed to have elected not to purchase the Units or renew

this Lease, during the 60-day period following the expiration of the 60-day period during which Lessee could have exercised such election, Lessor shall have the right to exercise its option contained in Section 6(d) hereof. If such option is exercised, the provisions of Section 6(d) shall then be applicable and the provisions of this Section 6(c) shall no longer be applicable to such Units (except for the requirements pertaining to payment of the fees and expenses of appraisers).

If Lessee has elected to purchase the Units as aforesaid at the expiration of the Term (or, if applicable, the Renewal Term) for such Units, and if Lessor shall not have exercised its option under Section 6(d) hereof, Lessee shall pay Lessor the fair market value thereof determined as aforesaid, in cash, and upon such payment, Lessor shall transfer such Units to Lessee, free and clear of all liens arising from any act or omission of Lessor, and, if Lessee shall so request in writing, shall execute and deliver to Lessee a bill of sale or bills of sale transferring to Lessee (or upon its order) Lessor's title to and property in such Units, and thereafter Lessee shall hold Lessor harmless from any and all liability arising from its ownership thereof. If Lessee shall fail to make such cash payment to Lessor at the expiration of such Term or Renewal Term, as the case may be, Lessee's right to purchase such Units shall forthwith cease and Lessee shall return such Units to

Lessor as provided in Section 6(a) hereof.

If Lessee has elected to renew this Lease with respect to the Units, and if Lessor shall not have exercised its option under Section 6(d) hereof, the rental determined as aforesaid to be payable during any such Renewal Term (herein called "Renewal Rent") shall be paid by Lessee to Lessor in arrears in consecutive quarter annual installments, the first installment of which shall be due and payable on the first quarter annual anniversary of the expiration of the Term or Renewal Term, as the case may be (the days on which such Renewal Rent is payable being herein called "Renewal Rent Dates").

(d) Lessor's Right to Require Purchase. During the 60-day period following the Lessee's exercise, or if Lessee has elected or has been deemed to have elected not to purchase the Units or renew this Lease, following the expiration of the 60-day period for the exercise of, its right to purchase or renew this Lease pursuant to Section 6(c) hereof, Lessor may by written notice to Lessee require Lessee to purchase the Units then leased hereunder immediately following the expiration of the original Term for a purchase price equal to ten percent (10%) of the aggregate Lessor's Cost of such Units. In such event Lessee shall pay Lessor such purchase price in cash upon the date of expiration of the Term, and upon such payment, Lessor shall transfer such Units to Lessee "as is" and "where is"

and without any warranties or representations whatsoever except that such Units shall be free and clear of all liens arising from the act or omission of Lessor. If Lessee shall so request in writing, Lessor shall execute and deliver to Lessee a bill of sale transferring to Lessee (or upon its order) Lessor's title to and property in such Units without recourse or warranty of any nature whatsoever except as stated in the immediately preceding sentence.

Section 7. Right of Termination. So long as no Event of Default (or other event which after lapse of time or notice or both would become an Event of Default) shall have occurred and be continuing, Lessee shall have the right at its option to terminate this Lease at any time after the Final Delivery Date with respect to any Unit:

(a) in the event of the promulgation of car service or car hire rules by the Association of American Railroads or other governing agency or authority which would have the effect of preventing such Unit from remaining in assigned service to the Guarantor, which condition continues for a period of at least six months or is otherwise reasonably determined by Lessee to be permanent; or

(b) in the event of any reduction in the per diem car hire rates and/or average mileage charges currently applicable to such Unit and set forth in the Code of Car Hire Rules of the Association of American Railroads in force as of the date of this Lease, which reduction, after having regard to its own assets then on hand, the amount of any further advances which its parent, Hudson General Corporation, elects to make with respect to such insufficiency, and any increase in such per diem car hire rates and/or average mileage charges currently applicable to any other Unit or Units, would result in an insufficiency in the aggregate revenue accruing to Lessee pursuant to any sublease of the Equipment made by it to enable Lessee to meet its obligations to pay Basic Rent hereunder in respect of such Unit. In this connection, Lessee shall, concurrently with its execution and delivery of this Lease, deliver to Lessor a certificate, signed by one of its duly elected officers, setting forth such per diem car hire rates and average mileage charges applicable to the Units as of the date this Lease is executed and delivered by Lessee;

in either event on any Basic Rent Payment Date or Renewal Rent Date, as the case may be, and on at least thirty days written notice to Lessor.

For purposes of this Section 7, the effective date of such termination is called the "Termination Date". Prior to the Termination Date, the Lessee shall publicly offer the Unit or Units as to which the Lessee is exercising its right of termination hereunder (herein called the "Unit or Units being terminated") for sale to the highest bidder. On the Termination Date, provided that Lessor shall have received all sums payable to it under this Section 7, Lessor shall deliver the Unit or Units being terminated to the person submitting the highest bid therefor or, if no bids shall have been received, then to Lessee without recourse, warranty or representation, and on an "as is, where is" basis. The full sale price, if a sale is made to a third person, received by Lessee shall be paid over to Lessor on the Termination Date and, in addition, Lessee shall pay to Lessor in Immediately Available Funds, in addition to the installment of Basic Rent due and payable on the Termination Date and any other Rent then due and payable hereunder, the aggregate of: (1) the amount, if any, by which the Termination Value for the Unit or Units being terminated exceeds such sale price (or, if no bids have been received, the full Termination

Value for the Unit or Units being terminated) and (ii) all expenses incurred by Lessor in connection with such termination.

In the event of any such termination and upon due compliance by Lessee with the provisions of this Section 7, the obligation of Lessee to pay Basic Rent or Renewal Rent hereunder with respect to the Unit or Units being terminated shall cease immediately after the Termination Date, provided that Lessor shall have received all sums payable to it under this Section 7. Lessor shall be under no duty to account for, assemble, store, transport, deliver to Lessee, or take any other action with respect to any such Units.

Section 8. Liens. Lessee will not directly or indirectly create, incur, assume or suffer to exist any Lien on, or with respect to, any Unit, title thereto or any interest therein, except:

(i) the respective rights of Lessor, Lessee, and any Participant under the Lease, the Trust Agreement, and all security documents filed pursuant to the terms thereof;

(ii) Liens which result from claims against Lessor or the Owner Participant not related to the ownership of the Units;

(iii) Liens for taxes either not yet due or being contested in good faith and by appropriate proceedings so long as

such proceedings do not involve any danger of the sale, forfeiture or loss of any Unit or any interest therein; and

(iv) inchoate materialmen's, mechanics', workmen's, repairmen's, employees' or other like Liens arising in the ordinary course of business and securing obligations which are not delinquent, or which are being contested in good faith and by appropriate proceedings by Lessee.

Lessee will promptly notify Lessor in writing of the existence of any Lien not excepted above, if the same shall arise at any time, and will promptly, at Lessee's expense, cause any such Lien to be duly discharged, dismissed and removed as soon as possible, but in any event within thirty days after the existence of the same shall have first become known to Lessee.

Section 9. Taxes.

(a) General Indemnity. Lessee agrees to pay as and when due and payable, and to indemnify and hold Lessor, the Trust Estate, and each Participant harmless from, all license and registration fees and all taxes, including without limitation, income, franchise, sales, use, personal property, real property, stamp, interest equalization or other taxes, assessments, levies, imposts, duties, charges or withholdings of any nature (together with any penalties, fines or

interest thereon) imposed against Lessor, the Trust Estate, any Participant, the Builder, Lessee or any Hulk, the Equipment or any Unit thereof, at any time, by any federal, state or local government or taxing authority in the United States or by any government, subdivision thereof, or taxing authority of any foreign country, upon or with respect to any Hulk, the Equipment or any Unit thereof, or upon or with respect to the purchase, ownership, rehabilitation, delivery, leasing, subleasing, dedication, possession, use, operation, return or other disposition thereof, or upon the rentals, receipts or earnings arising therefrom or any other payments made by Lessee under this Lease, or upon the income or other proceeds received with respect to the Equipment or any Unit thereof or any other property comprising a part of the Trust Estate, or upon or with respect to this Lease, the Rehabilitation Agreement, the Trust Agreement or the issuance or acquisition of the Loan Certificates and the Owner Participant's interest in the Trust Estate (excluding, however, (i) federal taxes based upon, or measured by, the net income of Lessor or any Participant, (ii) taxes, fees or other charges of any other jurisdiction which are based upon, or measured by, the net income of Lessor or any Participant and are (A) imposed by the jurisdiction in which the principal office of such Participant is located

or, in the case of the Lessor, by the jurisdiction in which the situs of the trust created by the Trust Agreement is located, or (B) imposed by any other jurisdiction in which Lessor or such Participant, as the case may be, is subject to taxes, fees or other charges (x) as the result solely of business or transactions unrelated to this Lease, or (y) as the result of this Lease, payments hereunder or related business or transactions, to the extent such taxes, fees or other charges result in a reduction of the liability of Lessor or such Participant for taxes, fees or charges imposed by the jurisdiction in which the principal office of Lessor or such Participant, as the case may be, is located, and (iii) taxes, fees or other charges on or based on or measured by any fees or compensation received by the Lessor for services rendered in connection with the transactions contemplated hereby; provided, however, that Lessee agrees to pay any such taxes on or measured by rents payable hereunder or the net income therefrom which are in substitution for or relieve Lessee from any tax which Lessee would otherwise be obligated to pay under the terms of this Section 9(a)) unless, and to the extent only, that any such fee, tax, levy, impost, duty, charge or withholding is being contested by Lessee in good faith and by appropriate proceedings so long as such proceedings do not involve any danger of the sale, forfeiture or loss of the Equipment or any

Unit thereof, or interest therein. Notwithstanding the foregoing, should the Trust Estate become subject to any taxes on or measured by, its net income, Lessee shall pay the amount of any such taxes payable by both the Owner Participant and the Trust Estate exceeding in the aggregate the amount of such taxes which would have been payable by the Owner Participant alone had such taxes not been imposed on the Trust Estate. Without limiting the generality of the foregoing indemnity, Lessee hereby agrees that all payments of Rent and other payments made under this Lease shall be free of withholding taxes and Lessee shall pay such withholding taxes when due to the appropriate taxing authority. Lessee further agrees to reimburse promptly any party indemnified hereunder for any additional tax payable by such party attributable to the inclusion in such party's income of any payment or reimbursement made by Lessee under this Section 9(a). In case any report or return is required to be made with respect to any obligation of Lessee under this Section 9(a) or arising out of this Section 9(a), Lessee will either make such report or return in such manner as will show the ownership of the Equipment and all Units thereof in Lessor and send a copy of such report or return to Lessor, or will notify Lessor of such requirements and make such report or return in such manner as shall be satisfactory to Lessor. All amounts payable by Lessee pursuant to this Section 9(a) shall be payable, to the extent not

theretofore paid, on written demand by the party entitled to indemnification. All the indemnities contained in this Section 9(a) shall continue in full force and effect notwithstanding the expiration or other termination of the Term (or, if applicable, any Renewal Term) of this Lease and are expressly made for the benefit of, and shall be enforceable by, Lessor and each Participant.

(b) Special Indemnity. (i) If the Owner Participant shall, as the result of any event specified in paragraph (ii) of this Section 9(b), not have the right to claim all or any part of the following:

(w) a depreciation deduction with respect to the full amount of the aggregate Rehabilitation Price of the Equipment computed under any method of accelerated depreciation provided in subsections (2), (3) or (4) of Section 167(b) of the Code or any successor provision, which the Owner Participant may select, and using a class life of 12 years pursuant to the regulations under Section 167(m) of the Code or any successor provision; or

(x) a depreciation deduction with respect to that portion of the aggregate Lessor's Cost of the Equipment remaining after the subtraction therefrom of the aggregate Rehabilitation Price of the Equipment, computed under the 150% declining balance method of depreciation

and using a class life of 12 years pursuant to the regulations under Section 167(m) of the Code or any successor provision; or

(y) an investment credit, as provided by Section 38 of the Code or any successor provision, equal to 7% of the aggregate Rehabilitation Price of the Equipment; or

(z) a deduction with respect to the interest accrued or payable under the Loan Certificates;

(each such tax perquisite being herein called a "Tax Perquisite"), or if any such Tax Perquisite shall be claimed by the Owner Participant and it is disallowed as the result of any event specified in paragraph (ii) of this Section 9(b) in whole or in part, Lessee agrees to pay the Owner Participant an amount equal to the sum of (a) that amount which, after taking into account all taxes imposed upon the Owner Participant by reason of the receipt thereof under the laws of any taxing authority, equals the amount of the additional tax payable by the Owner Participant by reason of the disallowance of, or its inability to claim, such Tax Perquisite, plus (b) that amount which, after taking into account all taxes imposed upon the Owner Participant by reason of the receipt thereof under the laws of any taxing authority, equals the sum of all interest, penalties and other taxes and additions for tax imposed upon the Owner Participant under said Code (or any successor statute) by reason of such disallowance of

or inability to claim such Tax Perquisite. Said amount (herein called a "Tax Indemnity Payment") shall be payable by the Lessee on demand by the Owner Participant at any time

(y) after such Tax Perquisite could have been claimed had the Owner Participant the right to claim it, or

(z) after payment by Owner Participant of the tax resulting from the disallowance of such Tax Perquisite, as the case may be, together with interest thereon, to the extent permitted by applicable law, at a rate of 12% per annum (computed on the basis of a 360-day year of twelve 30-day months) from the time specified in (y) or (z) above, whichever is applicable, to the date paid.

(ii) The events referred to herein giving rise to the obligation of the Lessee to make a Tax Indemnity Payment or Payments are the following:

(x) any representation, fact, estimate, opinion or other statement made by the Lessee hereunder or under any of the documents, agreements, certificates or other instruments referred to herein being fraudulent, untrue, incorrect, inaccurate, misleading, unreasonable or insufficient in whole or in part; or

(y) the Lessee's failure for any reason whatsoever to comply with, fulfill or abide by any of its covenants, duties, undertakings or other obligations (including, without limitation,

negative covenants or obligations) contained herein or in any agreement, document or other instrument referred to herein; or

(z) a change shall occur in the Code or regulations thereunder as in effect as of the date hereof; provided, however, that the obligation of the Lessee to make any Tax Indemnity Payment or Payments with respect to the loss, in whole or in part, of any Tax Perquisite resulting from any such change shall extend only to tax benefits claimed by the Owner Participant for any period prior to the adoption of such change.

(iii) If the Owner Participant shall have the right to claim the investment credit referred to above with respect to any Unit but shall not be entitled to claim the full amount thereof in the year in which such Unit is first placed in service, and the reason it is unable to claim the full investment credit is due to a change in the Code or regulations thereunder as in effect as of the date hereof, then Lessee agrees to pay the Owner Participant a further amount sufficient to preserve for the Owner Participant the after-tax return the Owner Participant would have realized from the transaction contemplated hereby had such change in the Code or regulations not occurred, computed from the date on which such full investment credit would have been allowable but for said change to the date (or dates) on which the investment credit is actually allowed pursuant to said Code or regulations as changed. Such amount shall

be payable within 5 days after written notice from the Owner Participant to the Lessee specifying the total of such amount payable, together with interest thereon from the date on which such amount is payable by Lessee hereunder to the date on which such amount is actually paid.

(iv) In computing the amount of any Tax Indemnity Payment payable in the case of a failure to obtain any accelerated depreciation deduction, an allowance shall be made for the tax benefits attributable to the amounts by which the deductions for depreciation computed on the straight line method obtained by the Owner Participant exceed the amount of such deductions had accelerated depreciation been allowed commencing with the first year of such excess. In computing such allowance a discount factor of 4% per annum shall be utilized.

(v) The Owner Participant agrees promptly to notify Lessee of any claim made by the Internal Revenue Service against the Owner Participant with respect to the disallowance of any Tax Perquisite as described above. All amounts payable by Lessee pursuant to this Section 9(b) shall be paid directly to the Owner Participant and, until paid, shall, to the extent permitted by applicable law, bear interest at the rate of 12% per annum (computed on the basis of a 360-day year of twelve 30 day months). All the provisions contained in this Section 9(b) shall continue

in full force and effect notwithstanding the expiration or other termination of this Lease and are expressly made for the benefit of, and shall be enforceable by, the Owner Participant, Lessor and Lessee.

Section 10. Maintenance and Operation. Lessee, at its own expense, shall maintain, service and repair each Unit, or cause each Unit to be maintained, serviced and repaired by the user thereof, to the same extent as Lessee or such user would, in the prudent management of its properties, maintain, service and repair similar railroad equipment owned by Lessee or such user, and in any event to the extent required to maintain each Unit in as good operating condition as when delivered to Lessee hereunder, ordinary wear and tear excepted, and in compliance with any applicable requirements of law or of any foreign, federal, state or local governmental authority having jurisdiction (and in particular, without limiting the generality of the foregoing, the standards then in effect under the interchange rules of the Association of American Railroads, and all lawful rules of the Department of Transportation and the Interstate Commerce Commission). Lessee will not use or operate, or permit any Unit to be used or operated, in violation of any rule, regulation or order of any government or governmental authority having jurisdiction, unless the validity thereof is being contested in good faith and by appropriate proceedings, but only so long as such proceedings do not

involve any danger of the sale, forfeiture or loss of any Unit or any interest therein, or the imposition of any criminal or civil liability on Lessee or Lessor and that Lessee notifies Lessor of such use or operation.

Section 11. Identification Marks. Lessee, at Lessee's expense, will cause each Unit of the Equipment to be kept numbered with the identifying number set forth in the Lease Supplement covering such Unit, and will keep and maintain, plainly, distinctly, permanently and conspicuously marked on each side of each Unit, in letters not less than one inch in height, the words "UNITED STATES TRUST COMPANY OF NEW YORK, AS TRUSTEE, OWNER", or other appropriate words designated by Lessor, with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect Lessor's title to and property in such Unit and the rights of the Lessor under this Lease. Lessee will not place any such Unit in operation or exercise any control or dominion over the same until such name and words shall have been so marked on both sides thereof and will replace promptly any such name and words which may be removed, defaced or destroyed. Lessee will not change the identifying number of any Unit unless and until (i) a statement of new number or numbers to be substituted therefor shall have been filed with Lessor and filed, recorded and deposited by the Lessee in all public offices where this Lease shall have been filed, re-

corded and deposited and (ii) Lessee shall have furnished Lessor an opinion of counsel to the effect set forth in Section 23 hereof in respect of such statement.

Except as provided in the immediately preceding paragraph, Lessee will not allow the name of any person, association or corporation to be placed on any Unit as a designation that might be interpreted as a claim of ownership; provided, however, that Lessee may allow any Unit to be lettered with the names or initials or other insignia customarily used by the Lessee or any sublessee thereof or any affiliate of either of them on railroad equipment used by any of them of the same or a similar type for convenience of identification of their respective rights to use such Unit as permitted under this Lease.

Section 12. Replacement of Parts; Alterations; Modifications and Additions.

(a) Replacement of Parts. Lessee, at its own expense, and in order to maintain each Unit in the condition in which it is required to be maintained by the terms of Section 10 hereof, will promptly, in accordance with the rules of the Association of American Railroads, replace all parts, appliances, instruments, appurtenances, accessories, furnishings and other equipment of whatever nature (herein for the purpose of this Section 12 collectively called "Parts") which may from time to time be incorporated or installed in or attached to any Unit and which may from time to time

become worn out, lost, stolen, destroyed, seized, confiscated, damaged beyond repair or permanently rendered unfit for use, unless by reason thereof such Unit has suffered an Event of Loss. All replacement Parts shall be free and clear of all Liens except those permitted under Section 8 hereof, and shall be in as good operating condition as, and shall have a value and utility at least equal to, the Parts replaced, assuming for such purpose that such replaced Parts were in the condition and repair required to be maintained by the terms of Section 10 hereof.

All Parts at any time removed from any Unit shall remain the property of Lessor, no matter where located, until such time as such Parts shall be replaced by Parts which have been incorporated or installed in or attached to such Unit and which meet the requirements for replacement Parts specified above. Immediately upon any replacement Part becoming incorporated or installed in or attached to such Unit as above provided, without further act,

(i) title to the removed Part shall thereupon vest in Lessee or in any person as shall be designated by Lessee, free and clear of all rights of Lessor or any Participant (and Lessor shall upon Lessee's request deliver to Lessee appropriate documentation evidencing vesting of title and the release of the liens with respect to such removed Part created by or pursuant to the Trust

Agreement and any other security documents relating thereto) but otherwise without any recourse, warranty or representation on the part of Lessor (other than Lessor's warranty as to the absence of any defects of title arising out of any action or inaction of Lessor);

(ii) title to such replacement Part shall thereupon vest in Lessor; and

(iii) such replacement Part shall become subject to this Lease and be deemed part of such Unit for all purposes hereof to the same extent as the Parts originally incorporated or installed in such Unit.

Lessee will deliver to Lessor such documents, including without limitation bills of sale, and supplements to this Lease and to the Trust Agreement, as Lessor shall reasonably request to perfect and/or evidence title in and to such replacement Part in Lessor.

(b) Alterations, Modifications and Additions. Lessee, at its own expense, shall make such alterations, modifications and additions (herein for the purpose of Sections 12 and 13 hereof collectively called "Alterations") to any Unit as may be required from time to time to meet the requirements of law or of any foreign, federal, state or local governmental authority having jurisdiction and of the Association of American Railroads. In addition, Lessee, at

its own expense, may from time to time make such Alterations to any Unit as Lessee may deem desirable in the proper conduct of its business; provided, that no such Alteration diminishes the value or utility of such Unit below the value, utility and condition thereof immediately prior to such Alteration assuming for such purpose that such Unit was then in the condition in which it is required to be maintained by the terms of Section 10 hereof.

Title to all Parts incorporated or installed in or attached to any Unit as the result of Alterations shall without further act, vest in Lessor in the following cases;

(i) such Part is in replacement of or in substitution for, and not in addition to, any Part originally incorporated or installed in or attached to such Unit at the time of the acceptance thereof hereunder or any Part in replacement of, or substitution for, any such Part;

(ii) such Part is required to be incorporated or installed in or attached to such Unit pursuant to the terms of Section 10 hereof or the first sentence of Section 12(b) hereof;
or

(iii) such Part cannot be removed from such Unit without diminishing or impairing the value or utility which such Unit would have had at such time had such Alterations not occurred.

Lessee will deliver to Lessor such documents, including without limitation bills of sale, and supplements to this Lease and to the Trust Agreement, as Lessor shall reasonably request to perfect and/or evidence title in and to such replacement Part in Lessor.

Title to all Parts attached to any Unit as the result of Alterations which constitute an addition to such Unit, and not the replacement of or substitution of any Part originally constituting part of such Unit, and which are not deemed necessary to or an integral part of the ordinary operation of such Unit and which can be removed from such Unit without diminishing or impairing the value or utility which such Unit would have had at such time had such Alterations not occurred, shall vest in Lessor upon becoming attached to such Unit; provided, however, that title to such Parts shall vest in Lessee upon the termination of the Term (or, if applicable, any Renewal Term) without any recourse, warranty or representation against or by Lessor or any Participant. At Lessor's request, Lessee at its own expense, shall, before returning any Unit to Lessor, remove any Part which Lessee is entitled to remove from such Unit pursuant hereto. Any Part which is not so removed by Lessee shall become, without further act, the property of Lessor at the end of the Term or any Renewal Term for such Unit.

Section 13. Inspection, Records and Reports. At all reasonable times Lessor or its authorized representatives may inspect any Unit and any books and records of Lessee relating thereto, and Lessee will, at such times as Lessor may reasonably request, furnish to Lessor, accurate records, to the extent reasonably available to Lessee, regarding the condition and state of repair of each Unit and any alterations thereto. Lessor shall have no duty to make any such inspection or inquiry, and shall not incur any liability or obligation by reason of not making any such inspection or inquiry. To the extent permissible, Lessee will prepare and file in timely fashion or, where Lessor is required to file, prepare and file and deliver to Lessor within a reasonable time prior to the date for filing, any reports with respect to the condition or operation of any Unit during the Term or any Renewal Term for such Unit which are required to be filed with any foreign, federal, state or other governmental or regulatory authority.

In addition, on or before March 31 in each year, commencing with the calendar year 1975, Lessee will furnish to Lessor an accurate statement (a) setting forth as at the preceding December 31 the amount, description and numbers of all Units then leased hereunder, the amount, description and numbers of all Units that have suffered an Event of Loss or are then undergoing repairs (other than running repairs) or have been withdrawn from use pending repairs (other than running re-

pairs) during the preceding calendar year (or part thereof) and such other information regarding the condition and state of repair of the Units as the Lessor may reasonably request and (b) stating that, in the case of all Units repainted or repaired during the period covered by such statement, the numbers and the markings required by Section 11 hereof have been preserved or replaced.

Section 14. Loss, Destruction, Condemnation or Damage.

(a) Payment of Stipulated Loss Value. If an Event of Loss with respect to any Unit occurs, Lessee shall give Lessor written notice thereof within five (5) days of such Event of Loss, which notice shall certify that the Event of Loss has occurred and that such Unit will not be operated thereafter by Lessee.

(1) If such Event of Loss shall occur during the Term or any Renewal Term with respect to such Unit, Lessee shall pay to Lessor on the Basic Rent Payment Date or Renewal Rent Date, as the case may be, next following the occurrence of such Event of Loss, or on the Final Delivery Date, if such Event of Loss occurs during the Interim Period, in addition to the installment of Basic Rent or Renewal Rent or Interim Rent, as the case may be, due and payable on such Date, and any other Rent then due and payable, the applicable Stipulated Loss Value for such Unit computed as of such Basic Rent Payment Date or Renewal Rent Date immediately following such Event

of Loss, or as of the Final Delivery Date, if such Event of Loss occurs during the Interim Period, plus all of the expenses incurred by Lessor in connection with such Event of Loss.

(A) the obligation of Lessee to pay Basic Rent or Renewal Rent with respect to such Unit shall terminate with respect to any installment or installments of Basic Rent or Renewal Rent due after the date upon which such payment of the Stipulated Loss Value is made; provided, however, that Lessee shall remain liable for any Rent due on or before the date of payment of such Stipulated Loss Value to the extent not also paid as of such date of payment; and

(B) Lessor shall transfer to Lessee all Lessor's right, title and interest, if any, in and to the Unit with respect to which such Event of Loss occurred, free and clear of all rights of Lessor or any Participant and, simultaneously Lessor shall deliver to Lessee appropriate releases, if required, in recordable form, of any security documents relating to such Unit, all at Lessee's sole cost and expense and without recourse, warranty or representation on the part of Lessor (other than Lessor's warranty as to the absence of any defects of title arising out of any action or inaction of Lessor), and thereafter Lessee shall hold Lessor harmless from any and all liability arising from its ownership of such Unit.

(2) If any of following events shall occur to a Hulk prior to the delivery thereof from the Builder to the Lessor and the leasing thereof to Lessee hereunder, i.e. (i) the actual or constructive total loss of such Hulk occurs, (ii) such Hulk is determined in good faith by the Lessee to have been damaged beyond repair or permanently rendered unfit for normal use for any reason whatsoever or (iii) such Hulk shall have been condemned, confiscated or seized, or title to or use of such Hulk shall have been requisitioned by any governmental authority, for a determinate period exceeding six (6) months or, if for an indeterminate period, such condemnation, confiscation, seizure or requisition shall actually have lasted for a period of thirty (30) consecutive days, then, upon the occurrence of any of the foregoing,

(A) The obligation of Lessor to make any payments, either to the Seller pursuant to the Hulk Purchase Agreement, or to the Builder pursuant to the Rehabilitation Agreement, or to any other party, with respect to such Hulk, shall terminate as of the date of the occurrence of such event, and

(B) On or before the fifth Business Day following the occurrence of such event, Lessee shall

deliver to Lessor appropriate documentation, in form and substance satisfactory to Lessor, to evidence Lessee's assumption of all of Lessor's liabilities to any of the parties under any of the instruments referred to in paragraph (A) above with respect to such Hulk and the written consents of such parties to such assumption of liability; and

(C) Following such delivery of documentation, Lessor shall transfer to Lessee all of its right, title and interest in and to such Hulk, without recourse, warranty, or representation on part of Lessor and on an "as is, where is" basis, and thereafter Lessee shall hold Lessor harmless from any and all liability arising from its ownership of such Hulk.

(b) Application of Payments Not Relating to an Event of Loss. Any payments received at any time by Lessor from any governmental authority or other party (including condemnation insurance proceeds) with respect to any condemnation, confiscation, or seizure of, or requisition of title to or use of, any Unit not constituting an Event of Loss, will be paid over to and retained by Lessee; provided that if any Event of Default (or other event which after lapse of time or notice or both would become an Event of

Default) shall have occurred and be continuing, all such payments shall be held by Lessor and shall be paid over to Lessee when such Event of Default or other event shall cease to be continuing, unless Lessor shall have theretofore declared this Lease to be in default pursuant to Section 17 hereof, in which event such amounts shall be retained by Lessor as Supplemental Rent.

(c) Application of Payments relating to an Event of Loss.

In case of all payments (other than insurance proceeds) received by Lessor or Lessee from any governmental authority or otherwise as compensation for an Event of Loss with respect to any Unit occurring on or after the Delivery Date thereof, so much of such payment as shall not exceed the sum of the Stipulated Loss Value of such Unit required to be paid by Lessee as above provided and any Rent then due and owing by Lessee hereunder with respect to such Unit shall be applied, first, in reduction of Lessee's obligation to pay such Rent, if any, then due and owing and, second, in reduction of Lessee's obligation to pay such Stipulated Loss Value if not already paid by Lessee, or if already paid by Lessee and provided no Event of Default (or other event which after lapse of time or notice or both would become an Event of Default) shall have occurred and be continuing, to reimburse Lessee for its payment of such Stipulated Loss Value; and the balance, if any, of such payments remaining thereafter shall be paid over to, or retained by, Lessor.

Section 15. Insurance.

(a) Loss or Damage to Units. Lessee will procure and maintain at its own expense during the Term or any Renewal Term of this Lease physical loss and damage insurance on each Unit in coverage and amounts at least equal to that maintained by Lessee or by Hudson General Corporation on similar equipment owned or leased by Lessee or Hudson General Corporation. The policies for such insurance shall name Lessor as owner and the Owner Participant, Lessee and the Loan Participants as loss payees, as their respective interests may appear.

With respect to proceeds received under such policies, it is agreed as between Lessor and Lessee that:

(1) In the case of all insurance proceeds received as the result of the occurrence of an Event of Loss with respect to any Unit occurring on or after the Delivery Date thereof, so much of such payments as shall not exceed the sum of the Stipulated Loss Value of such Unit required to be paid by Lessee pursuant to Section 14 hereof, and any other Rent then due and owing by Lessee hereunder with respect to such Unit shall be applied, first, in reduction of Lessee's obligation to pay such other Rent, if any, then due and owing and, second, in reduction of Lessee's obligation to pay such Stipulated Loss Value if not already paid by Lessee, or, if already paid by Lessee and provided no Event of Default (or any event which after lapse of time or the giving of notice or both would become an

Event of Default) shall have occurred and be continuing, to reimburse Lessee for its payment of such Stipulated Loss Value; and the balance, if any, of such payments remaining thereafter shall be paid over to, or retained by, Lessee, provided no Event of Default (or any event which after lapse of time or the giving of notice or both would become an Event of Default) shall have occurred and be continuing; and

(ii) the proceeds of any insurance for damage to any Unit not constituting an Event of Loss shall be applied in payment for the repair of such damage to the extent required to maintain the Unit in respect of which such proceeds were paid in accordance with Section 10 hereof, if such repair shall not have already been paid for by Lessee, and any balance remaining after compliance with said Section 10 shall be paid over to, or retained by, Lessee, provided no Event of Default (or any event which after lapse of time or the giving of notice or both would become an Event of Default) shall have occurred and be continuing.

Any amount referred to in clause (i) or (ii) of this paragraph (a) not payable to Lessee because at the time of such payment an Event of Default (or any event which after lapse of time or the giving of notice or both would become an Event of Default) shall have occurred and be continuing, shall be held by Lessor as security for the obligations of Lessee under this Lease and at such time

as there shall not be continuing any such Event of Default (or event which after lapse of time or the giving of notice or both would become an Event of Default) such amount shall be paid to Lessee.

(b) Third Party Public Liability and Property Damage.

Lessee will procure and maintain at its expense during the Term or any Renewal Term of this Lease with insurers satisfactory to Lessor bodily injury and third party property damage insurance for each Unit with liability limits as Lessor may reasonably request. The policies for such insurance shall (i) name Lessor as owner and the Owner Participant, Lessee and the Loan Participants as additional insureds, as their respective interests may appear, (ii) provide that if the insurers cancel such insurance for any reason whatsoever, or the same is allowed to lapse for non-payment of premium, such cancellation or lapse shall not be effective as to Lessor or the Participants for thirty (30) days after receipt by Lessor of written notice by the insurers to Lessor of such cancellation or lapse, (iii) provide for at least thirty (30) days prior written notice to Lessor of any alteration in the terms of such policy adverse to the respective interests of Lessor, the Owner Participant, Lessee or the Loan Participants and (iv) provide that in respect of the interest of Lessor, the Owner Participant or the Loan Participants in such policies, the insurance shall not be invalidated by

any action or inaction of Lessee or any other person (other than of Lessor, the Owner Participant or the Loan Participants), and shall insure Lessor's, the Owner Participant's and the Loan Participants' interests as they appear regardless of any breach or violation by Lessee or any other person (other than Lessor, the Owner Participant or the Loan Participants) of any warranties, declarations or conditions contained in such policies.

(c) Reports, etc. On or before the Delivery Date with respect to any Unit and thereafter upon the expiration date of each policy of such insurance, Lessee shall furnish to Lessor a certificate signed by a firm of independent insurance brokers, appointed by Lessee and not objected to by Lessor, showing the insurance then maintained by Lessee pursuant to this Section 15 with respect to such Unit (and the expiration date of each policy of such insurance) and stating the opinion of said firm that the insurance then carried and maintained on or with respect to such Unit complies with the terms hereof. Lessee will cause such firm to advise Lessor in writing promptly of any default in the payment of any premium and of any other act or omission on the part of Lessee of which the firm has knowledge and which might invalidate or render unenforceable, in whole or in part, any insurance on or with respect to any Unit. Lessee will also cause such firm to advise Lessor in writing at least thirty (30) days prior to the expiration or termination date of any insurance carried and maintained on or with respect to any Unit pursuant to this Section 15. In the event that

Lessee shall fail to maintain insurance as herein provided, Lessor may at its option provide such insurance and, in such event, Lessee shall, upon demand, reimburse Lessor for the cost thereof, together with interest thereon pursuant to Section 21 hereof.

Section 16. Events of Default. The following events shall constitute Events of Default (whether any such event shall be voluntary or involuntary or come about or be effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) Lessee shall fail to make any payment of Basic Rent, Interim Rent, Supplemental Rent, Renewal Rent, Termination Value or Stipulated Loss Value within 5 days after the same shall have become due and payable;

(b) Lessee shall fail to maintain the insurance as required by Section 15 hereof; or

(c) Lessee shall make or permit any unauthorized assignment or transfer of its rights under this lease or of possession of the Equipment or any Unit thereof;

(d) The Guarantor shall fail to make any payment which it is liable to make under the terms of the Guaranty as and when the same shall be due, or shall fail to do or cause to be done all things necessary to preserve and keep in full force and effect its

corporate existence, rights and franchises, comply with all applicable laws, and maintain its status as a going concern;

(e) Lessee shall fail to perform or observe any other covenant, condition or agreement to be performed or observed by it hereunder or under the Participation Agreement, and/or the Guarantor shall breach any provision of the Guaranty or the Participation Agreement (other than respecting the payment of money by the Guarantor), and such failure or breach, as the case may be, shall continue unremedied for a period of fifteen (15) days after written notice thereof by Lessor; or

(f) Any material representation or warranty made by Lessee or by the Guarantor in any document or certificate to which Lessee and/or the Guarantor is a party furnished to Lessor in connection herewith or pursuant hereto or thereto shall be incorrect when made, and such condition shall continue unremedied for a period of fifteen (15) days after written notice thereof by Lessor; or

(g) Default shall occur in respect of any indebtedness of Lessee and/or the Guarantor under any agreement under which any such indebtedness may be issued or secured or under any equipment lease under which such party is the lessee, and such default shall result in such indebtedness becoming or being declared due and payable before it would otherwise have become due and payable or shall result in such equipment lease being declared in default, or

(h) The Guarantor shall become insolvent or either the Lessee or the Guarantor shall become bankrupt or 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 such party or for a substantial part of such party's property without its consent and shall not be dismissed within sixty (60) days from such appointment; or bankruptcy, reorganization, arrangement, or insolvency proceedings shall be instituted by or against such party and, if instituted against such party, shall not be dismissed within sixty (60) days from the institution thereof.

(i) Judgment for the payment of money in excess of \$50,000 shall be rendered against Lessee, or in excess of \$500,000 against the Guarantor, and the same shall remain undischarged for a period of sixty (60) days unless such judgment shall be fully covered by insurance or execution of such judgment shall be effectively stayed; or an attachment or attachments shall be levied against any of the property of Lessee and/ or the Guarantor, for an amount in excess of \$500,000 in the aggregate, and shall remain undischarged or unbonded for a period of sixty (60) days.

Section 17. Remedies. Upon the occurrence of any Event of Default, and at any time thereafter so long as the same shall be continuing, Lessor may, at its option, declare this Lease to be in default; and at any time thereafter, so long as Lessee shall not

have remedied all outstanding Events of Default, Lessor may do one or more of the following with respect to the Equipment or any Unit thereof as Lessor in its sole discretion shall elect, to the extent permitted by, and subject to compliance with any mandatory requirements of, applicable law then in effect:

(a) Demand that Lessee, and Lessee shall upon the written demand of Lessor, promptly relinquish possession to Lessor of the Equipment or such Unit or Units thereof as Lessor may demand, in the manner and condition required by, and otherwise in accordance with all the provisions of, Section 6(a) hereof as if such Equipment or Unit or Units were being returned upon expiration of the Term or Renewal Term with respect thereto;

(b) Sell the Equipment or any Unit or Units thereof at public or private sale, as Lessor may determine, or otherwise dispose of, hold, use, operate, lease to others or keep idle such Equipment or such Unit or Units as Lessor in its sole discretion may determine, all free and clear of any rights of Lessee and/or of any rights of the holders of Liens on such Equipment or Unit or Units and without any duty to account to Lessee with respect to such action or inaction or for any proceeds with respect thereto, except to the extent required by paragraph (d) below in the event Lessor elects to exercise its rights under said paragraph in lieu of its rights under paragraph (c) below;

(c) Whether or not Lessor shall have exercised, or shall thereafter at any time exercise, any of its rights under paragraph

(a) or (b) above, Lessor, by written notice to Lessee specifying a payment date (herein called "Default Payment Date") which shall be the next Basic Rent Payment Date (or, if applicable, the next Renewal Rent Date), occurring after the date of such notice, (or, if such Event of Default shall occur during the Interim Period, shall be the Final Delivery Date) may demand that Lessee pay to Lessor, and Lessee shall pay to Lessor, on the Default Payment Date, as liquidated damages for loss of a bargain and not as a penalty, any unpaid Basic Rent, Interim Rent or Renewal Rent, as the case may be, payable on or prior to such Default Payment Date with respect to such Unit or Units as to which Lessor is exercising its rights under this paragraph (c), plus whichever of the following amounts Lessor, in its sole discretion, shall specify in such notice (together with interest, to the extent permitted by applicable law, on such amount at the rate of 12% per annum, computed on the basis of a 360 day year of twelve 30-day months, from the Default Payment Date to the date of actual payment):

(1) an amount equal to the Stipulated Loss Value of such Unit or Units, computed as of the Default Payment Date, over the fair market rental (computed as hereafter provided in this Section 17) of such Unit or Units for the remainder of the Term thereof (or, if applicable, the Renewal Term thereof), after discounting such fair market rental quarterly to present worth as of the Default Payment Date at the rate of 8 7/8% per annum; or

(ii) an amount equal to the excess, if any, of the Stipulated Loss Value of such Unit or Units, computed as of the Default Payment Date, over the fair market value of such Unit or Units (computed as hereafter provided in this Section 17) as of the Default Payment Date;

(d) If Lessor shall have sold the Equipment or any Unit or Units to a third party or parties in an arms-length transaction pursuant to paragraph (b) above, the provisions of paragraph (c) above, shall not apply, and in lieu thereof, Lessor may demand that Lessee pay to Lessor, and Lessee shall pay to Lessor, as liquidated damages for loss of a bargain and not as a penalty, with respect to such Equipment or Unit or Units, any unpaid Basic Rent or Renewal Rent accrued through the day immediately preceding the Basic Rent Payment Date or Renewal Rent Date, as the case may be, next following the date of such sale (or, if such Event of Default shall occur during the Interim Period, any unpaid Interim Rent accrued through the day immediately preceding the Final Delivery Date) plus the amount of any deficiency between the net proceeds of such sale and the Stipulated Loss Value, computed as of the Basic Rent Payment Date or Renewal Rent Date, as the case may be, next following the date of such sale (or, if such Event of Default shall occur during the Interim Period, computed as of the Final Delivery Date), together with interest, to the extent permitted by applicable law, at the rate

of 12% per annum, computed on the basis of a 360 day year of twelve 30 day months, on the amount of such deficiency from the date as of which such Stipulated Loss Value is computed until the date of actual payment; and/or

(e) Lessor may terminate the Lease with respect to the Equipment or any Unit or Units thereof and may exercise any other rights or remedies which may be available to it under applicable law and proceed by appropriate proceedings at law or in equity to enforce the terms hereof, to recover damages for the breach hereof, to rescind this Lease, or to obtain any other available remedy. Termination of the Lease by Lessor pursuant to this paragraph (e) shall in no way be deemed a release or a waiver by Lessor of Lessee's obligations to pay the sums provided to be paid by Lessee under this Section 17.

In addition, Lessee shall be liable, except as otherwise provided above, for any and all unpaid Rent due hereunder before or during the exercise of any of the foregoing remedies and for all legal fees and other costs and expenses incurred by reason of the occurrence of any Event of Default or the exercise of Lessor's remedies with respect thereto, including all costs and expenses incurred in connection with the return of possession of any Unit to Lessor in accordance with Section 6(a) hereof or in placing any Unit in the condition required by said Section.

For the purpose of paragraph (c) above (and for the purpose of any other Section of this Lease which may refer to this Section 17), the "fair market rental" or the "fair market value" of any Unit shall be determined on the basis of an appraisal mutually agreed to by two independent appraisers, one chosen by Lessor and one chosen by Lessee, or, if such appraisers cannot agree on an appraisal, then on the basis of an appraisal by a third independent appraiser selected by the first two appraisers; provided, however, that if either party shall fail to choose an appraiser within ten (10) days after notice from the other party of the selection of its appraiser, then the appraisal by the appraiser chosen shall be determinative. Any appraiser appointed pursuant to the foregoing procedure shall make his determination within thirty (30) days after his appointment and shall be instructed to, and shall, determine the fair market rental or the fair market value, as the case may be, of any Unit on the basis of an arm's length transaction between a willing buyer and a willing seller, or a willing lessor and a willing lessee, as the case may be, in either event of railroad equipment comparable to the Unit being appraised (and upon the assumption that such comparable equipment is in the condition in which such Unit is required to be upon its return pursuant to Section 6(a) hereof), but without regard to the location of such Unit. Any such determination shall state that it is being rendered on the

basis set forth above. The cost of any such appraisal shall be borne by Lessee.

At any public sale of any Unit pursuant to this Section 17, Lessor may bid for and purchase such Unit.

Except as otherwise expressly provided above, no remedy referred to in this Section 17 is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to above or otherwise available to Lessor at law or in equity; and the exercise, or the beginning of the exercise, by Lessor of any one or more of such remedies shall not preclude the simultaneous or later exercise by Lessor of any or all of such other remedies. No express or implied waiver by Lessor of any Event of Default shall in any way be, or be construed to be, a waiver of any future or subsequent Event of Default. To the extent permitted by applicable law, Lessee hereby waives any rights now or hereafter conferred by statute or otherwise which may require Lessor to sell, lease or otherwise use any Unit in mitigation of Lessor's damages as set forth in this Section 17 or which may otherwise limit or modify any of Lessor's rights and remedies in this Section 17.

Section 18. General Indemnification and Expenses. Lessee hereby agrees, whether or not any of the transactions contemplated by the Participation Agreement, the Trust Agreement or hereby shall be consummated, to assume liability for, and does hereby agree to indemnify, protect, save and keep harmless Lessor and each Participant, and their respective successors, assigns, agents and servants, from and against any and all liabilities, obligations, losses,

damages, fines, penalties, claims, actions, suits, costs, expenses and disbursements, including legal fees and expenses of whatsoever kind and nature (for the purposes of this Section 18 all collectively called "Expenses"), imposed on, incurred by or asserted against Lessor or any such Participant, or any of their respective successors, assigns, agents or servants, (whether or not Lessor or any other person indemnified hereby is also indemnified by any other person under any other document) in any way resulting from or caused by the breach or nonperformance of any of Lessee's covenants, undertakings or obligations contained in, or the failure or inaccuracy of any warranty or representation made by Lessee in, or in any other way related to or arising out of, this Lease, the Participation Agreement, the Trust Agreement, the Hulk Purchase Agreement, the Rehabilitation Agreement, the Sublease, the Dedication Agreement or any other document or instrument related to or contemplated by any of the foregoing, and any transaction or occurrence contemplated thereby or related thereto, including, but not limited to, the manufacture, construction, rehabilitation, purchase, acceptance, non-acceptance, rejection, ownership, delivery, non-delivery, lease, sublease, dedication, possession, use, operation, condition, sale, release, return or other disposition of any or all of the Hulks or the Equipment or any Unit or Units thereof (including, without limitation, latent and other defects, whether

or not discoverable by Lessor or Lessee, and any claim for patent, trademark or copyright infringement); except only that Lessee shall not be required to indemnify Lessor or any Participant, or their respective successors, assigns, agents and servants for (i) Expenses to be borne pursuant to the express provisions hereof by the party otherwise to be indemnified hereunder, (ii) Expenses described in Section 9 hereof (except to the extent indemnification is provided for in said Section), or (iii) Expenses resulting from the wilful misconduct or gross negligence of the party otherwise to be indemnified hereunder. Any payment made by Lessee hereunder shall be in an amount which, after taking into account all taxes imposed upon the recipient thereof by reason of the receipt thereof under the laws of any taxing authority, shall be equal to the amount which Lessee shall then be obligated to pay such recipient under this Section 18; provided, however, that any such reimbursement shall be reduced by an amount equal to the reduction in taxes resulting from the deduction by the indemnified person of the liabilities or payments with respect to which such reimbursement is made. If either party hereto shall have knowledge of any claim or liability hereby indemnified against, it shall give prompt written notice thereof to the other party, but the failure on the part of Lessor or any Participant to give prompt written notice to Lessee shall not release Lessee from its indemnity obligations under this Section 18. The indemnities contained in this Section 18

shall continue in full force and effect notwithstanding the expiration or other termination of this Lease Agreement, and, except as otherwise provided herein, are expressly made for the benefit of, and shall be enforceable by, Lessor, any Participant and their respective successors, assigns, servants and agents.

Section 19. Assignment or Sublease.

(a) Without the prior written consent of Lessor, Lessee will not assign any of its rights hereunder, or sublet or otherwise permit the Equipment or any Unit thereof to be operated or used by, or in the possession of, anyone other than Lessee; provided, however, that (i) Lessee may sublease all but not less than all of the Units to Vermont Railway, Inc. (herein called "Vermont") upon all of the terms and conditions set forth in the Sublease ; (ii) Lessee may further sublease all but not less than all of the Units to a sublessee designated by the Guarantor in the event that the Guarantor exercises its option to cause Lessee to terminate the aforesaid Sublease of Railroad Equipment with Vermont by reason of the promulgation of car service orders or other rules by the Association of American Railroads which would prevent all of the Equipment bearing the reporting marks of Vermont being returned to the Guarantor or being controlled as to routings by the Guarantor, but not otherwise; and (iii) Lessee may assign all but not less than all of its rights

and obligations under this Lease to the Guarantor, in the event that the Guarantor exercises its option to assume this Lease upon breach by Lessee or Hudson General Corporation of (and failure to cure) certain obligations of indemnification and guaranty referred to in a certain agreement dated as of the date hereof among the Guarantor, Lessee and Hudson General Corporation, a Delaware corporation, Lessee's parent, but only upon the condition that the Guarantor shall undertake in writing, in a manner satisfactory to Lessor, to assume all of Lessee's obligations under the Lease unconditionally, and shall execute and deliver such further documents and assurances and take such further action as Lessor may reasonably request in order to carry out effectively such unconditional assumption of obligations. Lessee agrees that, upon the request of the Lessor, it shall assign any sublease referred to herein to the Lessor, by a written instrument in form and substance satisfactory to the Lessor, for the purpose of securing the full and faithful performance by Lessee of all of its obligations hereunder and the Participation Agreement and the other documents and instruments referred to herein. Lessee further agrees to take all actions reasonably requested by Lessor, including without limitation, depositing, filing or recording documents, notices, agreements and other instruments and the delivery of opinions of counsel, to perfect any sublease or assignment contemplated by this Section 19.

No assignment, sublease, operation, use or possession by any third person referred to above, whether or not Lessor's written consent shall be required in connection therewith, shall release Lessee from any of its obligations under this Lease, nor shall any such assignment, sublease, operation, use or possession be permitted if the same, in the opinion of Lessor, would be contrary to law. The terms and provisions of the Sublease and any other sublease permitted hereunder shall not be inconsistent with the terms and provisions of this Lease; to the extent of any such inconsistency, the terms and provisions of this Lease shall prevail.

(b) Lessor may upon notice to Lessee at any time assign all of its right, title and interest hereunder, or any part thereof, to any other person provided that, if such assignment occurs during the Term, the provisions of the Trust Agreement are complied with. Upon such assignment, said assignee shall be deemed to be the "Lessor" for all purposes of this Lease.

Section 20. No Set-Off or Counterclaim by Lessee. Except as otherwise provided herein, Lessee shall pay all Rent and any other amounts owing hereunder, at or before 10 A.M. New York, New York local time, on the due date thereof, in Immediately Available Funds to Lessor or to such other person as Lessor may from time to time designate in writing. Lessee's obligation to pay all Rent payable hereunder shall be absolute and unconditional and

shall not be affected by any circumstance, including, without limitation, (a) any set-off, counterclaim, recoupment, defense or other right which Lessee may have against Lessor, any Participant, the Builder or any one else for any reason whatsoever, (b) any defect in the compliance with specifications, condition, merchantability, design, operation or fitness for use of any Unit, (c) any defect in the title to, or the existence of any Liens or rights of others whatsoever with respect to, any Unit, (d) any danger to or loss or destruction of any Unit, or any interruption or cessation in use or possession of any Unit by Lessee for any reason whatsoever, (e) any insolvency, bankruptcy, reorganization or similar proceedings by or against Lessee, (f) any breach by any party of any provision hereof or of any of the documents or instruments referred to herein, or (g) any other event or circumstances whatsoever.

Nothing contained in this Section 20 shall be deemed to require the continuation of any payments of Interim Rent, Basic Rent or Renewal Rent after the obligations to make such payments have ceased pursuant to the specific provisions hereof. To the extent permitted by applicable law, Lessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender this Lease except in accordance with the express terms hereof. If for any reason whatsoever this Lease shall be terminated in

whole or in part by operation of law or otherwise, except as specifically provided herein, or shall be disaffirmed by any trustee or receiver for Lessee, Lessee shall nonetheless pay Lessor an amount equal to each Rent payment at the time such payment would have become due and payable in accordance with the terms of this Lease had this Lease not been terminated or disaffirmed in whole or in part. Each Rent payment made by Lessee shall be final and Lessee will not seek to recover all or any part of such payment for any reason whatsoever; provided, however, that this sentence shall not constitute a waiver by Lessee of any rights to sue for damages or specific performance for breach of any obligations by any persons.

Section 21. Lessor's Right to Perform for Lessee.

(a) If Lessee fails to make any payment of Rent required to be made by it hereunder or fails to perform or comply with any of its agreements contained herein, Lessor may itself make such payment or perform or comply with such agreement, and the amount of such payment and the amount of the expenses of Lessor incurred in connection with such payment or the performance of or compliance with such agreement, as the case may be, together with interest thereon, to the extent permitted by applicable law, at the rate of 12% per annum, computed on the basis of a 360 day year of twelve 30 day months, shall be deemed Supplemental Rent, payable by Lessee to Lessor upon demand.

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

Section 22. Subordination of Lease. This Lease shall always be subject and subordinate to all liens created by or pursuant to the Trust Agreement or any security document relating thereto, provided that so long as no Event of Default (or other event which after lapse of time or notice or both would become an Event of Default) under the terms of this Lease shall have occurred and be continuing, Lessee shall not be disturbed in its possession, use, management, operation and enjoyment of the Equipment or any Unit thereof by virtue of any action taken under the Trust Agreement or any security documents relating thereto, if, and so long as, Lessor shall be free from all governmental statutory and judicial restraints on the use of the payments made by Lessee hereunder to satisfy all Lessor's obligations under the Trust Agreement. Lessee shall be entitled, to the extent Lessor shall be entitled, to take all action and make all payments and expenditures necessary

to cure any default under the Trust Agreement.

Section 23. Recording; Opinion of Counsel. Promptly following the execution of this Lease and the Trust Agreement and in any event prior to the delivery and acceptance hereunder of any Hulk, Lessee, without expense to Lessor, will cause this Lease and the Trust Agreement to be duly filed and recorded with the Interstate Commerce Commission in accordance with Section 20(c) of the Interstate Commerce Act and to be deposited with the Registrar General of Canada in accordance with the Canadian Railway Act (and notice of such deposit to be published in the "Canada Gazette"), and UCC financing statements to be filed in all necessary places within the State of New York. The Lease and Trust Agreement, as so filed and deposited, shall each contain a description of all Units potentially subject thereto and their respective identifying numbers. Lessee will further duly file and record or deposit as aforesaid all periodic continuation statements with respect to all requisite UCC financing statement filings as and when required and any amendments or supplements hereto or to the Trust Agreement (and with regard to any Lease Supplement or any Trust Agreement Supplement, prior to the delivery and acceptance of the Units referred to therein) and refile and re-record or re-deposit any of the foregoing as may be necessary. Lessee will promptly furnish to Lessor annually after the execution hereof (but not later than March 15th of each year), commencing with

the year 1975 certificates or other evidences of such filing and recording or deposit and re-filing and re-recording or re-deposit and an opinion satisfactory to Lessor of counsel for Lessee either (a) to the effect that such filing and recordation (or re-filing and re-recording) have been duly made and that all other action has been taken, as is necessary to maintain the perfection of the security interests in the Trust Estate and to establish and perfect the Lessor's title and interest in the Units as against the Lessee and any third parties and the Owner Participant's beneficial interest in the Trust Estate which the Trust Agreement purports to create, or (b) that no such additional filing, recording, deposit, re-filing, re-recording, re-deposit or other action is necessary to effect such purposes. In addition, the Lessee shall do and perform any other act and will execute, acknowledge, deliver, file, register, deposit and record (and will re-file, re-re-deposit and re-record whenever necessary) any and all further instruments required by law or reasonably requested by Lessor for the purpose of the proper protection (to the satisfaction of Lessor and its counsel) of its title to and interest in the Equipment or any Unit thereof, and its rights under this Lease or for the purpose of carrying out the intention of the Lease. Lessee shall promptly furnish to Lessor evidences of any of the foregoing.

Section 24. Tax Ruling. The parties understand that

special counsel for the Owner Participant shall file the Tax Ruling Application prior to, or as soon as practicable after, the execution hereof, and shall diligently prosecute the Tax Ruling Application. If, however, the Internal Revenue Service fails to issue the rulings requested in the Tax Ruling Application in a manner reasonably satisfactory to the Owner Participant and to such special counsel by December 31, 1974, or if at any time prior to such date the Internal Revenue Service shall expressly decline to issue such rulings or shall communicate its intention not to issue such rulings, then, if, in the reasonable judgment of the Owner Participant and its special counsel for the Owner Participant, such action or failure to act by the Internal Revenue Service was attributable to the presence of the provisions of Section 6(d) in this Lease Agreement, such provisions shall be deemed automatically to have been deleted and shall thereafter be inapplicable and of no further force and effect and the Basic Rent shall be adjusted in the manner provided in Schedule A hereto retroactive to the commencement of the Term. Any excess Basic Rent payable by Lessee to Lessor as a result of such adjustment with respect to Basic Rent Payment Dates which occurred prior to such adjustment shall be due and payable in full on the Basic Rent Payment Date first occurring after occurrence of the event giving rise to such adjustment.

Section 25. Notices. All notices required to be given

hereunder shall be in writing and shall be deemed to have been given when deposited in the United States mails, first class postage prepaid, addressed as follows:

(a) If to Lessor, to it at 130 John Street, New York, New York 10038, Attn.: Corporate Trust and Agency Division; with a copy to the Owner Participant at P. O. Box 8300, Stamford, Connecticut 06904 and at P. O. Box 81 (North Station), White Plains, New York 10603, Attention of Loan Officer;

(b) If to Lessee, to it at 1 Linden Place, Great Neck, New York, Attention: Jay B. Langner, President;

(c) If to any of the Participants, to their respective addresses set forth below the signatures of such parties in the Participation Agreement;

or to such other address as any such party shall designate by written notice given to the other such parties.

Copies of all notices given hereunder shall concurrently be given to the Guarantor in accordance with the provisions of Section 11 of the Participation Agreement.

Section 26. Miscellaneous. Any provision of this Lease which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any

jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, Lessee hereby waives any provision of law which renders any provision hereof prohibited or unenforceable in any respect. No term or provision of this Lease may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against which the enforcement of the change, waiver, discharge or termination is sought. This Lease shall constitute an agreement of lease, and nothing herein shall be construed as conveying to Lessee any right, title or interest in any Unit except as a lessee only. All computations of interest and amounts equivalent to interest under this Lease shall be made on the basis of a 360-day year of twelve 30-day months. Notwithstanding any provision hereof to the contrary, any payment of Rent due on a day which is not a Business Day may be paid on the next day which is a Business Date without interest for the period from such due date to such date of payment. The Index preceding this Lease and the captions in this Lease are for convenience of reference only, and shall not define or limit any of the terms or provisions hereof. This Lease shall be binding upon and enforceable against the parties hereto and their respective successors and assigns, and shall in all respects be governed by, and construed in accordance with, the laws of the State of New York, including all matters of con-

struction, validity and performance. This Lease may be executed simultaneously in two or more counterparts, each of which so executed shall be deemed to be an original against the party whose signature appears thereon, but all of which together shall constitute one and the same instrument. To the extent, if any, 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 hereof other than the original counterpart, which shall be identified as the counterpart containing the receipt therefor executed by the Trustee on the signature page thereof.

IN WITNESS WHEREOF, Lessor and Lessee have each caused this Lease Agreement to be duly executed as of the day and year first above written.

LESSOR:

UNITED STATES TRUST COMPANY OF
NEW YORK
Not in its individual capacity but
solely as Trustee

Attest:


Gene B. Scocca
As its Assistant Secretary

By 
As its Vice President

LESSEE:

HUDSON STRETCH CAR CORPORATION

Attest:

[Signature]
As its: *[Signature]*

By *J. B. Lang*
As its: *[Signature]*

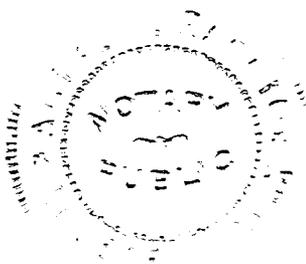
State of New York)
)ss
County of New York)

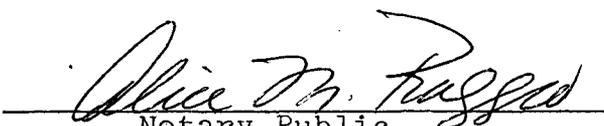
On this 19th day of July, 1974, before me, Thomas B. Zakrzewski, Notary Public, personally appeared, Robert L. Feuer, known to me to be the person who executed the within instrument on behalf of United States Trust Company of New York and acknowledged to me that such corporation executed the within instrument as trustee pursuant to its By-laws on a resolution of its Board of Directors.


Notary Public
THOMAS B. ZAKRZEWSKI
Notary Public, State of New York
No. 24-9820331
Qualified in Kings County
Certificate filed in New York County
Commission Expires March 30, 1976

State of New York)
)ss
County of New York)

On this 19th day of July, 1974, before me, Alice Raggio, Notary Public, personally appeared Jay B. Langner, known to me to be the person who executed the within instrument on behalf of Hudson Stretch Car Corporation and acknowledged to me that such corporation executed the within instrument pursuant to its By-laws or a resolution of its Board of Directors.




Notary Public
ALICE M. RAGGIO
Notary Public, State of New York
No. 31-4506361
Qualified in New York County
Commission Expires March 30, 1975

Description of, and Identifying Numbers of,
All Units Potentially Subject to the Lease

The Units referred to in the Lease to which this is attached as an Exhibit A as being potentially subject to the Lease will all be 50-foot, 50-ton AAR classified XL boxcars, bearing Vermont Railway, Inc. reporting marks as follows:

| VTR: |
|------|------|------|------|------|------|------|------|
| 5100 | 5150 | 5195 | 5240 | 5287 | 5337 | 5387 | 5437 |
| 5101 | 5151 | 5196 | 5243 | 5289 | 5338 | 5388 | 5438 |
| 5102 | 5152 | 5197 | 5244 | 5290 | 5339 | 5390 | 5439 |
| 5103 | 5153 | 5198 | 5245 | 5291 | 5340 | 5391 | 5441 |
| 5104 | 5154 | 5199 | 5246 | 5292 | 5341 | 5392 | 5442 |
| 5105 | 5155 | 5200 | 5247 | 5293 | 5342 | 5393 | 5443 |
| 5106 | 5156 | 5201 | 5248 | 5294 | 5345 | 5394 | 5444 |
| 5107 | 5157 | 5202 | 5249 | 5295 | 5346 | 5395 | 5445 |
| 5110 | 5158 | 5203 | 5250 | 5297 | 5347 | 5396 | 5446 |
| 5111 | 5159 | 5204 | 5251 | 5298 | 5348 | 5397 | 5447 |
| 5112 | 5160 | 5205 | 5252 | 5300 | 5349 | 5398 | 5448 |
| 5113 | 5161 | 5206 | 5253 | 5301 | 5350 | 5399 | 5449 |
| 5115 | 5162 | 5207 | 5254 | 5302 | 5351 | 5400 | 5450 |
| 5116 | 5163 | 5208 | 5255 | 5303 | 5354 | 5401 | |
| 5117 | 5164 | 5209 | 5256 | 5304 | 5355 | 5404 | |
| 5118 | 5165 | 5210 | 5257 | 5306 | 5356 | 5405 | |
| 5119 | 5166 | 5211 | 5258 | 5307 | 5357 | 5406 | |
| 5120 | 5167 | 5212 | 5259 | 5308 | 5358 | 5407 | |
| 5121 | 5168 | 5213 | 5260 | 5310 | 5359 | 5408 | |
| 5122 | 5169 | 5214 | 5261 | 5311 | 5360 | 5409 | |
| 5123 | 5170 | 5215 | 5262 | 5312 | 5362 | 5410 | |
| 5124 | 5171 | 5216 | 5263 | 5313 | 5363 | 5412 | |
| 5125 | 5172 | 5217 | 5264 | 5314 | 5364 | 5413 | |
| 5126 | 5173 | 5218 | 5265 | 5315 | 5365 | 5414 | |
| 5127 | 5175 | 5219 | 5266 | 5316 | 5366 | 5415 | |
| 5128 | 5176 | 5220 | 5267 | 5317 | 5368 | 5416 | |
| 5129 | 5177 | 5221 | 5269 | 5318 | 5369 | 5417 | |
| 5130 | 5178 | 5222 | 5270 | 5319 | 5370 | 5418 | |
| 5132 | 5179 | 5223 | 5271 | 5321 | 5371 | 5420 | |
| 5133 | 5180 | 5224 | 5272 | 5322 | 5372 | 5421 | |
| 5135 | 5182 | 5225 | 5273 | 5323 | 5373 | 5422 | |
| 5137 | 5183 | 5226 | 5274 | 5324 | 5374 | 5423 | |
| 5138 | 5184 | 5227 | 5275 | 5326 | 5375 | 5424 | |
| 5139 | 5185 | 5228 | 5276 | 5327 | 5376 | 5425 | |
| 5140 | 5186 | 5229 | 5277 | 5328 | 5377 | 5426 | |
| 5141 | 5187 | 5230 | 5278 | 5329 | 5378 | 5427 | |
| 5142 | 5188 | 5232 | 5280 | 5330 | 5379 | 5429 | |
| 5143 | 5189 | 5233 | 5281 | 5331 | 5381 | 5430 | |
| 5144 | 5190 | 5234 | 5282 | 5332 | 5382 | 5432 | |
| 5145 | 5191 | 5235 | 5283 | 5333 | 5383 | 5433 | |
| 5146 | 5192 | 5236 | 5284 | 5334 | 5384 | 5434 | |
| 5147 | 5193 | 5237 | 5285 | 5335 | 5385 | 5435 | |
| 5149 | 5194 | | 5286 | 5336 | 5386 | 5436 | |

LEASE SUPPLEMENT NO.

This LEASE SUPPLEMENT NO. _____, dated _____, 1974, by and between UNITED STATES TRUST COMPANY OF NEW YORK, a New York corporation (herein called "Lessor"), not in its individual capacity but solely as Trustee under the Trust Agreement dated as of June 15, 1974 with General Electric Credit Corporation and HUDSON STRETCH CAR CORPORATION, a New York corporation, as lessee (herein called "Lessee");

W I T N E S S E T H:

WHEREAS, Lessor and Lessee have heretofore entered into a certain Lease of Railroad Equipment dated as of June 15, 1974, 1974 (herein called the "Lease", the terms defined therein being used herein with the same meanings), which Lease provides for the execution and delivery of Lease Supplements substantially in the form hereof, for the purposes of identifying the specific Units of railroad equipment subject to the Lease and of leasing the same under and in accordance with the terms of, the Lease as and when such Units are delivered by Lessor to Lessee in accordance with the terms thereof.

WHEREAS, the Lease relates to the specific Units of rail-

road equipment described herein.

WHEREAS, a counterpart of the Lease has been filed with and recorded by the Interstate Commerce Commission on _____, 1974, and assigned recordation number _____.

NOW, THEREFORE, in consideration of the premises and intending to be legally bound hereby, Lessor and Lessee hereby agree as follows:

1. Lessor hereby delivers and leases to Lessee under the Lease, and Lessee hereby accepts and leases from Lessor under the Lease, the Units of railroad equipment described in, and having the respective identifying numbers set forth in, Schedule I hereto.

2. The Delivery Date for such Units is the date of this Lease Supplement, being the day and year first set forth above.

3. Lessor's Cost for such Units is \$ _____.

4. The Term of the Lease with respect to such Units shall commence on the date hereof and shall end on the forty-eighth Basic Rent Payment Date with respect to such Units, unless earlier terminated pursuant to the provisions of the Lease.

5. Lessee hereby confirms its agreement to pay [a single installment of Interim Rent on the Final Delivery Date and thereaf-

ter to pay] Basic Rent to Lessor throughout the Term of the Lease in forty-eight (48) equal installments in accordance with the provisions of Section[s] [3(a) and] 3(b) and Schedule A of the Lease.

6. Lessee hereby confirms to Lessor that such Units have been duly marked in accordance with the terms of Section 11 of the Lease, and that Lessee has accepted such Units for all purposes hereof and of the Lease; provided, however, that nothing contained herein or in the Lease shall in any way diminish or otherwise affect any right which Lessee or Lessor may have with respect to such Units against the Builder under the Rehabilitation Agreement or otherwise.

7. All the terms and provisions of the Lease Agreement are hereby incorporated by reference in this Lease Supplement to the same extent as if fully set forth herein.

8. This Lease Supplement has been delivered in the State of New York and shall in all respects be governed by, and construed in accordance with, the laws of the State of New York, including all matters of construction, validity and performance.

9. To the extent, if any, that this Lease Supplement 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 Supplement may be created through the transfer or possession of any counterpart hereof other than the original counterpart, which shall be identified as the counterpart containing

the receipt therefor executed by the Trustee on the signature page thereof.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Lease Supplement to be duly executed as of the day and year first set forth above.

LESSOR:

UNITED STATES TRUST COMPANY OF
NEW YORK, not in its individual
capacity but solely as Trustee

Attest:

As its Assistant Secretary

By _____
As its Vice President

LESSEE:

HUDSON STRETCH CAR CORPORATION

Attest:

As its:

By _____
As its:

* Receipt of this original counterpart of the foregoing Lease Supplement is hereby acknowledged on this day of , 1974.

UNITED STATES TRUST COMPANY OF
NEW YORK
Not in its individual capacity but
solely as Trustee

By: _____

*This language contained in the original counterpart only.

Calculation of Basic Rent
Pursuant To Section 3(b) of Lease

1. If the provisions of Section 6(d) of the Lease are not deleted from the Lease pursuant to Section 24 thereof, each quarter annual installment of Basic Rent for each Unit the Delivery Date of which is on or before December 31, 1974 shall be an amount equal to 2.8791% of Lessor's Cost thereof, and for each Unit the Delivery Date of which is after December 31, 1974 shall be an amount equal to 2.9847% of Lessor's Cost thereof.

2. If the provisions of Section 6(d) of the Lease are deleted from the Lease pursuant to Section 24 thereof, each quarter annual installment of Basic Rent for each Unit the Delivery Date of which is on or before December 31, 1974 shall be an amount equal to 3.0165% of Lessor's Cost thereof, and for each Unit the Delivery Date of which is after December 31, 1974, shall be an amount equal to 3.1322% of Lessor's Cost thereof.

SCHEDULE B

Stipulated Loss Value Schedule

Payment
No.

Payment
No.

Final Delivery Date	104.3100	25.	78.8407
1.	104.2385	26.	77.3951
2.	104.1391	27.	75.8989
3.	104.0188	28.	74.3552
4.	103.8607	29.	69.0305
5.	103.6347	30.	67.3915
6.	103.3396	31.	65.7113
7.	102.9774	32.	63.9924
8.	102.5536	33.	62.2342
9.	102.0674	34.	60.4363
10.	101.5179	35.	58.5991
11.	100.9061	36.	56.7240
12.	100.2349	37.	54.8103
13.	95.7705	38.	52.8573
14.	94.9786	39.	50.8674
15.	93.1272	40.	48.8451
16.	93.2200	41.	46.7901
17.	92.2561	42.	44.7017
18.	91.2349	43.	42.5853
19.	90.1573	44.	40.4479
20.	89.0266	45.	38.2900
21.	84.1089	46.	36.1121
22.	82.8700	47.	33.9164
23.	81.5776	48.	20.0000
24.	80.2348	and	
		thereafter	

Termination Value Schedule

Payment
No.

Payment
No.

Final Delivery Date

	104.2346	25.	71.6407
1.	103.9832	26.	69.8951
2.	103.7168	27.	68.0989
3.	103.4188	28.	66.2552
4.	102.9607	29.	60.6305
5.	102.4347	30.	58.6195
6.	101.8396	31.	56.7113
7.	101.1774	32.	54.6924
8.	100.4536	33.	52.6342
9.	99.6674	34.	50.5363
10.	98.8179	35.	48.3991
11.	97.9061	36.	46.2240
12.	96.9349	37.	44.0103
13.	92.1705	38.	41.7573
14.	91.0786	39.	39.4674
15.	89.9272	40.	37.1451
16.	88.7200	41.	34.7901
17.	87.4561	42.	32.4017
18.	86.1349	43.	29.9853
19.	84.7573	44.	27.5479
20.	83.3266	45.	25.0900
21.	78.1089	46.	22.6121
22.	76.5700	47.	20.1164
23.	74.9776	48.	10.0000
24.	73.3348		