

RECORDATION NO. 1 3651-13 Filed 1988

UNION PACIFIC RAILROAD COMPANY

LAW DEPARTMENT

1416 DODGE STREET OMAHA, NE 68179

RECORDATION NO. 15651-A Filed 1988

MAY 26 1988-3 25 PM

INTERSTATE COMMERCE COMMISSION



MAY 26 1988-3 25 PM

INTERSTATE COMMERCE COMMISSION

PAUL A. CONLEY, JR.
Assistant Vice President-Law
FREDERICK W. READ, III
Assistant Vice President-Litigation
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BRENDA J. COUNCIL
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DAVID L. MCMILLAN
Attorney

RECORDATION NO. 1 3651 Filed 1988
MAY 26 1988-3 25 PM

RECORDATION NO. 1 5651 Filed 1988

No. 8-147A094

Date... MAY 26 1988
Fee \$60.00 + 18.00
7d.

ICC Washington, D. C

Noreta R. McGee
Secretary
Interstate Commerce Commission
12th & Constitution, N.W.
Washington, D.C. 20423

INTERSTATE COMMERCE COMMISSION

RECORDATION NO. 1 3651 Filed 1988
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INTERSTATE COMMERCE COMMISSION

RECORDATION NO. 1 5651 Filed 1988

MAY 26 1988-3 25 PM

INTERSTATE COMMERCE COMMISSION

Recordation of Documents
Pursuant to 49 U.S.C. § 11303

Dear Ms. McGee:

Enclosed please find an original and one counter-part of each of the documents described below to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code. The documents to be filed are an Equipment Leasing Agreement (a primary document) dated January 10, 1988, and the five (5) Lease Supplements related thereto.

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

Lessor:

NEMLC Leasing Corporation
28 State Street
Boston, Massachusetts 02107

Lessee:

Missouri Pacific Truck Lines, Inc.
210 North 13th Street.
St. Louis, Missouri 63103

The equipment covered by the lease, as supplemented, is described as follows:

- a) One hundred and seventy-five (175) Thrall Mark V Trailers assigned AAR reporting numbers NERZ 448001 - 448175; and
- b) One hundred (100) Railroader Rail Bogies assigned AAR reporting numbers NETX 87001-87100; and
- c) Four (4) Mark V Adapterailers assigned AAR reporting numbers NEAX 000001 - 000004.

I have enclosed a check in the amount of \$60.00 to cover the filing fees. Please return the original and any extra copies not needed by the Commission for recordation to me at the following address:

Union Pacific Railroad Company
Law Department
Room 830
Omaha, Nebraska 68179

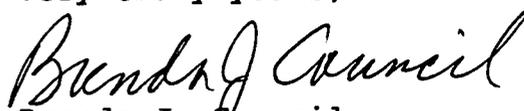
The following is a short summary of each of the documents to appear in the index:

1. Equipment Leasing Agreement (Primary Lease) between NEMLC Leasing Corporation, having an office at 28 State Street, Boston, Massachusetts 02107 (Lessor), and Missouri Pacific Truck Lines, Inc., having an office at 210 North 13th Street, St. Louis, Missouri 63103 (Lessee), dated January 10, 1988, providing for the Lessee's lease of one hundred and seventy (175) Thrall Mark V Trailers, one hundred (100) Railroader Rail Bogies, and four (4) Mark V Adapterailers.
2. Lease Supplement No. One (1) to the Primary Lease dated February 26, 1988, covering one hundred and seventy-four (174) of the Thrall Mark V Trailers.

3. Lease Supplement No. Two (2) to the Primary Lease dated February 26, 1988, covering ninety-four (94) of the Railroader Rail Bogies.
4. Lease Supplement No. Three (3) to the Primary Lease dated April 14, 1988, covering one (1) of the Thrall Mark V Trailers.
5. Lease Supplement No. Four (4) to the Primary Lease dated April 14, 1988, covering the four (4) Mark V Adapterailers.
6. Lease Supplement No. Five (5) to the Primary Lease dated May 3, 1988, covering six (6) of the Railroader Rail Bogies.

If there are any questions regarding this filing, please write me at the above-mentioned address or call me at (402) 271-4928.

Very truly yours,



Brenda J. Council
Counsel for Missouri
Pacific Truck Lines, Inc.

Interstate Commerce Commission
Washington, D.C. 20423

6/2/88

OFFICE OF THE SECRETARY

Brenda J. Council
Union Pacific Railroad Company
Law Depart, Room 830
Omaha, Nebraska 68179

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 5/26/88 at 3:25pm, and assigned recordation number(s) 15651, 15651-A, 15651-B, 15651-C, 15651-D & 15651-E

Sincerely yours,

Narta R. McGee

Secretary

Enclosure(s)

UNION PACIFIC RAILROAD COMPANY

LAW DEPARTMENT

1416 DODGE STREET OMAHA, NE 68179



PAUL A. CONLEY, JR.
Assistant Vice President-Law
FREDERICK W. READ, III
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RICHARD J. HAUTZINGER
COLLEEN A. LAMONT
KEVIN E. NAYLOR
Assistant General Attorney
DAVID J. MCMILLAN
Attorney

June 7, 1988

RECORDATION BY 15651-A-E FILED 1228
May 26 1988 3:55 PM
INTERSTATE COMMERCE COMMISSION

Mrs. Mildred Lee
Examiner
Interstate Commerce Commission
Room 2303
12th & Constitution, N.W.
Washington, D.C. 20423

Recordation of Documents
Pursuant to 49 U.S.C. § 11303

60/8
1/8

Dear Mrs. Lee:

This refers to your note on Ms. McGee's letter of June 2, 1988, returning the Equipment Leasing Agreement between NEMLC Leasing Corporation and Missouri Pacific Truck Lines, Inc., and the Lease Supplements related thereto that were accepted for recordation pursuant to the provisions of Section 11303 of the Interstate Commerce Act, and assigned recordation numbers 15651, 15651-A, 15651-B, 15651-C, 15651-D and 15651-E.

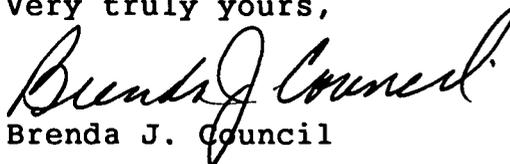
As you requested, I have enclosed a check in the amount of \$18.00 to cover the increase in the filing fees. You also requested a notarized copy of the Lease. I submitted an original and one counterpart of the Equipment Leasing Agreement (the Lease) with my filing. The counterpart of the Lease you retained (the "ICC Counterpart") as well as the original you returned (the "MPTL Counterpart") were duly notarized. Attached for your reference is a

5/26/88

copy of the MPTL Counterpart of the Lease including the duly notarized acknowledgement page that is attached thereto.

Thank you for your cooperation and assistance in this matter. If you should have any questions or require additional information, please call me at (402) 271-4928.

Very truly yours,

A handwritten signature in cursive script that reads "Brenda J. Council".

Brenda J. Council

Counsel for
Missouri Pacific Truck
Lines, Inc.

EQUIPMENT LEASING AGREEMENT dated as of January 10, 1988 (herein, as amended and supplemented from time to time, called "this Lease"), between NEMLC Leasing Corporation, a Massachusetts corporation (herein called "Lessor"), having its principal place of business at 28 State Street, Boston, Massachusetts 02109, and Missouri Pacific Truck Lines, Inc. a Texas corporation (herein called "Lessee"), having its principal place of business at 210 N. 13th Street, St. Louis, MO 63103.

In consideration of the mutual covenants and agreements hereinafter set forth, the parties hereto agree as follows:

1. Definitions. Unless the context otherwise requires, the following terms shall have the following meanings for all purposes of this Lease and shall be equally applicable to both the singular and the plural forms of the terms herein defined:

"Acquisition Cost" of each Item of Equipment means an amount equal to the sum of (i) the total cost paid by Lessor for or in connection with such Item, plus (ii) all excise, sales and use taxes paid by Lessor on or with respect to the acquisition of such Item, plus (iii) all costs and expenses approved and paid by Lessor in connection with the delivery and installation of such Item.

"Additional Rent" shall have the meaning given to such term in Section 11.

"Acceptance Date" for each Item of Equipment means the date on which Lessee has unconditionally accepted such Item for lease hereunder, as evidenced by Lessee's execution and delivery of a Lease Supplement for such Item dated such date.

"Acquisition Expiration Date" means March 31, 1988.

"Assignee" and "Lender" shall each have the respective meanings given to such terms in Section 14(b) hereof.

"Basic Rent" means the rent payable for the Equipment during (i) the Basic Term thereof pursuant to Section 7(b) hereof, and (ii) each Renewal Term thereof pursuant to Section 29(a) hereof.

"Basic Term" for each Item of Equipment means the period consisting of the number of months set forth opposite the description of the type of Equipment to which such Item relates on Exhibit A attached hereto and made a part hereof.

"Business Day" means any day other than a day on which banking institutions in the Commonwealth of Massachusetts are authorized by law to close;

"Casualty Loss Value" of each Item of Equipment shall have the meaning given to such term in Section 16(b) hereof.

"Code" means the Internal Revenue Code of 1986, as the same may be amended from time to time, or any comparable successor law.

"Equipment" means the equipment of the type(s) described on Exhibit A attached hereto and made a part hereof and leased or to be leased by Lessor to Lessee hereunder or ordered by Lessor for lease to Lessee hereunder, together with any and all accessions, additions, improvements and replacements from time to time incorporated or installed therein which are the property of Lessor pursuant to the terms of this Lease.

"Event of Default" means any of the events referred to in Section 23 hereof.

"Event of Loss" with respect to any Item of Equipment means the loss of such Item of Equipment or any substantial part thereof or of the use thereof due to theft or disappearance for a period in excess of 45 days during the Term, or existing at the expiration or earlier termination of the Term, or the destruction, damage beyond repair, or rendition of such Item of Equipment or any substantial part thereof permanently unfit for normal use for any reason whatsoever, or the condemnation, confiscation, seizure, or requisition of use or title to such Item of Equipment or any substantial part thereof by any governmental authority under the power of eminent domain or otherwise.

"Interim Rent" means the rent payable for the Equipment for the Interim Term pursuant to Section 7(a) hereof.

"Interim Term" for each Item of Equipment means the period commencing on the Acceptance Date for such Item, unless the Acceptance Date is the first day of a calendar month, in which case there shall be no Interim Term for such Item.

"Item of Equipment" or "Item" means a single unitary item of the Equipment.

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INTERSTATE COMMERCE COMMISSION

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COMMUNICATIONS SECTION

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"Lease Supplement" means a Lease Supplement substantially in the form attached hereto as Exhibit B, to be executed by Lessor and Lessee with respect to an Item or Items of Equipment as provided in Section 4 hereof, evidencing that such Item or Items are leased hereunder.

"Lien" means liens, mortgages, encumbrances, pledges, charges and security interests of any kind.

"Maximum Acquisition Cost" means, with respect to each type of Equipment described on said Exhibit A, the amount set forth opposite such type of Equipment on said Exhibit.

"Person" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, trustee(s) of a trust, unincorporated organization, or government or governmental authority, agency or political subdivision thereof.

"Regulations" mean the Income Tax Regulations promulgated under the Code.

"Renewal Term" for each Item of Equipment means each period following the end of the Basic Term for such Item with respect to which Lessee has the option to renew this Lease pursuant to Section 29(a) hereof.

"Rent" means Interim Rent, Basic Rent and Additional Rent.

"Rent Payment Date" for each Item of Equipment means (i) for the Basic Term thereof, each date on which a payment of Basic Rent is due and payable for such Item as provided in Section 7(b) hereof, (ii) for the Interim Term thereof (if any), the first Rent Payment Date for the Basic Term of such Item, and (iii) for each Renewal Term thereof, each date on which a payment of Basic Rent is due and payable for such Item as provided in Section 29(a) hereof.

"Rental Period" for each Item of Equipment means (i) for the Basic Term of such Item, each full calendar month for which Basic Rent is payable for such Item as provided in Section 7(b) hereof, (ii) for the Interim Term of such Item, the period from and inclusive of the Acceptance Date for such Item to, but not inclusive of, the first day of the Basic Term of such Item, and (iii) for each Renewal Term of such Item, each month for which Basic Rent is payable for such Item during such Renewal Term.

"Reserve Fund" means the reserve fund referred to in Section 11 hereof and into which payments of Additional Rent are to be made by Lessee as specified in Section 11 hereof.

"Supplemental Payment" means all accounts, liabilities and obligations which Lessee assumes or agrees to pay hereunder to Lessor or others, including payments of Casualty Loss Value and indemnities, but excluding Basic Rent and Interim Rent.

"Term" means the full term of the Lease with respect to each Item of Equipment, including the Interim Term (if any), the Basic Term, and each Renewal Term.

The words "this Lease", "herein", "hereunder", "hereof" or other like words mean and include this Equipment Leasing Agreement and each Lease Supplement, and each amendment and supplement hereto and thereto.

2. Lessor's Ownership; Agreement for Lease of Equipment. Lessor and Lessee hereby agree that, subject to and upon all of the terms and conditions of this Lease, Lessor shall purchase and lease the Equipment to Lessee, and Lessee shall lease the Equipment from Lessor, for the Term thereof. Provided that no Event of Default has occurred and is continuing hereunder, Lessor agrees that it shall not interfere with Lessee's quiet enjoyment and use of any Item of Equipment leased hereunder during the Term thereof.

3. Conditions Precedent. Lessor shall have no obligation to purchase any Item of Equipment and Lessor shall have no obligation to lease the same to Lessee unless each of the following conditions are fulfilled to the satisfaction of Lessor: (i) no event which is (or with notice or lapse of time or both would become) an Event of Default has occurred and is continuing; (ii) no material adverse change in the financial condition of Lessee (or of any guarantor of Lessee's obligations hereunder) since September 30, 1987, which would impair the ability of Lessee to pay and perform its obligations under this Lease (or of such guarantor to pay and perform such obligations) has occurred; (iii) such Item of Equipment is acceptable to Lessor and Lessee, and is free of all Liens, other than any Lien specifically excepted in Section 15 hereof; (iv) the Acceptance Date for such Item of Equipment, and the date on which the purchase price for such Item is to be paid by Lessor to the vendor thereof, is a date between and inclusive of the date hereof and the Acquisition Expiration Date; (v) the Acquisition Cost of such Item of Equipment, when added to the total Acquisition Cost of all Equipment theretofore purchased by Lessor for

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lease hereunder, will not be such an amount so as to cause the total Acquisition Cost of all Equipment of the type to which such Item relates to exceed the Maximum Acquisition Cost applicable to such type of Equipment, or the total Acquisition Cost of all Equipment of all types to exceed \$6,900,000; (vi) Lessor has received an invoice for such Item of Equipment from the seller thereof, approved for payment by Lessee, showing Lessor as the purchaser of such Item, and a Lease Supplement for such Item, duly executed by Lessee, and dated the Acceptance Date for such Item; and (vii) Lessor shall have received such other documents, appraisals, opinions, certificates and waivers, in form and substance satisfactory to Lessor, as Lessor may require.

4. Delivery and Acceptance of Equipment. Lessor shall not be liable to Lessee for any failure or delay in obtaining any Item of Equipment or making delivery thereof. Forthwith upon delivery of each Item of Equipment to Lessee, Lessee will inspect such Item, and unless Lessee gives Lessor prompt written notice of any defect in or other proper objection to such Item, Lessee shall promptly upon completion of such inspection execute and deliver to Lessor a Lease Supplement for such Item, dated the Acceptance Date of such Item, and evidencing Lessee's unconditional acceptance of such Item for lease hereunder. The execution by Lessor and Lessee of a Lease Supplement shall evidence that the Item or Items of Equipment covered thereby is or are leased under, and is or are subject to all of the terms, provisions and conditions of, this Lease.

5. Term. The Interim Term (if any) for each Item of Equipment shall commence on the Acceptance Date thereof, and, unless sooner terminated pursuant to the provisions hereof, shall end on the date immediately prior to the first day of the Basic Term thereof. The Basic Term for each Item of Equipment shall commence on the first day of the calendar month next following the Acceptance Date of such Item of Equipment, or, if such Acceptance Date is the first day of a calendar month, shall commence on the Acceptance Date of such Item of Equipment, and, unless this Lease is sooner terminated with respect to such Item (or all Equipment) pursuant to the provisions hereof, shall end on the date specified therefor in the Lease Supplement for such Item. If not sooner terminated pursuant to the provisions hereof, the Term for each Item of Equipment shall end on the last day of the Basic Term thereof, or if this Lease is renewed pursuant to Section 29(a) hereof, on the last day of the last Renewal Term thereof.

6. Return of Equipment. Upon the expiration or earlier termination of the Term with respect to each Item of Equipment (and provided, in the case of the expiration of the Term, that Lessee has not exercised its purchase option under Section 29(b) hereof), Lessee will, at its expense, surrender and deliver possession of each Item of Equipment to Lessor at Lessee's yards in Dallas, Texas, Chicago, Illinois or any other point on lines of Lessee's affiliates as may be agreed between the parties hereto. At the time of such return to Lessor, each Item of Equipment (and each part or component thereof) shall (i) be in good operating order, and in the repair and condition as when originally delivered to Lessee, ordinary wear and tear from proper use thereof excepted, (ii) be capable of being immediately assembled and operated by a third party purchaser or third party lessee in the same industry as Lessee, and in accordance and compliance with any and all statutes, laws, ordinances, rules and regulations of any Federal, state or local governmental body, agency or authority applicable to the use and operation of such Item of Equipment, and (iii) be free and clear of all Liens, other than any Lien of the type specified in Section 15(1) or (ii) hereof. In the event there is a dispute as to the condition of any Item of Equipment at the time of return, said Item shall be inspected by an independent third party appraiser agreed upon by the parties, and such appraiser's determination as to the condition of said Item shall be binding on the parties. If any Item of Equipment is originally equipped with tires, such Item shall, in addition to satisfying the requirements of the preceding sentence, be returned with all tires installed thereon, with each tire having at least 25% or more tread remaining thereon. Until each such Item of Equipment has been returned to Lessor as provided in this Section 6, Lessee shall continue to pay Lessor the same Basic Rent for such Item that was payable on the last Rent Payment Date of the Term thereof prorated for any partial month. The provisions of this Section 6 are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises, Lessor shall be entitled to a decree against Lessee requiring specific performance of the covenants of Lessee set forth in this Section 6.

7. Rent.

(a) Interim Rent. Lessee hereby agrees to pay Lessor Interim Rent for each Item of Equipment as to which there is an Interim Term, payable on the Rent Payment Date of the Interim Term for such Item, in the amount obtained by multiplying (i) the Acquisition Cost of such Item of Equipment by (ii) the percentage set forth (under the Interim Rent Percentage heading) opposite the number of months and type of Equipment to which such Item relates on said Exhibit A attached hereto, by (iii) the number of days from and including the Acceptance Date for such Item of Equipment through the end of the Interim Term for such Item.

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UNION PACIFIC
OMAHA

(b) Basic Rent. Lessee hereby agrees to pay Lessor Basic Rent for each Item of Equipment during the Basic Term thereof, monthly in advance, on the first day of each calendar month of the Basic Term thereof, in an amount equal to the percentage of the Acquisition Cost of such Item of Equipment set forth (under the Basic Rent Percentage heading) opposite the number of months and type of Equipment to which such Item relates on said Exhibit A attached hereto.

(c) Additional Rent. Lessee hereby also agrees to pay Lessor as Additional Rent an amount for maintenance as specified in Section 11 hereof.

(d) Supplemental Payments. Lessee also agrees to pay to Lessor, or to whomsoever shall be entitled thereto as expressly provided herein, all Supplemental Payments, promptly as the same shall become due and owing, and in the event of any failure on the part of Lessee so to pay any such Supplemental Payment hereunder Lessor shall have all rights, powers and remedies provided for herein or by law or equity or otherwise in the case of nonpayment of Rent.

(e) Method of Payment. All payments of Rent and Supplemental Payments required to be made by Lessee to Lessor shall be made in good funds. In the event of any assignment to a Lender pursuant to Section 14(b) hereof, all payments which are assigned to such Lender, whether Rent, Supplemental Payments or otherwise, shall be paid in such manner as shall be designated by such Lender. Time is of the essence in connection with the payment of Rent and Supplemental Payments.

8. Net Lease. This Lease is a net lease and Lessee acknowledges and agrees that Lessee's obligations hereunder, including, without limitation, its obligations to pay all Rent and Supplemental Payments payable hereunder, shall be absolute and unconditional under any and all circumstances (excepting a failure of Lessor to pay the vendor of any Equipment the purchase price thereof, if all conditions precedent to Lessor's purchase thereof have otherwise been satisfied) and shall be paid without notice or demand and without any abatement, reduction, diminution, setoff, defense, counterclaim or recoupment whatsoever, including, without limitation, any abatement, reduction, diminution, setoff, defense, counterclaim or recoupment due or alleged to be due to, or by reason of, any past, present or future claims which Lessee may have against Lessor, any Assignee, any Lender, any vendor or manufacturer of the Equipment or any part or Item thereof or any other Person for any reason whatsoever; nor, except as otherwise expressly provided herein, shall this Lease terminate, or the obligations of Lessee be otherwise affected, by reason of any defect in the Equipment or any part or Item thereof, the condition, design, operation or fitness for use thereof, any damage to, or any loss or destruction of, the Equipment or any part or Item thereof, any Liens or rights of others with respect to the Equipment or any part or Item thereof, any prohibition or interruption of or other restriction against Lessee's use, operation or possession of the Equipment or any part or Item thereof, for any reason whatsoever, or any interference with such use, operation or possession by any Person or entity, or by reason of any failure by Lessor to perform any of its obligations herein contained, or by reason of any other indebtedness or liability, howsoever and whenever arising, of Lessor, or of any Assignee, any Lender, or of Lessee to any other Person, or by reason of insolvency, bankruptcy or similar proceedings by or against Lessor, any Assignee, any Lender or Lessee, or for any other reason whatsoever, whether similar or dissimilar to any of the foregoing, any present or future law to the contrary notwithstanding; it being the intention of the parties hereto that all Rent and Supplemental Payments payable by Lessee hereunder shall continue to be payable in all events and in the manner and at the times herein provided, without notice or demand, unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease.

9. Lessor's Title; Equipment to be and Remain Personal Property. Title to the Equipment shall at all times remain in Lessor and at no time during the Term shall title become vested in Lessee. This Lease is and is intended to be a true lease and not a lease intended as security or a lease in the nature of a security interest. Lessee shall acquire no right, title or interest in or to the Equipment, except the right to use the same pursuant to the terms of this Lease. It is the intention and understanding of both Lessor and Lessee, and Lessee shall take all such actions as may be required to assure, that the Equipment shall be and at all times remain personal property, notwithstanding the manner in which the Equipment may be attached or affixed to realty. Lessee shall obtain and record such instruments and take such steps as may be necessary to prevent any Person from acquiring any rights in the Equipment by reason of the Equipment being claimed or deemed to be real property. Upon request by Lessor, Lessee shall obtain and deliver to Lessor valid and effective waivers, in recordable form, by the owners, landlords and mortgagees of the real property upon which the Equipment or any Item of Equipment is located or certificates of Lessee that it is the owner of such real property or that such real property is not leased and/or mortgaged. Lessee shall cause each Item of Equipment subject to motor vehicle titling and registration laws to be titled in the name of Lessor, as owner, and, if permitted by applicable law, to be registered in the name of Lessee, as lessee, and shall cause all certificates of title to be promptly furnished to Lessor.

LAW DEPT. C. O.
UNION PACIFIC
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10. Use of Equipment; Compliance with Laws. Lessee agrees that the Equipment will be used and operated solely in the conduct of its business and in compliance with any and all insurance policy terms, conditions and provisions and with all statutes, laws, ordinances, rules and regulations of any Federal, state or local governmental body, agency or authority applicable to the use and operation of the Equipment, including, without limitation, the rules of the United States Department of Transportation, the Interstate Commerce Commission and the current Interchange Rules or supplements thereto of the Mechanical Division, Association of American Railroads, as the same may be in effect from time to time. Lessee shall procure and maintain in effect all licenses, registrations, certificates, permits, approvals and consents required by Federal, state or local laws or by any governmental body, agency or authority in connection with the ownership, delivery, installation, use and operation of each Item of Equipment, including, in the case of any Item subject to motor vehicle titling and registration laws, all titles, registrations, registration plates, permits, licenses, and all renewals thereof in the name of Lessor as owner. Lessor agrees that the Equipment may be used by other than Lessee under interchange agreements or trip leases or the like; provided however, that Lessee shall at all times be and remain primarily liable to Lessor hereunder notwithstanding any such usage under interchange agreements or trip leases and Lessee will, as between Lessor and Lessee, be liable for any failure of any user of the Equipment to comply with the terms of this Lease. Lessor and Lessee agree that the Equipment may be used throughout the continental United States; however, should the Equipment move such that retitling becomes required, Lessee will notify Lessor and cooperate to ensure correct retitling. The Equipment shall in no event be located outside of the continental limits of the United States. Lessee shall use and operate the Equipment or cause it to be used and operated only by personnel authorized by Lessee, and Lessee shall use every reasonable precaution to prevent loss or damage to each Item of Equipment from fire and other hazards.

11. Maintenance and Repair of Equipment. It is understood and agreed that all maintenance and repair of the Equipment will be performed by approved third parties in compliance with such maintenance and repair standards and procedures as are set forth in the manufacturer's manuals pertaining to the Equipment, and as otherwise may be required to keep the Equipment in good order and operating condition and to enforce warranty claims against each vendor and manufacturer of each Item of Equipment, and in compliance with all requirements of law applicable to the maintenance and condition of the Equipment. Lessee will establish with Lessor or its agent a reserve fund (the "Reserve Fund") and Lessee will make monthly payments ("Additional Rent") to Lessor or its agent, in the amounts hereinafter specified, to be credited to the Reserve Fund; for the purpose of the Lessor's payment of bills from third parties presented by Lessee for the maintenance and repair of the Equipment. So long as no Event of Default has occurred and is continuing, Lessor (or its agent) will pay bills from such third parties presented by Lessee for maintenance and repair of the Equipment from the funds then existing in the Reserve Fund in accordance with the specific procedures outlined in the Letter Agreement dated as of January 26, 1988 between Lessee, Lessor and Guarantor as the same may from time to time be amended. Lessee agrees to initially pay as Additional Rent an amount equal to \$25 per Item of Equipment per month for the first six months of the Term of each Item of Equipment. The maintenance and repair bills for all Equipment will be totalled by Lessor or its agent semi-annually on July 31 and January 31 of each year, commencing July 31, 1988, and in the event that the total of such bills for the six (6) month period covered by said review are greater or less than the total of the Additional Rent for all Equipment paid by Lessee during such period, the amount of the Additional Rent for all Equipment for the ensuing six (6) month period shall be adjusted upward or downward accordingly; PROVIDED, HOWEVER, that (a) if, as of any such semi-annual adjustment date, the balance in the Reserve Fund is not sufficient to fully reimburse Lessor or its agent for all invoices for maintenance and repair services received by and/or paid by Lessor or its agent during the preceding six (6) month period, then, in addition to any increase in the amount of Additional Rent to be paid by Lessee during the ensuing six (6) month period, Lessee shall pay Lessor or its agent on said semi-annual adjustment date, as advance Additional Rent hereunder, a lump sum payment in an amount equal to such deficiency; (b) if at the expiration of the Term of the last remaining Item of Equipment leased hereunder, any surplus remains in the Reserve Fund, such surplus shall, so long as no invoices for maintenance or repair services are payable and remain outstanding and unpaid and so long as no Event of Default has occurred and is continuing, be remitted promptly to Lessee; and (c) in no event shall any downward adjustment in the amount of Additional Rent payable by Lessee result in any reduction in the amount of Basic Rent payable by Lessee hereunder. It is understood and agreed that neither Lessor (nor its agent) nor Lessee shall be required to service the Equipment or to perform or provide for actual maintenance or repair services hereunder; provided, however, that the foregoing shall not be deemed to modify any of Lessee's obligations under Section 6 hereof with respect to the return of the Equipment, including, without limitation, the repair and condition of the Equipment at such time. Lessee shall, at its own cost and expense, supply the necessary power and other items required in the operation of the Equipment.

12. Modifications. Any parts installed or replacements made upon any Item of Equipment pursuant to Section 11 hereof shall be considered accessions to such Item of Equipment and title thereto shall be immediately vested in Lessor. Lessee shall not modify an Item of Equipment without the prior written authority and approval of Lessor.

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13. Identification Marks; Inspection. Lessee agrees, upon the request of Lessor, at Lessee's sole cost and expense, to place markings on the Equipment by stencil or by a tag or metal plate affixed thereto showing plainly, distinctly and conspicuously Lessor's title and ownership thereto and Lessee shall keep and maintain such stencilling throughout the Term with respect to each such Item; provided, however, that such identification markings are to be placed so as not to interfere with the usefulness of such Items of Equipment. If during the Term any such identification marking shall at any time be defaced or destroyed, Lessee shall immediately cause such defaced or destroyed identification marking to be restored or replaced. Lessee will not change the road number of any Item of Equipment except with Lessor's consent and in accordance with a statement of new road numbers to be substituted therefor, which consent and statement previously shall have been delivered to Lessor by Lessee and filed, recorded or deposited in all public offices where this Lease shall have been filed, recorded or deposited. Lessee shall not allow the name of any Person to be placed upon any Item of Equipment as a designation which might be interpreted as indicating a claim of ownership thereto or a security interest therein by any Person other than Lessor or any Assignee. Upon the request of Lessor, Lessee shall make the Equipment available to Lessor for inspection and shall also make Lessee's records pertaining to the Equipment available to Lessor for inspection. Lessee is hereby granted a non-transferable license to display its logo or the logo of any of its affiliates on the sides of the Items of Equipment which constitute new Thrall Mark V Trailers for the sum of \$3.00 per Trailer per month, and Lessee agrees to pay such amount to Lessor (or its agent) as an advertising fee, each month together with the Basic Rent and Additional Rent for such Items.

14. Assignments and Subleasing.

(a) By Lessee. Except as otherwise expressly provided in Section 10 hereof, Lessee will not, without the prior written consent of Lessor, sublease or otherwise relinquish possession of any Item of Equipment, or assign, transfer or encumber its rights or obligations hereunder and any attempted sublease, relinquishment, assignment, transfer or encumbering by Lessee shall be null and void.

(b) By Lessor. Lessor may, at any time, without notice to, or the consent of, Lessee (i) assign, sell or transfer, in whole or in part, Lessor's rights, title and interests in, to and under this Lease and any Lease Supplement(s), including, without limitation, the right to receive any or all Rent and Supplemental Payments payable under this Lease and under any Lease Supplement(s) with respect to the Equipment or any Item(s) thereof covered by such assignment, sale or transfer, and/or (ii) sell or transfer all of Lessor's rights and interests in and to the Equipment or any Item(s) thereof, and/or (iii) collaterally assign any of such rights and interests, and/or mortgage or grant a security interest in the Equipment or any Item(s) thereof. Each Assignee shall have all of Lessor's rights and interests hereunder to the extent that the same relate to the Item(s) of Equipment covered by the assignment to such Assignee, including without limitation the right to receive all Rent payable with respect to such Item(s) for all Rental Periods commencing on or after the date of such assignment, all Supplemental Payments which are payable with respect to such Item(s) as a result of acts or events which occur on or after the date of such assignment, and the right to enforce, either in Assignee's name or in Lessor's name, but without cost or expense to Lessor all of Lessor's rights hereunder with respect to such Item(s); and such Assignee may re-assign all or a portion of such rights, title and interests and may grant a security interest therein and in such such Item(s) of Equipment to a Lender. Each Lender to whom an assignment has been made, shall have and may exercise the rights so assigned with respect to (but only with respect to) the Item(s) of Equipment covered by such assignment, and may re-assign all or a portion of such rights to any other Lender. Any such assignment shall be subject to Lessee's rights hereunder so long as no Event of Default has occurred and is occurring hereunder. Lessee shall be under no obligation to any Assignee or Lender except upon written notice of such assignment from Lessor. Upon written notice to Lessee of such assignment, Lessee agrees to pay the Rent and Supplemental Payments with respect to the Item(s) of Equipment covered by such assignment to the Assignee or Lender, as the case may be, in accordance with the instructions specified in such notice, and to give all notices which are required or permitted to be given by Lessee to Lessor hereunder relating to such Item(s) thereof to the Person(s) specified to receive the same in such written notice of assignment, and to otherwise comply with all notices, directions and demands which may be given by such Assignee or Lender, as the case may be, with respect to such Item(s), in accordance with the provisions of this Lease. Without limiting the foregoing, Lessee acknowledges and agrees that the rights of any Assignee or Lender in and to the Rent and Supplemental Payments payable by Lessee which are covered by any such assignment shall not be subject to any abatement (except as a result of the payment of the Casualty Loss Value of an Item of Equipment suffering an Event of Loss, if Lessor has received payment of all of the amounts payable to Lessor under Section 16(b) hereof), defense, setoff, counterclaim or recoupment whatsoever, whether by reason of any failure of or defect in Lessor's title, or any interruption from whatsoever cause in the use, operation or possession of the Equipment or any part or Item thereof, or any damage to or loss or destruction of the Equipment or any part or Item thereof, or by reason of any other indebtedness or liability, however and whenever arising, of Lessor or any such Assignee or Lender or any other Person to Lessee, or for any other cause or any other reason

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whatsoever, it being the intent hereof that Lessee shall be unconditionally and absolutely obligated to pay any such Assignee and/or Lender all of the Rent and Supplemental Payments payable by Lessee which are covered by such assignment. Notwithstanding any such assignment, all obligations of Lessor to Lessee under this Lease shall be and remain enforceable by Lessee against, and only against, Lessor and any Assignee to whom an assignment hereunder has been made. As used in this Lease (x) "Assignee" means any Person (other than a Lender) to whom Lessor or any Assignee has made any assignment, sale or transfer referred to in clauses (i) or (ii) of this Section 14(b); (y) "Lender" means any Person to whom any mortgage or security interest or collateral assignment referred to in clause (iii) of this Section 14(b), has been granted or made by Lessor or any Assignee or any Lender; and (z) "assignment" means any assignment, sale, transfer, mortgage or grant of security interest referred to in this Section 14(b). For purposes of Sections 18, 19 and 20 of this Lease, the term "Assignee" shall also include each beneficiary (and each stockholder of any corporate beneficiary) or partner of such Assignee, if such Assignee is a trust or the trustee(s) of a trust, or a limited partnership, respectively.

15. Liens. Lessee will not directly or indirectly create, incur, assume or suffer to exist any Lien on or with respect to the Equipment or any part or Item thereof, Lessor's title thereto, or any interest therein, except any Lien granted or placed thereon by Lessor or any Assignee as a result of an assignment to a Lender pursuant to Section 14(b) hereof. Lessee, at its own expense, will promptly pay, satisfy and otherwise take such actions as may be necessary to keep the Equipment free and clear of, and to duly discharge or eliminate or bond in a manner satisfactory to Lessor and each Assignee and Lender, any such Lien not excepted above if the same shall arise at any time. Lessee will notify Lessor and each Assignee and Lender in writing promptly upon becoming aware of any tax or other Lien (other than any lien excepted above) that shall attach to the Equipment or any Item of Equipment, and of the full particulars thereof.

16. Loss, Damage or Destruction.

(a) Risk of Loss, Damage or Destruction. Lessee hereby assumes all risk of loss, damage, theft, taking, destruction, confiscation, requisition or commandeering, partial or complete, of or to each Item of Equipment, however caused or occasioned, such risk to be borne by Lessee with respect to each Item of Equipment from the date of this Lease, and continuing until such Item of Equipment has been returned to Lessor in accordance with the provisions of Section 6 hereof or has been purchased by Lessee in accordance with the provisions of Section 29(b) hereof. Except as hereinafter expressly provided, Lessee agrees that no occurrence specified in the preceding sentence shall impair, in whole or in part, any obligation of Lessee under this Lease, including, without limitation, the obligation to pay Rent.

(b) Payment of Casualty Loss Value Upon an Event of Loss. If an Event of Loss occurs with respect to an Item or Items of Equipment during the Basic Term or any Renewal Term thereof, Lessee shall give Lessor prompt written notice thereof and shall pay to Lessor on the Rent Payment Date next following the date of such Event of Loss (or on the last day of the calendar month in which such Event of Loss occurs if there is no succeeding Rent Payment Date) (i) the Casualty Loss Value of such Item or Items of Equipment (computed as of the Rent Payment Date next preceding, or coincident with, the date of such Event of Loss), plus (ii) all accrued and unpaid Interim Rent, Basic Rent and Additional Rent owing for such Item or Items of Equipment through such next preceding or coincident Rent Payment Date. If an Event of Loss occurs with respect to an Item or Items of Equipment during the Interim Term thereof, Lessee shall pay Lessor on the Rent Payment Date for such Interim Term (i) the Casualty Loss Value of such Item or Items of Equipment applicable during such Interim Term, plus (ii) the Interim Rent and Additional Rent for such Item or Items of Equipment due on such Rent Payment Date. Any payments received at any time by Lessor or by Lessee from any insurer or other party (except Lessee) as a result of the occurrence of such Event of Loss will be applied in reduction of Lessee's obligation to pay the foregoing amounts, if not already paid by Lessee, or, if already paid by Lessee, will be applied to reimburse Lessee for its payment of such amount, unless an Event of Default shall have occurred and be continuing. Upon payment in full of such Casualty Loss Value, plus any said accrued and unpaid Basic Rent, Interim Rent and Additional Rent plus all other Supplemental Payments then due and payable by Lessee hereunder, (A) the obligation of Lessee to pay Basic Rent and Additional Rent hereunder with respect to such Item or Items of Equipment for all Rental Periods commencing after the date of such Event of Loss shall terminate and the Term of such Item or Items shall thereupon terminate, and (B) Lessee shall, as agent for Lessor, as soon as practicable, dispose of such Item or Items of Equipment in a manner reasonably acceptable to Lessor, Lessee retaining any salvage proceeds as consideration for acting as Lessor's agent. As used in this Lease, the term "Casualty Loss Value" of any Item of Equipment as of any Rent Payment Date means (a) during the Basic Term and any Renewal Term thereof, an amount determined by multiplying the Acquisition Cost of such Item of Equipment by the percentage set forth opposite such Rent Payment Date on the schedule of Casualty Loss Values applicable to the type of Equipment to which such Item relates, attached hereto and made a part hereof, and (b) during the Interim Term thereof, an amount determined by multiplying the Acquisition Cost of such Item of Equipment by the percentage set forth for the Interim Term on such schedule of Casualty Loss Values.

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(c) Application of Payments Not Relating to an Event of Loss. Any payments (including, without limitation, insurance proceeds) received at any time by Lessor or Lessee from any governmental authority or other party with respect to any loss or damage to any Item or Items of Equipment not constituting an Event of Loss, will be applied directly in payment of repairs or for replacement of property in accordance with the provisions of Section 11 and 12 hereof, if not already paid by Lessor, in which case such payments shall be retained by Lessor and credited to Additional Rent.

17. Insurance. Lessee will cause to be carried and maintained, at its sole expense, with respect to the Equipment at all times during the Term thereof and until the Equipment has been returned to Lessor (a) physical damage insurance (including theft and collision insurance in the case of all Items of Equipment consisting of motor vehicles) insuring against all risks of physical loss or damage to the Equipment, in an amount not less than the greater of the Casualty Loss Value of the Equipment or the replacement value of the Equipment, and (b) insurance against liability for bodily injury, death and property damage resulting from the use and operation of the Equipment in an amount not less than \$10,000,000.00 per occurrence. Such insurance policy or policies will name Lessor, and each Assignee and Lender as the sole loss payees, as their interests may appear, on all policies referred to in clause (a) of the preceding sentence, and will name Lessor and each Assignee and Lender as additional insureds on all policies referred to in clause (b) of the preceding sentence. Such policies will provide that the same may not be invalidated against Lessor or any Assignee or Lender by reason of any violation of a condition or breach of warranty of the policies or the application therefor by Lessee, that the policies may be cancelled or materially altered or reduced in coverage (except as otherwise permitted under the terms of this Lease) by the insurer only after thirty (30) days' prior written notice to Lessor, and each Assignee and Lender, and that the insurer will give written notice to Lessor, and each Assignee and Lender in the event of nonpayment of premium by Lessee when due. The policies of insurance required under this Section shall be valid and enforceable policies issued by insurers of recognized responsibility acceptable to Lessor and each Lender and authorized to do an insurance business in the state in which each Item of Equipment is located. In the event that any of such policies referred to in clause (b) of the first sentence of this Section shall now or hereafter provide coverage on a "claims-made" basis, Lessee shall continue to maintain such policies in effect for a period of not less than three (3) years after the expiration of the Term of the last Item of Equipment leased to Lessee hereunder. Upon the execution of this Lease and thereafter not less than thirty (30) days prior to the expiration dates of any expiring policies theretofore furnished under this Section, certificates of the insurance coverage required by this Section and, if requested by Lessor or any Assignee or Lender, copies of the policies evidencing such insurance coverage, shall be delivered by Lessee to Lessor and each other named loss payee and/or additional insured. Any certificate of insurance issued with respect to a blanket policy covering other equipment not subject to this Lease shall specifically describe the Equipment as being included therein and covered thereby to the full extent of the coverages and amounts required hereunder. If Lessee shall fail to cause the insurance required under this Section to be carried and maintained, Lessor or any Assignee or Lender may provide such insurance and Lessee shall reimburse Lessor or any such Assignee or Lender, as the case may be, upon demand for the cost thereof as a Supplemental Payment hereunder. It is mutually agreed that Lessee may self insure against such risks as are required to be insured against hereunder pursuant to a formal plan of self-insurance, and Lessee shall certify that such self-insurance is being maintained in accordance therewith and the details of same. Should Lessee discontinue such self insurance plan, Lessee agrees to immediately notify Lessor of such fact and to promptly procure the coverages outlined above.

18. General Tax Indemnity. Lessee agrees to pay, and indemnify and hold Lessor, each Assignee, each Lender and their respective successors and assigns harmless on an after-tax basis from any and all Federal, state, local and foreign taxes, fees, withholdings, levies, imposts, duties, assessments and charges of any kind and nature whatsoever, together with any penalties, fines or interest thereon (herein called "taxes or other impositions") howsoever imposed, whether levied or imposed upon or asserted against Lessor, any Assignee, any Lender, Lessee, the Equipment, any Item of Equipment, or any part thereof, by any Federal, state or local government or taxing authority in the United States, or by any taxing authority or governmental subdivision of a foreign country, upon or with respect to (a) the Equipment, or any Item of Equipment or any part thereof, (b) the manufacture, construction, ordering, purchase, ownership, delivery, leasing, re-leasing, possession, use, maintenance, registration, re-registration, titling, re-titling, licensing, documentation, return, sale or other application or disposition of the Equipment, or any Item of Equipment or any part thereof, (c) the rentals, receipts or earnings arising from the Equipment or any Item of Equipment or any part thereof, or (d) this Lease, each Lease Supplement, the Rent and/or Supplemental Payments payable by Lessee hereunder; provided, however, that the foregoing indemnity shall not apply to any taxes or other impositions based upon or measured solely by Lessor's or any Assignee's or Lender's net income, and which are imposed or levied by any Federal, state or local taxing authority in the United States. Lessee will promptly notify Lessor of all reports or returns required to be made with respect to any tax or other imposition with respect to which Lessee is required to indemnify hereunder, and will promptly provide Lessor with all information necessary for the making and timely filing of such reports or returns by

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Lessor. If Lessor requests that any such reports or returns be prepared and filed by Lessee, Lessee will prepare and file the same if permitted by applicable law to file the same, and if not so permitted, Lessee shall prepare such reports or returns for signature by Lessor, and shall forward the same, together with immediately available funds for payment of any tax or other imposition due, to Lessor, at least ten (10) days in advance of the date such payment is to be made. Upon written request, Lessee shall furnish Lessor with copies of all paid receipts or other appropriate evidence of payment for all taxes or other impositions paid by Lessee pursuant to this Section 18. All of the indemnities contained in this Section 18 shall continue in full force and effect notwithstanding the expiration or earlier termination of this Lease in whole or in part, including the expiration or termination of the Term with respect to any Item (or all) of the Equipment, and are expressly made for the benefit of, and shall be enforceable by, Lessor and each Assignee and Lender.

19. Special Tax Indemnity.

(a) Tax Assumptions. In entering into this Lease and the transactions contemplated hereby, Lessor has made the following assumptions: (i) Lessor will be entitled to the benefit of cost recovery deductions for Federal income tax purposes under the Accelerated Cost Recovery System provided for in Section 168 of the Code and depreciation or cost recovery deductions for Massachusetts state income tax purposes based upon one hundred percent (100%) of the Acquisition Cost of each such Item of Equipment, and on the basis that each Item of Equipment constituting trailers or lifts shall be treated as new 5-year property, and each Item of Equipment constituting "rail bogies" shall be treated as new 7-year property, under Section 168(e)(1) of the Code and utilizing the 200 percent declining balance method of depreciation switching to the straight line method at the point in time that maximizes the depreciation allowance for Lessor and the half-year convention specified in Section 168(d)(1) of the Code (the "Recovery Deduction"); (ii) with respect to each Item of Equipment, Lessor will be entitled to the benefit of deductions for Federal and Massachusetts state income tax purposes interest payable with respect to any indebtedness incurred by Lessor in connection with any financing by Lessor of any portion of the Acquisition Cost of such Item of Equipment (the "Interest Deduction"); and (iii) for each year of the Term, with respect to each Item of Equipment, including any year in which a Tax Loss (hereinafter defined) occurs (collectively the "Relevant Periods") Lessor will be subject to tax as follows: (a) for each such year up to and including the year in which such Tax Loss occurs, at a composite Federal and state corporate income tax rate that is equal to the highest marginal rate for corporations provided for under the Code and the laws of the state of Massachusetts (the "Highest Composite Marginal Tax Rate") and that is in effect for each such year, and (b) for each such year following the year in which such Tax Loss occurs, at a composite Federal and state corporate income tax rate that is equal to the Highest Composite Marginal Tax Rate in effect in the year in which such Tax Loss occurs and which, under the provisions of the Code and the laws of said state then in effect, is to be applicable to each such following year.

(b) Lessee's Tax Representations and Warranties. Lessee represents and warrants to Lessor that (i) at the time Lessor becomes the owner of each Item of Equipment such Item will constitute "new Section 38 property" within the meaning of Section 46 and 48 of the Code and will not have been used by any person so as to preclude the original use of such property within the meaning of Section 48(b) of the Code from commencing with Lessor; (ii) at all times during the Term, with respect to each Item of Equipment, such Item of Equipment will constitute "Section 38 property" within the meaning of Section 48(a) of the Code; (iii) at all times during the Term, with respect to each Item of Equipment, such Item will not constitute "tax-exempt use property" within the meaning of Section 168(h)(1)(A) of the Code or be deemed to be used for purposes of Section 48 of the Code by any person, governmental entity or instrumentality, organization or entities described in Section 48(a)(4) or (5) of the Code; (iv) in determining the Recovery Deduction for each Item of Equipment, Lessor shall be entitled to assume that each such Item shall be treated as 5 - year property for Items of Equipment constituting Thrall Mark V Trailers and 7-year property for Items of Equipment constituting Railroader Rail Bogies and Adapters under the provisions of Section 168(e)(1) of the Code and having an applicable recovery period of five years for Items of Equipment constituting Thrall Mark V Trailers and seven years of Items of Equipment constituting Railroader Rail Bogies and Adapters; (v) each Item of Equipment will have a useful life of at least ten years for Items of Equipment constituting Thrall Mark V Trailers and twelve and one-half years for Items of Equipment constituting Railroader Rail Bogies; (vi) at the end of the Basic Term with respect to each Item of Equipment, the fair market value of such Item will be an amount equal to at least twenty percent (20%) of the Acquisition Cost thereof, without including in such value any increase or decrease for inflation or deflation during the Basic Term thereof, and after subtracting from such value any cost to Lessor or Lessor for removal and delivery of possession of such Item to Lessor at the end of the Term thereof; and (vii) each Item of Equipment will be useful or usable by Lessor at the end of the Term thereof for purposes other than continued leasing by or transfer to any member of the Lessee Group (as such term is defined in Rev. Proc. 75-21).

(c) Indemnity. (A) If by reason of (i) any act or failure to act of Lessee

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(regardless of whether any such act or failure to act is permitted or required by the terms of this Lease or otherwise), or (ii) the breach of or inaccuracy in law or in fact of any of Lessee's representations and warranties set forth in paragraph (b) of this Section 19 or the breach of any of Lessee's representations and warranties set forth in any certificate or document delivered by Lessee in connection with the delivery and acceptance of any Item of Equipment, or (iii) any amendment, modification, repeal or other change of or to the Code or any technical corrections thereto (or any comparable change in Massachusetts state income tax law) enacted or adopted by the 100th Congress of the United States, (or any changes to the Regulations or the promulgations of any new Regulations) which adversely changes or affects Lessor's assumptions set forth in paragraph (a) of this Section 19, or (iv) the sale or other disposition of any Item of Equipment or the interest of Lessor therein after the occurrence of an Event of Default Lessor shall lose the benefit of, or shall not have or shall lose the right to claim, or shall suffer a disallowance or recapture of, or delay in claiming, all or any portion of the Recovery Deduction or (if Lessor finances any portion of its Acquisition Cost) the Interest Deduction, with respect to any Item of Equipment, or (B) if, for Federal, foreign, state or local income tax purposes, any item of income, loss or deduction with respect to any Item of Equipment is treated as derived from, or allocable to, sources outside the United States (whether or not any foreign income taxes imposed as a result thereof may be credited against Federal, state or local income taxes of Lessor), or (C) if there shall be included in the gross income of Lessor for Federal, state or local income tax purposes any amount on account of any addition, modification or improvement to or in respect of any Item of Equipment made or paid for by Lessee (any such loss, failure to have or loss of the right to claim, disallowance, recapture, delay in claiming, treatment, or inclusion referred to in any of the foregoing clauses (A) through (C) of this paragraph (c) being hereinafter called a "Tax Loss"), then a Tax Loss shall be deemed to have occurred, and the Basic Rent for such Item of Equipment shall, on the Rent Payment Date next following written notice by Lessor to Lessee that a Tax Loss has occurred, and on each succeeding Rent Payment Date, be increased by such amount which, after deduction of all taxes required to be paid by Lessor in respect of the receipt or accrual of such amount under the laws of the United States, any state or any political subdivision thereof or any foreign taxing authority, will maintain Lessor's after-tax yield (hereinafter defined) and aggregate after-tax cash flows in respect of such Item of Equipment at levels which are each not less than the levels of Lessor's originally assumed after-tax-yield and originally assumed aggregate after-tax cash flows, respectively, and Lessee shall pay to Lessor an amount which, after the deduction of any additional taxes required to be paid by Lessor in respect of the receipt or accrual of such amount, shall be equal to the amount of any interest, penalty or additions to tax which may be imposed in connection with such Tax Loss. In the event that the Term with respect to any Item of Equipment is terminated prior to the time Lessee is obligated to make the increased Basic Rent payments to Lessor with respect to such Item of Equipment as set forth in the preceding sentence, or in the event Lessor shall, by written notice to Lessee, elect to have such indemnity paid to Lessor in a lump sum payment, then, in either event, Lessee shall pay to Lessor, within thirty (30) days from the date of such written notice by Lessor to Lessee, in lieu of the increased Basic Rent payment or payments set forth in the preceding sentence, such lump sum as shall (after deduction of all taxes required to be paid by Lessor in respect of the receipt or accrual of such payment under the laws of the United States, any state or any political subdivision thereof or any foreign taxing authority) be necessary to maintain Lessor's after-tax yield and aggregate after-tax cash flows in respect of such Item of Equipment at levels which are each not less than the levels of Lessor's originally assumed pre-tax yield and originally assumed aggregate after-tax cash flows, respectively, and Lessee shall also pay to Lessor an amount which, after the deduction of any additional taxes required to be paid by Lessor in respect of the receipt or accrual of such amount, shall be equal to the amount of any interest, penalty or additions to tax which may be imposed in connection with such Tax Loss. References herein to Lessor's originally assumed after-tax yield and originally assumed aggregate after-tax cash flows mean the after-tax yield and aggregate after-tax cash flows, respectively, which Lessor assumed Lessor would realize from the transactions contemplated by this Lease and which were used by Lessor in originally calculating Basic Rent and Casualty Loss Value percentages. In the event Lessor shall suffer a Tax Loss with respect to which Lessee is required to make any indemnity payment or payments under this Section 19, and the full amount of such indemnity has been paid or provided for hereunder, the assumptions set forth in paragraph (a) of this Section 19, without further act of the parties hereto, shall thereupon be and be deemed to be amended, if and to the extent appropriate to reflect such Tax Loss. In the event any indemnity payments shall be paid to Lessor under this Section 19 with respect to any Item(s) of Equipment, the Casualty Loss Values of such Item(s) of Equipment shall be adjusted appropriately. The indemnification obligations of Lessee under this Section 19 shall survive the expiration or termination of this Lease and the Term of the Equipment and may be enforced directly by Lessor.

(d) Exceptions to Indemnity. Lessee shall not be required to make any indemnity payment provided for in this Section 19 with respect to an Item of Equipment, if Lessor shall have suffered a Tax Loss with respect to such Item of Equipment as a direct result of the occurrence of (i) an Event of Loss with respect to such Item of Equipment, if Lessee shall have paid to Lessor all of the amounts payable under Section 16 hereof, and to the extent that such payment compensates Lessor for such Tax Loss; or (ii) the failure

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of Lessor to claim the ACRS Deduction or the Recovery Deduction or (if Lessor finances any portion of its Acquisition Cost) the Interest Deduction, as the case may be, in a timely and proper manner, unless such failure is due to Lessee's failure to provide Lessor with the information reasonably necessary to make such claim, or unless in the reasonable opinion of Tax Counsel (hereinafter defined), there is no reasonable basis for such claim; or (iii) the failure of Lessor to have sufficient income to benefit from the ACRS Deduction or the Recovery Deduction or (if Lessor finances any portion of its Acquisition Cost) the Interest Deduction, as the case may be, after giving effect to all permitted tax loss carry forwards and carry backs (but this exception shall only apply if and to the extent that any such benefit would be otherwise available to Lessor); or (iv) a voluntary transfer or other voluntary disposition by Lessor of all or any part of its interest in such Item of Equipment, other than any such transfer or disposition pursuant to Sections 16, 24 or 29(b) hereof.

(e) Contest. In the event a claim shall be made by any taxing authority against Lessor that a Tax Loss has occurred, and if, in the opinion of independent tax counsel selected by Lessor and reasonably acceptable to Lessee ("Tax Counsel") a bona fide defense to such claim exists, Lessor shall, provided that no Event of Default has occurred and is continuing, upon Lessee's written request and at the expense of Lessee, contest such matter in such forum as Lessor shall select, considering in good faith such request as Lessee may make concerning the most appropriate forum in which to proceed. Lessor shall not be obligated to take any such legal or other appropriate action unless it has received an opinion (the "Tax Counsel Opinion") from Tax Counsel that a bona fide defense to such claim exists and the Lessee shall have indemnified Lessor for all costs and expenses which may be incurred by Lessor in contesting such claim. The action to be taken may, in Lessor's sole discretion, be commenced prior to making payment of any tax and interest and/or penalty attributable to such claim (a "Tax Payment") or after making such Tax Payment and then suing for a refund. If Lessor takes such action prior to making such Tax Payment, the indemnity amounts payable under this Section 19 with respect to the Tax Loss need not be paid by Lessee while such action is pending; provided that Lessee shall pay the costs and expenses relating to such action when and as the same shall become due. In such case, if the Final Determination (hereinafter defined) shall be adverse to Lessor, the indemnity amounts payable under this Section 19 with respect to the Tax Loss shall be computed by Lessor as of the date of such Final Determination, Lessor shall notify Lessee in writing of such computation and Lessee shall make the indemnity payments required in accordance with this Section 19. If Lessor determines to make such Tax Payments prior to contesting the matter, and to then sue for a refund, Lessee will advance to Lessor, as an interest-free loan and without any additional net-after-tax cost to Lessor, an amount equal to the amount of such Tax Payment attributable to such claim. If Lessor sues for a refund after making such Tax Payment, and if the Final Determination shall be in favor of Lessor (i) no future payments shall be due hereunder in respect of such matter (or an appropriate reduction shall be made if the Final Determination is partly in favor of and partly adverse to Lessor) other than any outstanding costs or expenses incurred by Lessor with respect to such contest, and (ii) Lessor shall pay to the Lessee an amount equal to the amounts theretofore paid by Lessee to Lessor in respect of such Tax Payment (or a proportionate part thereof if the Final Determination is partly in favor of and partly adverse to Lessor) on or before the next succeeding Rent Payment Date (or within thirty (30) days from such Final Determination, if there is no succeeding Rent Payment Date), together with the amount of any penalty or interest actually refunded to Lessor as a result of such Final Determination. If the Final Determination of such contest shall be adverse to Lessor, the indemnity amounts payable under this Section 19 with respect to the Tax Loss shall be computed by Lessor as of the date of such Final Determination, Lessor shall notify Lessee in writing of such computation and Lessee shall make the indemnity payments required in accordance with this Section 19. "Final Determination", for the purposes of this paragraph (e), means a final decision of a court of competent jurisdiction after all allowable appeals have been exhausted by either party to the action, or a determination within the meaning of Section 1313(a) of the Code.

(f) Consolidated Tax Returns; Lessor's Assigns. For purposes of this Section 19, the term "Lessor" will include the corporation constituting Lessor, Lessor, the successor(s) in interests of Lessor, each Assignee and each of their respective successors in interests and assigns and any Consolidated Group (hereinafter defined) of which Lessor or any such Assignee or any of their respective successors in interests or assigns is, or may become a member, and each member of such Consolidated Group. As used in this paragraph (f) the term "Consolidated Group" means an affiliated group (within the meaning of Section 1504 of the Code) that files consolidated returns for Federal income tax purposes and any group filing combined or consolidated returns pursuant to the rules of any state taxing authority.

20. Indemnification. Lessee hereby assumes liability for, and does hereby agree to indemnify, protect, save, defend, and hold harmless Lessor, each Assignee, each Lender and their respective officers, directors, stockholders, successors, assigns, agents and servants (each such party being herein, for purposes of this Section 20, called an "indemnified party") on an after-tax basis from and against any and all obligations, fees, liabilities, losses, damages, penalties, claims, demands, actions, suits, judgments, costs and expenses, including legal expenses, of every kind and nature whatsoever, imposed on,

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incurred by, or asserted against any indemnified party, in any way relating to or arising out of (a) the manufacture, construction, ordering, purchase, acceptance or rejection, ownership, titling or retitling, registration or reregistration, delivery, leasing, releasing, possession, use, operation, storage, removal, return, sale or other disposition of the Equipment or any Item of Equipment, or any part thereof, during the term of this Lease including, without limitation, any of such as may arise from (i) loss or damage to any property or death or injury to any persons, (ii) patent or latent defects in the Equipment (whether or not discoverable by Lessee or any indemnified party), (iii) any claims based on strict liability in tort, and (iv) any claims based on patent, trademark, tradename or copyright infringement, (b) any failure on the part of Lessee to perform or comply with any of the terms of this Lease, or (c) any power of attorney issued to Lessee to license, relicense, title, retitle, register or reregister Items of Equipment subject to motor vehicle titling and registration laws, and any towing charges, parking tolls, fines, parking and speeding tickets, odometer certifications and other civil and criminal motor vehicle violations with respect to any such Item, and all penalties and interest applicable thereto. Lessee shall give each indemnified party prompt notice of any occurrence, event or condition known to Lessee as a consequence of which any indemnified party may be entitled to indemnification hereunder. Lessee shall forthwith upon demand of any such indemnified party reimburse such indemnified party for amounts expended by it in connection with any of the foregoing or pay such amounts directly. Lessee shall be subrogated to an indemnified party's rights in any matter with respect to which Lessee has actually reimbursed such indemnified party for amounts expended by it or has actually paid such amounts directly pursuant to this Section 20. In case any action, suit or proceeding is brought against any indemnified party in connection with any claim indemnified against hereunder, such indemnified party will, promptly after receipt of notice of the commencement of such action, suit or proceeding, notify Lessee thereof, enclosing a copy of all papers served upon such indemnified party, but failure to give such notice or to enclose such papers shall not relieve Lessee from any liability hereunder. Lessee may, and upon such indemnified party's request will, at Lessee's expense, resist and defend such action, suit or proceeding, or cause the same to be resisted or defended by counsel selected by Lessee and reasonably satisfactory to such indemnified party and in the event of any failure by Lessee to do so, Lessee shall pay all costs and expenses (including, without limitation, attorney's fees and expenses) incurred by such indemnified party in connection with such action, suit or proceeding. The provisions of this Section 20, and the obligations of Lessee under this Section 20, shall apply from the date of the execution of this Lease notwithstanding that the Term may not have commenced with respect to any Item of Equipment, and shall survive and continue in full force and effect notwithstanding the expiration or earlier termination of this Lease in whole or in part, including the expiration of termination of the Term with respect to any Item (or all) of the Equipment. Each indemnified party may directly enforce Lessee's indemnification obligations to such indemnified party hereunder.

21. NO WARRANTIES. LESSOR, NOT BEING THE MANUFACTURER OR VENDOR OF THE EQUIPMENT, MAKES NO REPRESENTATION OR WARRANTY, EITHER EXPRESSED OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE DESIGN OR CONDITION OF THE EQUIPMENT, ITS MERCHANTABILITY, DURABILITY, SUITABILITY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE, THE QUALITY OF THE MATERIAL OR WORKMANSHIP OF THE EQUIPMENT, OR THE CONFORMITY OF THE EQUIPMENT TO THE PROVISIONS AND SPECIFICATIONS OF ANY PURCHASE ORDER OR ORDERS RELATING THERETO, AND LESSOR HEREBY DISCLAIMS ANY SUCH REPRESENTATION OR WARRANTY (WHICH DISCLAIMER LESSEE HEREBY ACKNOWLEDGES). WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, LESSOR SHALL NOT BE LIABLE OR RESPONSIBLE FOR ANY DEFECTS, EITHER PATENT OR LATENT (WHETHER OR NOT DISCOVERABLE BY LESSEE), IN THE EQUIPMENT, OR FOR ANY DIRECT OR INDIRECT DAMAGE TO PERSONS OR PROPERTY RESULTING THEREFROM, OR FOR LESSEE'S LOSS OF USE OF THE EQUIPMENT OR FOR ANY INTERRUPTION IN LESSEE'S BUSINESS CAUSED BY LESSEE'S INABILITY TO USE THE EQUIPMENT FOR ANY REASON WHATSOEVER. So long and only so long as an Event of Default shall not have occurred and be continuing, and so long and only so long as the Equipment shall be subject to this Lease and Lessee shall be entitled to possession of the Equipment hereunder, Lessor authorizes Lessee, at Lessee's expense, to assert for Lessor's account, all rights and powers of Lessor under any manufacturer's, vendor's or dealer's warranty on the Equipment or any part thereof; provided, however, that Lessee shall indemnify, protect, save, defend and hold harmless Lessor from and against any and all claims, and all costs, expenses, damages, losses and liabilities incurred or suffered by Lessor in connection therewith, as a result of, or incident to, any action by Lessee pursuant to the foregoing authorization.

22. Lessee's Representations and Warranties. Lessee hereby represents and warrants that (a) Lessee is a corporation duly organized, validly existing and in good standing under the laws of the State of Texas, and is qualified to do business in, and is in good standing in, each state or other jurisdiction in which the nature of its business makes such qualification necessary (including each state or other jurisdiction in which the Equipment or any part thereof will be located); (b) Lessee has the corporate power and authority to execute and perform this Lease and to lease the Equipment hereunder, and has duly authorized the execution, delivery and performance of this Lease; (c) the leasing of the Equipment from Lessor by Lessee, the execution and delivery of this Lease, each Lease Supplement, and other related instruments, documents and agreements, and the compliance by the Lessee with the terms hereof and thereof, and the payments and performance by Lessee

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of all of its obligations hereunder and thereunder (i) have been duly and legally authorized by appropriate corporate action taken by Lessee, (ii) are not in contravention of, and will not result in a violation or breach of, any of the terms of Lessee's Certificate of Incorporation (or equivalent document), its By-Laws, or of any provisions relating to shares of the capital stock of Lessee, and (iii) will not violate or constitute a breach of any provision of law, any order of any court or other agency of government, or any indenture, agreement or other instrument to which Lessee is a party, or by or under which Lessee or any of Lessee's property is bound, or be in conflict with, result in a breach of, or constitute (with due notice and/or lapse of time) a default under any such indenture, agreement or instrument, or result in the creation or imposition of any Lien upon any of Lessee's property or assets; (d) this Lease has been executed by the duly authorized officer or officers of Lessee and delivered to Lessor and constitutes, and when executed by the duly authorized officer or officers of Lessee and delivered to Lessor each Lease Supplement and related instruments, documents and agreements with respect to each Item of Equipment will constitute, the legal, valid and binding obligations of Lessee, enforceable in accordance with their terms; (e) neither the execution and delivery of this Lease or any Lease Supplement by Lessee, nor the payment and performance by Lessee of all of its obligations hereunder and thereunder, requires the consent or approval of, the giving of notice to, or the registration, filing or recording with, or the taking of any other action in respect of, any Federal, state, local or foreign government or governmental authority or agency or any other Person; (f) no mortgage, deed of trust, or other Lien which now covers or affects, or which may hereafter cover or affect, any property or interest therein of Lessee, now attaches or hereafter will attach to the Equipment or any Item of the Equipment, or in any manner affects or will affect adversely Lessor's right, title and interest therein; (g) there is no litigation or other proceeding now pending or, to the best of Lessee's knowledge, threatened, against or affecting the Lessee, in any court or before any regulatory commission, board or other administrative governmental agency which would directly or indirectly adversely affect or impair the title of Lessor to the Equipment, or which, if decided adversely to Lessee, would materially adversely affect the business operations or financial condition of Lessee; and (h) all balance sheets, statements of profit and loss and other financial data that have been delivered to Lessor with respect to Lessee (i) are complete and correct in all material respects, (ii) accurately present the financial condition of Lessee on the dates for which, and the results of its operations for the periods for which, the same have been furnished, and (iii) have been prepared in accordance with generally accepted accounting principles consistently followed throughout the periods covered thereby; and there has been no change in the condition of Lessee, financial or otherwise, since the date of the most recent financial statements delivered to Lessor with respect to Lessee.

23. Events of Default. Any of the following events shall constitute an Event of Default:

(a) Lessee shall fail to make any payment of Interim Rent or Basic Rent or Additional Rent or any Supplemental Payment within fifteen (15) days after the same is due and payable; or

(b) Lessee shall fail to observe or perform any of the covenants or agreements of Lessee set forth in Sections 6, 14(a) or 17 hereof; or

(c) Lessee shall fail to perform or observe any other covenant, condition, or agreement to be performed or observed by it under this Lease, or in any agreement or certificate furnished to Lessor or any Assignee or Lender in connection herewith, and such failure shall continue unremedied for thirty (30) days after written notice to Lessee specifying such failure and demanding the same to be remedied; or

(d) Lessee (or any guarantor of Lessee's obligations hereunder) shall be in default (i) under any lease, loan agreement or other agreement, instrument or document heretofore, now or hereafter entered into between Lessee (or any such guarantor) and Lessor, or between Lessee (or any such guarantor) and any parent, subsidiary or affiliate of Lessor, and such default shall have been declared by the party entitled to declare the same, or (ii) under any promissory note heretofore, now or hereafter executed by Lessee (or any such guarantor) and delivered to any party referred to in clause (i) above evidencing a loan made by any such party to Lessee (or any such guarantor), or (iii) in the payment of any obligation of Lessee (or any such guarantor) to any Person (other than Lessor, or any parent, subsidiary or affiliate of Lessor, and other than any guarantor of Lessee's obligations hereunder) in excess of \$2,000,000 excluding any such obligation which is being contested in good faith by Lessee (or any such guarantor) by appropriate proceedings, and the liability for which has not been reduced to judgment) relating to the payment of borrowed money or the payment of rent or hire under any lease agreement, and such obligation shall be declared to be due and payable prior to the maturity thereof; or an attachment or other Lien shall be filed or levied against a substantial part of the property of Lessee (or any such guarantor), and such judgment shall continue unstayed and in effect, or such attachment or Lien shall continue undischarged or unbonded, for a

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period of 30 days; or

(e) Lessee (or any guarantor of Lessee's obligations hereunder) shall become insolvent 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 Lessee (or for any such guarantor) or for a substantial part of its property without its consent and shall not be dismissed for a period of 60 days; or any petition for the relief, reorganization or arrangement of Lessee (or any such guarantor), or any other petition in bankruptcy or for the liquidation, insolvency or dissolution of Lessee (or any such guarantor), shall be filed by or against Lessee (or any such guarantor) and, if filed against Lessee (or any such guarantor), shall be consented to or be pending and not dismissed for a period of 60 days, or an order for relief under any bankruptcy or insolvency law shall be entered by any court or governmental authority of competent jurisdiction with respect to Lessee (or any such guarantor); or any execution or writ or process shall be issued under any action or proceeding against Lessee whereby any of the Equipment may be taken or restrained; or Lessee's (or any such guarantor's) corporate existence shall cease; or Lessee (or any such guarantor) shall, without Lessor's prior written consent, sell, transfer or dispose of, or pledge or otherwise encumber, all or substantially all of its assets or property, or consolidate or merge with any other entity, or engage in any form of corporate reorganization; or

(f) any representation, warranty, statement or certification made by Lessee under this Lease or in any Lease Supplement or in any document or certificate furnished Lessor or any Assignee or Lender in connection herewith or pursuant hereto (or made by any guarantor of Lessee's obligations hereunder under any guaranty or other document or certificate furnished to Lessor or any Assignee or Lender by such guarantor), shall prove to be untrue or incorrect when made, or shall be breached.

24. Remedies Upon Default. Upon the occurrence of any Event of Default and at any time thereafter so long as the same shall be continuing, Lessor may exercise one or more of the following remedies as Lessor in its sole discretion shall elect:

(a) Lessor may terminate this Lease, without prejudice to any other remedies of Lessor hereunder, with respect to all or any Item of Equipment, and whether or not this Lease has been so terminated, may enter the premises of Lessee or any other party to take immediate possession of the Equipment and remove all or any Item of Equipment by summary proceedings or otherwise, or may cause Lessee, at Lessee's expense, to store, maintain, surrender and deliver possession of the Equipment or such Item in the same manner as provided in Section 6 hereof, all without liability to Lessor for or by reason of such entry or taking of possession, whether for the restoration of damage to property caused by such taking or otherwise;

(b) Lessor may hold, keep idle or lease to others the Equipment or any Item of Equipment, as Lessor in its sole discretion may determine, free and clear of any rights of Lessee and without any duty to account to Lessee with respect to such action or inaction or for any proceeds with respect thereto, except that Lessee's obligation to pay Basic Rent for any Rental Periods commencing after Lessee shall have been deprived of possession pursuant to this Section 24 shall be reduced by the net proceeds, if any, received by Lessor from leasing the Equipment or such Item to any Person other than Lessee for the same Rental Periods or any portion thereof;

(c) Lessor may sell the Equipment or any Item of Equipment at public or private sale as Lessor may determine, free and clear of any rights of Lessee, and Lessee shall pay to Lessor, as liquidated damages for loss of a bargain and not as a penalty (in lieu of the Basic Rent due for the Equipment or Item(s) so sold for any Rental Period commencing after the date on which such sale occurs), all unpaid Interim Rent and Basic Rent payable for all Rental Periods up to and including the Rental Period in which such sale occurs, plus an amount equal to the excess, if any, of (i) the Casualty Loss Value of the Equipment or Item(s) so sold, computed as of the Rent Payment Date next preceding the date of such sale, over (ii) the net proceeds of such sale, plus interest at the rate specified in Section 26 hereof on the amount of such excess from the Rent Payment Date as of which such Casualty Loss Value is computed until the date of actual payment;

(d) whether or not Lessor shall have exercised, or shall thereafter at any time exercise, any of its rights under subsection (a) or (b) above, Lessor, by written notice to Lessee specifying a payment date, may demand that Lessee pay to Lessor, and Lessee shall pay to Lessor, on the payment date specified in such notice, as liquidated damages for loss of a bargain and not as a penalty (in lieu of the Basic Rent due for any Item(s) of Equipment for any Rental Period commencing after the payment date specified in such notice and in lieu of the exercise by Lessor of its rights under subsection (c) above with respect to the same Item(s) of Equipment), all unpaid Interim Rent and Basic Rent payable therefor for all Rental Periods up to and including the Rental Period in which the payment date specified in such notice occurs, plus whichever of the following amounts Lessor, in its sole discretion, shall specify in such notice (together with interest on such amount at the rate specified in Section 26 hereof from the payment date specified in such notice to the date of actual payment): (i) an amount, with respect to each Item of Equipment,

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equal to the excess, if any, of the Basic Rent payable for such Item of Equipment for the remainder of the then current Term, over the fair market rental value of such Item of Equipment for the remainder of the then current Term, after discounting such excess to present worth as of the payment date specified in such notice at 6% per annum; or (ii) an amount, with respect to each Item of Equipment, equal to the excess, if any, of the Casualty Loss Value of such Item of Equipment computed as of the Rent Payment Date next preceding the payment date specified in such notice, over the fair market sales value of the Equipment as of the payment date specified in such notice; and

(e) Lessor may exercise any other right or remedy which may be available to it under applicable law or proceed by appropriate court action to enforce the terms hereof or to recover damages for the breach hereof or to rescind this Lease.

In addition, Lessee shall be liable, except as otherwise provided above, for any and all unpaid Rent and unpaid Supplemental Payments due hereunder before or during the exercise of any of the foregoing remedies and for all costs and expenses, including attorney's fees incurred by Lessor or any Assignee or Lender 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 the Equipment in accordance with Section 6 hereof or in placing the Equipment in the condition required by said Section. For the purpose of subsection (d) above, the "fair market rental value" or the "fair market sales value" of the Equipment shall mean such value as has been determined by an independent qualified appraiser selected by Lessor. Except as otherwise expressly provided above, no remedy referred to in this Section 24 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 beginning of exercise by Lessor of any one or more of such remedies shall not constitute the exclusive election of such remedies and 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.

25. Lessor's Right to Perform for Lessee. If Lessee fails to make any Supplemental Payment required to be made by it hereunder or fails to perform or comply with any of its agreements contained herein, Lessor may itself, after notice to Lessee, make such payment or perform or comply with such agreement, and the amount of such payment and the amount of the reasonable 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 at the rate specified in Section 26 hereof, shall, if not paid by Lessee to Lessor on demand, be deemed a Supplemental Payment hereunder; provided, however, that no such Payment, performance or compliance by Lessor shall be deemed to cure any Event of Default hereunder.

26. Late Charges. Lessee shall pay to Lessor, upon demand, to the extent permitted by applicable law, interest on any installment of Basic Rent or Interim Rent not paid when due, and on any Supplement Payment or other amount payable under this Lease which is not paid when due, for any period for which any of the same is overdue (without regard to any grace period) at a rate equal to the lesser of (a) twenty percent (20%) per annum, or (b) the maximum rate of interest permitted by law.

27. Further Assurances; Filing. Lessee will promptly and duly execute and deliver to Lessor and any Assignee and Lender such other documents and assurances, including, without limitation, such amendments to this Lease as may be reasonably required by Lessor and by any Assignee or Lender, and Uniform Commercial Code financing statements and continuation statements, and will take such further action as Lessor or any Assignee or Lender may from time to time reasonably request in order to carry out more effectively the intent and purposes of this Lease and to establish and protect the rights and remedies created or intended to be created in favor of Lessor and of any Assignee and/or Lender and their respective rights, title and interests in and to the Equipment. Upon the execution of this Lease, Lessee will cause this Lease to be duly filed, registered or recorded with the Interstate Commerce Commission in accordance with Section 11303(a) of the Interstate Commerce Act and in such other places within or without the United States as the Lessor may reasonably request and will furnish the Lessor proof thereof. Lessee will pay all costs, charges and expenses incident to any such filing, registering and recording.

28. Notices. All notices provided for or required under the terms and provisions hereof shall be in writing, and any such notice shall be deemed given when personally delivered or when deposited in the United States mails, with proper postage prepaid, for first class certified mail, return receipt requested, addressed (i) if to Lessor or Lessee, at their respective addresses as set forth herein or at such other address as either of them shall, from time to time, designate in writing to the other, and (ii) if to any Assignee or Lender, to the address of such Assignee or Lender as such Assignee or Lender shall designate in writing to Lessor and Lessee.

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(a) Lessee's Renewal Option. If (i) no Event of Default shall have occurred and be continuing and (ii) this Lease shall not have been earlier terminated, Lessee shall be entitled, at its option upon written notice to Lessor, as hereinafter provided, to renew this Lease with respect to all, but not less than all, Items of Equipment then subject to this Lease for five (5) Renewal Terms of twelve (12) months each. The first Renewal Term with respect to each such Item of Equipment will commence at the expiration of the Basic Term of such Item, and each succeeding Renewal Term will commence at the expiration of the next preceding Renewal Term. All of the provisions of this Lease shall be applicable during each Renewal Term for each such Item of Equipment, except that, during each Renewal Term, Basic Rent shall be the fair market rental value thereof determined in accordance with Section 29(c) hereof, and said Basic Rent shall be payable monthly during each Renewal Term, on the first day of each month. If Lessee intends to exercise said renewal option with respect to any of said Renewal Terms, Lessee shall give written notice to Lessor to such effect at least one hundred eighty (180) days prior to the expiration of the Basic Term of the Item(s) of Equipment whose Basic Term first expires hereunder, in the case of the first Renewal Term, and ninety (90) days prior to the expiration of the then current Renewal Term of the Item(s) of Equipment whose Basic Term first expires hereunder in the case of the then next succeeding Renewal Term. If Lessee fails to give such written notice to Lessor with respect to any of said Renewal Terms, it shall be conclusively presumed that Lessee has elected not to exercise said renewal option with respect to said Renewal Term, in which case (unless Lessee has exercised its purchase option under Section 29(b) hereof) each such Item of Equipment shall be returned to Lessor in accordance with the provisions of Section 6 hereof.

(b) Lessee's Purchase Option.

(A) During the Term. If no Event of Default shall have occurred and be continuing, and this Lease shall not have been earlier terminated, Lessee shall be entitled, at its option, upon thirty (30) days prior written notice to Lessor, to purchase any Item of Equipment on or after the twenty-fourth (24th) monthly Rent Payment Date therefor if such Item is obsolete or no longer needed or useful in Lessee's business (as certified by Lessee in said prior written notice from Lessee to Lessor, which written notice shall be signed on Lessee's behalf by its chief financial or operating officer) by paying to Lessor on the Rent Payment Date next following said written notice an amount (payable in immediately available funds) equal to the sum of (i) the Basic Rent payable for such Item on said Rent Payment Date plus (ii) an amount equal to the greater of (x) the fair market sales value of such Item on said Rent payment Date or (y) the Casualty Loss Value of such Item as of said Rent Payment Date (after giving effect to the payment of Basic Rent made thereon), plus (iii) any applicable sales, excise or other taxes imposed as a result of such sale (other than gross or net income taxes attributable thereto). Lessor's sale of each such Item shall be on an as-is, where-is basis, without any representations by, or recourse to, Lessor. For purposes hereof, fair market sales value of an Item of Equipment shall be determined by mutual agreement of Lessor and Lessee, and failing such agreement, by and subject to the provisions of the appraisal procedure specified in Section 29(c) hereof.

(B) After the Expiration of the Term. If (i) no Event of Default shall have occurred and be continuing, and (ii) this Lease shall not have been earlier terminated, Lessee shall be entitled, at its option, upon written notice to Lessor, as hereinafter provided, to purchase all, but not less than all, Items of Equipment then subject to this Lease, on the date immediately following the date of the expiration of the Basic Term of each such Item of Equipment or, as the case may be, the expiration of the then Renewal Term of each such Item of Equipment, for an amount, with respect to each Item of Equipment, payable in immediately available funds, equal to the fair market sales value thereof determined in accordance with Section 29(c) hereof, plus any applicable sales, excise or other taxes imposed as a result of such sale (other than gross or net income taxes attributable to such sale). Lessor's sale of each Item of Equipment shall be on an as-is, where-is basis, without any representation by, or recourse or warranty to, Lessor. If Lessee intends to exercise said purchase option, Lessee shall give written notice to Lessor to such effect at least one hundred eighty (180) days prior to the expiration of the Basic Term of the Item(s) of Equipment whose Basic Term first expires hereunder, or, if Lessee has renewed this Lease pursuant to Section 29(a) hereof, then at least ninety (90) days prior to the expiration of the then current Renewal Term of the Item(s) of Equipment whose Basic Term first expires hereunder. If Lessee fails to give such written notice to Lessor as aforesaid, Lessor shall be entitled to presume that Lessee has elected not to exercise said purchase option, in which case, unless Lessor otherwise agrees in writing, each such Item of Equipment shall be returned to Lessor in accordance with the provisions of Section 6 hereof. If, with respect to any Item of Equipment, the payment of the purchase option amount specified in the first sentence of this Section 29(b) is made to Lessor on a date subsequent to the payment date specified in said sentence and Lessor agrees in writing to accept such payment on such later date, Basic Rent for such Item shall accrue (at the same Basic Rent that was payable for such Item on the last Rent Payment Date of the Basic Term or then current Renewal Term, as applicable, of such Item)

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for each full and partial calendar month during the period from the payment date specified in said sentence to the actual date of such payment, both dates inclusive, and the total of said accrued Basic Rent shall be paid by Lessee to Lessor at the time of the payment of said purchase option amount.

(c) Determination of Fair Market Sales Value and Fair Market Rental Value; Appraisal Procedure. If Lessee has elected to exercise its renewal option, as provided in Section 29(a) hereof, or has elected to exercise its purchase option, as provided in Section 29(b) hereof, then as soon as practicable following Lessor's receipt of the written notice from Lessee of Lessee's intent to exercise such option, Lessor and Lessee shall consult for the purpose of determining the fair market rental value or fair market sales value, as the case may be, of each Item of Equipment as of the end of the Basic Term thereof, or, if this Lease has been renewed pursuant to Section 29(a) hereof, then as of the end of the then current Renewal Term thereof, and any values agreed upon in writing shall constitute such fair market rental value or fair market sales value of each such Item of Equipment for the purposes of this Section 29. If Lessor and Lessee fail to agree upon such values prior to four (4) months before the expiration of the Basic Term, or, if this Lease has been so renewed, two (2) months before the expiration of the then current Renewal Term, of the Item(s) of Equipment whose Basic Term first expires hereunder, either party may request, by written notice to the other, that such values be determined by the appraisal procedure hereinafter specified, and Lessee agrees to pay the costs and expenses of all appraisers required in connection with said appraisal procedure. For all purposes of this Section 29, fair market sales value and fair market rental value shall be determined on the basis of, and shall equal in value, the amount which would obtain in an arm's length transaction between an informed and willing buyer-user or lessee (other than a lessee currently in possession and a used equipment or scrap dealer) and an informed and willing seller or lessor under no compulsion to sell or lease, and in such determination, costs of removal from the location of current use shall not be a deduction from such value, and it shall be assumed (whether or not the same be true) that the Equipment has been maintained in accordance with the requirements of Section 11 hereof and would have been returned to Lessor in compliance with the requirements of Section 6 hereof. In the event Lessor and Lessee fail to agree upon such fair market sales value or fair market rental value, as the case may be, of the Equipment or any Item of the Equipment, and either Lessor or Lessee shall have given the other written notice requesting determination of such values, Lessor and Lessee shall consult for the purpose of appointing a qualified independent appraiser by mutual agreement. If no such appraiser is so appointed within 10 Business Days after such notice is given, each party shall appoint an independent appraiser within 15 Business Days after such notice is given, and the two appraisers so appointed shall within 20 Business Days after such notice is given appoint a third independent appraiser. If no such third appraiser is appointed within 20 Business Days after such notice is given, either party may apply to any court having jurisdiction to make such appointment, and both parties shall be bound by any appointment made by such court. Any appraiser or appraisers appointed pursuant to the foregoing procedure shall be instructed to determine the fair market sales value and/or the fair market rental value, as the case may be, of the Equipment within 60 days after the appointment of such appraiser(s). If the parties shall have appointed a single appraiser, his or her determination of value shall be final. If three appraisers shall be appointed, the values determined by the three appraisers shall be averaged, and, unless such average shall equal the value determined by the middle appraisal (in which event such average shall be final), the determination which differs most from such average shall be excluded, the remaining two determinations shall be averaged and such average shall be final.

30. Financial Information. Lessee agrees to furnish Lessor (a) as soon as available, and in any event within 120 days after the last day of each fiscal year of Lessee, a copy of the consolidated balance sheet of Lessee and its consolidated subsidiaries as of the end of such fiscal year, and related consolidated statements of income and retained earnings of Lessee and its consolidated subsidiaries for such fiscal year, certified by an independent certified public accounting firm of recognized standing, each on a comparative basis with corresponding statements for the prior fiscal year, and a copy of Lessee's form 10-K filed with the Securities and Exchange Commission for such fiscal year; (b) within 45 days after the last day of each fiscal quarter of Lessee, a copy of Lessee's form 10-Q filed with the Securities and Exchange Commission for such quarterly period; (c) contemporaneously with its transmittal to each stockholder of Lessee and to the Securities and Exchange Commission, all such other financial statements and reports as Lessee shall send to its stockholders and to the Securities and Exchange Commission; (d) as soon as available to Lessee, the notice of any adjustment resulting from any audit of the books and/or records of Lessee by any taxing authority having jurisdiction over Lessee; and (e) such additional financial information as Lessor may reasonably request concerning Lessee.

31. Expenses. Lessee agrees, whether or not the transactions contemplated by this Lease are consummated, to reimburse Lessor for the payment of lien searches, filing and recording fees, and fees and expenses relating to the titling and registration of any Item(s) of Equipment incurred by Lessor in connection with the negotiation and documentation of this Lease and other related instruments and documents.

LAW DEPT. C. D.
UNION PACIFIC
- OMAHA -

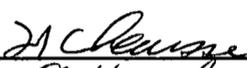
32. Miscellaneous. Any provision of this Lease which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating or diminishing Lessor's rights under the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. No term or provision of this Lease may be amended, altered, waived, discharged or terminated orally, but may be amended, altered, waived, discharged or terminated only by an instrument in writing signed by a duly authorized officer of the party against which the enforcement of the amendment, alteration, waiver, discharge or termination is sought. A waiver on any one occasion shall not be construed as a waiver on a future occasion. All of the covenants, conditions and obligations contained in this Lease shall be binding upon and shall inure to the benefit of the respective successors and assigns of Lessor and (subject to the restrictions of Section 14(a) hereof) Lessee. If there is more than one Lessee named herein, the liability of each Lessee shall be joint and several. This Lease, each Lease Supplement and each related instrument, document, agreement and certificate, collectively constitute the entire agreement of Lessor and Lessee with respect to the acquisition and leasing of the Equipment, and cancel and supersede any and all prior oral or written understandings with respect thereto. This Lease shall in all respects be governed by, and construed in accordance with, the laws of the Commonwealth of Massachusetts, including all matters of construction, validity and performance.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be duly executed by their duly authorized representatives as of the date first written above.

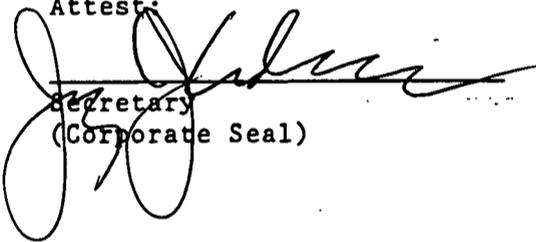
Attest:


Assistant Clerk
(Corporate Seal)

NEMLC LEASING CORPORATION
(Lessor)

By 
Title: R. V. PASTORE

Attest:


Secretary
(Corporate Seal)

MISSOURI PACIFIC TRUCK LINES, INC.
(Lessee)

By _____
Title: _____

LAW DEPT. C. D.
UNION PACIFIC
- OMAHA -

EXHIBIT A TO EQUIPMENT LEASING AGREEMENT

| <u>Type of Equipment</u> | <u>AAR Reporting Marks and Numbers</u> | <u>Maximum Acquisition Cost</u> | <u>Number of Months in Basic Term</u> | <u>Basic Rent Percentage*</u> | <u>Interim Rent Percentage*</u> |
|---|--|---------------------------------|---------------------------------------|-------------------------------|---------------------------------|
| New Thrall Mark V Trailers | NERZ 480000 - 480175 | \$4,500,000 | 96 | 1.30241% | .0434136% |
| New Railroader Rail Bogies and Adapters | NETX 870001 - 870100 NEAX 000001 - 000004 | \$1,900,000 | 120 | 1.25699% | .0418996% |

*percentage of Acquisition Cost

MISSOURI PACIFIC TRUCK LINES, INC.

(lessee)

By: Donald Clark

Title: Chairman & CEO

NEMLC LEASING CORPORATION

(Lessor)

By: Dr. Clark

Title: SR Vice President

LAW DEPT. C. D.
UNION PACIFIC
OMAHA ✓

EXHIBIT B TO EQUIPMENT LEASING AGREEMENT

LEASE SUPPLEMENT NO. _____

This Lease Supplement is executed pursuant to, and incorporates by reference all of the terms, conditions and provisions of, the Equipment Leasing Agreement dated as of _____, 198__ between the undersigned Lessor and Lessee (herein, as amended and supplemented from time to time, called the "Lease"). Lessee hereby (a) acknowledges and certifies that each Item of Equipment described below or on any Schedule attached hereto has been selected by, delivered to, and inspected by, Lessee, and that as between Lessor and Lessee, each such Item is of a size, design, capacity and manufacture acceptable to and suitable for Lessee's purposes, has been installed to Lessee's satisfaction, and is in good working order, repair and condition; and (b) unconditionally accepts each such Item for lease under the Lease on the date hereof. Lessor and Lessee hereby agree that each Item of Equipment described below or on any Schedule attached hereto is hereby leased from Lessor to Lessee under and subject to all of the terms, conditions and provisions of the Lease; that the Term of each such Item commences on the date hereof and that such date is the Acceptance Date thereof; that the amount of the Acquisition Cost, Interim Rent and Basic Rent for all Items covered by this Lease Supplements and the Interim Term and Basic Term thereof, is as set forth below, and the amount of the Acquisition Cost of any Item listed on any Schedule attached hereto is as set forth therein. Lessee certifies that its representations and warranties set forth in Section 22 of the Lease are true and correct on the date hereof. All capitalized terms used herein which are not defined herein shall have the meaning given to such terms in the Lease.

- 1. Description of Item(s) of Equipment (include make, model, serial number and quantity):

- 2. AAR REPORTING MARKS AND NUMBERS: _____

- 3. Acquisition Cost: \$ _____

- 4. Interim Term: commencing on date hereof and ending on _____, 19__.

- 5. Basic Term: _____ () months, commencing on _____, 19__, and ending on _____, 19__.

- 6. Interim Rent for Interim Term: \$ _____ (plus applicable sales/use tax) and payable on _____, 19__.

- 7. Basic Rent payable during Basic Term: \$ _____ (plus applicable sales/use tax) payable on each Rent Payment Date in _____ during Basic Term, commencing on _____, 198__.

Dated: _____, 198__.

COUNTERPART NO. _____ OF _____
SERIALLY NUMBERED MANUALLY EXECUTED
COUNTERPARTS. TO THE EXTENT IF ANY
THAT THIS DOCUMENT CONSTITUTES
CHattel PAPER UNDER THE UNIFORM
COMMERCIAL CODE, NO SECURITY INTEREST
IN THIS DOCUMENT MAY BE CREATED
THROUGH THE TRANSFER AND POSSESSION
OF ANY COUNTERPART OTHER THAN
COUNTERPART NO. 1.

NEMLC LEASING CORPORATION (Lessor)

By DR [Signature]
Title: DR [Signature]

MISSOURI PACIFIC TRUCK LINES, INC. (Lessee)

By _____
Title: _____

[Signature]
Lessee's Initials

Lessor's Initials

LAW DEPT. C. D.
UNION PACIFIC
OMAHA

SCHEDULE OF CASUALTY LOSS VALUES

[For Equipment of the following type(s): New Thrall Mark V Trailers the Lease Supplement for which is dated a date subsequent to December 31, 1967]

| <u>Rent Payment Date Number</u> | <u>Percentage of Acquisition Cost (after payment of rent on corresponding rent payment date)</u> | <u>Rent Payment Date Number</u> | <u>Percentage of Acquisition Cost (after payment of rent on corresponding rent payment date)</u> |
|-------------------------------------|--|-------------------------------------|--|
| 1 | 104.52294 | 49 | 70.43889 |
| 2 | 103.52409 | 50 | 69.53709 |
| 3 | 103.32100 | 51 | 68.75127 |
| 4 | 102.71564 | 52 | 67.89947 |
| 5 | 102.10192 | 53 | 67.04185 |
| 6 | 101.48899 | 54 | 66.17779 |
| 7 | 100.88564 | 55 | 65.30781 |
| 8 | 100.24090 | 56 | 64.43170 |
| 9 | 99.61174 | 57 | 63.54928 |
| 10 | 98.97813 | 58 | 62.66085 |
| 11 | 98.34003 | 59 | 61.76504 |
| 12 | 97.69742 | 60 | 60.86491 |
| 13 | 97.05026 | 61 | 59.95742 |
| 14 | 96.39852 | 62 | 59.04352 |
| 15 | 95.74216 | 63 | 58.12317 |
| 16 | 95.08117 | 64 | 57.19631 |
| 17 | 94.41549 | 65 | 56.26292 |
| 18 | 93.74511 | 66 | 55.32293 |
| 19 | 93.06999 | 67 | 54.37631 |
| 20 | 92.39009 | 68 | 53.42301 |
| 21 | 91.70538 | 69 | 52.46299 |
| 22 | 91.01583 | 70 | 51.49617 |
| 23 | 90.32140 | 71 | 50.52254 |
| 24 | 89.62203 | 72 | 49.54203 |
| 25 | 88.91777 | 73 | 48.55461 |
| 26 | 88.20850 | 74 | 47.56021 |
| 27 | 87.49421 | 75 | 46.55820 |
| 28 | 86.77488 | 76 | 45.54832 |
| 29 | 86.05048 | 77 | 44.53473 |
| 30 | 85.32092 | 78 | 43.51197 |
| 31 | 84.58631 | 79 | 42.48199 |
| 32 | 83.84632 | 80 | 41.44474 |
| 33 | 83.10119 | 81 | 40.40018 |
| 34 | 82.35060 | 82 | 39.34824 |
| 35 | 81.59510 | 83 | 38.28899 |
| 36 | 80.83405 | 84 | 37.22206 |
| 37 | 80.06764 | 85 | 36.14770 |
| 38 | 79.29590 | 86 | 35.06577 |
| 39 | 78.51891 | 87 | 33.97620 |
| 40 | 77.73572 | 88 | 32.87895 |
| 41 | 76.94740 | 89 | 31.77395 |
| 42 | 76.15391 | 90 | 30.66117 |
| 43 | 75.35401 | 91 | 29.54054 |
| 44 | 74.54895 | 92 | 28.41200 |
| 45 | 73.73803 | 93 | 27.27550 |
| 46 | 72.92146 | 94 | 26.13099 |
| 47 | 72.09912 | 95 | 24.97841 |
| 48 | 71.27099 | 96 | 23.82000 |

and each Rent Payment
Date thereafter

During the Interim Term, the Casualty Loss Value is 105.11758% of Acquisition Cost.

✓ MHW
Lessee's Initials

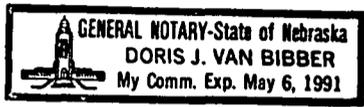
JAC
Lessor's Initials

LAW DEPT. C. D.
UNION PACIFIC
- OMAHA -

LAW DEPT. C. D.
UNION PACIFIC
— OMAHA —

STATE OF NEBRASKA)
County of DOUGLAS) SS.:

On this 19th day of February 1988, before me personally appeared Michael Walsh, to me personally known, who, being by me duly sworn, says that he is a Chairman & CEO of Missouri Pacific Truck Lines, Inc. that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.



Doris J. Van Bibber
Notary

[Notarial Seal]

My Commission expires: may 6, 1991

STATE of Massachusetts)
County of Suffolk) SS.:

On this 22nd day of February 1988, before me personally appeared Leo R. Charose, to me personally known, who, being by me duly sworn, says that he is a Senior Vice President of MEMC LEASING CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Mark G. Helman
Notary

[Notarial Seal]

My Commission expires: 7/24/92

EQUIPMENT LEASING AGREEMENT dated as of January 10, 1988 (herein, as amended and supplemented from time to time, called "this Lease"), between NEMLC Leasing Corporation, a Massachusetts corporation (herein called "Lessor"), having its principal place of business at 28 State Street, Boston, Massachusetts 02109, and Missouri Pacific Truck Lines, Inc. a Texas corporation (herein called "Lessee"), having its principal place of business at 210 N. 13th Street, St. Louis, MO 63103.

In consideration of the mutual covenants and agreements hereinafter set forth, the parties hereto agree as follows:

1. Definitions. Unless the context otherwise requires, the following terms shall have the following meanings for all purposes of this Lease and shall be equally applicable to both the singular and the plural forms of the terms herein defined:

"Acquisition Cost" of each Item of Equipment means an amount equal to the sum of (i) the total cost paid by Lessor for or in connection with such Item, plus (ii) all excise, sales and use taxes paid by Lessor on or with respect to the acquisition of such Item, plus (iii) all costs and expenses approved and paid by Lessor in connection with the delivery and installation of such Item.

"Additional Rent" shall have the meaning given to such term in Section 11.

"Acceptance Date" for each Item of Equipment means the date on which Lessee has unconditionally accepted such Item for lease hereunder, as evidenced by Lessee's execution and delivery of a Lease Supplement for such Item dated such date.

"Acquisition Expiration Date" means March 31, 1988.

"Assignee" and "Lender" shall each have the respective meanings given such terms in Section 14(b) hereof.

"Basic Rent" means the rent payable for the Equipment during (i) the Basic Term thereof pursuant to Section 7(b) hereof, and (ii) each Renewal Term thereof pursuant to Section 29(a) hereof.

"Basic Term" for each Item of Equipment means the period consisting of the number of months set forth opposite the description of the type of Equipment to which such Item relates on Exhibit A attached hereto and made a part hereof.

"Business Day" means any day other than a day on which banking institutions in the Commonwealth of Massachusetts are authorized by law to close;

"Casualty Loss Value" of each Item of Equipment shall have the meaning given to such term in Section 16(b) hereof.

"Code" means the Internal Revenue Code of 1986, as the same may be amended from time to time, or any comparable successor law.

"Equipment" means the equipment of the type(s) described on Exhibit A attached hereto and made a part hereof and leased or to be leased by Lessor to Lessee hereunder or ordered by Lessor for lease to Lessee hereunder, together with any and all accessions, additions, improvements and replacements from time to time incorporated or installed therein which are the property of Lessor pursuant to the terms of this Lease.

"Event of Default" means any of the events referred to in Section 23 hereof.

"Event of Loss" with respect to any Item of Equipment means the loss of such Item of Equipment or any substantial part thereof or of the use thereof due to theft or disappearance for a period in excess of 45 days during the Term, or existing at the expiration or earlier termination of the Term, or the destruction, damage beyond repair, or rendition of such Item of Equipment or any substantial part thereof permanently unfit for normal use for any reason whatsoever, or the condemnation, confiscation, seizure, or requisition of use or title to such Item of Equipment or any substantial part thereof by any governmental authority under the power of eminent domain or otherwise.

"Interim Rent" means the rent payable for the Equipment for the Interim Term pursuant to Section 7(a) hereof.

"Interim Term" for each Item of Equipment means the period commencing on the Acceptance Date for such Item, unless the Acceptance Date is the first day of a calendar month, in which case there shall be no Interim Term for such Item.

"Item of Equipment" or "Item" means a single unitary item of the Equipment.

MASSACHUSETTS
5651
MAY 26 1988-3 35 PM
INTERSTATE COMMERCE COMMISSION

"Lease Supplement" means a Lease Supplement substantially in the form attached hereto as Exhibit B, to be executed by Lessor and Lessee with respect to an Item or Items of Equipment as provided in Section 4 hereof, evidencing that such Item or Items are leased hereunder.

"Lien" means liens, mortgages, encumbrances, pledges, charges and security interests of any kind.

"Maximum Acquisition Cost" means, with respect to each type of Equipment described on said Exhibit A, the amount set forth opposite such type of Equipment on said Exhibit.

"Person" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, trustee(s) of a trust, unincorporated organization, or government or governmental authority, agency or political subdivision thereof.

"Regulations" mean the Income Tax Regulations promulgated under the Code.

"Renewal Term" for each Item of Equipment means each period following the end of the Basic Term for such Item with respect to which Lessee has the option to renew this Lease pursuant to Section 29(a) hereof.

"Rent" means Interim Rent, Basic Rent and Additional Rent.

"Rent Payment Date" for each Item of Equipment means (i) for the Basic Term thereof, each date on which a payment of Basic Rent is due and payable for such Item as provided in Section 7(b) hereof, (ii) for the Interim Term thereof (if any), the first Rent Payment Date for the Basic Term of such Item, and (iii) for each Renewal Term thereof, each date on which a payment of Basic Rent is due and payable for such Item as provided in Section 29(a) hereof.

"Rental Period" for each Item of Equipment means (i) for the Basic Term of such Item, each full calendar month for which Basic Rent is payable for such Item as provided in Section 7(b) hereof, (ii) for the Interim Term of such Item, the period from and inclusive of the Acceptance Date for such Item to, but not inclusive of, the first day of the Basic Term of such Item, and (iii) for each Renewal Term of such Item, each month for which Basic Rent is payable for such Item during such Renewal Term.

"Reserve Fund" means the reserve fund referred to in Section 11 hereof and into which payments of Additional Rent are to be made by Lessee as specified in Section 11 hereof.

"Supplemental Payment" means all accounts, liabilities and obligations which Lessee assumes or agrees to pay hereunder to Lessor or others, including payments of Casualty Loss Value and indemnities, but excluding Basic Rent and Interim Rent.

"Term" means the full term of the Lease with respect to each Item of Equipment, including the Interim Term (if any), the Basic Term, and each Renewal Term.

The words "this Lease", "herein", "hereunder", "hereof" or other like words mean and include this Equipment Leasing Agreement and each Lease Supplement, and each amendment and supplement hereto and thereto.

2. Lessor's Ownership; Agreement for Lease of Equipment. Lessor and Lessee hereby agree that, subject to and upon all of the terms and conditions of this Lease, Lessor shall purchase and lease the Equipment to Lessee, and Lessee shall lease the Equipment from Lessor, for the Term thereof. Provided that no Event of Default has occurred and is continuing hereunder, Lessor agrees that it shall not interfere with Lessee's quiet enjoyment and use of any Item of Equipment leased hereunder during the Term thereof.

3. Conditions Precedent. Lessor shall have no obligation to purchase any Item of Equipment and Lessor shall have no obligation to lease the same to Lessee unless each of the following conditions are fulfilled to the satisfaction of Lessor: (i) no event which is (or with notice or lapse of time or both would become) an Event of Default has occurred and is continuing; (ii) no material adverse change in the financial condition of Lessee (or of any guarantor of Lessee's obligations hereunder) since September 30, 1987, which would impair the ability of Lessee to pay and perform its obligations under this Lease (or of such guarantor to pay and perform such obligations) has occurred; (iii) such Item of Equipment is acceptable to Lessor and Lessee, and is free of all Liens, other than any Lien specifically excepted in Section 15 hereof; (iv) the Acceptance Date for such Item of Equipment, and the date on which the purchase price for such Item is to be paid by Lessor to the vendor thereof, is a date between and inclusive of the date hereof and the Acquisition Expiration Date; (v) the Acquisition Cost of such Item of Equipment, when added to the total Acquisition Cost of all Equipment theretofore purchased by Lessor for

lease hereunder, will not be such an amount so as to cause the total Acquisition Cost of all Equipment of the type to which such Item relates to exceed the Maximum Acquisition Cost applicable to such type of Equipment, or the total Acquisition Cost of all Equipment of all types to exceed \$6,900,000; (vi) Lessor has received an invoice for such Item of Equipment from the seller thereof, approved for payment by Lessee, showing Lessor as the purchaser of such Item, and a Lease Supplement for such Item, duly executed by Lessee, and dated the Acceptance Date for such Item; and (vii) Lessor shall have received such other documents, appraisals, opinions, certificates and waivers, in form and substance satisfactory to Lessor, as Lessor may require.

4. Delivery and Acceptance of Equipment. Lessor shall not be liable to Lessee for any failure or delay in obtaining any Item of Equipment or making delivery thereof. Forthwith upon delivery of each Item of Equipment to Lessee, Lessee will inspect such Item, and unless Lessee gives Lessor prompt written notice of any defect in or other proper objection to such Item, Lessee shall promptly upon completion of such inspection execute and deliver to Lessor a Lease Supplement for such Item, dated the Acceptance Date of such Item, and evidencing Lessee's unconditional acceptance of such Item for lease hereunder. The execution by Lessor and Lessee of a Lease Supplement shall evidence that the Item or Items of Equipment covered thereby is or are leased under, and is or are subject to all of the terms, provisions and conditions of, this Lease.

5. Term. The Interim Term (if any) for each Item of Equipment shall commence on the Acceptance Date thereof, and, unless sooner terminated pursuant to the provisions hereof, shall end on the date immediately prior to the first day of the Basic Term thereof. The Basic Term for each Item of Equipment shall commence on the first day of the calendar month next following the Acceptance Date of such Item of Equipment, or, if such Acceptance Date is the first day of a calendar month, shall commence on the Acceptance Date of such Item of Equipment, and, unless this Lease is sooner terminated with respect to such Item (or all Equipment) pursuant to the provisions hereof, shall end on the date specified therefor in the Lease Supplement for such Item. If not sooner terminated pursuant to the provisions hereof, the Term for each Item of Equipment shall end on the last day of the Basic Term thereof, or if this Lease is renewed pursuant to Section 29(a) hereof, on the last day of the last Renewal Term thereof.

6. Return of Equipment. Upon the expiration or earlier termination of the Term with respect to each Item of Equipment (and provided, in the case of the expiration of the Term, that Lessee has not exercised its purchase option under Section 29(b) hereof), Lessee will, at its expense, surrender and deliver possession of each Item of Equipment to Lessor at Lessee's yards in Dallas, Texas, Chicago, Illinois or any other point on lines of Lessee's affiliates as may be agreed between the parties hereto. At the time of such return to Lessor, each Item of Equipment (and each part or component thereof) shall (i) be in good operating order, and in the repair and condition as when originally delivered to Lessee, ordinary wear and tear from proper use thereof excepted, (ii) be capable of being immediately assembled and operated by a third party purchaser or third party lessee in the same industry as Lessee, and in accordance and compliance with any and all statutes, laws, ordinances, rules and regulations of any Federal, state or local governmental body, agency or authority applicable to the use and operation of such Item of Equipment, and (iii) be free and clear of all Liens, other than any Lien of the type specified in Section 15(i) or (ii) hereof. In the event there is a dispute as to the condition of any Item of Equipment at the time of return, said Item shall be inspected by an independent third party appraiser agreed upon by the parties, and such appraiser's determination as to the condition of said Item shall be binding on the parties. If any Item of Equipment is originally equipped with tires, such Item shall, in addition to satisfying the requirements of the preceding sentence, be returned with all tires installed thereon, with each tire having at least 25% or more tread remaining thereon. Until each such Item of Equipment has been returned to Lessor as provided in this Section 6, Lessee shall continue to pay Lessor the same Basic Rent for such Item that was payable on the last Rent Payment Date of the Term thereof prorated for any partial month. The provisions of this Section 6 are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises, Lessor shall be entitled to a decree against Lessee requiring specific performance of the covenants of Lessee set forth in this Section 6.

7. Rent.

(a) Interim Rent. Lessee hereby agrees to pay Lessor Interim Rent for each Item of Equipment as to which there is an Interim Term, payable on the Rent Payment Date of the Interim Term for such Item, in the amount obtained by multiplying (i) the Acquisition Cost of such Item of Equipment by (ii) the percentage set forth (under the Interim Rent Percentage heading) opposite the number of months and type of Equipment to which such Item relates on said Exhibit A attached hereto, by (iii) the number of days from and including the Acceptance Date for such Item of Equipment through the end of the Interim Term for such Item.

(b) Basic Rent. Lessee hereby agrees to pay Lessor Basic Rent for each Item of Equipment during the Basic Term thereof, monthly in advance, on the first day of each calendar month of the Basic Term thereof, in an amount equal to the percentage of the Acquisition Cost of such Item of Equipment set forth (under the Basic Rent Percentage heading) opposite the number of months and type of Equipment to which such Item relates on said Exhibit A attached hereto.

(c) Additional Rent. Lessee hereby also agrees to pay Lessor as Additional Rent an amount for maintenance as specified in Section 11 hereof.

(d) Supplemental Payments. Lessee also agrees to pay to Lessor, or to whomsoever shall be entitled thereto as expressly provided herein, all Supplemental Payments, promptly as the same shall become due and owing, and in the event of any failure on the part of Lessee so to pay any such Supplemental Payment hereunder Lessor shall have all rights, powers and remedies provided for herein or by law or equity or otherwise in the case of nonpayment of Rent.

(e) Method of Payment. All payments of Rent and Supplemental Payments required to be made by Lessee to Lessor shall be made in good funds. In the event of any assignment to a Lender pursuant to Section 14(b) hereof, all payments which are assigned to such Lender, whether Rent, Supplemental Payments or otherwise, shall be paid in such manner as shall be designated by such Lender. Time is of the essence in connection with the payment of Rent and Supplemental Payments.

8. Net Lease. This Lease is a net lease and Lessee acknowledges and agrees that Lessee's obligations hereunder, including, without limitation, its obligations to pay all Rent and Supplemental Payments payable hereunder, shall be absolute and unconditional under any and all circumstances (excepting a failure of Lessor to pay the vendor of any Equipment the purchase price thereof, if all conditions precedent to Lessor's purchase thereof have otherwise been satisfied) and shall be paid without notice or demand and without any abatement, reduction, diminution, setoff, defense, counterclaim or recoupment whatsoever, including, without limitation, any abatement, reduction, diminution, setoff, defense, counterclaim or recoupment due or alleged to be due to, or by reason of, any past, present or future claims which Lessee may have against Lessor, any Assignee, any Lender, any vendor or manufacturer of the Equipment or any part or Item thereof or any other Person for any reason whatsoever; nor, except as otherwise expressly provided herein, shall this Lease terminate, or the obligations of Lessee be otherwise affected, by reason of any defect in the Equipment or any part or Item thereof, the condition, design, operation or fitness for use thereof, any damage to, or any loss or destruction of, the Equipment or any part or Item thereof, any Liens or rights of others with respect to the Equipment or any part or Item thereof, any prohibition or interruption of or other restriction against Lessee's use, operation or possession of the Equipment or any part or Item thereof, for any reason whatsoever, or any interference with such use, operation or possession by any Person or entity, or by reason of any failure by Lessor to perform any of its obligations herein contained, or by reason of any other indebtedness or liability, howsoever and whenever arising, of Lessor, or of any Assignee, any Lender, or of Lessee to any other Person, or by reason of insolvency, bankruptcy or similar proceedings by or against Lessor, any Assignee, any Lender or Lessee, or for any other reason whatsoever, whether similar or dissimilar to any of the foregoing, any present or future law to the contrary notwithstanding; it being the intention of the parties hereto that all Rent and Supplemental Payments payable by Lessee hereunder shall continue to be payable in all events and in the manner and at the times herein provided, without notice or demand, unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease.

9. Lessor's Title; Equipment to be and Remain Personal Property. Title to the Equipment shall at all times remain in Lessor and at no time during the Term shall title become vested in Lessee. This Lease is and is intended to be a true lease and not a lease intended as security or a lease in the nature of a security interest. Lessee shall acquire no right, title or interest in or to the Equipment, except the right to use the same pursuant to the terms of this Lease. It is the intention and understanding of both Lessor and Lessee, and Lessee shall take all such actions as may be required to assure, that the Equipment shall be and at all times remain personal property, notwithstanding the manner in which the Equipment may be attached or affixed to realty. Lessee shall obtain and record such instruments and take such steps as may be necessary to prevent any Person from acquiring any rights in the Equipment by reason of the Equipment being claimed or deemed to be real property. Upon request by Lessor, Lessee shall obtain and deliver to Lessor valid and effective waivers, in recordable form, by the owners, landlords and mortgagees of the real property upon which the Equipment or any Item of Equipment is located or certificates of Lessee that it is the owner of such real property or that such real property is not leased and/or mortgaged. Lessee shall cause each Item of Equipment subject to motor vehicle titling and registration laws to be titled in the name of Lessor, as owner, and, if permitted by applicable law, to be registered in the name of Lessee, as lessee, and shall cause all certificates of title to be promptly furnished to Lessor.

10. Use of Equipment; Compliance with Laws. Lessee agrees that the Equipment will be used and operated solely in the conduct of its business and in compliance with any and all insurance policy terms, conditions and provisions and with all statutes, laws, ordinances, rules and regulations of any Federal, state or local governmental body, agency or authority applicable to the use and operation of the Equipment, including, without limitation, the rules of the United States Department of Transportation, the Interstate Commerce Commission and the current Interchange Rules or supplements thereto of the Mechanical Division, Association of American Railroads, as the same may be in effect from time to time. Lessee shall procure and maintain in effect all licenses, registrations, certificates, permits, approvals and consents required by Federal, state or local laws or by any governmental body, agency or authority in connection with the ownership, delivery, installation, use and operation of each Item of Equipment, including, in the case of any Item subject to motor vehicle titling and registration laws, all titles, registrations, registration plates, permits, licenses, and all renewals thereof in the name of Lessor as owner. Lessor agrees that the Equipment may be used by other than Lessee under interchange agreements or trip leases or the like; provided however, that Lessee shall at all times be and remain primarily liable to Lessor hereunder notwithstanding any such usage under interchange agreements or trip leases and Lessee will, as between Lessor and Lessee, be liable for any failure of any user of the Equipment to comply with the terms of this Lease. Lessor and Lessee agree that the Equipment may be used throughout the continental United States; however, should the Equipment move such that retitling becomes required, Lessee will notify Lessor and cooperate to ensure correct retitling. The Equipment shall in no event be located outside of the continental limits of the United States. Lessee shall use and operate the Equipment or cause it to be used and operated only by personnel authorized by Lessee, and Lessee shall use every reasonable precaution to prevent loss or damage to each Item of Equipment from fire and other hazards.

11. Maintenance and Repair of Equipment. It is understood and agreed that all maintenance and repair of the Equipment will be performed by approved third parties in compliance with such maintenance and repair standards and procedures as are set forth in the manufacturer's manuals pertaining to the Equipment, and as otherwise may be required to keep the Equipment in good order and operating condition and to enforce warranty claims against each vendor and manufacturer of each Item of Equipment, and in compliance with all requirements of law applicable to the maintenance and condition of the Equipment. Lessee will establish with Lessor or its agent a reserve fund (the "Reserve Fund") and Lessee will make monthly payments ("Additional Rent") to Lessor or its agent, in the amounts hereinafter specified, to be credited to the Reserve Fund, for the purpose of the Lessor's payment of bills from third parties presented by Lessee for the maintenance and repair of the Equipment. So long as no Event of Default has occurred and is continuing, Lessor (or its agent) will pay bills from such third parties presented by Lessee for maintenance and repair of the Equipment from the funds then existing in the Reserve Fund in accordance with the specific procedures outlined in the Letter Agreement dated as of January 26, 1988 between Lessee, Lessor and Guarantor as the same may from time to time be amended. Lessee agrees to initially pay as Additional Rent an amount equal to \$25 per Item of Equipment per month for the first six months of the Term of each Item of Equipment. The maintenance and repair bills for all Equipment will be totalled by Lessor or its agent semi-annually on July 31 and January 31 of each year, commencing July 31, 1988, and in the event that the total of such bills for the six (6) month period covered by said review are greater or less than the total of the Additional Rent for all Equipment paid by Lessee during such period, the amount of the Additional Rent for all Equipment for the ensuing six (6) month period shall be adjusted upward or downward accordingly; PROVIDED, HOWEVER, that (a) if, as of any such semi-annual adjustment date, the balance in the Reserve Fund is not sufficient to fully reimburse Lessor or its agent for all invoices for maintenance and repair services received by and/or paid by Lessor or its agent during the preceding six (6) month period, then, in addition to any increase in the amount of Additional Rent to be paid by Lessee during the ensuingsix (6) month period, Lessee shall pay Lessor or its agent on said semi-annual adjustment date, as advance Additional Rent hereunder, a lump sum payment in an amount equal to such deficiency; (b) if at the expiration of the Term of the last remaining Item of Equipment leased hereunder, any surplus remains in the Reserve Fund, such surplus shall, so long as no invoices for maintenance or repair services are payable and remain outstanding and unpaid and so long as no Event of Default has occurred and is continuing, be remitted promptly to Lessee; and (c) in no event shall any downward adjustment in the amount of Additional Rent payable by Lessee result in any reduction in the amount of Basic Rent payable by Lessee hereunder. It is understood and agreed that neither Lessor (nor its agent) nor Lessee shall be required to service the Equipment or to perform or provide for actual maintenance or repair services hereunder; provided, however, that the foregoing shall not be deemed to modify any of Lessee's obligations under Section 6 hereof with respect to the return of the Equipment, including, without limitation, the repair and condition of the Equipment at such time. Lessee shall, at its own cost and expense, supply the necessary power and other items required in the operation of the Equipment.

12. Modifications. Any parts installed or replacements made upon any Item of Equipment pursuant to Section 11 hereof shall be considered accessions to such Item of Equipment and title thereto shall be immediately vested in Lessor. Lessee shall not modify an Item of Equipment without the prior written authority and approval of Lessor.

13. Identification Marks; Inspection. Lessee agrees, upon the request of Lessor, at Lessee's sole cost and expense, to place markings on the Equipment by stencil or by a tag or metal plate affixed thereto showing plainly, distinctly and conspicuously Lessor's title and ownership thereto and Lessee shall keep and maintain such stenciling throughout the Term with respect to each such Item; provided, however, that such identification markings are to be placed so as not to interfere with the usefulness of such Items of Equipment. If during the Term any such identification marking shall at any time be defaced or destroyed, Lessee shall immediately cause such defaced or destroyed identification marking to be restored or replaced. Lessee will not change the road number of any Item of Equipment except with Lessor's consent and in accordance with a statement of new road numbers to be substituted therefor, which consent and statement previously shall have been delivered to Lessor by Lessee and filed, recorded or deposited in all public offices where this Lease shall have been filed, recorded or deposited. Lessee shall not allow the name of any Person to be placed upon any Item of Equipment as a designation which might be interpreted as indicating a claim of ownership thereto or a security interest therein by any Person other than Lessor or any Assignee. Upon the request of Lessor, Lessee shall make the Equipment available to Lessor for inspection and shall also make Lessee's records pertaining to the Equipment available to Lessor for inspection. Lessee is hereby granted a non-transferable license to display its logo or the logo of any of its affiliates on the sides of the Items of Equipment which constitute new Thrall Mark V Trailers for the sum of \$3.00 per Trailer per month, and Lessee agrees to pay such amount to Lessor (or its agent) as an advertising fee, each month together with the Basic Rent and Additional Rent for such Items.

14. Assignments and Subleasing.

(a) By Lessee. Except as otherwise expressly provided in Section 10 hereof, Lessee will not, without the prior written consent of Lessor, sublease or otherwise relinquish possession of any Item of Equipment, or assign, transfer or encumber its rights or obligations hereunder and any attempted sublease, relinquishment, assignment, transfer or encumbering by Lessee shall be null and void.

(b) By Lessor. Lessor may, at any time, without notice to, or the consent of, Lessee (i) assign, sell or transfer, in whole or in part, Lessor's rights, title and interests in, to and under this Lease and any Lease Supplement(s), including, without limitation, the right to receive any or all Rent and Supplemental Payments payable under this Lease and under any Lease Supplement(s) with respect to the Equipment or any Item(s) thereof covered by such assignment, sale or transfer, and/or (ii) sell or transfer all of Lessor's rights and interests in and to the Equipment or any Item(s) thereof, and/or (iii) collaterally assign any of such rights and interests, and/or mortgage or grant a security interest in the Equipment or any Item(s) thereof. Each Assignee shall have all of Lessor's rights and interests hereunder to the extent that the same relate to the Item(s) of Equipment covered by the assignment to such Assignee, including without limitation the right to receive all Rent payable with respect to such Item(s) for all Rental Periods commencing on or after the date of such assignment, all Supplemental Payments which are payable with respect to such Item(s) as a result of acts or events which occur on or after the date of such assignment, and the right to enforce, either in Assignee's name or in Lessor's name, but without cost or expense to Lessor all of Lessor's rights hereunder with respect to such Item(s); and such Assignee may re-assign all or a portion of such rights, title and interests and may grant a security interest therein and in such such Item(s) of Equipment to a Lender. Each Lender to whom an assignment has been made, shall have and may exercise the rights so assigned with respect to (but only with respect to) the Item(s) of Equipment covered by such assignment, and may re-assign all or a portion of such rights to any other Lender. Any such assignment shall be subject to Lessee's rights hereunder so long as no Event of Default has occurred and is occurring hereunder. Lessee shall be under no obligation to any Assignee or Lender except upon written notice of such assignment from Lessor. Upon written notice to Lessee of such assignment, Lessee agrees to pay the Rent and Supplemental Payments with respect to the Item(s) of Equipment covered by such assignment to the Assignee or Lender, as the case may be, in accordance with the instructions specified in such notice, and to give all notices which are required or permitted to be given by Lessee to Lessor hereunder relating to such Item(s) thereof to the Person(s) specified to receive the same in such written notice of assignment, and to otherwise comply with all notices, directions and demands which may be given by such Assignee or Lender, as the case may be, with respect to such Item(s), in accordance with the provisions of this Lease. Without limiting the foregoing, Lessee acknowledges and agrees that the rights of any Assignee or Lender in and to the Rent and Supplemental Payments payable by Lessee which are covered by any such assignment shall not be subject to any abatement (except as a result of the payment of the Casualty Loss Value of an Item of Equipment suffering an Event of Loss, if Lessor has received payment of all of the amounts payable to Lessor under Section 16(b) hereof), defense, setoff, counterclaim or recoupment whatsoever, whether by reason of any failure of or defect in Lessor's title, or any interruption from whatsoever cause in the use, operation or possession of the Equipment or any part or Item thereof, or any damage to or loss or destruction of the Equipment or any part or Item thereof, or by reason of any other indebtedness or liability, however and whenever arising, of Lessor or any such Assignee or Lender or any other Person to Lessee, or for any other cause or any other reason

whatsoever, it being the intent hereof that Lessee shall be unconditionally and absolutely obligated to pay any such Assignee and/or Lender all of the Rent and Supplemental Payments payable by Lessee which are covered by such assignment. Notwithstanding any such assignment, all obligations of Lessor to Lessee under this Lease shall be and remain enforceable by Lessee against, and only against, Lessor and any Assignee to whom an assignment hereunder has been made. As used in this Lease (x) "Assignee" means any Person (other than a Lender) to whom Lessor or any Assignee has made any assignment, sale or transfer referred to in clauses (i) or (ii) of this Section 14(b); (y) "Lender" means any Person to whom any mortgage or security interest or collateral assignment referred to in clause (iii) of this Section 14(b), has been granted or made by Lessor or any Assignee or any Lender; and (z) "assignment" means any assignment, sale, transfer, mortgage or grant of security interest referred to in this Section 14(b). For purposes of Sections 18, 19 and 20 of this Lease, the term "Assignee" shall also include each beneficiary (and each stockholder of any corporate beneficiary) or partner of such Assignee, if such Assignee is a trust or the trustee(s) of a trust, or a limited partnership, respectively.

15. Liens. Lessee will not directly or indirectly create, incur, assume or suffer to exist any Lien on or with respect to the Equipment or any part or Item thereof, Lessor's title thereto, or any interest therein, except any Lien granted or placed thereon by Lessor or any Assignee as a result of an assignment to a Lender pursuant to Section 14(b) hereof. Lessee, at its own expense, will promptly pay, satisfy and otherwise take such actions as may be necessary to keep the Equipment free and clear of, and to duly discharge or eliminate or bond in a manner satisfactory to Lessor and each Assignee and Lender, any such Lien not excepted above if the same shall arise at any time. Lessee will notify Lessor and each Assignee and Lender in writing promptly upon becoming aware of any tax or other Lien (other than any lien excepted above) that shall attach to the Equipment or any Item of Equipment, and of the full particulars thereof.

16. Loss, Damage or Destruction.

(a) Risk of Loss, Damage or Destruction. Lessee hereby assumes all risk of loss, damage, theft, taking, destruction, confiscation, requisition or commandeering, partial or complete, of or to each Item of Equipment, however caused or occasioned, such risk to be borne by Lessee with respect to each Item of Equipment from the date of this Lease, and continuing until such Item of Equipment has been returned to Lessor in accordance with the provisions of Section 6 hereof or has been purchased by Lessee in accordance with the provisions of Section 29(b) hereof. Except as hereinafter expressly provided, Lessee agrees that no occurrence specified in the preceding sentence shall impair, in whole or in part, any obligation of Lessee under this Lease, including, without limitation, the obligation to pay Rent.

(b) Payment of Casualty Loss Value Upon an Event of Loss. If an Event of Loss occurs with respect to an Item or Items of Equipment during the Basic Term or any Renewal Term thereof, Lessee shall give Lessor prompt written notice thereof and shall pay to Lessor on the Rent Payment Date next following the date of such Event of Loss (or on the last day of the calendar month in which such Event of Loss occurs if there is no succeeding Rent Payment Date) (i) the Casualty Loss Value of such Item or Items of Equipment (computed as of the Rent Payment Date next preceding, or coincident with, the date of such Event of Loss), plus (ii) all accrued and unpaid Interim Rent, Basic Rent and Additional Rent owing for such Item or Items of Equipment through such next preceding or coincident Rent Payment Date. If an Event of Loss occurs with respect to an Item or Items of Equipment during the Interim Term thereof, Lessee shall pay Lessor on the Rent Payment Date for such Interim Term (i) the Casualty Loss Value of such Item or Items of Equipment applicable during such Interim Term, plus (ii) the Interim Rent and Additional Rent for such Item or Items of Equipment due on such Rent Payment Date. Any payments received at any time by Lessor or by Lessee from any insurer or other party (except Lessee) as a result of the occurrence of such Event of Loss will be applied in reduction of Lessee's obligation to pay the foregoing amounts, if not already paid by Lessee, or, if already paid by Lessee, will be applied to reimburse Lessee for its payment of such amount, unless an Event of Default shall have occurred and be continuing. Upon payment in full of such Casualty Loss Value, plus any said accrued and unpaid Basic Rent, Interim Rent and Additional Rent plus all other Supplemental Payments then due and payable by Lessee hereunder, (A) the obligation of Lessee to pay Basic Rent and Additional Rent hereunder with respect to such Item or Items of Equipment for all Rental Periods commencing after the date of such Event of Loss shall terminate and the Term of such Item or Items shall thereupon terminate, and (B) Lessee shall, as agent for Lessor, as soon as practicable, dispose of such Item or Items of Equipment in a manner reasonably acceptable to Lessor, Lessee retaining any salvage proceeds as consideration for acting as Lessor's agent. As used in this Lease, the term "Casualty Loss Value" of any Item of Equipment as of any Rent Payment Date means (a) during the Basic Term and any Renewal Term thereof, an amount determined by multiplying the Acquisition Cost of such Item of Equipment by the percentage set forth opposite such Rent Payment Date on the schedule of Casualty Loss Values applicable to the type of Equipment to which such Item relates, attached hereto and made a part hereof, and (b) during the Interim Term thereof, an amount determined by multiplying the Acquisition Cost of such Item of Equipment by the percentage set forth for the Interim Term on such schedule of Casualty Loss Values.

(c) Application of Payments Not Relating to an Event of Loss. Any payments (including, without limitation, insurance proceeds) received at any time by Lessor or Lessee from any governmental authority or other party with respect to any loss or damage to any Item or Items of Equipment not constituting an Event of Loss, will be applied directly in payment of repairs or for replacement of property in accordance with the provisions of Section 11 and 12 hereof, if not already paid by Lessor, in which case such payments shall be retained by Lessor and credited to Additional Rent.

17. Insurance. Lessee will cause to be carried and maintained, at its sole expense, with respect to the Equipment at all times during the Term thereof and until the Equipment has been returned to Lessor (a) physical damage insurance (including theft and collision insurance in the case of all Items of Equipment consisting of motor vehicles) insuring against all risks of physical loss or damage to the Equipment, in an amount not less than the greater of the Casualty Loss Value of the Equipment or the replacement value of the Equipment, and (b) insurance against liability for bodily injury, death and property damage resulting from the use and operation of the Equipment in an amount not less than \$10,000,000.00 per occurrence. Such insurance policy or policies will name Lessor, and each Assignee and Lender as the sole loss payees, as their interests may appear, on all policies referred to in clause (a) of the preceding sentence, and will name Lessor and each Assignee and Lender as additional insureds on all policies referred to in clause (b) of the preceding sentence. Such policies will provide that the same may not be invalidated against Lessor or any Assignee or Lender by reason of any violation of a condition or breach of warranty of the policies or the application therefor by Lessee, that the policies may be cancelled or materially altered or reduced in coverage (except as otherwise permitted under the terms of this Lease) by the insurer only after thirty (30) days' prior written notice to Lessor, and each Assignee and Lender, and that the insurer will give written notice to Lessor, and each Assignee and Lender in the event of nonpayment of premium by Lessee when due. The policies of insurance required under this Section shall be valid and enforceable policies issued by insurers of recognized responsibility acceptable to Lessor and each Lender and authorized to do an insurance business in the state in which each Item of Equipment is located. In the event that any of such policies referred to in clause (b) of the first sentence of this Section shall now or hereafter provide coverage on a "claims-made" basis, Lessee shall continue to maintain such policies in effect for a period of not less than three (3) years after the expiration of the Term of the last Item of Equipment leased to Lessee hereunder. Upon the execution of this Lease and thereafter not less than thirty (30) days prior to the expiration dates of any expiring policies theretofore furnished under this Section, certificates of the insurance coverage required by this Section and, if requested by Lessor or any Assignee or Lender, copies of the policies evidencing such insurance coverage, shall be delivered by Lessee to Lessor and each other named loss payee and/or additional insured. Any certificate of insurance issued with respect to a blanket policy covering other equipment not subject to this Lease shall specifically describe the Equipment as being included therein and covered thereby to the full extent of the coverages and amounts required hereunder. If Lessee shall fail to cause the insurance required under this Section to be carried and maintained, Lessor or any Assignee or Lender may provide such insurance and Lessee shall reimburse Lessor or any such Assignee or Lender, as the case may be, upon demand for the cost thereof as a Supplemental Payment hereunder. It is mutually agreed that Lessee may self insure against such risks as are required to be insured against hereunder pursuant to a formal plan of self-insurance, and Lessee shall certify that such self-insurance is being maintained in accordance therewith and the details of same. Should Lessee discontinue such self insurance plan, Lessee agrees to immediately notify Lessor of such fact and to promptly procure the coverages outlined above.

18. General Tax Indemnity. Lessee agrees to pay, and indemnify and hold Lessor, each Assignee, each Lender and their respective successors and assigns harmless on an after-tax basis from any and all Federal, state, local and foreign taxes, fees, withholdings, levies, imposts, duties, assessments and charges of any kind and nature whatsoever, together with any penalties, fines or interest thereon (herein called "taxes or other impositions") howsoever imposed, whether levied or imposed upon or asserted against Lessor, any Assignee, any Lender, Lessee, the Equipment, any Item of Equipment, or any part thereof, by any Federal, state or local government or taxing authority in the United States, or by any taxing authority or governmental subdivision of a foreign country, upon or with respect to (a) the Equipment, or any Item of Equipment or any part thereof, (b) the manufacture, construction, ordering, purchase, ownership, delivery, leasing, re-leasing, possession, use, maintenance, registration, re-registration, titling, re-titling, licensing, documentation, return, sale or other application or disposition of the Equipment, or any Item of Equipment or any part thereof, (c) the rentals, receipts or earnings arising from the Equipment or any Item of Equipment or any part thereof, or (d) this Lease, each Lease Supplement, the Rent and/or Supplemental Payments payable by Lessee hereunder; provided, however, that the foregoing indemnity shall not apply to any taxes or other impositions based upon or measured solely by Lessor's or any Assignee's or Lender's net income, and which are imposed or levied by any Federal, state or local taxing authority in the United States. Lessee will promptly notify Lessor of all reports or returns required to be made with respect to any tax or other imposition with respect to which Lessee is required to indemnify hereunder, and will promptly provide Lessor with all information necessary for the making and timely filing of such reports or returns by

Lessor. If Lessor requests that any such reports or returns be prepared and filed by Lessee, Lessee will prepare and file the same if permitted by applicable law to file the same, and if not so permitted, Lessee shall prepare such reports or returns for signature by Lessor, and shall forward the same, together with immediately available funds for payment of any tax or other imposition due, to Lessor, at least ten (10) days in advance of the date such payment is to be made. Upon written request, Lessee shall furnish Lessor with copies of all paid receipts or other appropriate evidence of payment for all taxes or other impositions paid by Lessee pursuant to this Section 18. All of the indemnities contained in this Section 18 shall continue in full force and effect notwithstanding the expiration or earlier termination of this Lease in whole or in part, including the expiration or termination of the Term with respect to any Item (or all) of the Equipment, and are expressly made for the benefit of, and shall be enforceable by, Lessor and each Assignee and Lender.

19. Special Tax Indemnity.

(a) Tax Assumptions. In entering into this Lease and the transactions contemplated hereby, Lessor has made the following assumptions: (i) Lessor will be entitled to the benefit of cost recovery deductions for Federal income tax purposes under the Accelerated Cost Recovery System provided for in Section 168 of the Code and depreciation or cost recovery deductions for Massachusetts state income tax purposes based upon one hundred percent (100%) of the Acquisition Cost of each such Item of Equipment, and on the basis that each Item of Equipment constituting trailers or lifts shall be treated as new 5-year property, and each Item of Equipment constituting "rail bogies" shall be treated as new 7-year property, under Section 168(e)(1) of the Code and utilizing the 200 percent declining balance method of depreciation switching to the straight line method at the point in time that maximizes the depreciation allowance for Lessor and the half-year convention specified in Section 168(d)(1) of the Code (the "Recovery Deduction"); (ii) with respect to each Item of Equipment, Lessor will be entitled to the benefit of deductions for Federal and Massachusetts state income tax purposes interest payable with respect to any indebtedness incurred by Lessor in connection with any financing by Lessor of any portion of the Acquisition Cost of such Item of Equipment (the "Interest Deduction"); and (iii) for each year of the Term, with respect to each Item of Equipment, including any year in which a Tax Loss (hereinafter defined) occurs (collectively the "Relevant Periods") Lessor will be subject to tax as follows: (a) for each such year up to and including the year in which such Tax Loss occurs, at a composite Federal and state corporate income tax rate that is equal to the highest marginal rate for corporations provided for under the Code and the laws of the state of Massachusetts (the "Highest Composite Marginal Tax Rate") and that is in effect for each such year, and (b) for each such year following the year in which such Tax Loss occurs, at a composite Federal and state corporate income tax rate that is equal to the Highest Composite Marginal Tax Rate in effect in the year in which such Tax Loss occurs and which, under the provisions of the Code and the laws of said state then in effect, is to be applicable to each such following year.

(b) Lessee's Tax Representations and Warranties. Lessee represents and warrants to Lessor that (i) at the time Lessor becomes the owner of each Item of Equipment such Item will constitute "new Section 38 property" within the meaning of Section 46 and 48 of the Code and will not have been used by any person so as to preclude the original use of such property within the meaning of Section 48(b) of the Code from commencing with Lessor; (ii) at all times during the Term, with respect to each Item of Equipment, such Item of Equipment will constitute "Section 38 property" within the meaning of Section 48(a) of the Code; (iii) at all times during the Term, with respect to each Item of Equipment, such Item will not constitute "tax-exempt use property" within the meaning of Section 168(h)(1)(A) of the Code or be deemed to be used for purposes of Section 48 of the Code by any person, governmental entity or instrumentality, organization or entities described in Section 48(a)(4) or (5) of the Code; (iv) in determining the Recovery Deduction for each Item of Equipment, Lessor shall be entitled to assume that each such Item shall be treated as 5 - year property for Items of Equipment constituting Thrall Mark V Trailers and 7-year property for Items of Equipment constituting Railroader Rail Bogies and Adapters under the provisions of Section 168(e)(1) of the Code and having an applicable recovery period of five years for Items of Equipment constituting Thrall Mark V Trailers and seven years of Items of Equipment constituting Railroader Rail Bogies and Adapters; (v) each Item of Equipment will have a useful life of at least ten years for Items of Equipment constituting Thrall Mark V Trailers and twelve and one-half years for Items of Equipment constituting Railroader Rail Bogies; (vi) at the end of the Basic Term with respect to each Item of Equipment, the fair market value of such Item will be an amount equal to at least twenty percent (20%) of the Acquisition Cost thereof, without including in such value any increase or decrease for inflation or deflation during the Basic Term thereof, and after subtracting from such value any cost to Lessor or Lessor for removal and delivery of possession of such Item to Lessor at the end of the Term thereof; and (vii) each Item of Equipment will be useful or usable by Lessor at the end of the Term thereof for purposes other than continued leasing by or transfer to any member of the Lessee Group (as such term is defined in Rev. Proc. 75-21).

(c) Indemnity. (A) If by reason of (i) any act or failure to act of Lessee

(regardless of whether any such act or failure to act is permitted or required by the terms of this Lease or otherwise), or (ii) the breach of or inaccuracy in law or in fact of any of Lessee's representations and warranties set forth in paragraph (b) of this Section 19 or the breach of any of Lessee's representations and warranties set forth in any certificate or document delivered by Lessee in connection with the delivery and acceptance of any Item of Equipment, or (iii) any amendment, modification, repeal or other change of or to the Code or any technical corrections thereto (or any comparable change in Massachusetts state income tax law) enacted or adopted by the 100th Congress of the United States, (or any changes to the Regulations or the promulgations of any new Regulations) which adversely changes or affects Lessor's assumptions set forth in paragraph (a) of this Section 19, or (iv) the sale or other disposition of any Item of Equipment or the interest of Lessor therein after the occurrence of an Event of Default Lessor shall lose the benefit of, or shall not have or shall lose the right to claim, or shall suffer a disallowance or recapture of, or delay in claiming, all or any portion of the Recovery Deduction or (if Lessor finances any portion of its Acquisition Cost) the Interest Deduction, with respect to any Item of Equipment, or (B) if, for Federal, foreign, state or local income tax purposes, any item of income, loss or deduction with respect to any Item of Equipment is treated as derived from, or allocable to, sources outside the United States (whether or not any foreign income taxes imposed as a result thereof may be credited against Federal, state or local income taxes of Lessor), or (C) if there shall be included in the gross income of Lessor for Federal, state or local income tax purposes any amount on account of any addition, modification or improvement to or in respect of any Item of Equipment made or paid for by Lessee (any such loss, failure to have or loss of the right to claim, disallowance, recapture, delay in claiming, treatment, or inclusion referred to in any of the foregoing clauses (A) through (C) of this paragraph (c) being hereinafter called a "Tax Loss"), then a Tax Loss shall be deemed to have occurred, and the Basic Rent for such Item of Equipment shall, on the Rent Payment Date next following written notice by Lessor to Lessee that a Tax Loss has occurred, and on each succeeding Rent Payment Date, be increased by such amount which, after deduction of all taxes required to be paid by Lessor in respect of the receipt or accrual of such amount under the laws of the United States, any state or any political subdivision thereof or any foreign taxing authority, will maintain Lessor's after-tax yield (hereinafter defined) and aggregate after-tax cash flows in respect of such Item of Equipment at levels which are each not less than the levels of Lessor's originally assumed after-tax-yield and originally assumed aggregate after-tax cash flows, respectively, and Lessee shall pay to Lessor an amount which, after the deduction of any additional taxes required to be paid by Lessor in respect of the receipt or accrual of such amount, shall be equal to the amount of any interest, penalty or additions to tax which may be imposed in connection with such Tax Loss. In the event that the Term with respect to any Item of Equipment is terminated prior to the time Lessee is obligated to make the increased Basic Rent payments to Lessor with respect to such Item of Equipment as set forth in the preceding sentence, or in the event Lessor shall, by written notice to Lessee, elect to have such indemnity paid to Lessor in a lump sum payment, then, in either event, Lessee shall pay to Lessor, within thirty (30) days from the date of such written notice by Lessor to Lessee, in lieu of the increased Basic Rent payment or payments set forth in the preceding sentence, such lump sum as shall (after deduction of all taxes required to be paid by Lessor in respect of the receipt or accrual of such payment under the laws of the United States, any state or any political subdivision thereof or any foreign taxing authority) be necessary to maintain Lessor's after-tax yield and aggregate after-tax cash flows in respect of such Item of Equipment at levels which are each not less than the levels of Lessor's originally assumed pre-tax yield and originally assumed aggregate after-tax cash flows, respectively, and Lessee shall also pay to Lessor an amount which, after the deduction of any additional taxes required to be paid by Lessor in respect of the receipt or accrual of such amount, shall be equal to the amount of any interest, penalty or additions to tax which may be imposed in connection with such Tax Loss. References herein to Lessor's originally assumed after-tax yield and originally assumed aggregate after-tax cash flows mean the after-tax yield and aggregate after-tax cash flows, respectively, which Lessor assumed Lessor would realize from the transactions contemplated by this Lease and which were used by Lessor in originally calculating Basic Rent and Casualty Loss Value percentages. In the event Lessor shall suffer a Tax Loss with respect to which Lessee is required to make any indemnity payment or payments under this Section 19, and the full amount of such indemnity has been paid or provided for hereunder, the assumptions set forth in paragraph (a) of this Section 19, without further act of the parties hereto, shall thereupon be and be deemed to be amended, if and to the extent appropriate to reflect such Tax Loss. In the event any indemnity payments shall be paid to Lessor under this Section 19 with respect to any Item(s) of Equipment, the Casualty Loss Values of such Item(s) of Equipment shall be adjusted appropriately. The indemnification obligations of Lessee under this Section 19 shall survive the expiration or termination of this Lease and the Term of the Equipment and may be enforced directly by Lessor.

(d) Exceptions to Indemnity. Lessee shall not be required to make any indemnity payment provided for in this Section 19 with respect to an Item of Equipment, if Lessor shall have suffered a Tax Loss with respect to such Item of Equipment as a direct result of the occurrence of (i) an Event of Loss with respect to such Item of Equipment, if Lessee shall have paid to Lessor all of the amounts payable under Section 16 hereof, and to the extent that such payment compensates Lessor for such Tax Loss; or (ii) the failure

of Lessor to claim the ACRS Deduction or the Recovery Deduction or (if Lessor finances any portion of its Acquisition Cost) the Interest Deduction, as the case may be, in a timely and proper manner, unless such failure is due to Lessee's failure to provide Lessor with the information reasonably necessary to make such claim, or unless in the reasonable opinion of Tax Counsel (hereinafter defined), there is no reasonable basis for such claim; or (iii) the failure of Lessor to have sufficient income to benefit from the ACRS Deduction or the Recovery Deduction or (if Lessor finances any portion of its Acquisition Cost) the Interest Deduction, as the case may be, after giving effect to all permitted tax loss carry forwards and carry backs (but this exception shall only apply if and to the extent that any such benefit would be otherwise available to Lessor); or (iv) a voluntary transfer or other voluntary disposition by Lessor of all or any part of its interest in such Item of Equipment, other than any such transfer or disposition pursuant to Sections 16, 24 or 29(b) hereof.

(e) Contest. In the event a claim shall be made by any taxing authority against Lessor that a Tax Loss has occurred, and if, in the opinion of independent tax counsel selected by Lessor and reasonably acceptable to Lessee ("Tax Counsel") a bona fide defense to such claim exists, Lessor shall, provided that no Event of Default has occurred and is continuing, upon Lessee's written request and at the expense of Lessee, contest such matter in such forum as Lessor shall select, considering in good faith such request as Lessee may make concerning the most appropriate forum in which to proceed. Lessor shall not be obligated to take any such legal or other appropriate action unless it has received an opinion (the "Tax Counsel Opinion") from Tax Counsel that a bona fide defense to such claim exists and the Lessee shall have indemnified Lessor for all costs and expenses which may be incurred by Lessor in contesting such claim. The action to be taken may, in Lessor's sole discretion, be commenced prior to making payment of any tax and interest and/or penalty attributable to such claim (a "Tax Payment") or after making such Tax Payment and then suing for a refund. If Lessor takes such action prior to making such Tax Payment, the indemnity amounts payable under this Section 19 with respect to the Tax Loss need not be paid by Lessee while such action is pending; provided that Lessee shall pay the costs and expenses relating to such action when and as the same shall become due. In such case, if the Final Determination (hereinafter defined) shall be adverse to Lessor, the indemnity amounts payable under this Section 19 with respect to the Tax Loss shall be computed by Lessor as of the date of such Final Determination, Lessor shall notify Lessee in writing of such computation and Lessee shall make the indemnity payments required in accordance with this Section 19. If Lessor determines to make such Tax Payments prior to contesting the matter, and to then sue for a refund, Lessee will advance to Lessor, as an interest-free loan and without any additional net-after-tax cost to Lessor, an amount equal to the amount of such Tax Payment attributable to such claim. If Lessor sues for a refund after making such Tax Payment, and if the Final Determination shall be in favor of Lessor (i) no future payments shall be due hereunder in respect of such matter (or an appropriate reduction shall be made if the Final Determination is partly in favor of and partly adverse to Lessor) other than any outstanding costs or expenses incurred by Lessor with respect to such contest, and (ii) Lessor shall pay to the Lessee an amount equal to the amounts theretofore paid by Lessee to Lessor in respect of such Tax Payment (or a proportionate part thereof if the Final Determination is partly in favor of and partly adverse to Lessor) on or before the next succeeding Rent Payment Date (or within thirty (30) days from such Final Determination, if there is no succeeding Rent Payment Date), together with the amount of any penalty or interest actually refunded to Lessor as a result of such Final Determination. If the Final Determination of such contest shall be adverse to Lessor, the indemnity amounts payable under this Section 19 with respect to the Tax Loss shall be computed by Lessor as of the date of such Final Determination, Lessor shall notify Lessee in writing of such computation and Lessee shall make the indemnity payments required in accordance with this Section 19. "Final Determination", for the purposes of this paragraph (e), means a final decision of a court of competent jurisdiction after all allowable appeals have been exhausted by either party to the action, or a determination within the meaning of Section 1313(a) of the Code.

(f) Consolidated Tax Returns; Lessor's Assigns. For purposes of this Section 19, the term "Lessor" will include the corporation constituting Lessor, Lessor, the successor(s) in interests of Lessor, each Assignee and each of their respective successors in interests and assigns and any Consolidated Group (hereinafter defined) of which Lessor or any such Assignee or any of their respective successors in interests or assigns is, or may become a member, and each member of such Consolidated Group. As used in this paragraph (f) the term "Consolidated Group" means an affiliated group (within the meaning of Section 1504 of the Code) that files consolidated returns for Federal income tax purposes and any group filing combined or consolidated returns pursuant to the rules of any state taxing authority.

20. Indemnification. Lessee hereby assumes liability for, and does hereby agree to indemnify, protect, save, defend, and hold harmless Lessor, each Assignee, each Lender and their respective officers, directors, stockholders, successors, assigns, agents and servants (each such party being herein, for purposes of this Section 20, called an "indemnified party") on an after-tax basis from and against any and all obligations, fees, liabilities, losses, damages, penalties, claims, demands, actions, suits, judgments, costs and expenses, including legal expenses, of every kind and nature whatsoever, imposed on,

incurred by, or asserted against any indemnified party, in any way relating to or arising out of (a) the manufacture, construction, ordering, purchase, acceptance or rejection, ownership, titling or retitling, registration or reregistration, delivery, leasing, releasing, possession, use, operation, storage, removal, return, sale or other disposition of the Equipment or any Item of Equipment, or any part thereof, during the term of this Lease including, without limitation, any of such as may arise from (i) loss or damage to any property or death or injury to any persons, (ii) patent or latent defects in the Equipment (whether or not discoverable by Lessee or any indemnified party), (iii) any claims based on strict liability in tort, and (iv) any claims based on patent, trademark, tradename or copyright infringement, (b) any failure on the part of Lessee to perform or comply with any of the terms of this Lease, or (c) any power of attorney issued to Lessee to license, relicense, title, retitle, register or reregister Items of Equipment subject to motor vehicle titling and registration laws, and any towing charges, parking tolls, fines, parking and speeding tickets, odometer certifications and other civil and criminal motor vehicle violations with respect to any such Item, and all penalties and interest applicable thereto. Lessee shall give each indemnified party prompt notice of any occurrence, event or condition known to Lessee as a consequence of which any indemnified party may be entitled to indemnification hereunder. Lessee shall forthwith upon demand of any such indemnified party reimburse such indemnified party for amounts expended by it in connection with any of the foregoing or pay such amounts directly. Lessee shall be subrogated to an indemnified party's rights in any matter with respect to which Lessee has actually reimbursed such indemnified party for amounts expended by it or has actually paid such amounts directly pursuant to this Section 20. In case any action, suit or proceeding is brought against any indemnified party in connection with any claim indemnified against hereunder, such indemnified party will, promptly after receipt of notice of the commencement of such action, suit or proceeding, notify Lessee thereof, enclosing a copy of all papers served upon such indemnified party, but failure to give such notice or to enclose such papers shall not relieve Lessee from any liability hereunder. Lessee may, and upon such indemnified party's request will, at Lessee's expense, resist and defend such action, suit or proceeding, or cause the same to be resisted or defended by counsel selected by Lessee and reasonably satisfactory to such indemnified party and in the event of any failure by Lessee to do so, Lessee shall pay all costs and expenses (including, without limitation, attorney's fees and expenses) incurred by such indemnified party in connection with such action, suit or proceeding. The provisions of this Section 20, and the obligations of Lessee under this Section 20, shall apply from the date of the execution of this Lease notwithstanding that the Term may not have commenced with respect to any Item of Equipment, and shall survive and continue in full force and effect notwithstanding the expiration or earlier termination of this Lease in whole or in part, including the expiration of termination of the Term with respect to any Item (or all) of the Equipment. Each indemnified party may directly enforce Lessee's indemnification obligations to such indemnified party hereunder.

21. NO WARRANTIES. LESSOR, NOT BEING THE MANUFACTURER OR VENDOR OF THE EQUIPMENT, MAKES NO REPRESENTATION OR WARRANTY, EITHER EXPRESSED OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE DESIGN OR CONDITION OF THE EQUIPMENT, ITS MERCHANTABILITY, DURABILITY, SUITABILITY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE, THE QUALITY OF THE MATERIAL OR WORKMANSHIP OF THE EQUIPMENT, OR THE CONFORMITY OF THE EQUIPMENT TO THE PROVISIONS AND SPECIFICATIONS OF ANY PURCHASE ORDER OR ORDERS RELATING THERETO, AND LESSOR HEREBY DISCLAIMS ANY SUCH REPRESENTATION OR WARRANTY (WHICH DISCLAIMER LESSEE HEREBY ACKNOWLEDGES). WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, LESSOR SHALL NOT BE LIABLE OR RESPONSIBLE FOR ANY DEFECTS, EITHER PATENT OR LATENT (WHETHER OR NOT DISCOVERABLE BY LESSEE), IN THE EQUIPMENT, OR FOR ANY DIRECT OR INDIRECT DAMAGE TO PERSONS OR PROPERTY RESULTING THEREFROM, OR FOR LESSEE'S LOSS OF USE OF THE EQUIPMENT OR FOR ANY INTERRUPTION IN LESSEE'S BUSINESS CAUSED BY LESSEE'S INABILITY TO USE THE EQUIPMENT FOR ANY REASON WHATSOEVER. So long and only so long as an Event of Default shall not have occurred and be continuing, and so long and only so long as the Equipment shall be subject to this Lease and Lessee shall be entitled to possession of the Equipment hereunder, Lessor authorizes Lessee, at Lessee's expense, to assert for Lessor's account, all rights and powers of Lessor under any manufacturer's, vendor's or dealer's warranty on the Equipment or any part thereof; provided, however, that Lessee shall indemnify, protect, save, defend and hold harmless Lessor from and against any and all claims, and all costs, expenses, damages, losses and liabilities incurred or suffered by Lessor in connection therewith, as a result of, or incident to, any action by Lessee pursuant to the foregoing authorization.

22. Lessee's Representations and Warranties. Lessee hereby represents and warrants that (a) Lessee is a corporation duly organized, validly existing and in good standing under the laws of the State of Texas, and is qualified to do business in, and is in good standing in, each state or other jurisdiction in which the nature of its business makes such qualification necessary (including each state or other jurisdiction in which the Equipment or any part thereof will be located); (b) Lessee has the corporate power and authority to execute and perform this Lease and to lease the Equipment hereunder, and has duly authorized the execution, delivery and performance of this Lease; (c) the leasing of the Equipment from Lessor by Lessee, the execution and delivery of this Lease, each Lease Supplement, and other related instruments, documents and agreements, and the compliance by the Lessee with the terms hereof and thereof, and the payments and performance by Lessee

of all of its obligations hereunder and thereunder (i) have been duly and legally authorized by appropriate corporate action taken by Lessee, (ii) are not in contravention of, and will not result in a violation or breach of, any of the terms of Lessee's Certificate of Incorporation (or equivalent document), its By-Laws, or of any provisions relating to shares of the capital stock of Lessee, and (iii) will not violate or constitute a breach of any provision of law, any order of any court or other agency of government, or any indenture, agreement or other instrument to which Lessee is a party, or by or under which Lessee or any of Lessee's property is bound, or be in conflict with, result in a breach of, or constitute (with due notice and/or lapse of time) a default under any such indenture, agreement or instrument, or result in the creation or imposition of any Lien upon any of Lessee's property or assets; (d) this Lease has been executed by the duly authorized officer or officers of Lessee and delivered to Lessor and constitutes, and when executed by the duly authorized officer or officers of Lessee and delivered to Lessor each Lease Supplement and related instruments, documents and agreements with respect to each Item of Equipment will constitute, the legal, valid and binding obligations of Lessee, enforceable in accordance with their terms; (e) neither the execution and delivery of this Lease or any Lease Supplement by Lessee, nor the payment and performance by Lessee of all of its obligations hereunder and thereunder, requires the consent or approval of, the giving of notice to, or the registration, filing or recording with, or the taking of any other action in respect of, any Federal, state, local or foreign government or governmental authority or agency or any other Person; (f) no mortgage, deed of trust, or other Lien which now covers or affects, or which may hereafter cover or affect, any property or interest therein of Lessee, now attaches or hereafter will attach to the Equipment or any Item of the Equipment, or in any manner affects or will affect adversely Lessor's right, title and interest therein; (g) there is no litigation or other proceeding now pending or, to the best of Lessee's knowledge, threatened, against or affecting the Lessee, in any court or before any regulatory commission, board or other administrative governmental agency which would directly or indirectly adversely affect or impair the title of Lessor to the Equipment, or which, if decided adversely to Lessee, would materially adversely affect the business operations or financial condition of Lessee; and (h) all balance sheets, statements of profit and loss and other financial data that have been delivered to Lessor with respect to Lessee (i) are complete and correct in all material respects, (ii) accurately present the financial condition of Lessee on the dates for which, and the results of its operations for the periods for which, the same have been furnished, and (iii) have been prepared in accordance with generally accepted accounting principles consistently followed throughout the periods covered thereby; and there has been no change in the condition of Lessee, financial or otherwise, since the date of the most recent financial statements delivered to Lessor with respect to Lessee.

23. Events of Default. Any of the following events shall constitute an Event of Default:

(a) Lessee shall fail to make any payment of Interim Rent or Basic Rent or Additional Rent or any Supplemental Payment within fifteen (15) days after the same is due and payable; or

(b) Lessee shall fail to observe or perform any of the covenants or agreements of Lessee set forth in Sections 6, 14(a) or 17 hereof; or

(c) Lessee shall fail to perform or observe any other covenant, condition, or agreement to be performed or observed by it under this Lease, or in any agreement or certificate furnished to Lessor or any Assignee or Lender in connection herewith, and such failure shall continue unremedied for thirty (30) days after written notice to Lessee specifying such failure and demanding the same to be remedied; or

(d) Lessee (or any guarantor of Lessee's obligations hereunder) shall be in default (i) under any lease, loan agreement or other agreement, instrument or document heretofore, now or hereafter entered into between Lessee (or any such guarantor) and Lessor, or between Lessee (or any such guarantor) and any parent, subsidiary or affiliate of Lessor, and such default shall have been declared by the party entitled to declare the same, or (ii) under any promissory note heretofore, now or hereafter executed by Lessee (or any such guarantor) and delivered to any party referred to in clause (i) above evidencing a loan made by any such party to Lessee (or any such guarantor), or (iii) in the payment of any obligation of Lessee (or any such guarantor) to any Person (other than Lessor, or any parent, subsidiary or affiliate of Lessor, and other than any guarantor of Lessee's obligations hereunder) in excess of \$2,000,000 excluding any such obligation which is being contested in good faith by Lessee (or any such guarantor) by appropriate proceedings, and the liability for which has not been reduced to judgment) relating to the payment of borrowed money or the payment of rent or hire under any lease agreement, and such obligation shall be declared to be due and payable prior to the maturity thereof; or an attachment or other Lien shall be filed or levied against a substantial part of the property of Lessee (or any such guarantor), and such judgment shall continue unstayed and in effect, or such attachment or Lien shall continue undischarged or unbonded, for a

period of 30 days; or

(e) Lessee (or any guarantor of Lessee's obligations hereunder) shall become insolvent 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 Lessee (or for any such guarantor) or for a substantial part of its property without its consent and shall not be dismissed for a period of 60 days; or any petition for the relief, reorganization or arrangement of Lessee (or any such guarantor), or any other petition in bankruptcy or for the liquidation, insolvency or dissolution of Lessee (or any such guarantor), shall be filed by or against Lessee (or any such guarantor) and, if filed against Lessee (or any such guarantor), shall be consented to or be pending and not dismissed for a period of 60 days, or an order for relief under any bankruptcy or insolvency law shall be entered by any court or governmental authority of competent jurisdiction with respect to Lessee (or any such guarantor); or any execution or writ or process shall be issued under any action or proceeding against Lessee whereby any of the Equipment may be taken or restrained; or Lessee's (or any such guarantor's) corporate existence shall cease; or Lessee (or any such guarantor) shall, without Lessor's prior written consent, sell, transfer or dispose of, or pledge or otherwise encumber, all or substantially all of its assets or property, or consolidate or merge with any other entity, or engage in any form of corporate reorganization; or

(f) any representation, warranty, statement or certification made by Lessee under this Lease or in any Lease Supplement or in any document or certificate furnished Lessor or any Assignee or Lender in connection herewith or pursuant hereto (or made by any guarantor of Lessee's obligations hereunder under any guaranty or other document or certificate furnished to Lessor or any Assignee or Lender by such guarantor), shall prove to be untrue or incorrect when made, or shall be breached.

24. Remedies Upon Default. Upon the occurrence of any Event of Default and at any time thereafter so long as the same shall be continuing, Lessor may exercise one or more of the following remedies as Lessor in its sole discretion shall elect:

(a) Lessor may terminate this Lease, without prejudice to any other remedies of Lessor hereunder, with respect to all or any Item of Equipment, and whether or not this Lease has been so terminated, may enter the premises of Lessee or any other party to take immediate possession of the Equipment and remove all or any Item of Equipment by summary proceedings or otherwise, or may cause Lessee, at Lessee's expense, to store, maintain, surrender and deliver possession of the Equipment or such Item in the same manner as provided in Section 6 hereof, all without liability to Lessor for or by reason of such entry or taking of possession, whether for the restoration of damage to property caused by such taking or otherwise;

(b) Lessor may hold, keep idle or lease to others the Equipment or any Item of Equipment, as Lessor in its sole discretion may determine, free and clear of any rights of Lessee and without any duty to account to Lessee with respect to such action or inaction or for any proceeds with respect thereto, except that Lessee's obligation to pay Basic Rent for any Rental Periods commencing after Lessee shall have been deprived of possession pursuant to this Section 24 shall be reduced by the net proceeds, if any, received by Lessor from leasing the Equipment or such Item to any Person other than Lessee for the same Rental Periods or any portion thereof;

(c) Lessor may sell the Equipment or any Item of Equipment at public or private sale as Lessor may determine, free and clear of any rights of Lessee, and Lessee shall pay to Lessor, as liquidated damages for loss of a bargain and not as a penalty (in lieu of the Basic Rent due for the Equipment or Item(s) so sold for any Rental Period commencing after the date on which such sale occurs), all unpaid Interim Rent and Basic Rent payable for all Rental Periods up to and including the Rental Period in which such sale occurs, plus an amount equal to the excess, if any, of (i) the Casualty Loss Value of the Equipment or Item(s) so sold, computed as of the Rent Payment Date next preceding the date of such sale, over (ii) the net proceeds of such sale, plus interest at the rate specified in Section 26 hereof on the amount of such excess from the Rent Payment Date as of which such Casualty Loss Value is computed until the date of actual payment;

(d) whether or not Lessor shall have exercised, or shall thereafter at any time exercise, any of its rights under subsection (a) or (b) above, Lessor, by written notice to Lessee specifying a payment date, may demand that Lessee pay to Lessor, and Lessee shall pay to Lessor, on the payment date specified in such notice, as liquidated damages for loss of a bargain and not as a penalty (in lieu of the Basic Rent due for any Item(s) of Equipment for any Rental Period commencing after the payment date specified in such notice and in lieu of the exercise by Lessor of its rights under subsection (c) above with respect to the same Item(s) of Equipment), all unpaid Interim Rent and Basic Rent payable therefor for all Rental Periods up to and including the Rental Period in which the payment date specified in such notice occurs, plus whichever of the following amounts Lessor, in its sole discretion, shall specify in such notice (together with interest on such amount at the rate specified in Section 26 hereof from the payment date specified in such notice to the date of actual payment): (i) an amount, with respect to each Item of Equipment,

equal to the excess, if any, of the Basic Rent payable for such Item of Equipment for the remainder of the then current Term, over the fair market rental value of such Item of Equipment for the remainder of the then current Term, after discounting such excess to present worth as of the payment date specified in such notice at 6% per annum; or (ii) an amount, with respect to each Item of Equipment, equal to the excess, if any, of the Casualty Loss Value of such Item of Equipment computed as of the Rent Payment Date next preceding the payment date specified in such notice, over the fair market sales value of the Equipment as of the payment date specified in such notice; and

(e) Lessor may exercise any other right or remedy which may be available to it under applicable law or proceed by appropriate court action to enforce the terms hereof or to recover damages for the breach hereof or to rescind this Lease.

In addition, Lessee shall be liable, except as otherwise provided above, for any and all unpaid Rent and unpaid Supplemental Payments due hereunder before or during the exercise of any of the foregoing remedies and for all costs and expenses, including attorney's fees incurred by Lessor or any Assignee or Lender 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 the Equipment in accordance with Section 6 hereof or in placing the Equipment in the condition required by said Section. For the purpose of subsection (d) above, the "fair market rental value" or the "fair market sales value" of the Equipment shall mean such value as has been determined by an independent qualified appraiser selected by Lessor. Except as otherwise expressly provided above, no remedy referred to in this Section 24 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 beginning of exercise by Lessor of any one or more of such remedies shall not constitute the exclusive election of such remedies and 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.

25. Lessor's Right to Perform for Lessee. If Lessee fails to make any Supplemental Payment required to be made by it hereunder or fails to perform or comply with any of its agreements contained herein, Lessor may itself, after notice to Lessee, make such payment or perform or comply with such agreement, and the amount of such payment and the amount of the reasonable 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 at the rate specified in Section 26 hereof, shall, if not paid by Lessee to Lessor on demand, be deemed a Supplemental Payment hereunder; provided, however, that no such Payment, performance or compliance by Lessor shall be deemed to cure any Event of Default hereunder.

26. Late Charges. Lessee shall pay to Lessor, upon demand, to the extent permitted by applicable law, interest on any installment of Basic Rent or Interim Rent not paid when due, and on any Supplement Payment or other amount payable under this Lease which is not paid when due, for any period for which any of the same is overdue (without regard to any grace period) at a rate equal to the lesser of (a) twenty percent (20%) per annum, or (b) the maximum rate of interest permitted by law.

27. Further Assurances; Filing. Lessee will promptly and duly execute and deliver to Lessor and any Assignee and Lender such other documents and assurances, including, without limitation, such amendments to this Lease as may be reasonably required by Lessor and by any Assignee or Lender, and Uniform Commercial Code financing statements and continuation statements, and will take such further action as Lessor or any Assignee or Lender may from time to time reasonably request in order to carry out more effectively the intent and purposes of this Lease and to establish and protect the rights and remedies created or intended to be created in favor of Lessor and of any Assignee and/or Lender and their respective rights, title and interests in and to the Equipment. Upon the execution of this Lease, Lessee will cause this Lease to be duly filed, registered or recorded with the Interstate Commerce Commission in accordance with Section 11303(a) of the Interstate Commerce Act and in such other places within or without the United States as the Lessor may reasonably request and will furnish the Lessor proof thereof. Lessee will pay all costs, charges and expenses incident to any such filing, registering and recording.

28. Notices. All notices provided for or required under the terms and provisions hereof shall be in writing, and any such notice shall be deemed given when personally delivered or when deposited in the United States mails, with proper postage prepaid, for first class certified mail, return receipt requested, addressed (i) if to Lessor or Lessee, at their respective addresses as set forth herein or at such other address as either of them shall, from time to time, designate in writing to the other, and (ii) if to any Assignee or Lender, to the address of such Assignee or Lender as such Assignee or Lender shall designate in writing to Lessor and Lessee.

29. Lessee's Renewal and Purchase Options.

(a) Lessee's Renewal Option. If (i) no Event of Default shall have occurred and be continuing and (ii) this Lease shall not have been earlier terminated, Lessee shall be entitled, at its option upon written notice to Lessor, as hereinafter provided, to renew this Lease with respect to all, but not less than all, Items of Equipment then subject to this Lease for five (5) Renewal Terms of twelve (12) months each. The first Renewal Term with respect to each such Item of Equipment will commence at the expiration of the Basic Term of such Item, and each succeeding Renewal Term will commence at the expiration of the next preceding Renewal Term. All of the provisions of this Lease shall be applicable during each Renewal Term for each such Item of Equipment, except that, during each Renewal Term, Basic Rent shall be the fair market rental value thereof determined in accordance with Section 29(c) hereof, and said Basic Rent shall be payable monthly during each Renewal Term, on the first day of each month. If Lessee intends to exercise said renewal option with respect to any of said Renewal Terms, Lessee shall give written notice to Lessor to such effect at least one hundred eighty (180) days prior to the expiration of the Basic Term of the Item(s) of Equipment whose Basic Term first expires hereunder, in the case of the first Renewal Term, and ninety (90) days prior to the expiration of the then current Renewal Term of the Item(s) of Equipment whose Basic Term first expires hereunder in the case of the then next succeeding Renewal Term. If Lessee fails to give such written notice to Lessor with respect to any of said Renewal Terms, it shall be conclusively presumed that Lessee has elected not to exercise said renewal option with respect to said Renewal Term, in which case (unless Lessee has exercised its purchase option under Section 29(b) hereof) each such Item of Equipment shall be returned to Lessor in accordance with the provisions of Section 6 hereof.

(b) Lessee's Purchase Option.

(A) During the Term. If no Event of Default shall have occurred and be continuing, and this Lease shall not have been earlier terminated, Lessee shall be entitled, at its option, upon thirty (30) days prior written notice to Lessor, to purchase any Item of Equipment on or after the twenty-fourth (24th) monthly Rent Payment Date therefor if such Item is obsolete or no longer needed or useful in Lessee's business (as certified By Lessee in said prior written notice from Lessee to Lessor, which written notice shall be signed on Lessee's behalf by its chief financial or operating officer) by paying to Lessor on the Rent Payment Date next following said written notice an amount (payable in immediately available funds) equal to the sum of (i) the Basic Rent payable for such Item on said Rent Payment Date plus (ii) an amount equal to the greater of (x) the fair market sales value of such Item on said Rent payment Date or (y) the Casualty Loss Value of such Item as of said Rent Payment Date (after giving effect to the payment of Basic Rent made thereon), plus (iii) any applicable sales, excise or other taxes imposed as a result of such sale (other than gross or net income taxes attributable thereto). Lessor's sale of each such Item shall be on an as-is, where-is basis, without any representations by, or recourse to, Lessor. For purposes hereof, fair market sales value of an Item of Equipment shall be determined by mutual agreement of Lessor and Lessee, and failing such agreement, by and subject to the provisions of the appraisal procedure specified in Section 29(c) hereof.

(B) After the Expiration of the Term. If (i) no Event of Default shall have occurred and be continuing, and (ii) this Lease shall not have been earlier terminated, Lessee shall be entitled, at its option, upon written notice to Lessor, as hereinafter provided, to purchase all, but not less than all, Items of Equipment then subject to this Lease, on the date immediately following the date of the expiration of the Basic Term of each such Item of Equipment or, as the case may be, the expiration of the then Renewal Term of each such Item of Equipment, for an amount, with respect to each Item of Equipment, payable in immediately available funds, equal to the fair market sales value thereof determined in accordance with Section 29(c) hereof, plus any applicable sales, excise or other taxes imposed as a result of such sale (other than gross or net income taxes attributable to such sale). Lessor's sale of each Item of Equipment shall be on an as-is, where-is basis, without any representation by, or recourse or warranty to, Lessor. If Lessee intends to exercise said purchase option, Lessee shall give written notice to Lessor to such effect at least one hundred eighty (180) days prior to the expiration of the Basic Term of the Item(s) of Equipment whose Basic Term first expires hereunder, or, if Lessee has renewed this Lease pursuant to Section 29(a) hereof, then at least ninety (90) days prior to the expiration of the then current Renewal Term of the Item(s) of Equipment whose Basic Term first expires hereunder. If Lessee fails to give such written notice to Lessor as aforesaid, Lessor shall be entitled to presume that Lessee has elected not to exercise said purchase option, in which case, unless Lessor otherwise agrees in writing, each such Item of Equipment shall be returned to Lessor in accordance with the provisions of Section 6 hereof. If, with respect to any Item of Equipment, the payment of the purchase option amount specified in the first sentence of this Section 29(b) is made to Lessor on a date subsequent to the payment date specified in said sentence and Lessor agrees in writing to accept such payment on such later date, Basic Rent for such Item shall accrue (at the same Basic Rent that was payable for such Item on the last Rent Payment Date of the Basic Term or then current Renewal Term, as applicable, of such Item)

for each full and partial calendar month during the period from the payment date specified in said sentence to the actual date of such payment, both dates inclusive, and the total of said accrued Basic Rent shall be paid by Lessee to Lessor at the time of the payment of said purchase option amount.

(c) Determination of Fair Market Sales Value and Fair Market Rental Value;

Appraisal Procedure. If Lessee has elected to exercise its renewal option, as provided in Section 29(a) hereof, or has elected to exercise its purchase option, as provided in Section 29(b) hereof, then as soon as practicable following Lessor's receipt of the written notice from Lessee of Lessee's intent to exercise such option, Lessor and Lessee shall consult for the purpose of determining the fair market rental value or fair market sales value, as the case may be, of each Item of Equipment as of the end of the Basic Term thereof, or, if this Lease has been renewed pursuant to Section 29(a) hereof, then as of the end of the then current Renewal Term thereof, and any values agreed upon in writing shall constitute such fair market rental value or fair market sales value of each such Item of Equipment for the purposes of this Section 29. If Lessor and Lessee fail to agree upon such values prior to four (4) months before the expiration of the Basic Term, or, if this Lease has been so renewed, two (2) months before the expiration of the then current Renewal Term, of the Item(s) of Equipment whose Basic Term first expires hereunder, either party may request, by written notice to the other, that such values be determined by the appraisal procedure hereinafter specified, and Lessee agrees to pay the costs and expenses of all appraisers required in connection with said appraisal procedure. For all purposes of this Section 29, fair market sales value and fair market rental value shall be determined on the basis of, and shall equal in value, the amount which would obtain in an arm's length transaction between an informed and willing buyer-user or lessee (other than a lessee currently in possession and a used equipment or scrap dealer) and an informed and willing seller or lessor under no compulsion to sell or lease, and in such determination, costs of removal from the location of current use shall not be a deduction from such value, and it shall be assumed (whether or not the same be true) that the Equipment has been maintained in accordance with the requirements of Section 11 hereof and would have been returned to Lessor in compliance with the requirements of Section 6 hereof. In the event Lessor and Lessee fail to agree upon such fair market sales value or fair market rental value, as the case may be, of the Equipment or any Item of the Equipment, and either Lessor or Lessee shall have given the other written notice requesting determination of such values, Lessor and Lessee shall consult for the purpose of appointing a qualified independent appraiser by mutual agreement. If no such appraiser is so appointed within 10 Business Days after such notice is given, each party shall appoint an independent appraiser within 15 Business Days after such notice is given, and the two appraisers so appointed shall within 20 Business Days after such notice is given appoint a third independent appraiser. If no such third appraiser is appointed within 20 Business Days after such notice is given, either party may apply to any court having jurisdiction to make such appointment, and both parties shall be bound by any appointment made by such court. Any appraiser or appraisers appointed pursuant to the foregoing procedure shall be instructed to determine the fair market sales value and/or the fair market rental value, as the case may be, of the Equipment within 60 days after the appointment of such appraiser(s). If the parties shall have appointed a single appraiser, his or her determination of value shall be final. If three appraisers shall be appointed, the values determined by the three appraisers shall be averaged, and, unless such average shall equal the value determined by the middle appraisal (in which event such average shall be final), the determination which differs most from such average shall be excluded, the remaining two determinations shall be averaged and such average shall be final.

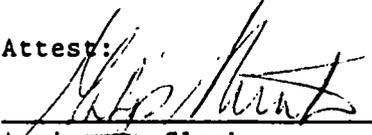
30. Financial Information. Lessee agrees to furnish Lessor (a) as soon as available, and in any event within 120 days after the last day of each fiscal year of Lessee, a copy of the consolidated balance sheet of Lessee and its consolidated subsidiaries as of the end of such fiscal year, and related consolidated statements of income and retained earnings of Lessee and its consolidated subsidiaries for such fiscal year, certified by an independent certified public accounting firm of recognized standing, each on a comparative basis with corresponding statements for the prior fiscal year, and a copy of Lessee's form 10-K filed with the Securities and Exchange Commission for such fiscal year; (b) within 45 days after the last day of each fiscal quarter of Lessee, a copy of Lessee's form 10-Q filed with the Securities and Exchange Commission for such quarterly period; (c) contemporaneously with its transmittal to each stockholder of Lessee and to the Securities and Exchange Commission, all such other financial statements and reports as Lessee shall send to its stockholders and to the Securities and Exchange Commission; (d) as soon as available to Lessee, the notice of any adjustment resulting from any audit of the books and/or records of Lessee by any taxing authority having jurisdiction over Lessee; and (e) such additional financial information as Lessor may reasonably request concerning Lessee.

31. Expenses. Lessee agrees, whether or not the transactions contemplated by this Lease are consummated, to reimburse Lessor for the payment of lien searches, filing and recording fees, and fees and expenses relating to the titling and registration of any Item(s) of Equipment incurred by Lessor in connection with the negotiation and documentation of this Lease and other related instruments and documents.

32. 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 or diminishing Lessor's rights under 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. No term or provision of this Lease may be amended, altered, waived, discharged or terminated orally, but may be amended, altered, waived, discharged or terminated only by an instrument in writing signed by a duly authorized officer of the party against which the enforcement of the amendment, alteration, waiver, discharge or termination is sought. A waiver on any one occasion shall not be construed as a waiver on a future occasion. All of the covenants, conditions and obligations contained in this Lease shall be binding upon and shall inure to the benefit of the respective successors and assigns of Lessor and (subject to the restrictions of Section 14(a) hereof) Lessee. If there is more than one Lessee named herein, the liability of each Lessee shall be joint and several. This Lease, each Lease Supplement and each related instrument, document, agreement and certificate, collectively constitute the entire agreement of Lessor and Lessee with respect to the acquisition and leasing of the Equipment, and cancel and supersede any and all prior oral or written understandings with respect thereto. This Lease shall in all respects be governed by, and construed in accordance with, the laws of the Commonwealth of Massachusetts, including all matters of construction, validity and performance.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be duly executed by their duly authorized representatives as of the date first written above.

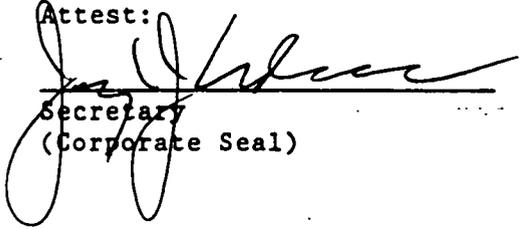
Attest:


Assistant Clerk
(Corporate Seal)

NEMLC LEASING CORPORATION
(Lessor)

By 
Title: SR. VP. Finance

Attest:


Secretary
(Corporate Seal)

MISSOURI PACIFIC TRUCK LINES, INC.
(Lessee)

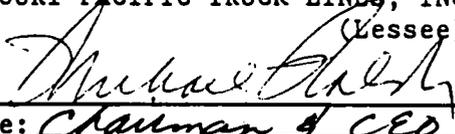
By 
Title: Chairman & CEO

EXHIBIT A TO EQUIPMENT LEASING AGREEMENT

| <u>Type of Equipment</u> | <u>AAR Reporting Marks and Numbers</u> | <u>Maximum Acquisition Cost</u> | <u>Number of Months in Basic Term</u> | <u>Basic Rent Percentage*</u> | <u>Interim Rent Percentage*</u> |
|---|--|---------------------------------|---------------------------------------|-------------------------------|---------------------------------|
| New Thrall Mark V Trailers | NERZ 480000 - 480175 | \$4,500,000 | 96 | 1.30241% | .0434136% |
| New Railroader Rail Bogies and Adapters | NETX 870001 - 870100 NEAX 000001 - 000004 | \$1,900,000 | 120 | 1.25699% | .0418996% |

*percentage of Acquisition Cost

MISSOURI PACIFIC TRUCK LINES, INC.
(lessee)

By: *Michael J. ...*
Title: Chairman & CEO

WEMLC LEASING CORPORATION
(Lessor)

By: *Richard ...*
Title: ...

LEASE SUPPLEMENT NO.

This Lease Supplement is executed pursuant to, and incorporates by reference all of the terms, conditions and provisions of, the Equipment Leasing Agreement dated as of _____, 198__ between the undersigned Lessor and Lessee (herein, as amended and supplemented from time to time, called the "Lease"). Lessee hereby (a) acknowledges and certifies that each Item of Equipment described below or on any Schedule attached hereto has been selected by, delivered to, and inspected by, Lessee, and that as between Lessor and Lessee, each such Item is of a size, design, capacity and manufacture acceptable to and suitable for Lessee's purposes, has been installed to Lessee's satisfaction, and is in good working order, repair and condition; and (b) unconditionally accepts each such Item for lease under the Lease on the date hereof. Lessor and Lessee hereby agree that each Item of Equipment described below or on any Schedule attached hereto is hereby leased from Lessor to Lessee under and subject to all of the terms, conditions and provisions of the Lease; that the Term of each such Item commences on the date hereof and that such date is the Acceptance Date thereof; that the amount of the Acquisition Cost, Interim Rent and Basic Rent for all Items covered by this Lease Supplements and the Interim Term and Basic Term thereof, is as set forth below, and the amount of the Acquisition Cost of any Item listed on any Schedule attached hereto is as set forth therein. Lessee certifies that its representations and warranties set forth in Section 22 of the Lease are true and correct on the date hereof. All capitalized terms used herein which are not defined herein shall have the meaning given to such terms in the Lease.

1. Description of Item(s) of Equipment (include make, model, serial number and quantity):

2. AAR REPORTING MARKS AND NUMBERS:

3. Acquisition Cost: \$ _____

4. Interim Term: commencing on date hereof and ending on _____, 19__.

5. Basic Term: _____ () months, commencing on _____, 19__, and ending on _____, 19__.

6. Interim Rent for Interim Term: \$ _____ (plus applicable sales/use tax) and payable on _____, 19__.

7. Basic Rent payable during Basic Term: \$ _____ (plus applicable sales/use tax) payable on each Rent Payment Date in _____ during Basic Term, commencing on _____, 198__.

Dated: _____, 198__.

COUNTERPART NO. _____ OF _____
SERIALLY NUMBERED MANUALLY EXECUTED
COUNTERPARTS. TO THE EXTENT IF ANY
THAT THIS DOCUMENT CONSTITUTES
CHATEL PAPER UNDER THE UNIFORM
COMMERCIAL CODE, NO SECURITY INTEREST
IN THIS DOCUMENT MAY BE CREATED
THROUGH THE TRANSFER AND POSSESSION
OF ANY COUNTERPART OTHER THAN
COUNTERPART NO. 1.

NEMLC LEASING CORPORATION (Lessor)

By _____
Title: _____

MISSOURI PACIFIC TRUCK LINES, INC. (Lessee)

By _____
Title: _____

Lessee's Initials

Lessor's Initials

SCHEDULE OF CASUALTY LOSS VALUES

[For Equipment of the following type(s): New Thrall Mark V Trailers the Lease Supplement for which is dated a date subsequent to December 31, 1967]

| <u>Rent Payment Date Number</u> | <u>Percentage of Acquisition Cost (after payment of rent on corresponding rent payment date)</u> | <u>Rent Payment Date Number</u> | <u>Percentage of Acquisition Cost (after payment of rent on corresponding rent payment date)</u> |
|-------------------------------------|--|-------------------------------------|--|
| 1 | 104.52294 | 49 | 70.43889 |
| 2 | 103.92409 | 50 | 69.89709 |
| 3 | 103.32100 | 51 | 69.35127 |
| 4 | 102.71364 | 52 | 68.80547 |
| 5 | 102.10192 | 53 | 68.24185 |
| 6 | 101.48599 | 54 | 67.67779 |
| 7 | 100.86564 | 55 | 67.10891 |
| 8 | 100.24090 | 56 | 66.53170 |
| 9 | 99.61174 | 57 | 65.94979 |
| 10 | 98.97813 | 58 | 65.36385 |
| 11 | 98.34003 | 59 | 64.77504 |
| 12 | 97.69742 | 60 | 64.18491 |
| 13 | 97.05026 | 61 | 63.59372 |
| 14 | 96.39852 | 62 | 63.00452 |
| 15 | 95.74218 | 63 | 62.41317 |
| 16 | 95.08117 | 64 | 61.81951 |
| 17 | 94.41549 | 65 | 61.22382 |
| 18 | 93.74511 | 66 | 60.62693 |
| 19 | 93.07099 | 67 | 60.02831 |
| 20 | 92.39309 | 68 | 59.42801 |
| 21 | 91.71138 | 69 | 58.82699 |
| 22 | 91.02583 | 70 | 58.22517 |
| 23 | 90.33640 | 71 | 57.62254 |
| 24 | 89.64305 | 72 | 49.01203 |
| 25 | 88.94577 | 73 | 48.40461 |
| 26 | 88.24450 | 74 | 47.79821 |
| 27 | 87.53921 | 75 | 47.19280 |
| 28 | 86.83088 | 76 | 46.58832 |
| 29 | 86.11945 | 77 | 45.98473 |
| 30 | 85.40592 | 78 | 45.38197 |
| 31 | 84.69021 | 79 | 44.78093 |
| 32 | 83.97232 | 80 | 44.18174 |
| 33 | 83.25218 | 81 | 43.58436 |
| 34 | 82.52980 | 82 | 42.98889 |
| 35 | 81.80510 | 83 | 42.39536 |
| 36 | 81.07809 | 84 | 41.80380 |
| 37 | 80.34874 | 85 | 41.21420 |
| 38 | 79.61700 | 86 | 40.62657 |
| 39 | 78.88281 | 87 | 40.04092 |
| 40 | 78.14612 | 88 | 39.45728 |
| 41 | 77.40699 | 89 | 38.87565 |
| 42 | 76.66531 | 90 | 38.29604 |
| 43 | 75.92101 | 91 | 37.71846 |
| 44 | 75.17409 | 92 | 37.14292 |
| 45 | 74.42453 | 93 | 36.56944 |
| 46 | 73.67231 | 94 | 35.99803 |
| 47 | 72.91743 | 95 | 35.42871 |
| 48 | 72.15989 | 96 | 34.86140 |

and each Rent Payment Date thereafter

During the Interim Term, the Casualty Loss Value is 105.11758% of Acquisition Cost.

MHW
Lessee's Initials

ZLC
Lessor's Initials

SCHEDULE OF CASUALTY LOSS VALUES

[For Equipment of the following type(s): New Railroader Rail Bogies and Adapters the Lease Supplement for which is dated a date subsequent to December 31, 1987]

| <u>Rent Payment Date Number</u> | <u>Percentage of Acquisition Cost (after payment of rent on corresponding rent payment date)</u> | <u>Rent Payment Date Number</u> | <u>Percentage of Acquisition Cost (after payment of rent on corresponding rent payment date)</u> |
|-------------------------------------|--|-------------------------------------|--|
| 1 | 105.31481 | 61 | 72.99999 |
| 2 | 104.87447 | 62 | 73.27757 |
| 3 | 104.43066 | 63 | 73.54648 |
| 4 | 103.98333 | 64 | 73.81103 |
| 5 | 103.53246 | 65 | 74.08892 |
| 6 | 103.07803 | 66 | 74.37350 |
| 7 | 102.62000 | 67 | 74.66578 |
| 8 | 102.15834 | 68 | 74.96586 |
| 9 | 101.69304 | 69 | 75.27388 |
| 10 | 101.22405 | 70 | 75.58996 |
| 11 | 100.75135 | 71 | 75.91420 |
| 12 | 100.27491 | 72 | 76.24674 |
| 13 | 100.05895 | 73 | 76.58767 |
| 14 | 99.79165 | 74 | 76.93698 |
| 15 | 99.52374 | 75 | 77.29474 |
| 16 | 99.25575 | 76 | 77.66102 |
| 17 | 98.98704 | 77 | 78.03589 |
| 18 | 98.71735 | 78 | 78.41933 |
| 19 | 98.44670 | 79 | 78.81142 |
| 20 | 98.17514 | 80 | 79.21223 |
| 21 | 97.90264 | 81 | 79.62183 |
| 22 | 97.62915 | 82 | 80.04030 |
| 23 | 97.35473 | 83 | 80.46771 |
| 24 | 97.07934 | 84 | 80.90404 |
| 25 | 96.80304 | 85 | 81.34937 |
| 26 | 96.52579 | 86 | 81.80368 |
| 27 | 96.24754 | 87 | 82.26695 |
| 28 | 95.96834 | 88 | 82.73916 |
| 29 | 95.68814 | 89 | 83.21930 |
| 30 | 95.40699 | 90 | 83.70735 |
| 31 | 95.12484 | 91 | 84.20329 |
| 32 | 94.84164 | 92 | 84.70711 |
| 33 | 94.55744 | 93 | 85.21880 |
| 34 | 94.27219 | 94 | 85.73834 |
| 35 | 93.98594 | 95 | 86.26571 |
| 36 | 93.69864 | 96 | 86.80089 |
| 37 | 93.41034 | 97 | 87.34386 |
| 38 | 93.12104 | 98 | 87.89461 |
| 39 | 92.83069 | 99 | 88.45312 |
| 40 | 92.53934 | 100 | 89.01937 |
| 41 | 92.24694 | 101 | 89.59334 |
| 42 | 91.95354 | 102 | 90.17501 |
| 43 | 91.65909 | 103 | 90.76437 |
| 44 | 91.36364 | 104 | 91.36141 |
| 45 | 91.06714 | 105 | 91.96611 |
| 46 | 90.76964 | 106 | 92.57846 |
| 47 | 90.47109 | 107 | 93.19844 |
| 48 | 90.17154 | 108 | 93.82603 |
| 49 | 89.87094 | 109 | 94.46121 |
| 50 | 89.56934 | 110 | 95.10397 |
| 51 | 89.26669 | 111 | 95.75429 |
| 52 | 88.96304 | 112 | 96.41216 |
| 53 | 88.65834 | 113 | 97.07757 |
| 54 | 88.35264 | 114 | 97.75051 |
| 55 | 88.04594 | 115 | 98.43097 |
| 56 | 87.73819 | 116 | 99.11894 |
| 57 | 87.42944 | 117 | 99.81441 |
| 58 | 87.11964 | 118 | 100.51737 |
| 59 | 86.80884 | 119 | 101.22781 |
| 60 | 86.49699 | 120 | 101.94571 |

and each Rent Payment
Date thereafter

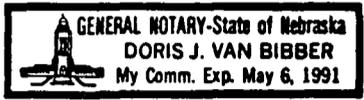
During the Interim Term, the Casualty Loss Value is 105.75168% of Acquisition Cost.

MHW
Lessee's Initials

AIC
Lessor's Initials

STATE OF NEBRASKA)
County of DOUGLAS) SS.:

On this 19th day of February 1988, before me personally appeared Michael Walsh, to me personally known, who, being by me duly sworn, says that he is Chairman and CEO of Missouri Pacific Truck Lines, Inc., that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.



Doris J. Van Bibber
Notary

[Notarial Seal]

My Commission expires: May 6, 1991

STATE Massachusetts)
County of Suffolk) SS.:

On this 22nd day of February 1988, before me personally appeared Lee P. Chausse, to me personally known, who, being by me duly sworn, says that he is a Senior Vice President of NETMCO LEASING CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Mark A. Rehman
Notary

[Notarial Seal]

My Commission expires: 7/24/92