General Electric Credit Corporation
260 Long Ridge Road
Stamford, Connecticut 06905

13776

Recordation No. Filed 1425

AUG 26 1982-3 15 PM

INTERSTATE COMMERCE COMMISSION

Federal Express

August 25, 1982

2-238A048

No.
AUG 26 1982
Date.....
Fee $ 50.00

ICC Washington, D. C.

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

Dear Sir or Madam:

In accordance with the provisions of 49 USC § 11303(a), and Regulations of the Interstate Commerce Commission as set forth in Title 49, Part 1116 of the Code of Federal Regulations, we submit herewith for recordation the original and two counterpart copies of a Lease Agreement, dated as of July 15, 1982 (the "Lease") between General Electric Credit Corporation as Lessor and Louisville and Nashville Railroad Company as Lessee.

Also enclosed is a check for $50.00 representing the required recordation fee.

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

Lessor: General Electric Credit Corporation
260 Long Ridge Road
Stamford, Connecticut 06905

Lessee: Louisville and Nashville Railroad Company
500 Water Street
Jacksonville, Florida 32202

The Lease is being submitted for recording in the event that items of equipment covered by the Lease are deemed railroad cars, locomotives or other rolling stock. The equipment covered by the Lease will include the following

AUG 26 03 PM 1982

items acquired or to be acquired by GECC and leased to the Lessee pursuant to the Lease:

Automobiles
Light, Medium or Heavy Duty Trucks
Carrydeck Cranes
Hydraulic Cranes
Car Movers
Forklifts
Tow Tractors

Executed copies of the Lease are on file at the office of General Electric Credit Corporation as set forth above, and information concerning its interests in the Lease and the items of equipment covered thereby may be obtained from said office.

Please return copies of the Lease, with recordation number and date and hour of recordation, and direct all other communications on this matter, to

John W. Kaufmann, Esq.
Lovejoy, Wasson & Ashton
101 Park Avenue
New York, New York 10178

telephone: (212) 697-4100

Very truly yours,

General Electric Credit
Corporation

By: William N. Hammack

13776
RECORDATION NO. ..... Filed 1425

AUG 26 1982-3 15 PM

INTERSTATE COMMERCE COMMISSION

[Final Execution Copy]

EQUIPMENT LEASE

Dated as of July 15, 1982

between

GENERAL ELECTRIC CREDIT CORPORATION,

as Lessor,

and

LOUISVILLE AND NASHVILLE RAILROAD COMPANY,

as Lessee

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EXHIBIT I - Form of Opinion of Lessor's Special Counsel

EQUIPMENT LEASE

THIS EQUIPMENT LEASE, dated as of July 15, 1982 (the "Lease"), between GENERAL ELECTRIC CREDIT CORPORATION, a New York corporation, as lessor (the "Lessor"), and LOUISVILLE AND NASHVILLE RAILROAD COMPANY, a Kentucky corporation, as lessee (the "Lessee");

W I T N E S S E T H :

SECTION 1. Definitions

(a) Certain Terms. As used herein the terms "Aggregate Group Limits", "Basic Lease Rate Factor", "Basic Rent Dates", "Daily Lease Rate Factor", "Expiration Date", "Final Acceptance Date", "First Basic Rent Dates", "Interim Rent Dates", "Last Basic Rent Dates" and "Overdue Rate" shall have the meanings with respect to each Group of Equipment and/or Item of Equipment set forth in Exhibit C hereto; the terms "Group", "Group of Equipment", "Item", "Lessor's Cost" and "Maximum Lessor's Cost" shall have the meanings set forth in Exhibit A hereto; and the terms "Casualty Value" and "Casualty Payment Date", and "Termination Value", shall have the meanings with respect to any Item of Equipment set forth in Exhibits D and E hereto, respectively.

(b) Certain Other Terms. Certain other capitalized terms used in this Lease shall have the meanings assigned thereto in Schedule 1 hereto.

SECTION 2. Lease of Equipment

(a) Purchase and Lease. On any Acceptance Date, Lessor hereby agrees to purchase and lease to Lessee, and Lessee hereby agrees to lease from Lessor, Items of Equipment which have been delivered to and accepted by or on behalf of Lessor and accepted by Lessee in accordance with the following three sentences. Lessee covenants that on or before each Acceptance Date the conditions set forth in Sections 21(a) or 21(b), as the case may be, shall have been satisfied. Immediately upon delivery of each Item of Equipment, Lessee will cause an authorized representative of Lessee to inspect the same. If such Item of Equipment is found to be in good order, then, if and only if Lessor's written notice referred to in the last sentence of Section 21(a) shall have been given by Lessor and received by Lessee, Lessee will immediately accept such Item of Equipment on behalf of Lessor as owner and accept such Item for lease hereunder by executing a delivery receipt therefor in the form then customarily

used by the Equipment Manager ("Delivery Receipt"), whereupon Lessee shall be deemed for all purposes of this Agreement to have represented and warranted that the representations and warranties of Lessee set forth in the Lessee's Certificate in the form of Exhibit F hereto are true and correct as if made on the date of such acceptance under this Lease, and such Item of Equipment shall be subject to the terms and conditions of this Lease; provided, however, that Lessee's authority to accept any Item of Equipment on Lessor's behalf is subject to prospective revocation by Lessor in accordance with Section 23(j); provided, further, that Lessor shall have no authority to accept any Item of Equipment unless such acceptance complies with Section 2(c). Lessee hereby covenants that upon acceptance of any Item of Equipment by Lessee on Lessor's behalf and for lease hereunder Lessee shall also cause such acceptance to be evidenced by execution of a Certificate of Acceptance by Lessee or by the Equipment Manager on Lessee's behalf covering such Item executed and dated the date on which Lessee executed a Delivery Receipt covering such Item.

(b) Payment. Upon delivery by Lessor of the written notice referred to in the last sentence of Section 21(a), any acceptance by Lessee on Lessor's behalf by execution of a Delivery Receipt as set forth in Section 2(a) shall be valid and binding on Lessor; provided that in no case shall Lessor be deemed to have waived any of Lessor's rights hereunder or otherwise, and Lessor shall be entitled to exercise any remedies available to Lessor hereunder (including, without limitation, under Sections 16 and 23(j)) or otherwise, in the event that an Event of Default or Default shall have occurred arising from any such acceptance by Lessee. Subject to Section 11(b), on any Funding Date Lessor shall pay, in immediately available funds, during normal banking hours in New York City, to the Equipment Manager (i) the Lessor's Cost of all Items (if any) (A) purchased by Lessor hereunder during any calendar month (not after December 31, 1982) preceding the calendar month in which such Funding Date occurs and not previously paid for by Lessor hereunder and (B) as to which the respective documents described in Section 21(c) shall have been delivered, plus (ii) the Special Funding Costs of the Equipment Manager in respect of such Items. Such payment shall be made to such account of the Equipment Manager in the United States as Lessee shall specify in its notice to Lessor in accordance with Section 21(d).

(c) Maximum Lessor's Cost; Aggregate Group Limits. Lessee shall select and accept Items of Equipment for lease hereunder such that:

(1) the Lessor's Cost of any Item, when added to the sum of the Lessor's Cost of each Item theretofore delivered and accepted under this Lease, shall not exceed the Maximum Lessor's Cost;

(2) the Lessor's Cost of any Item in any Group of Equipment, when added to the sum of (i) the Lessor's Cost of all Items of Equipment in such Group theretofore delivered and accepted under this Lease and (ii) the Lessor's Cost of Other Items in such Group, shall not exceed the respective Aggregate Group Limit set forth in Exhibit C hereto; and

(3) the Lessor's Cost of any Item, when added to the sum of (i) the Lessor's Cost of each Item theretofore delivered and accepted under this Lease and (ii) the Lessor's Cost of Other Items shall not exceed $15,200,000.

Section 3. Term and Rent

(a) Term of Lease. The term of this Lease as to any Item of Equipment included in a Group of Equipment in accordance with Section 9 hereof shall begin on the Acceptance Date with respect to such Item and shall end on the Expiration Date with respect to such Item, unless this Lease shall have been terminated, or the term of this Lease shall have been extended, as to such Item by the terms hereof.

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

(1) on the Interim Rent Date for such Item, an amount equal to the sum of (x) the Daily Lease Rate Factor for such Item for each day in the period from and including the Funding Date for such Item to but excluding the Interim Rent Date for such Item and (y) the Special Funding Cost of the Equipment Manager in respect of such Item.

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

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

(4) with respect to any Item or Group for which Lessee chooses to exercise the option to extend this Lease pursuant to Section 18(a) hereof, an amount equal to the Fair Rental

Value applicable to such Item or Group (as defined in Section 18(b) hereof), payable monthly in advance on the Expiration Date for such Item or Group and on each Basic Rent Date during such Lease Extension Period (as defined in Section 18(a)).

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

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

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

(3) to the extent permitted by applicable law, interest (computed on the basis of a 360-day year of twelve (12) 30-day months) at the Overdue Rate on any payment of Basic Rent, Casualty Value or Termination Value not paid when due for any period for which the same shall be overdue and on any other payment of Supplemental Rent (including, without limitation, interest payable under this clause (3)) not paid when payable until the date on which the same shall be paid.

(d) Payment of Rent. All payments of Rent hereunder shall be made so that Lessor shall have immediately available funds on the date payable hereunder, and shall be paid to Lessor at its address set forth in Section 22 or at such other address as Lessor may direct by notice in writing to Lessee. Payment of Rent may be made by Lessee's check dated and delivered to Lessor so as to constitute immediately available funds on the date payment is due or by wire transfer received by Lessor on such date.

SECTION 4. Net Lease

This Lease is a net lease and Lessee acknowledges and agrees that Lessee's obligation to pay all Rent hereunder, and the rights of Lessor in and to such Rent, shall be absolute and unconditional and shall not be subject to any abatement, reduction, set-off, defense, counterclaim or recoupment ("Abatements") for any reason whatsoever, including, without limitation, Abatements due to any present or future claims of Lessee against Lessor under this Lease or otherwise, or against the manufacturer or vendor of any Item of Equipment. Except as otherwise expressly provided herein, this

to return any such Item at or before any such Expiration Date or termination date (or last day) shall in no way be discharged or diminished, nor shall Lessor's rights and remedies for any failure of Lessee to so return any Item be deemed to be waived, modified or diminished in any way.

SECTION 6. Representations of Lessor

(a) Lessee's Quiet Enjoyment. Lessor represents and warrants that during the term of this Lease, if no Event of Default has occurred and is continuing, Lessee's use of the Items of Equipment shall not be interrupted by Lessor or anyone claiming solely through or under Lessor.

(b) Exclusion Clause. The warranties set forth in subsection (a) of this Section are in lieu of all other warranties of Lessor, whether written, oral or implied; and Lessor shall not be deemed to have made, and LESSOR HEREBY DISCLAIMS, ANY OTHER REPRESENTATION OR WARRANTY, EITHER EXPRESSED OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE DESIGN OR CONDITION OF ANY ITEM OF EQUIPMENT, ITS MERCHANTABILITY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE, THE QUALITY OF THE MATERIAL OR WORKMANSHIP OF ANY ITEM OF EQUIPMENT OR CONFORMITY OF ANY ITEM OF EQUIPMENT TO THE PROVISIONS AND SPECIFICATIONS OF ANY PURCHASE ORDER OR ORDERS RELATING THERETO, NOR SHALL LESSOR BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING STRICT LIABILITY IN TORT), but Lessor authorizes Lessee, at Lessee's expense, to assert for Lessor's account, during the term of this Lease, so long as no Event of Default shall have occurred and be continuing, all of Lessor's rights under any manufacturer's or seller's warranty for any Item and Lessor agrees to cooperate with Lessee in asserting such rights; provided, however, that Lessee shall indemnify Lessor for, and shall hold Lessor harmless from and against, any and all claims as a result of, or incidental to, any action by Lessee pursuant to the above authorization and all costs, expenses, damages, losses and liabilities incurred or suffered by Lessor in connection therewith. Any amount received by Lessor as payment under any such warranty with respect to any such Item of Equipment shall be applied to restore such Item of Equipment to the condition required by Section 9 hereof, with the balance of such amount, if any, to be paid over to Lessee, provided that Lessee is not in default hereunder.

SECTION 7. Liens

Lessee will not directly or indirectly create, incur, assume or suffer to exist any Liens on or with respect to any Item of Equipment, Lessor's title thereto or any interest therein (and Lessee will promptly, at Lessee's own expense, take such action as may be necessary duly to discharge any such Lien), except (1) the respective rights of Lessor and Lessee as herein provided, (2) Lessor's Liens, (3) Liens for taxes either not yet due or being contested in good faith and by appropriate proceedings, if counsel for Lessor shall have determined

that the nonpayment of any such tax or the contest of any such payment in such proceedings does not, in the opinion of such counsel, adversely affect the title, property, or rights of Lessor in and to any Item of Equipment, (4) inchoate materialmen's, mechanics', workmen's, repairmen's, employees' or other like Liens arising in the ordinary course of business of Lessee and not delinquent, and (5) Liens granted by Lessor to any assignee or security assignee of Lessor.

SECTION 8. Taxes

Lessee agrees to pay and to indemnify Lessor for, and hold Lessor harmless from and against, all income, franchise, sales, use, personal property, ad valorem, value added, leasing, leasing use, stamp or other taxes, levies, imposts, duties, charges, or withholdings of any nature, together with any penalties, fines or interest thereon ("Impositions"), arising out of the transactions contemplated by this Lease and imposed against Lessor, Lessee or any Item of Equipment by any Federal, state, local or foreign government or taxing authority upon or with respect to such Item of Equipment or upon the sale, purchase, ownership, delivery, leasing, possession, use, operation, return or other disposition thereof, or upon the rentals, receipts or earnings arising therefrom, or upon or with respect to this Lease (excluding, however, taxes on, or measured solely by, the net income of Lessor). Lessee may contest any such Imposition provided that Lessee shall pay all costs in connection therewith and shall have given to Lessor written notice of any such Imposition, which notice shall state that such Imposition is being contested by Lessee in good faith and by appropriate proceedings and counsel for Lessor shall have determined that the nonpayment thereof or the contest thereof in such proceedings do not, in the opinion of such counsel, adversely affect the title, property or rights of Lessor. Lessor hereby agrees to give prompt written notice to Lessee of any Imposition of which it has received notice. Lessee shall pay all costs, expenses, fees and charges incurred in connection with the title and registration of each Item of Equipment and the use and operation of such Item of Equipment during the Lease term thereof, including but not limited to registration and license fees and tags. All amounts payable by Lessee under this Section shall be payable, to the extent not theretofore paid, on written demand of Lessor except any property taxes which the Lessee shall pay directly to the taxing authority. In case any report or return is required to be made with respect to any obligation of Lessee under this Section or arising out of this Section, Lessee will make such report or return in such manner as will show the ownership of the Items of Equipment in Lessor and send a copy of such report or return

to Lessor. Lessor agrees to cooperate fully with Lessee in the preparation of any such report or return. All payments by Lessee hereunder shall be in an amount computed by Lessor which after deduction of the net amount, if any, of all income taxes required to be paid by Lessor as a result of the non-deductibility of any of such Impositions and the receipt by Lessor of such payments shall equal the Impositions.

Notwithstanding the foregoing provisions of this Section, it is understood and agreed that Lessee shall satisfy the requirements hereof with respect to the reporting and payment of ad valorem taxes payable to any state or other taxing authority on any Item of Equipment by including such Item in a return or report of ad valorem taxes for a mass of property owned or used by Lessee and making payment of the tax due to such state or other taxing authority computed on the basis of such mass return or report; provided that the foregoing clause shall not be construed to limit or impair the ultimate obligation of Lessee to properly report and pay all ad valorem taxes due on any Item of Equipment during the term of this Lease. Lessor shall not make any return or report of ad valorem taxes on any Item of Equipment nor pay any such ad valorem taxes unless Lessee shall have defaulted in its obligations to do so. Lessor reserves the right, in the event any payment by Lessee under this Section 8 is in default, to make such payment and Lessee will reimburse Lessor for the amount of any such payment within 5 days after Lessor gives Lessee notice thereof in writing.

SECTION 9. Use, Maintenance and Operation

(a) Use of Items. Lessee shall cause each Item of Equipment to be equipped, maintained and used solely in the United States in compliance with any and all statutes, laws, ordinances, rules, regulations and orders of any governmental authority having jurisidiction and, subject to the provisions of Section 14 hereof, Lessee will cause each Item of Equipment at all times (1) to be used solely in the conduct of Lessee's business and (2) be and remain in the possession and control of Lessee at the location of its use (which location shall be, subject to the proviso below, one of the jurisdictions set forth on Schedule 3 hereto) set forth in the Certificate of Acceptance with respect to such Item of Equipment; provided, however, that notwithstanding clause (2) of this sentence, Lessee may relocate any Item of Equipment at premises owned or leased by Lessee if (i) such premises are within a state of the continental United States which shall have adopted, and shall have in effect, Article 9 of the Uniform Commercial Code, (ii) Lessee shall give to the Lessor not more than 10 days' subsequent written notice of such relocation, (iii) Lessee shall have filed or caused to be filed in such state any and all registration, title or other documents required to operate such Item of Equipment within such state and any and all financing statements or other documents necessary or advisable to continue in effect without interruption

the interests of Lessor in such Item including, without limitation, any waivers of rights by landlords or mortgagees if Lessor determines that under applicable local law such waivers are necessary to protect the rights and interests of Lessor in and to such Item and (iv) the use of such Item of Equipment in such location does not cause a loss of tax benefits assumed by Lessor at the commencement of this Lease. Throughout the term of this Lease, the possession, use and maintenance of each Item of Equipment shall be at the sole risk and expense of Lessee.

(b) Repair and Maintenance. Lessee, at Lessee's own cost and expense, will maintain, service and repair each Item of Equipment (or cause the same to be maintained, serviced and repaired) to the same extent as Lessee would, in the prudent management of its properties, maintain, service and repair comparable equipment (if owned by Lessee) and, in any event, to the extent necessary to maintain such Item in as good repair, working order and operating condition as when delivered, ordinary wear and tear excepted, in compliance with any applicable industry standards and manufacturer's safety bulletins, and in compliance with any applicable requirements of law or of any governmental authority having jurisdiction (regardless of which person such requirements shall, by their terms, be nominally imposed upon).

(c) Accessories; Fixtures. Lessee will not, without the prior written consent of Lessor, affix or install any accessory, equipment, or device on any Item of Equipment leased hereunder which will either impair the originally intended function or use of such Item or which cannot be readily removed without causing material damage to such Item. All such accessories, equipment and devices furnished, attached or affixed to any Item shall thereupon become the property of Lessor (except such as may be readily removed without causing material damage to any such Item and which accessories, equipment and devices Lessee agrees to remove upon the return of such Item to Lessor). Lessee will not, without the prior written consent of Lessor and subject to such conditions as Lessor may impose for its protection, affix any Item leased hereunder to any real property if, as a result thereof, any such Item will become a fixture under applicable law.

(d) Identification; Legending. Lessee agrees, at its own cost and expense, to (1) cause each Item of Equipment to be kept numbered with the identification or serial number therefor as specified in the Certificate of Acceptance therefor and (2) at Lessor's request, maintain on each Item of Equipment a legend with the words "GENERAL ELECTRIC CREDIT CORPORATION, Owner and Lessor" and such other words as from time to time may be required by law or otherwise deemed necessary by Lessor in order to protect the title of Lessor to such Item of Equipment and the rights of Lessor under this Lease. Lessee will not place any Item of Equipment in operation or exercise any control or

dominion over the same until such marking has been placed thereon. Lessee will replace promptly any such marking which may be removed, defaced or destroyed.

(e) Certificate of Title; Certificate of Registration.

(1) With respect to each Item of Equipment which is a vehicle of the type for which a Certificate of Title is required under the Uniform Motor Vehicle Certificate of Title Act or any similar act ("Vehicle Act") of the State where such Item is located and is permitted to be registered (the "Title State"), Lessee undertakes the following:

(A) On or before the date of the Delivery Receipt for such Item of Equipment, Lessee will have the vendor thereof provide a manufacturer's statement of origin for such Item naming Lessor as owner of such Item and will, on behalf of Lessor and at Lessee's expense, file or cause to be filed with the Commissioner or Department of Motor Vehicles of the Title State (and shall retain a copy) of an application for the first Certificate of Title of each Item of Equipment subject to the provisions of the Title State's Vehicle Act. Each such application shall contain such information as shall be required from time to time by such Commissioner or Department of Motor Vehicles and shall be in form and substance satisfactory to Lessor. The Certificate of Title for each such Item of Equipment shall be delivered to Lessor or to such other person as Lessor shall designate by notice in writing to Lessee. Lessee shall take such action as shall be necessary to obtain, and, unless such an Item of Equipment shall have been scrapped, dismantled or destroyed and the Casualty Value thereof shall have been paid by Lessee to Lessor as required by this Lease, as shall be necessary from time to time to avoid suspension or revocation of such Certificate of Title.

(B) On or before the date of the Delivery Receipt for such Item of Equipment, Lessee will apply to the Title State to obtain a Certificate of Registration with respect to such Item of Equipment, which Certificate where permitted by state law may be issued in the name of Lessee as operator or user of such Item, and will affix to such Item of Equipment the license plates issued by the Commissioner or Department of Motor Vehicles with respect thereto. During the term of this Lease and any Lease Extension Period as to such Item, Lessee, at its own expense with respect to each Item of Equipment, unless such Item of Equipment shall have been scrapped, dismantled or destroyed and the Casualty

Value thereof shall have been paid by Lessee to Lessor as required by this Lease, shall take such action as shall be necessary from time to time to renew and maintain such Certificate of Registration and Lessee shall from time to time procure or cause to be procured and pay or cause to be paid for all other permits, franchises, inspections and licenses necessary or appropriate in connection with any Item of Equipment, the use or operation thereof or any repair, restoration, replacement, renewal, addition or improvement with respect thereto.

(2) Any Item of Equipment delivered under this Lease which is not required to be registered or titled as a motor vehicle in any state where such Item will be located during the Lease term will not be used on the auto roadways or highways of such state and will be operated in all respects in due compliance with such state's laws, rules and regulations as required by this Section 9.

(f) Bill of Sale. With respect to each Item of Equipment which is not a vehicle of a type requiring either a Certificate of Title or Certificate of Registration under a Vehicle Act, Lessee shall provide or cause to be provided a bill of sale and such other documents from the manufacturer or vendor of such Item or the Equipment Manager as Lessor shall consider necessary to convey to Lessor and its successors and assigns title on or before the Acceptance Date for such Item, which documents shall be in form and substance satisfactory to Lessor.

(g) Lessee's Assumptions. Lessee hereby covenants and agrees that prior to acceptance of any Item of Equipment, Lessee will allocate an Item of Equipment to a Group based upon Lessee's assumptions with respect to expected mileage, usage and equipment specifications particular to such Item (collectively "Lessee's Assumptions") such that: (i) the economic life of each Item allocated to Group A as described in Exhibit A hereto) will be equal to or less than 69.33 months; (ii) when delivered and accepted under this Lease, each Item allocated to Groups A and B (as described in Exhibit A hereto) will constitute "3-year property" within the meaning of Section 168(c)(2)(A) of the Internal Revenue Code of 1954, as amended, as in effect on the date hereof (the "Code"), of Lessor; and (iii) when delivered and accepted under this Lease, each Item allocated to Groups C and D (as described in Exhibit A hereto) will consitute "5-year property" within the meaning of Section 168(c)(2)(B) of the Code, of Lessor.

(h) Operations. Lessee shall use each Item of Equipment in accordance with the Lessee's Assumptions for such Item represented to the Equipment Manager and in accordance with the Group allocation set forth in the Certificate of Acceptance as to such Item. Upon request of Lessor, Lessee shall make available to Lessor any and all pertinent information with respect to the mileage, usage, specifications and allocation to a Group of any Item of Equipment.

(i) Notice of Inaccuracy of Lessee's Assumptions. In the event Lessee discovers any inaccuracy in the Lessee's Assumptions, it shall immediately notify Lessor thereof.

(j) Reliance of Equipment Manager on Lessee's Assumptions. Lessee understands that the Equipment Manager will use the Lessee's Assumptions represented to such Equipment Manager to confirm Lessee's allocation of Items of Equipment to any given Group in order to provide Lessor on Lessee's behalf with such Equipment Manager's Useful Life Opinion as required by Section 21(a)(4) hereof. Lessee further acknowledges that Lessee's agreements and covenants in this Section 9 are made for the benefit of and can be relied upon by the Equipment Manager as well as Lessor.

(k) Repairs, Replacements Not Lessor's Expense; Lessee's Waiver. Lessor shall not be required to maintain, service or repair, or to make any repair, restoration, replacement, renewal, addition or improvement of any nature or description with respect to, any Item of Equipment, or, except to the extent specifically provided herein, to incur any cost or expense in connection with this Lease. Lessee expressly waives any right, power, privilege or remedy, now or hereafter conferred by statute or otherwise, to make any repairs, restorations, replacements, renewals, additions or improvements with respect to any Item of Equipment at the expense of Lessor.

SECTION 10. Records; Inspection

Lessee will maintain or cause to be maintained all records, logs and other materials required by any governmental authority having jurisdiction to be maintained in respect of any Item of Equipment, regardless of whether such requirements shall, by their terms, be nominally imposed on Lessor, Lessee or their respective successors and assigns. Lessor shall have the right, but not the duty, to inspect any Item of Equipment. Upon the request of Lessor, Lessee shall confirm to Lessor the location of each Item of Equipment and shall, at any reasonable time, make such Item of Equipment available to Lessor for inspection and shall discuss Lessee's records pertaining to such Item of Equipment with Lessor. In the event that Lessor, in Lessor's sole discretion, determines that it is necessary for Lessor to examine or make extracts from Lessee's records pertaining to any Item of Equipment, by reason of inquiries or requests made to Lessor by any governmental authority, or by reason of the occurrence of an Event of Default under this Lease, Lessee will make such records available to Lessor for such purpose.

SECTION 11. Loss or Destruction; Requisition

(a) [Intentionally omitted]

(b) Events of Loss; Payment of Casualty Value. In the event any Item of Equipment shall be lost, stolen, destroyed, damaged beyond repair or permanently rendered unfit for use for any reason whatsoever, or title thereto or use thereof shall be requisitioned or taken by any governmental authority under the power of eminent domain

or otherwise ("Requisition of Use") permanently or for an indefinite period or a stated period which exceeds the term of this Lease then in effect for such Item (any such occurrence being referred to as an "Event of Loss"), Lessee shall promptly notify Lessor and pay to Lessor (i) on the next Casualty Payment Date for such Item following such Event of Loss, an amount equal to the Casualty Value of such Item on such Casualty Payment Date and (ii) if applicable, the Special Casualty Amount for such Item. In the event that an Event of Loss shall occur for which a Special Casualty Amount shall be payable by Lessee, upon Lessor's receipt of all amounts payable by Lessee under clauses (i) and (ii) of the preceding sentence in respect of such Event of Loss, Lessor shall pay to the Equipment Manager any outstanding amount of Lessor's Cost of the relevant Item and any amount of the Equipment Manager's Special Funding Cost for such item accrued and unpaid to but excluding the first Casualty Payment Date. Notwithstanding that an Event of Loss shall have occurred with respect to any Item, any installment of Basic Rent with respect to such Item which, but for such Event of Loss, would have become due and payable on Basic Rent Dates (including without limitation the Interim Rent Date for such Item) on or subsequent to the occurrence of such Event of Loss, up to and including any installment of Basic Rent due and payable on the respective Casualty Payment Date on which such Casualty Value is payable in accordance with the preceding sentence, shall remain due and payable on such Basic Rent Dates, up to and including such Casualty Payment Date. After the payment of such Casualty Value and all Rent due and owing with respect to such Item, Lessee's obligation to pay further Basic Rent for such Item shall cease, but Lessee's obligation to pay Supplemental Rent, if any, for such Item of Equipment, and to pay Rent for all other Items of Equipment shall remain unchanged. Except in the case of loss, theft, destruction or a Requisition of Use, after the payment of such Casualty Value Lessor will be entitled subject to Section 11(c) hereof to recover possession of each Item of Equipment suffering an Event of Loss.

(c) Disposition of Item after Event of Loss. Unless an Event of Default shall have occurred and be continuing, following payment of the Casualty Value of an Item of Equipment in accordance with the provisions of Section 11(b) hereof, Lessee may, at Lessee's option, as agent for Lessor, dispose of such Item to a purchaser unrelated to Lessee as soon as it is able to do so for the best price obtainable. Any such disposition shall be on an as is, where is basis without representation or warranty by Lessor, express or implied (except as to the absence of Lessor's Liens). As to each separate Item so disposed of, Lessee may, after paying Lessor the amounts specified in such Section 11(b), retain all amounts of such price up to the Casualty Value thereof and Lessee's reasonable costs and expenses of disposition attributable thereto, and shall remit the excess, if any, to Lessor.

(d) Requisition of Use Not In Excess of Lease Term. In the case of a Requisition of Use affecting an Item for a stated period which does not extend beyond the term of this Lease then in effect for such Item, such Requisition of Use shall not terminate this Lease as to such Item and each and every obligation of Lessee with respect

thereto shall remain in full force and effect. So long as no Event of Default shall have occurred and be continuing under this Lease, Lessor shall pay Lessee all sums received by Lessor by reason of any such Requisition of Use, up to the respective amounts of Basic Rent for such Item paid by Lessee during the period of such Requisition of Use.

SECTION 12. Insurance

(a) Casualty and Public Liability Insurance. At Lessee's own expense, Lessee will cause to be carried and maintained in existence throughout the Lease term applicable to each Item of Equipment and, in any event, until Lessee has completed Lessee's obligations in connection with the return of any such Item to Lessor in accordance with Section 5 hereof, casualty insurance with respect to each Item of Equipment and public liability insurance with respect to third party personal and property damage, in each case in such amounts and against such risks and with such insurance companies as is consistent with prudent industry practice but in any event at least comparable in amounts and against risks customarily insured against by Lessee on similar equipment leased or owned by it.

(b) Terms of Casualty Insurance. Casualty insurance required under this Section 12 shall at all times insure against risk of any loss or Event of Loss with respect to any Item of Equipment and, as to any Item, be payable in an amount not less than the aggregate Casualty Value for such Item from time to time payable under this Lease.

(c) Terms of Public Liability Insurance. Public liability insurance required under this Section 12 shall be in the amount of not less than $10,000,000 per occurrence. Lessor shall be named as an additional assured on any such insurance, and Lessee shall indicate on the officer's certificate required under Section 12(f) Lessor's status as an additional assured on any such insurance.

(d) Insurers. All insurance required by this Section 12 shall be taken out and maintained with insurance companies of nationally recognized responsibility qualified to insure such risks in such amounts in the states in which the Items insured are located.

(e) Lessor's Right to Insure. In the event that Lessee shall fail to maintain insurance as herein provided, Lessor may at Lessor's option provide such insurance (giving Lessee prompt written notice thereof) and, in such event, Lessee shall, upon demand from time to time, reimburse Lessor for the cost thereof together with interest, on the amount of the cost to Lessor of such insurance which Lessee shall have failed to maintain, at the Overdue Rate.

(f) Officer's Certificate. Throughout the Lease term applicable to any Item, during December of each calendar year, commencing with December, 1982, Lessee shall furnish to Lessor a certificate of a duly authorized officer of Lessee certifying as to the insurance then

maintained by Lessee pursuant to this Section 12 and stating that the insurance then carried or maintained by Lessee complies with all the terms hereof. Lessor shall be entitled to rely on such certificate as to such matters and shall not be required to make further inquiry with respect thereto. Lessee shall notify Lessor in writing as soon as practicable in the event Lessee has knowledge that any insurance carried and maintained pursuant to this Section 12 is not to be renewed, or has expired and has not been renewed or replaced. Lessee at Lessor's request, shall deliver or cause to be delivered to Lessor promptly after each renewal of such insurance additional policies or duplicates thereof or certificates evidencing the renewal of such insurance.

(g) Self-insurance. Notwithstanding the foregoing, Lessee may self-insure against casualty and public liability in the manner and to the extent that is consistent with prudent industry practice and in the manner and to the extent that Lessee self-insures against casualties with respect to similar equipment which it owns and against public liability. The manner in which such self-insurance is provided and the extent (expressed as a maximum dollar amount and a percentage of overall insurance coverage of the Items) of such self-insurance shall be set forth in the officer's certificate delivered pursuant to Section 12(i).

SECTION 13. Indemnification

Lessee agrees to assume liability for, and does hereby agree to indemnify, protect, save and keep harmless Lessor from and against any and all liabilities, obligations, losses, damages, penalties, claims (including, without limitation, claims involving strict or absolute liability or claims for injury to persons or property), actions, suits, costs, expenses and disbursements (including, without limitation, legal fees and expenses) of any kind and nature whatsoever ("Claims") which may be imposed on, incurred or asserted against Lessor, whether or not Lessor shall also be indemnified as to any such Claim by any other person, in any way relating to or arising out of this Lease or any document contemplated hereby, or the performance or enforcement of any of the terms hereof or thereof, or in any way relating to or arising out of the manufacture, purchase, acceptance, rejection, ownership, delivery, lease, sublease, possession, use, operation, maintenance, condition, registration, sale, return, storage or disposition of any Item of Equipment or any accident in connection therewith (including, without limitation, latent and other defects, whether or not discoverable and any Claim for patent, trademark or copyright infringement); provided, however, that Lessee shall not be required to indemnify Lessor for (1) any Claim in respect of any Item of Equipment arising from acts or events which occur after possession of such Item of Equipment has been delivered by Lessee to Lessor, or (2) any Claim resulting from acts which would constitute the wilful misconduct or gross negligence of Lessor. Lessee agrees that Lessor shall not be liable to Lessee for any Claim caused directly or indirectly by the inadequacy of any Item of Equipment for any purpose or any deficiency or defect therein or the use or maintenance thereof

or any repairs, servicing or adjustments thereto or any delay in providing or failure to provide any thereof or any interruption or loss of service or use thereof or any loss of business, all of which shall be the risk and responsibility of Lessee. The rights and indemnities of Lessor hereunder are expressly made for the benefit of, and shall be enforceable by, Lessor notwithstanding the fact that Lessor is not any longer a party to this Lease. All payments by Lessee hereunder shall be in an amount computed by Lessor which after deduction of the net amount, if any, of all income taxes required to be paid by Lessor as a result of the nondeductibility of any of such Impositions and the receipt by Lessor of such payments shall equal the Impositions.

SECTION 14. Sublease; Possession; Assignment

Lessee will not, without the prior written consent of Lessor, sublet or otherwise relinquish possession of any Item of Equipment or assign, encumber or otherwise transfer or dispose of any of Lessee's rights hereunder; provided, however, that, subject to the terms and conditions of this Section 14, Lessee may sublet to Lessee's affiliated companies so long as no Event of Default shall have occurred and be outstanding or, should Lessee be merged or consolidated into another corporation or corporations as set forth in Section 23(1), Lessee may assign or transfer to such corporation or corporations its rights and obligations under this Lease; and provided, further, that such corporation or corporations comply with the provisions of said Section 23(1) and specifically assume and agree to perform all of the outstanding obligations of Lessee hereunder. Any sublease, assignment or transfer (a "Sublease") permitted by this Section shall be made expressly subject and subordinate to the terms and conditions of this Lease and to the rights and remedies of Lessor and no Sublease hereunder shall in any way discharge or diminish any of Lessee's obligations hereunder.

SECTION 15. Events of Default

The following events shall each constitute an Event of Default:

(a) Lessee shall fail to make any payment of Rent within ten (10) days after the same shall become due; or

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

(c) Any representation or warranty made by Lessee in this Lease (other than in Section 17(d)) or in any document or certi-

ficate furnished to Lessor in connection herewith shall prove to have been incorrect in any material respect when any such representation or warranty was made or given; or

(d) Lessee shall make an assignment for the benefit of creditors, or shall be generally not paying its debts as they become due, or shall commence a case as debtor under the federal bankruptcy laws, or shall file any petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future bankruptcy, insolvency or similar statute, law or regulation, or shall file any answer admitting or not contesting the material allegations of a petition filed against Lessee in any such proceeding, or shall seek or consent to or acquiesce in the appointment of any trustee, custodian, receiver or liquidator of Lessee or of all or any substantial part of the properties of Lessee, or if Lessee or its directors or majority shareholders shall take any action for the purpose of any of the foregoing; or

(e) Without the consent or acquiescence of Lessee, an order shall be entered constituting an order for relief or approving a petition for relief or reorganization or any other petition seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or other similar relief under any present or future bankruptcy, insolvency or similar statute, law or regulation, or if any such petition shall be filed against Lessee and such petition shall not be dismissed within sixty (60) days, or if, without the consent or acquiescence of Lessee, an order shall be entered appointing a trustee, custodian, receiver or liquidator of Lessee or of all or any substantial part of the properties of Lessee and such order shall not be dismissed within sixty (60) days;

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

(g) An Event of Default shall have occurred and be continuing under any equipment lease or other obligation of Lessee to which Lessor (or any subsidiary of Lessor) or a trustee acting for Lessor (or any subsidiary of Lessor) is a party; provided, however, that no event of default shall be deemed to have occurred and be continuing within the meaning of this Section 15(g) under any such equipment lease or other obligation concerning equipment manufactured by General Electric Company if the occurrence which would otherwise have been deemed to be such an event of default thereunder resulted from a good faith contest by Lessee thereunder which contest has not been resolved thereunder.

SECTION 16. Remedies

(a) Declaration of Default. Upon the occurrence of any Event of Default and so long as the same shall be continuing, Lessor may, at its option, declare this Lease to be in default by written notice to such effect given to Lessee (which requirement of notice shall be satisfied by any notice given under Section 15(b) hereof), and at any time thereafter Lessor may exercise one or more of the following remedies, as Lessor, in Lessor's sole discretion shall lawfully elect:

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

(2) By notice in writing terminate this Lease, whereupon all rights of Lessee to the use of Items of Equipment shall absolutely cease and terminate but Lessee shall remain liable as hereinafter provided; and thereupon Lessee, if so requested by Lessor, shall at Lessee's expense promptly return such Items of Equipment to the possession of Lessor at any location named in Section 5 hereof as designated by Lessor in a notice to Lessee and in the condition required upon the return thereof pursuant to and in accordance with the terms hereof, or Lessor, at Lessor's option, may enter upon the premises where such Items of Equipment are located and take immediate possession of and remove the same by summary proceedings or otherwise provided it can be done without violation of law or breach of the peace. Lessee shall, without further demand, forthwith pay to Lessor an amount equal to any unpaid Rent due and payable for all periods up to and including the Casualty Payment Date following the date on which Lessor has declared this Lease to be in default (including without limitation all Basic Rent due on such Casualty Payment Date) plus, as liquidated damages for loss of a bargain and not as a penalty, an amount equal to the respective Casualty Values of the Items of Equipment subject to this Lease at the time of such default, computed as of the Casualty Payment Date following the date on which Lessor has declared this Lease to be in default together with the Special Casualty Amount, if applicable, for such Item. Following the return of such Items of Equipment to Lessor pursuant to this paragraph (2), Lessor shall proceed to sell or re-lease such Items of Equipment in such manner as it shall deem appropriate. The proceeds of such sale or re-lease (discounted as provided below) shall be applied by Lessor (i) first, to all costs, charges and expenses, including reasonable legal fees and disbursements, incurred by Lessor as a result of the default and the exercise of its remedies with respect thereto, (ii) second, to the amount of any unpaid Rent (including Casualty Value) and (iii) third, to reimburse Lessee for the Casualty Value to the extent

previously paid by Lessee as liquidated damages. Any surplus remaining thereafter shall be retained by Lessor. To the extent that all Rent (including the Casualty Value) has not been previously paid, on the date of any sale or re-lease of such Items of Equipment Lessee shall forthwith pay to Lessor the sum of (A) the amount by which (x) the aggregate amount payable under clauses (i) and (ii) of the preceding sentence, exceeds (y) the sale price of such Items of Equipment or the present value (discounted at the Overdue Rate in effect on the date of such re-lease) of the rentals under a re-lease of such Items of Equipment for the remainder of the Lease term then in effect, and (B) interest at the Overdue Rate on the full amount of the Casualty Value, computed from the date the Casualty Value is payable hereunder until such Casualty Value is paid by Lessee.

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

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

(d) Reimbursement to Equipment Manager. If an Event of Default shall occur for which a Special Casualty Amount shall be payable, upon Lessor's receipt of all amounts payable by Lessee under the second sentence of subsection (a)(2) above, Lessor shall pay to our Equipment Manager any outstanding amount of Lessor's Cost of the relevant Item and any amount of the Equipment Manager's Special Funding Cost for such Item accrued and unpaid to but excluding the first Casualty Payment Date.

SECTION 17. Tax Indemnification

(a) Assumptions. This Lease has been entered into on the assumptions that:

(1) the Federal rate of tax on the taxable income of Lessor in excess of $100,000 will be 46%, and the

applicable rate of tax imposed by any state on the taxable income of Lessor will be the same as that prevailing on July 1, 1982;

(2) Lessor, as the beneficial owner of the Items, will be entitled to such deductions, credits and other benefits as are provided by the Code, and state and local taxing statutes as in effect on the date hereof, to an owner of property, including, without limitation, (i) deductions under Section 168 of the Code beginning in 1982 with respect to the basis of each Item, which basis shall be at least equal to the sum of (x) the Lessor's Cost of such Item, plus (y) an allocable portion of the fees payable by Lessor to Comdisco Financial Services, Inc., Lessor's Counsel, Messrs. Sullivan & Cromwell, special tax counsel to Lessor, (collectively, the Lessor's "Tax Cost"), calculated using the applicable percentages for 3-year or 5-year property as the case may be, determined in accordance with the table provided in Section 168(b)(1)(A) of the Code (the "Cost Recovery Deductions"), and (ii) investment credit in 1982, pursuant to Section 38 of the Code, equal to at least the percentages of the Lessor's Tax Cost of the Items as specified in Exhibit C hereto on the basis that such Item is "new section 38 property" (the "Investment Credit"); and

(3) when delivered and accepted under the Lease, each Item allocated pursuant to Section 9(g) hereof to Groups A and B (as described in Exhibit A hereto) will constitute "3-year property" within the meaning of Section 168(c)(2)(A) of the Code, of Lessor, and each Item allocated to Groups C and D (as described in Exhibit A hereto) will constitute "5-year property" within the meaning of Section 168(c)(2)(B) of the Code, of Lessor;

(4) all amounts includible in the gross income of Lessor with respect to each Item and all deductions and credits allowable to Lessor with respect to each Item will be treated as derived from, or allocable to, sources within the United States.

(b) No Inconsistent Action. Neither Lessee nor any corporation controlled by Lessee, in control of Lessee, or under common control with it, directly or indirectly, will at any time take any action or file any returns or other documents inconsistent with the assumptions set forth in Section 17(a). Lessee and any corporation controlled by Lessee, in control of Lessee or under common control with Lessee, directly or indirectly, will file such returns, take such actions and execute such documents as may be reasonable and necessary to facilitate accomplishment of the intent thereof.

(c) Records and Statements. Lessee agrees that it will maintain such records in accordance with its recording-keeping practices, in respect of each Item of Equipment as it would be required to maintain if Lessee were the owner of such Items for Federal income tax purposes and will provide Lessor with copies of such

records as Lessor may reasonably request to enable Lessor to prepare Lessor's income tax returns. At Lessor's request, Lessee shall provide a certificate to Lessor on or before March 1 of each year prior to 1988 to the effect that such Items did not cease to be "Section 38 property" during the preceding calendar year.

(d) Representations and Warranties of Lessee. Lessee represents and warrants as follows:

(1) when delivered and accepted under this Lease, each Item will constitute "new section 38 property", within the meaning of Section 48(b) of the Code, of Lessor, and during the period in which the Investment Credit for any such Item for Federal income tax purposes may be recaptured, such Item will not cease to be "section 38 property", within the meaning of Section 48(a) of the Code provided that Lessor's ownership of such Item is not inconsistent with the qualification of such Item as "Section 38 property";

(2) when delivered and accepted under this Lease each Item will be owned by Lessor for purposes of applicable state law; provided, however, that Lessee makes no representation as to whether this Lease is a "true lease" for state law purposes;

(3) when delivered and accepted under the Lease, each Item allocated pursuant to Section 9 hereof to Groups A and B (as described in Exhibit A hereto) will constitute "3-year property" within the meaning of Section 168(c)(2)(A) of the Code, of Lessor, and each Item allocated to Groups C and D (as described in Exhibit A hereto) will constitute "5-year property" within the meaning of Section 168(c)(2)(B) of the Code, of Lessor;

(4) when delivered and accepted under this Lease, no Item will 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;

(5) when delivered and accepted under this Lease, no person will have claimed investment credit or cost recovery or depreciation deductions with respect to any Item;

(6) when delivered and accepted under this Lease, no Item will require improvements, modifications, or additions (other than ancillary items of removable equipment of a kind that customarily are selected and furnished by purchasers or lessees of property of the kind subject to this Lease) in order to be rendered complete for its intended use by Lessee;

(7) the full amount of Lessor's Tax Cost of each Item will be includible in Lessor's basis for such Item for purposes of determining the Investment Credit and Cost Recovery Deductions allowable to Lessor;

(8) on the date each Item is delivered and accepted under this Lease and related documents and during the period

in which the Investment Credit may be recaptured under Section 47 of the Code, such Item will not be used by a tax exempt organization, within the meaning of Section 48(a)(4) of the Code;

(9) at all times during the Lease term as to any Item (including the period beginning with the Acceptance Date and ending on the Interim Rent Date for any such Item) to and including the Expiration Date for such Item and any Lease Extension Period with respect thereto, Lessor will be entitled to treat, for Federal income tax purposes, each item of income, deduction and credit relating to such Item subject to this Lease as being derived from, or allocable to, sources within the United States;

(10) all information supplied by Lessee or any affiliate of Lessee in writing to Lessor, the Equipment Manager, any independent appraiser or engineer or any independent counsel with respect to the description, nature, function, testing and cost of any Item, including but not limited to, facts relating to its intended use, economic life and residual value, was complete and accurate at the time given; and

(11) at the time any Item is delivered and accepted under this Lease and related documents, Lessee and any shareholder or other person related to Lessee shall have been fully reimbursed for all costs or amounts paid or incurred with respect to such Item, and neither Lessee, any shareholder nor any other person related to Lessee will have made any investment in such Item in violation of Revenue Procedure 75-21, 1975-1 Cum. Bull. 715, as modified in Revenue Procedure, 79-48, 1979-2 Cum. Bull. 529.

In the opinion of Lessee, each Item will have (i) a remaining estimated useful life at the Expiration Date as to such Item of not less than 20% of the estimated useful life of such Item at the Acceptance Date thereof, (ii) a fair market value at the Expiration Date as to such Item (such fair market value being determined without including in such value any increase or decrease for inflation or deflation during such Lease term (including the period beginning with the Acceptance Date and ending on the Interim Rent Date for such Item) to and including the Expiration Date for such Item and determined after subtracting from such value the cost, if any, for removal and redelivery of possession to Lessor on such Expiration Date) equal to at least 20% of the Lessor's Tax Cost of such Item and (iii) a commercially feasible use, at the Expiration Date, to Lessor (or a purchaser or lessee therefrom unrelated to Lessee), within the meaning of Revenue Procedure 75-21, 1975-1 Cum. Bull. 715, as modified in Revenue Procedure 75-28, 1975-1 Cum. Bull. 752 and Revenue Procedure 76-30, 1976-2 Cum. Bull. 647.

(e) Indemnity for Acts or Misrepresentations of Lessee.

(1) If by reason of any act of commission or omission, misrepresentation, breach of any agreement, covenant, or warranty contained in this Lease, or any other agreement relating to the lease of the Items, including, without

limitation, the allocation of any Item to a Group or any other act permitted or required under this Lease, on the part of Lessee or any party referred to in subsection (b) of this Section 17 or any sublessee, transferee or assignee of Lessee, Lessor shall lose the right to claim or shall not claim (as the result of a good faith determination of tax counsel of General Electric Company (hereinafter referred to as "Tax Counsel") that such claim is not allowable), shall suffer a disallowance of, or shall be required to recapture all or any portion of, the Investment Credit or the Cost Recovery Deductions (any such event hereinafter referred to as a "Loss"), then Lessee shall pay to Lessor as an indemnity, on the next succeeding Basic Rent Date hereunder after written notice to Lessee by Lessor of such Loss (or, if this Lease is terminated, within thirty (30) days after demand), and on each Basic Rent Date thereafter during the remaining term of this Lease, such amount or amounts as shall, in the reasonable opinion of Lessor, cause Lessor's net economic return and net cash flow to equal the net economic return and net cash flow that would have been realized by Lessor if such Loss had not occurred, and Casualty Values and Termination Values will be appropriately adjusted from time to time, in accordance with the reasonable opinion of Lessor, to reflect any Loss or payment of any amount pursuant to this Section 17(e)(1).

(2) In the event that Lessor and Lessee are unable to agree on the indemnity amount required to restore Lessor's net economic return and net cash flow, as aforesaid, then Lessee shall pay to Lessor, in lieu of the amount provided for in paragraph (1) of this subsection (e), such amount, or, from time to time, such amounts as, after deduction of all taxes required to be paid by Lessor in respect of the receipt of such amounts under the laws of any Federal, state or local government or taxing authority, shall be equal to the sum of the aggregate additional Federal, state or local income taxes which would be payable by Lessor from time to time as a result of any such Loss plus the amount of any interest, penalties or additions to tax payable as a result of any such Loss, assuming for purposes of calculating such indemnity amount or amounts that Lessor had sufficient taxable income and tax liability to realize the full value of the tax benefits described in Section 17(a) and that the assumptions in such Section 17(a) were true at all times. The amount payable to Lessor pursuant to this paragraph shall be paid within thirty (30) days after receipt of a written demand therefor from Lessor accompanied by a written statement describing in reasonable detail such Loss and the computation of the amount so payable.

(f) Change of Law. If there is any amendment to, or change in, the Code or any Regulation thereunder, any published Revenue Ruling or other document of the Treasury or the Internal Revenue Service, or the laws of any state, which is enacted or adopted or is effective

on or prior to the Final Acceptance Date, and if such amendment or change affects the Investment Credit or the Cost Recovery Deductions allowable with respect to any Item or the privilege of Lessor to file consolidated Federal, state and local income tax returns with corporations affiliated with it, or if such amendment or change affects the Federal rate of tax or the rate of tax under the laws of any state on the taxable income of corporations, then the Basic Lease Rate Factors, the Casualty Values and the Termination Values as to each Item under this Lease will be appropriately adjusted by such amount or amounts as shall, in the reasonable opinion of Lessor, cause Lessor's net economic return and net cash flow to equal the net economic return and net cash flow that would have been realized by Lessor if such amendment or change had not occurred; provided, however, that there shall be no downward adjustment of Basic Lease Rate Factors, Casualty Values and Termination Values, pursuant to this Section 17(f), in the event of any amendment to, or change in, the laws of any state.

(g) Foreign Tax Credit Indemnity. If any item of income or deduction with respect to the Items shall not be treated as derived from, or allocable to, sources within the United States for a given taxable year (any such event hereinafter referred to as a "Foreign Loss"), then Lessee shall pay to Lessor as an indemnity, on the next succeeding Basic Rent Date after written notice to Lessee by Lessor (or, if this Lease is terminated, within 30 days after demand), such amount which, after deduction of all taxes required to be paid by Lessor in respect of the receipt of such amounts under the laws of any Federal, state or local government or taxing authority of the United States, shall equal the sum of: (1) the excess of (x) the foreign tax credits which Lessor would have been entitled to for such year had no such Foreign Loss occurred over (y) the foreign tax credit to which Lessor was limited as a result of such Foreign Loss; and (2) the amount of any interest, penalties or additions to tax payable as a result of such Foreign Loss.

(h) Capital Expenditures.

(1) If at any time Lessor is required by the Internal Revenue Service or any state, local or foreign taxing authority to include in its gross income an amount in respect of any replacement, improvement, modification or addition made to any Item or as the result of any action required or permitted to be taken by the Lessee pursuant to this Lease or otherwise ("Capital Expenditures"), then Lessee shall pay to Lessor, as an indemnity, such amount or amounts which, after deduction of all taxes required to be paid by Lessor in respect of the receipt of such amount or amounts under the laws of any Federal, state or local government or taxing authority of the United States, shall be equal to the sum of the aggregate additional Federal, state or local income taxes payable by Lessor from time to time as a result of such Capital Expenditures plus the amount of any interest, penalties or additions to tax payable as a result of any such Capital Expenditures. If as a result of any such Capital Expenditure the aggregate Federal, state or local income taxes paid by Lessor for any taxable year shall be less than the amount of such taxes

which would have been payable by Lessor had no such Capital Expenditure been made, then Lessor shall pay Lessee the amount of such savings in taxes plus any additional tax benefits realized by Lessor as the result of such payment; provided, however, that Lessor shall not be obligated to make any payment pursuant to this sentence to the extent that the amount of such payment would exceed (x) the amount of all prior payments by Lessee to Lessor pursuant to this Section 17(h) in respect of any Capital Expenditures less (y) the amount of all prior payments by Lessor to Lessee hereunder. The amount payable to Lessor pursuant to this Section 17(h) shall be paid within thirty (30) days after receipt of the written demand therefor from Lessor. Any payment due to Lessee from Lessor pursuant to this Section 17(h) shall be paid within thirty (30) days after Lessor realizes any such savings in its income taxes or additional tax benefit as the case may be.

(2) Lessee agrees to give Lessor, within thirty (30) days after request therefor, written notice describing in reasonable detail Capital Expenditures made and specifying the cost thereof with respect to each Item if such information is required in connection with an audit by the Internal Revenue Service of the tax returns of Lessor.

(i) Contest Provisions.

(1) If the Internal Revenue Service shall propose an adjustment in the Federal income taxes of Lessor for which Lessee would be required to indemnify Lessor pursuant to Section 17 hereof and if the amount of the indemnity which Lessee would be required to pay would exceed $100,000, then, if requested by Lessee in a timely written request, Lessor shall request an opinion of Messrs. Sullivan & Cromwell, or such other independent tax counsel as Lessor may select and Lessee shall approve, which approval shall not be unreasonably withheld, at Lessee's sole expense, as to whether the basis in law and in fact in favor of allowance of the item proposed to be adjusted outweighs the basis in law and in fact to the contrary. If the opinion is to that effect and if Lessee promptly requests Lessor to do so, Lessor shall contest the proposed adjustment, but not beyond the United States Tax Court, any United States District Court, or the United States Court of Claims; provided, however, that Lessor shall determine in its sole discretion the nature of all action to be taken to contest such proposed adjustment including (i) whether any action to contest such proposed adjustment shall initially be by way of judicial or administrative proceedings, or both, (ii) whether any such proposed adjustment shall be contested by resisting payment thereof or by paying the same and seeking a refund thereof, and (iii) if Lessor shall undertake judicial action with respect to such proposed adjustment, the court or other judicial body before

which such action shall be commenced. Lessor shall have full control over any contest pursuant to this Section 17(i) and shall not be obligated to pursue an appeal from a determination by any court. At any time, whether before or after commencing to take the action set forth in this Section 17(i), Lessor may decline to take any such action with respect to all or any portion of a proposed adjustment by notifying Lessee in writing that Lessee is relieved of its obligation to indemnify Lessor with respect to the adjustment or such portion, as the case may be.

(2) Lessor shall not be required to take any action pursuant to this Section 17(i) unless and until Lessee shall have agreed to indemnify Lessor in a manner reasonably satisfactory to Lessor for any liability or loss which Lessor may incur as a result of contesting the validity of any proposed adjustment and shall have agreed to pay to Lessor on demand all costs and expenses which Lessor may incur in connection with contesting such proposed adjustment (including fees and disbursements of counsel). If Lessor determines to contest any adjustment by paying the additional tax and suing for a refund, Lessee shall pay to Lessor an amount equal to the sum on an after-tax basis of any tax, interest, penalties and additions to tax which are required to be paid. Upon receipt by Lessor of a refund of any amounts paid by it based on the adjustment in respect of which amounts it shall have previously been paid an equivalent amount by Lessee, Lessor shall pay to Lessee the amount of such refund together with any interest received by it on such amount. In the event that Lessor should fail to recover a refund of any amount paid by Lessor based on the adjustment, by virtue of an offset against its right to refund of an issue unrelated to the adjustment, then for purposes of this Section 17(i)(2), Lessor shall be treated as having received a refund with respect to the adjustment. Where so obligated, Lessee shall pay to Lessor the amount specified in Section 17(i)(1) promptly after Lessor has taken all the action that it has agreed in this Section 17(i) to take but Lessee shall not be required to pay such amount before Lessor shall have paid any additional tax due.

(j) Definitions. For purposes of this Section 17, the term "Lessor" shall include any affiliated group within the meaning of Section 1504 of the Code, of which Lessor is, or may become, a member if consolidated, joint or combined returns are filed for such affiliated group for Federal, state or local income tax purposes.

SECTION 18. Lease Extension

(a) Election to Extend Lease. Provided no Event of Default shall have occurred and be continuing, Lessee, at its option,

(i) may upon one hundred twenty (120) days written notice to Lessor prior to the Expiration Date as to any Item of Equipment, irrevocably elect to extend the term of

this Lease with respect to such Item for a lease extension period (a "Lease Extension Period") of not more than six (6) months; or

(ii) may upon one hundred twenty (120) days written notice to Lessor prior to the Expiration Date as to all the Items in any Group of Equipment having the same Expiration Date, irrevocably elect to extend the term of this Lease with respect to all, but not less than all, of such Items in such Group of Equipment for a Lease Extension Period to be agreed upon by the parties hereto;

provided, however, that in no event may Lessee elect to extend the term of this Lease as to any Item in accordance with both clauses (i) and (ii) of this Section 18(a), and if Lessee does attempt to make such a dual election, Lessee will be deemed to have made no election to extend this Lease under this Section 18(a); and provided further, that if Lessee elects to extend the term of this Lease as to Items in a Group having the same Expiration Date the aggregate Lessor's Cost of which shall equal or exceed 25% of the aggregate Lessor's Cost of all Items in such Group having the same Expiration Date, it shall elect to extend the term of this Lease as to all such Items in such Group. Lessee shall pay to Lessor as Basic Rent for any such Items during any Lease Extension Period an amount, payable monthly in advance on Basic Rent Dates under this Lease, equal to the Fair Rental Value of such Items at the commencement of such Lease Extension Period.

(b) Fair Rental Value. For purposes of Section 18(a) above, the "Fair Rental Value" of any Item of Equipment shall be the monthly rental amount which would be obtainable in an arm's-length transaction between an informed and willing lessee (other than a lessee currently in possession) and an informed and willing lessor, each under no compulsion to lease, for the term of the Lease Extension Period and, in such determination, the value of additions, modifications and improvements referred to in section 9(c) hereof which may be removed without causing material damage to the Item of Equipment to which they are affixed shall not be included and costs of removal from the location of current use shall not be a deduction from such rental.

(c) Determination of Fair Rental Value. Such Fair Rental Value is to be determined by agreement between Lessor and Lessee or, if they cannot agree within ten (10) days after Lessor's receipt of Lessee's notice of its election to extend the initial term of this Lease, then such Fair Rental Value shall be determined by an independent appraiser selected by Lessor but satisfactory to Lessee. An appraiser proposed by Lessor in a written notice delivered to Lessee shall be deemed approved by Lessee if Lessee fails to object by a written notice delivered to Lessor within five (5) days after receipt by Lessee of Lessor's notice. If no such single independent appraiser is approved, Lessor and Lessee shall each appoint an independent appraiser within five (5) days after receipt by Lessr of Lessee's notice objecting o the appointment proposed by Lessor, and the two independent appraisers so appointed, within five (5) days after both have been so appointed, shall appoint a third independent appraiser.

If no such third appraiser is so appointed, either Lessor or Lessee may request the American Arbitration Association to make such appointment, and Lessor and Lessee will be bound by any appointment so made. Any appraiser or appraisers so appointed shall be instructed to determine the Fair Rental Value of any Item or Items in a Group, as the case may be, subjected to appraisal within thirty (30) days after his or their appointment. If Lessor and Lessee shall have appointed a single appraiser or if either Lessor or Lessee shall have failed to appoint an appraiser, the determination of Fair Rental Value by the single appraiser shall be final. If three appraisers shall have been appointed, the determination of the appraiser which differs most from that of the other two appraisers shall be excluded, the remaining two determinations shall be averaged and such average shall be binding upon Lessor and Lessee as to the Fair Rental Value of any Item subjected to appraisal. The cost of any such appraisal shall be borne equally by Lessor and Lessee; provided, however, that if Lessee elects to extend the initial term of this Lease as to Items in a Group having the same Expiration Date the aggregate Lessor's Cost of which is less than 25% of the aggregate Lessor's Cost of all Items in such Group having the same Expiration Date, the costs of any such appraisal as to such Items shall be borne solely by Lessee.

SECTION 19. Purchase Option.

(a) Exercise of Option. Provided that no Default or Event of Default shall have occurred and be continuing, not later than 180 days prior to the Expiration Date for any Group (or not later than 180 days prior to the expiration of any Lease Extension Period with respect to any Item or Group), Lessee will give Lessor written notice of Lessee's interest in exercising its option pursuant to this Section 19 to purchase all but not less than all such Group (or any Item or Group subject to a Lease Extension Period) for the Fair Market Value thereof on such Expiration Date (or at the expiration of such Lease Extension Period). If Lessee's notice indicates that Lessee is interested in exercising such option, Lessor and Lessee shall promptly endeavor to agree upon such Fair Market Value of such Items. If such agreement is not reached within 10 days after the date of Lessee's notice, then such Fair Market Value shall be determined as set forth in subsection (b) below. Within 15 days after agreement upon or determination of such Fair Market Value, Lessee shall provide Lessor with irrevocable written notice stating whether Lessee elects to exercise its purchase option pursuant to this Section 19. In the event Lessee elects to exercise the purchase option provided in this Section 19 with respect to a Group (or any Item or Group subject to a Lease Extension Period) on the respective Expiration Date (or termination of the Lease Extension Period, as the case may be) thereof, then on such Expiration Date (or termination of the Lease Extension Period, as the case may be), upon payment by Lessee in cash of the Fair Market Value of the Items in such Group (or the Fair Market Value of any Item or Group subject to a Lease Extension Period), together with all Rent then payable under this Lease, Lessor shall sell the relevant Items to Lessee and, in connec-

tion therewith, Lessor shall execute and deliver to Lessee a bill of sale (without recourse, representations or warranties except that such Items are free and clear of all Lessor's Liens) for such Items and such other documents as may be required to release such Items from the terms and scope of this Lease and to transfer title thereto to Lessee, all at the Lessee's expense.

(b) Fair Market Value. The "Fair Market Value" of any Item or Group of Equipment shall be determined on the basis of, and shall mean the aggregate amount which would be obtainable on the Expiration Date (or termination of any applicable Lease Extension Period) for such Item or Group in an arm's-length transaction between an informed and willing buyer or user (other than a lessee currently in possession) and an informed and willing seller, neither one under any compulsion to buy or to sell, and in such determination costs of removal from the location of current use shall not be a deduction from such value and all alternative uses in the hands of such buyer or user, including without limitation, the further leasing of such Item or Group shall be taken into account in making such determination. If within ten (10) days after Lessor's receipt of Lessee's notice described in subsection (a) above of its interest in exercising its right to purchase under this Section, Lessor and Lessee are unable to agree upon the Fair Market Value of such Item or Group of Equipment, then such Fair Market Value shall be determined in accordance with the procedure for appraisal of Fair Rental Value set forth in Section 18(c) hereof; provided, however, that if Lessee does not elect to exercise its purchase option as to each Item or Group which is so appraised, Lessee shall bear all the costs of such appraisal.

SECTION 20. Voluntary Termination.

(a) Conditions to Lessee's Voluntary Termination of Lease. In the event that Lessee shall have made a good faith determination that any Item of Equipment remaining under this Lease is economically obsolete in Lessee's business, and an officer of Lessee shall have provided a certificate to such effect to Lessor, Lessee shall have the right, at Lessee's sole election and upon no less than one hundred eighty (180) days' prior notice to Lessor, to terminate (which act shall be called a "Voluntary Termination") this Lease as to such Item as of a termination date specified in such notice (the "Proposed Voluntary Termination Date"); provided, however, that:

(i) no such Proposed Voluntary Termination Date for any Item in Group A or Group B may be earlier than thirty-six (36) months after the Acceptance Date of such Item in Group A or B, and no such Proposed Voluntary Termination Date for any Item in Group D may be earlier than sixty (60) months after the Acceptance Date of such Item;

(ii) this Lease may not be terminated pursuant to this Section as to any Item in Group C;

(iii) no such Proposed Voluntary Termination Date may be a date other than a Basic Rent Date prior to the Expiration Date as to the Item as to which Voluntary Termination is elected;

(iv) no Voluntary Termination Date may occur as to Items in a Group on a date within six (6) months of a different Voluntary Termination Date as to other Items in such Group;

(v) as to the Group of which such Item is a part, the Lessee must be electing Voluntary Termination for either (x) all Items in the same Group or (y) Items in the same Group having an aggregate Lessor's Cost of at least $500,000;

(vi) no Event of Default, or any occurrence which with the lapse of time or giving of notice or both would become an Event of Default, shall have occurred and be continuing; and

(vii) as to any Item as to which there is to be Voluntary Termination, there shall be no Requisition of Use within the meaning of Section 11(d).

(b) Disposition of Items on Voluntary Termination of Lease. During the period after the giving of any such notice of a Proposed Voluntary Termination Date until the 15th day preceding the Proposed Voluntary Termination Date, Lessee shall use its best efforts to obtain bids for the purchase of each Item as to which Lessee has elected Voluntary Termination, and the Lessee shall at least fifteen (15) days prior to such Proposed Voluntary Termination Date certify to Lessor the amount and terms of each such bid and the name and address of the party (which shall not be Lessee or a corporation, other entity or individual affiliated with Lessee or any party for whom Lessee or any such affiliate intends thereafter to lease such Item) submitting such bid. On the Proposed Voluntary Termination Date, Lessor shall sell each such Item on an as is, where is basis without representation or warranty by Lessor, express or implied (except as to the absence of Lessor's Liens), for cash to the bidder who shall have submitted the highest bid prior to the Proposed Voluntary Termination Date. The total sale price realized at each such sale shall be retained by Lessor. If no sale shall have occurred on a Proposed Voluntary Termination Date for an Item, this Lease shall continue in full force and effect as to such Item as if no notice of termination has been given.

(c) Conditions to Effectiveness of Voluntary Termination. On the Proposed Voluntary Termination Date as to each Item as to which Lessee elects Voluntary Termination, Lessee shall pay to the Lessor (1) an amount equal to (x) the excess, if any, of the Termination Value of such Item over (y) the sale price of such Item less all costs or expenses of Lessor in connection with the sale of such Item plus (2) all Rent due and owing through such Date. After the payment

of such amount, Lessee's obligation to pay further Basic Rent for such Item shall cease; provided that Lessee's obligation to pay Supplemental Rent, if any, for such Item, and to pay Rent for all other Items, shall remain unchanged; and, further provided, that any such Item as to which there shall be a Voluntary Termination shall have been returned to Lessor by Lessee in full compliance with the terms and conditions of Section 5.

(d) Lessor's Limited Duties. Lessor shall be under no duty to solicit bids, to inquire into the efforts of Lessee to obtain bids or otherwise to take any action or incur any cost or expense in connection with any sale of an Item pursuant to Section 20(b) other than to transfer or to cause to be transferred all of Lessor's right, title and interest in and to any such Item to the purchaser thereof.

SECTION 21. Lessor's Conditions

(a) Conditions Precedent to First Acceptance Date. Lessor shall have no obligation, directly or through Lessee, to accept any Item of Equipment hereunder unless on or prior to the First Acceptance Date the following conditions precedent shall have been fulfilled to the reasonable satisfaction of Lessor:

(1) [Intentionally omitted]

(2) Lessor shall have received the following, in each case in form and substance satisfactory to Lessor:

(A) With respect to Lessee (i) a copy of the resolutions of Lessee's Board of Directors authorizing the execution, delivery and performance of the Lease and all other documents delivered hereunder to which Lessee is or will be a party, certified by a duly authorized officer of Lessee as of such Acceptance Date, and (ii) an incumbency certificate dated as of such Acceptance Date as to the individual or individuals executing and delivering such instruments or any other instruments delivered on behalf of Lessee in connection with the transactions contemplated by this Lease; and

(B) [Intentionally omitted]

(3) Lessee or the Equipment Manager shall be in possession of the following:

(A) For each Item of Equipment described in Paragraph 4 of Schedule 2 being purchased by Lessor and accepted by Lessee for lease hereunder on such date, (i) the original invoice therefor from the Equipment Manager or the respective manufacturer or vendor, (ii) [intentionally omitted], (iii) the Manufacturer's Statement of Origin covering such Item, dated on or before such Acceptance Date and either naming the Lessor as owner of such Item or endorsed to Lessor as owner of such Item, together with the applicable documents set forth in Schedule 5 hereto as to each such Item, (iv) the Application for Certificate of Title (or, if available, the original Certificate of Title) covering such Item, dated such Acceptance Date and naming Lessor as owner of such Item, and (v) the Application for Certificate of Registration (or, if available, a copy (or the original, if available and not required to be placed in the Item in accordance with local law) of the Certificate of Registration) covering such Item, dated such Acceptance Date and naming Lessor as owner where permitted and naming Lessee as operator of such Item.

(B) For each Item of Equipment described in Paragraph 5 of Schedule 2 being purchased by Lessor and accepted by Lessee for lease hereunder on such date, a bill of sale therefor dated such Acceptance Date in the name of Lessor from the Equipment Manager or the respective manufacturer or vendor in the name of Lessor as owner.

(C) [Intentionally omitted]

(4) The Equipment Manager shall have prepared and submitted to Lessor a written opinion covering each Item to be accepted hereunder in form and substance satisfactory to Lessor and Lessee providing the information referred to in Section 4(1)(C) of Rev. Proc. 75-21 and Section 4.02(6) of Rev. Proc. 75-28 ("Useful Life Opinion").

(5) At least five (5) Business Days prior to such Acceptance Date, Lessor shall have received (i) Uniform Commercial Code Financing Statements (Form UCC-1) covering this Lease and all Items of Equipment at any time to be subject to this Lease shall have been signed by Lessee as debtor shall have been received by Lessor in proper form for filing by Lessor in the appropriate filing offices in each state listed on Schedule 3; (ii) notice from Lessee specifying the location of use and location of delivery and acceptance hereunder (if different) of each such Item; and (iii) any other documents under applicable state law which are, in the opinion of Lessor's counsel, necessary to protect the interests of Lessor under this Lease.

(6) Lessor shall have received a certificate of a duly authorized officer of Lessee, dated as of such Acceptance Date, and such other evidence, in form and substance satisfactory to Lessor, as to due compliance with the terms of Section 12 of this Lease as to the Items to be purchased by Lessor and leased by Lessor to Lessee hereunder as Lessor shall require.

(7) [Intentionally omitted]

(8) Lessor shall have received a Lessee's Certificate in the form of Exhibit F hereto executed by a duly authorized officer of the Lessee and dated such Acceptance Date.

(9) [Intentionally omitted]

(10) [Intentionally omitted]

(11) Lessor shall have received the Assignment of the Equipment Manager, dated such Acceptance Date, in substantially the form of Exhibit G.

(12) Lessor shall have received an opinion of counsel to Lessee, in form and substance satisfactory to Lessor, dated such Acceptance Date, in substantially the form annexed hereto as Exhibit H.

(13) Lessor shall have received an opinion of Messrs. Sullivan & Cromwell, Lessor's special tax counsel, dated such Acceptance Date, in form and substance satisfactory to Lessor.

(14) Lessor shall have received such other documents and evidence with respect to Lessee as Lessor may reasonably request in connection with the consummation of the transactions contemplated by this Lease, the taking of all corporate proceedings in connection therewith and compliance with the conditions set forth in this Section 21.

Upon fulfillment of such conditions precedent to Lessor's reasonable satisfaction, Lessor shall give Lessee and the Equipment Manager notice in writing to such effect; provided that such notice shall not constitute any waiver by Lessor of any of Lessor's rights hereunder or otherwise, and Lessor shall be entitled to exercise any remedies available to it hereunder (including, without limitation, under Sections 16 and 23(j)) or otherwise, in the event that an Event of Default or a Default shall have occurred, whether arising from inaccuracy or breach of representations or covenants made by Lessee in satisfaction of any such conditions precedent or otherwise.

(b) Conditions Precedent to Acceptance Dates After the First Acceptance Date. Subject to Section 23(j), on each Acceptance Date after the First Acceptance Date, Lessee shall accept on Lessor's behalf and to lease hereunder Items of Equipment if (but only if) all of the conditions precedent specified in clauses (3), (5) and (if requested by Lessor by notice to Lessee and the Equipment Manager at least one Business Day in advance of such Acceptance Date) (14) of Section 21(a) shall have been fulfilled with respect to the Items of Equipment then being accepted by Lessee.

(c) Delivery of Documents. Lessee covenants that at least five (5) Business Days prior to each Funding Date other than the Final Funding Date, until Lessee receives notice to the contrary from Lessor, Lessee shall deliver or cause to be delivered (i) to Lessor's Special Counsel, the documents described in subclauses (A) and (B) of clause (3) of Section 21(a), a copy of the Delivery Receipt executed by Lessee and the original Certificate of Acceptance executed by (or by the Equipment Manager on behalf of) Lessee (both as authorized representative of Lessor and as lessee hereunder) in respect of each Item for which reimbursement is to be made by Lessor to the Equipment Manager on such Funding Date, and (ii) to Lessor's Counsel, copies of the foregoing documents. Lessee also covenants that at least five (5) Business Days prior to the Final Funding Date Lessee shall deliver or cause to be delivered to Lessor's Counsel such copy of the Delivery Receipt executed by Lessee and such original Certificate of Acceptance executed by (or by the Equipment Manager on behalf of)

Lessee in respect of each Item accepted by Lessee hereunder for which reimbursement has not been made by Lessor to the Equipment Manager.

(d) Funding Dates. Lessee covenants that (i) not less than five (5) Business Days prior to each Funding Date, Lessee shall deliver or cause to be delivered to Lessor's Counsel and (except for the Final Funding Date) Lessor's Special Counsel shall have received from Lessee or the Equipment Manager (A) a notice containing a description (including allocation to Group), initial location of use and the jurisdiction of registration (if any) of the Items for which payment is to be made by Lessor on such date pursuant to Section 2(b), (B) a purchase order from the Equipment Manager setting forth in detail the amounts included in, and the calculation of, Lessor's Cost and Special Funding Costs for such Items and (C) payment instructions sufficient to permit Lessor to perform its obligations under Section 2(b) and (ii) in the case of each Funding Date other than the Final Funding Date, at least two (2) Business Days prior to such date Lessor shall have received (and Lessor's Counsel shall have received a copy of) an opinion of Lessor's Special Counsel covering such Items, substantially in the form of Exhibit I hereto.

(e) Useful Life Opinion. On each monthly anniversary of the First Acceptance Date to and including December, 1982 Lessee shall deliver or cause to be delivered by the Equipment Manager to Lessor a letter in form and substance satisfactory to Lessor confirming the information contained in the Useful Life Opinion as to Items remaining to be accepted hereunder.

SECTION 22. Notices

All communications and notices provided for herein shall be in writing and shall become effective when deposited in the United States mail, with proper postage for first-class mail prepaid, or when delivered by hand or when furnished by telex, telecopier, telegram or other standard form of telecommunication, addressed (1) if to Lessor, to GENERAL ELECTRIC CREDIT CORPORATION, 260 Long Ridge Road, Stamford, Connecticut 06902, Attention: Manager - Operations, Transportation Financing Department, with a separate copy to the attention of each of Investment Officer - Rail Component and Contracts Administrator - Rail Component, or as Lessor may otherwise specify; (2) if to Lessee, at its address set forth on the signature pages hereof; (3) if to the Equipment Manager, to the address set forth in Schedule 4 hereto; (4) if to Lessor's Counsel, to Lovejoy, Wasson & Ashton, Professional Corporation, 101 Park Avenue, New York, New York 10178, Re: Family Lines; and (5) if to Lessor's Special Counsel, to Messrs. Thacher, Proffitt & Wood, 40 Wall Street, New York, New York 10005, Attention: Stephen T. Whelan, Esq.

SECTION 23. Amendments and Miscellaneous

(a) Amendment; Waiver. The terms of this Lease shall not be waived, altered, modified, amended, supplemented or terminated in any manner whatsoever except by written instrument signed by Lessor and Lessee.

(b) Successors and Assigns. This Lease shall be binding upon and inure to the benefit of Lessor and its successors and assigns, and Lessee and its successors and, to the extent permitted hereby, assigns. With respect to the provisions of Sections 8 and 13, Lessor, its successors and assigns shall each be indemnified thereunder and, with respect to clause (2) of the proviso to Section 13, the wilful misconduct or gross negligence of any one such Person shall not affect the rights of any other such Person under such Section.

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

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

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

(f) Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument. This Agreement shall be effective when executed counterparts thereof have been delivered by each of the parties hereto to Lessor's Counsel.

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

(h) Section Headings. Section headings are for convenience only and shall not be construed as part of this Lease.

(i) Authorized Representatives of Lessor. Subject to the following terms and conditions, for purposes of accepting delivery of the Items of Equipment, Lessor hereby appoints one or more employees or agents of Lessee, who shall be so designated from time to time by Lessee, as authorized representatives of Lessor. Subject to the conditions set forth in Sections 21(a) and 21(b), such authorized representatives shall be authorized to take possession of each Item of Equipment upon its delivery to Lessee by the manufacturer or vendor thereof, to accept on behalf of Lessor all documents, if any, delivered at such time with respect to such Item of Equipment, to execute on behalf of Lessor a Delivery Receipt and a Certificate of Acceptance with respect to such Item of Equipment simultaneously with the execution thereof by Lessee and to take such other action on behalf of Lessor as shall be required to accept delivery of each Item of Equipment set forth and described in such Delivery Receipt and Certificate of Acceptance, and to lease the same to Lessee hereunder on behalf of Lessor.

(j) Revocation of Lessee's Authority. Lessor may, by notice to Lessee and the Equipment Manager to such effect, prospectively revoke the appointment and authorization of Lessee contained in Sections 2(a) and 23(i) either (i) upon the occurrence and during the continuance of a Default or an Event of Default or (ii) in the event that after the date hereof, in the opinion of Lessor, a material adverse change shall have occurred in the condition, financial or otherwise, of Lessee since December 31, 1981 that would affect the Lessee's ability to perform its obligations under the Lease.

(k) Further Financing Statements. From time to time after each Acceptance Date, at Lessor's request, Lessee will file or cause to be filed in each jurisdiction in which Items having such Acceptance Date are located, such additional financing statements (or amendments to previously filed financing statements) setting forth to Lessor's satisfaction the manufacturer's serial numbers for such Items and any other information regarding the Items as Lessor shall deem appropriate.

(l) Consolidations or Merger by, or Sale of Assets of, Lessee. Lessee will not enter into any consolidation or merger of Lessee with or into any other corporation or corporations (whether or not affiliated with Lessee), or successive consolidations or mergers in which Lessee or its successor or successors shall be a party or parties, or into any sale or conveyance of all or substantially all of the property of Lessee to any other Person, unless no Default or Event of Default shall have occurred and be continuing, and Lessee

causes the due and punctual payment of all Rent, and the due and punctual performance and observance of all covenants and obligations of Lessee hereunder, to be assumed by the corporation (if other than Lessee) formed by such consolidation, or by the corporation into which Lessee shall have been merged, or by the Person which shall have acquired such property; provided, however, that any such consolidation, merger, sale or conveyance shall only be to a successor corporation or a purchaser with a tangible net worth not less than Lessee's tangible net worth immediately prior to such transaction.

(m) Performance of Lessee's Agreements by Lessor. If Lessee fails to perform or comply with any of its agreements contained herein, Lessor may upon notice to Lessee perform or comply with such agreement, and the amount of the reasonable cost and expenses of Lessor incurred in connection with such performance or compliance shall be payable by Lessee upon demand except as otherwise provided in this Lease. No such performance or compliance by Lessor described in the preceding sentence shall be deemed a waiver of the rights and remedies of Lessor or any assignee of Lessor against Lessee hereunder.

(n) Further Assurances, etc. Lessee will cause to be promptly and duly taken, executed, acknowledged or delivered all such further acts, conveyances, continuation statements, documents and assurances as Lessor may from time to time reasonably request in order to more effectively carry out the intent and purposes of this Lease and the transactions contemplated hereby. If, on or after the Acceptance Date for an Item, such Item becomes a "vehicle", "motor vehicle" or similar property for which registration of title and/or operation is required under applicable law to evidence Lessor's ownership thereof, Lessee will obtain and maintain in effect on Lessor's behalf, and deliver to Lessor copies of, all documents necessary for such registration.

(o) Certain Duties of Lessee. Lessee will take, or cause to be taken, such action with respect to the recording, filing, re-recording and refiling of this Lease and any financing statements or other instruments as is necessary to maintain the ownership interest of Lessor in the Items or will furnish to Lessor timely notice of the necessity of such action, together with such instruments, in execution form, and such other information and provision for payment as may be required to enable Lessor to take such action.

(p) Authorized Representative of Lessee. Lessee hereby irrevocably designates the Equipment Manager as its agent to perform all acts on Lessee's behalf specified in this Lease to be performed by the Equipment Manager on Lessee's behalf.

(q) Equipment Manager as Agent of Lessor. Lessee agrees that notwithstanding anything to the contrary in this Lease, the Equipment Manager shall act solely as agent of Lessor and not as agent of Lessee to the extent that pursuant to a power of attorney granted by Lessor to the Equipment Manager the Equipment Manager holds in its possession any of the documents set forth in Sections 21(a)(3)(A) and 21(a)(3)(B); provided, however, that nothing herein shall relieve Lessee of the obligation to have, or to cause the Equipment Manager to have, in its respective possession as to any Item the documents described in Sections 21(a)(3)(A) and 21(a)(3)(B) on or prior to the Acceptance Date for such Item.

IN WITNESS WHEREOF, Lessor and Lessee have executed this Lease as of the 15th day of July, 1982.

Witnesses as to both:

GENERAL ELECTRIC CREDIT CORPORATION, as Lessor

John T. Sullivan

By: _____
Title: Vice President

_____

Attest: Raymond W Coyclon Jr
Title: Asstng Secretary

Witnesses as to both:

LOUISVILLE AND NASHVILLE RAILROAD COMPANY, as Lessee

_____

By: _____
Title:

_____

Attest: _____
Title:

Address: Louisville and Nashville Railroad Company
500 Water Street
Jacksonville, Florida 32202

Attention: Director of Finance

ICC

STATE OF

COUNTY OF

On this _____ day of _____, 1982, personally appeared before me _____, to me personally known, who being by me duly sworn, says that he is _____ of Louisville and Nashville Railroad Company, that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

_____
Notary Public
My commission expires:

STATE OF CONNECTICUT

COUNTY OF FAIRFIELD

On this 20th day of August, 1982, personally appeared before me K.G. Rusterholz, to me personally known, who being by me duly sworn, says that he is Vice President of General Electric Credit Corporation, that the foregoing instrument was signed 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.

Anna Marie Delahunt
Notary Public
My commission expires:

ANNA MARIE DELAHUNT
NOTARY PUBLIC
MY COMMISSION EXPIRES MARCH 31, 1985

(q) Equipment Manager as Agent of Lessor. Lessee agrees that notwithstanding anything to the contrary in this Lease, the Equipment Manager shall act solely as agent of Lessor and not as agent of Lessee to the extent that pursuant to a power of attorney granted by Lessor to the Equipment Manager the Equipment Manager holds in its possession any of the documents set forth in Sections 21(a)(3)(A) and 21(a)(3)(B); provided, however, that nothing herein shall relieve Lessee of the obligation to have, or to cause the Equipment Manager to have, in its respective possession as to any Item the documents described in Sections 21(a)(3)(A) and 21(a)(3)(B) on or prior to the Acceptance Date for such Item.

IN WITNESS WHEREOF, Lessor and Lessee have executed this Lease as of the 15th day of July, 1982.

Witnesses as to both:

GENERAL ELECTRIC CREDIT CORPORATION, as Lessor

_____ By: _____
Title:

_____ Attest: _____
Title:

Witnesses as to both:

LOUISVILLE AND NASHVILLE RAILROAD COMPANY, as Lessee

David M. Yearwood

Robert J. Hall

By: _____
Title: Sr. Asst. Vice President

Attest: _____
Title: Assistant Secretary

Address: Louisville and Nashville Railroad Company
500 Water Street
Jacksonville, Florida 32202

Attention: Director of Finance

ICC

STATE OF FLORIDA

COUNTY OF DUVAL

On this 20th day of August, 1982, personally appeared before me E. R. Englert, to me personally known, who being by me duly sworn, says that he is Sr. Asst. V.P. of Louisville and Nashville Railroad Company, that the foregoing instrument was signed 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.

Brenda L. Kelly
Notary Public
My commission expires:

NOTARY PUBLIC, STATE OF FLORIDA
My commission expires Oct. 5, 1985
Bonded by American Fire & Casualty Company

STATE OF

COUNTY OF

On this _____ day of _____, 1982, personally appeared before me _____, to me personally known, who being by me duly sworn, says that he is _____ of General Electric Credit Corporation, that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

_____
Notary Public
My commission expires:

SCHEDULE 1
to
EQUIPMENT LEASE

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

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

(c) The terms defined herein and elsewhere in this Lease shall, for purposes of this Lease and all Exhibits hereto, have the meaning assigned to them and shall include the plural as well as the singular.

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

"Acceptance Date" shall mean any date (not after December 31, 1982) on which one or more Items of Equipment are purchased by or on behalf of Lessor and leased by or on behalf of Lessor to Lessee pursuant to Section 2(a) hereof.

"Basic Rent" shall have the meaning assigned to that term in Section 3.

"Business Day" shall mean any day other than a Saturday, Sunday or other day on which commercial banking institutions in the City of New York or the State of Connecticut are authorized or obligated by law to close.

"Casualty Payment Date" shall have the meaning assigned to that term in Exhibit D.

"Certificate of Acceptance" shall mean a Certificate of Acceptance executed by or on behalf of Lessee on behalf of Lessor, as purchaser and lessor, and Lessee, as lessee, substantially in the form of Exhibit B hereto.

"Delivery Receipt" shall have the meaning assigned to that term in Section 2(a).

"Equipment Manager" shall mean Peterson, Howell & Heather, Inc., a Maryland corporation.

"Fair Market Rental" shall have the meaning specified in Section 18(b).

"Final Funding Date" shall mean March 15, 1983.

"First Acceptance Date" shall mean the first Acceptance Date to occur under this Lease.

"Funding Date" for any Item shall mean the 15th day of any calendar month other than February, 1983 (or such later day in such calendar month as the parties may agree to) following the Acceptance Date for such Item from September 15, 1982, to and including March 15, 1983, on which payment for such Item is made by Lessor pursuant to Section 2(b), provided that if any such day shall not be a Business Day, such Funding Date shall occur on the next Business Day.

"Impositions" shall have the meaning assigned to that term in Section 8.

"Lease Extension Period" shall have the meaning specified in Section 18(a)(i).

"Lessor's Cost of Other Items" at any time, (i) as to each Item under this Lease, shall mean the "Lessor's Cost" (as defined in the Other Lease) of all "Items of Equipment" (as defined in the Other Lease) which are then subject to the Other Lease; and (ii) as to any Group of Equipment under this Lease, shall mean the "Lessor's Cost" (as defined in the Other Lease) of all "Items of Equipment" (as defined in the Other Lease) which are part of the same "Group" (as defined in the Other Lease) under, and are then subject to, the Other Lease.

"Lessor's Counsel" shall mean Lovejoy, Wasson & Ashton, Professional Corporation, special counsel to the Lessor.

"Lessor's Lien" shall have the meaning specified in Section 5.

"Lessor's Special Counsel" shall mean Messrs. Thacher, Proffitt & Wood.

"Lien" shall have the meaning specified in Section 5.

"Other Lease" shall mean the Equipment Lease, dated of even date and executed contemporaneously herewith, between Lessor

and Seaboard Coast Line Railroad Company, a Virginia corporation.

"Person" shall mean any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization, governmental body, instrumentality or agency or other entity.

"Prime Rate" shall have the meaning specified in Exhibit C.

"Proposed Voluntary Termination Date" shall have the meaning assigned to that term in Section 20(a).

"Rent" shall have the meaning assigned to that term in Section 3.

"Special Casualty Amount" shall mean, with respect to any Item of Equipment accepted prior to December 1, 1982 as to which an Event of Loss shall occur, or this Lease shall be declared in default, prior to the first Casualty Payment Date, if the Funding Date (but not the Interim Rent Date) for such Item shall have occurred on or before such first Casualty Payment Date, the Special Funding Cost of the Equipment Manager for such Item paid by Lessor on such Funding Date plus interest at the Prime Rate plus 1/4 of 1% per annum from and including such Funding Date to but excluding such Casualty Payment Date on the sum of (x) Lessor's Cost of such Item and (y) such Special Funding Cost and (B) if neither the Funding Date nor the Interim Rent Date for such Item shall have occurred on or before such first Casualty Payment Date, the Special Funding Cost of the Equipment Manager for such Item accrued to but excluding such first Casualty Payment Date.

"Special Funding Cost" for any Item shall mean the sum of (i) any portion of a manufacturer's or dealer's floor financing or similar charge for such Item accruing on and after the Acceptance Date for such Item paid by the Equipment Manager plus (ii) the amount of the finance charge payable to the Equipment Manager in respect of its interim financing of such Item equal to the sum of (x) the amount set forth in clause (i) of the definition of Lessor's Cost plus (y) the amount (if applicable) set forth above in clause (i) of this definition, times 110% per annum (based on a year of 365 days) of the rate of interest announced publicly from time to time by Citibank, N.A. in New York City as its base rate during the period from and including the later of the Acceptance Date for such Item or the date on which the Equipment Manager makes payment for such Item to but excluding the Funding Date for such Item; provided that such finance charge shall cease to accrue on and after January 15, 1983 for any Item as to which a Funding Date shall not have occurred and provided, further, that such interest rate in clause (ii) above during any calendar month shall be such rate as in effect on the last Business Day of the preceding calendar month.

"Supplemental Rent" shall have the meaning assigned to that term in Section 3.

"Tax Cost" shall have the meaning specified in Section 17(a)(2).

SCHEDULE 2
to
EQUIPMENT LEASE

CLOSING PROCEDURES MEMORANDUM*

Purchase Documents

1. Lessee completes a requisition form for Items of Equipment and delivers it to the Equipment Manager.

2. The Equipment Manager receives the requisition form and produces a purchase order on behalf of Lessor, with a copy to Lessee.

3. The Equipment Manager arranges for the order to be placed with the manufacturer or vendor (collectively "Vendor") of the relevant Items of Equipment and for invoices from the Vendor in the name of Lessor pursuant to a Power of Attorney from Lessor to the Equipment Manager, which also authorizes the Equipment Manager, its employees and agents to prepare, execute, apply for, deliver, file and record Applications for Certificates of Title and/or Registration, purchase orders, resale numbers and related documentation for the Items on Lessor's behalf.

4. In the case of vehicles for which the Title State issues a Certificate of Title:

   a. Upon shipment of the vehicle, the Vendor in each case sends to the Equipment Manager the invoice in the name of the Lessor and the Manufacturer's Statement of Origin ("MSO") necessary for obtaining the Certificate of Title from, and effecting registration in, the Title State;

   b. The Equipment Manager or Vendor completes the MSO, indicating the name of Lessor as owner;

   c. The Equipment Manager prepares an Application for Certificate of Title ("Application") for each relevant Title State for the trucks and the Vendor will prepare such Application for each relevant Title State for the cars, in each case naming Lessor as owner. In each case, so long as Lessor is clearly indicated as the sole owner of

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* Capitalized terms not otherwise defined in this Schedule have the meanings set forth in the Lease.

the vehicle, Lessee's name may appear first on the Certificate of Title, identified as lessee, so as to facilitate billing of Lessee for purposes of state property tax. The Application will in each case indicate the appropriate sales tax exemption number(s) of Lessor. All but a few states permit application and titling to be made in the name of Lessor as owner in care of the Equipment Manager at the latter's corporate address. A few states (including Kentucky) require an in-state address for the Certificate of Title. In such states the address of Lessee will be used and the Equipment Manager will prepare a packet of application materials for Lessee's drivers who will be processing the applications.

d. The Equipment Manager retains a copy of the Application for each vehicle, which represents one of the documents delivered pursuant to Section 21(a)(3)(A) and files or causes to be filed the Application in the respective Title State.

e. The Title State will produce the Certificate of Title within four to eight weeks after such filing and, where state law permits, will send it to Lessor in care of the Equipment Manager. In those states where the Certificate of Title must be mailed to Lessor at an address within the state, it will be sent to Lessor in care of the Lessee driver who will be instructed to forward it to the Equipment Manager.

f. Vehicles will be registered by the Equipment Manager or Vendor in all states in the name of Lessor with an address in care of the Equipment Manager or, if required, Lessee. In some states registration and title are represented by the same certificate.

5. In the case of Items of Equipment which are classified as Group C or Group D Items of Equipment and are not eligible to be registered and titled as a vehicle under state law (material handling or maintenance of way equipment), the Vendor sends to the Equipment Manager an invoice in the name of Lessor and a bill of sale in favor of Lessor.

6. Prior to the First Acceptance Date and from time to time thereafter, there shall be (i) appropriate filing of UCC-1 financing statements covering any Items described in paragraph 5 above for which payment is to be made (unless the same are to be located in jurisdictions already covered by a UCC-1 financing statement previously filed which, in the opinion of Lovejoy, Wasson & Ashton, Professional Corporation, counsel to Lessor ("LWA"), is satisfactory to protect

the interests of Lessor) and (ii) any other filings under applicable state law which are, in the opinion of LWA, necessary or desirable to protect the interests of Lessor under this Lease.

7. If the applicable conditions specified in Section 21 of the Lease have been satisfied prior to any Acceptance Date and subject to Section 23(j) of the Lease, on such Acceptance Date (i) Lessee shall execute a Delivery Receipt covering one or more Items, whereupon Lessor becomes the owner of such Items and is irrevocably committed to pay the Lessor's Cost thereof, and Lessee accepts such Items for lease under the Lease and Lessee shall deliver the original of such Delivery Receipt to the Equipment Manager; and (ii) a Certificate of Acceptance, dated the date of such Delivery Receipt, covering such Items shall be executed by Lessee (or on Lessee's behalf by the Equipment Manager), the original thereof to be held by the Equipment Manager.

Payments

8. In most instances, the Equipment Manager interim finances Items of Equipment pursuant to a vehicle management agreement with Lessee, and the Equipment Manager thereby pays the Vendor the purchase price of the Items of Equipment on terms acceptable to the Vendor close to the time of delivery; however in all cases title will be certificated and bills of sale will be executed in Lessor's name only.

9. When the invoice (and, in the case of Items described in paragraph 5, the bill of sale) is sent to the Equipment Manager and an Item has been delivered and become subject to the Lease, the Equipment Manager issues a separate invoice for its expenses and fees to Lessee under the vehicle management agreement referred to above, which is solely responsible for payment thereof. Not later than five (5) Business Days prior to each Funding Date (which Funding Dates will generally occur on the fifteenth day of each calendar month), the Equipment Manager telecopies or couriers to Messrs. Thacher, Proffitt & Wood ("TPW"), with copies to Comdisco Financial Services, Inc. ("CFS") and LWA, a notice containing a description, the Lessor's Cost and the location of Items of Equipment delivered to Lessee and paid for by the Equipment Manager during the previous calendar month by Groups and to be reimbursed by Lessor to the Equipment Manager on the Funding Date pursuant to the Lease. Such notice will also specify by Group the aggregate amount of the Special Funding Costs in respect of such Items of Equipment (to be paid by Lessor) accrued during the period from and including the respective Acceptance Dates for such Items to but excluding

the next Funding Date. The Equipment Manager shall include in such documents copies of the invoice or bill of sale from the Vendor to the Equipment Manager and purchase orders for the Items, copies of the Application for Registration and/or Certificate of Title, or of the Certificate of Registration or Title, if available, and of the Delivery Receipt and the Certificate of Acceptance (the originals thereof to be furnished to TPW). Not later than two (2) Business Days prior to each Funding Date on or before January 15, 1983, Lessor shall have received (and LWA shall have received a copy of) an opinion of TPW covering such Items, substantially in the form of Exhibit I to the Lease.

10. Only Items of Equipment for which copies of the documents required above are received not later than five (5) or two (2) Business Days prior a Funding Date, as the case may be, will be paid for by Lessor on such Funding Date. Other Items of Equipment are kept on Equipment Manager interim financing until the next Funding Date by which such documents have been delivered in advance as required or March 15, 1983, whichever is earlier, at which time Lessor shall make the payments to the Equipment Manager required by Section 2(b) of the Lease in respect of such Items.

11. CFS notifies Lessor not later than two (2) Business Days prior to each Funding Date of amounts Lessor is to provide on such Funding Date to the Equipment Manager.

Miscellaneous

12. Prior to the First Acceptance Date, Lessee will allocate Items to Groups under the Lease in consultation with the Equipment Manager and the Equipment Manager will provide a Useful Life Opinion pursuant to Section 21(a)(4) of the Lease.

13. The Equipment Manager will examine for correctness and revise if necessary final Certificates of Title and bills of sale.

14. The Equipment Manager will prepare, file and monitor on behalf of Lessor, all state sales or use tax returns required in connection with Items purchased under the Lease.

15. To the extent that the foregoing paragraphs refer to invoices or bills of sale from a manufacturer or vendor in the name of Lessor, or purchase orders on behalf of Lessor, the same may be issued in the name or on behalf of the Equipment Manager, and in the case of invoices or bills of sale the Equipment Manager shall issue a corresponding invoice or bill of sale to Lessor.

SCHEDULE 3
to
EQUIPMENT LEASE

Jurisdictions of Initial Use Of Items

1. Alabama
2. Florida
3. Georgia
4. Illinois
5. Indiana
6. Kentucky
7. Louisiana
8. Mississippi
9. North Carolina
10. South Carolina
11. Tennessee
12. Virginia

SCHEDULE 4
to
EQUIPMENT LEASE

Notices to Equipment Manager

Notices to the Equipment Manager shall be addressed as follows:

Peterson, Howell & Heather, Inc.
Post Office Box 2174
Baltimore, Maryland 21203

Attention: Peter Heumann

SCHEDULE 5
to
EQUIPMENT LEASE

CERTAIN DOCUMENTS

1. With respect to any Item to be accepted under the Lease and to be delivered in the Commonwealth of Virginia, Lessee or the Equipment Manager, on or prior to the Acceptance Date with respect to such Item, (i) shall be in possession of a Temporary Certificate of Title covering such Item, naming Lessor as the owner thereof, and (ii) shall be in possession of (or shall have caused to be placed on such Item) temporary license plates, each in accordance with the laws of the Commonwealth of Virginia.

EXHIBIT A

DESCRIPTION OF EQUIPMENT

1. "Item of Equipment" or "Item": any of the automobiles; light, medium and heavy duty trucks; carrydeck cranes; hydraulic cranes; car movers; forklifts and tow tractors described in a Certificate of Acceptance executed by Lessee pursuant to Section 2.

2. "Maximum Lessor's Cost": $6,893,000.

3. "Lessor's Cost": for any Item of Equipment, the sum of (i) the invoice price for such Item (or component of such Item) due and payable by the Equipment Manager to the vendor thereof and any manufacturer's or dealer's floor financing or similar charge paid by the Equipment Manager accruing prior to the Acceptance Date for such Item plus (ii) finance charges (computed on the basis of the interest rate set forth in the definition of Special Funding Cost) payable to the Equipment Manager accruing prior to the Acceptance Date with respect to amounts paid by the Equipment Manager under clause (i) in respect of such Item, which Lessor's Cost shall be set forth in the Certificate of Acceptance pertaining to such Item. Lessor's Cost for any Item shall also include transportation, delivery and installation charges, and any sales taxes, in respect of such Item.

4. "Group of Equipment" or "Group": any of the Groups of Equipment listed below to which an Item of Equipment shall be assigned as determined in accordance with Section 9 and having the respective "Term" under this Lease indicated in the applicable Certificate of Acceptance, as follows:

GROUP		TERM
A	automobiles and light duty trucks	49-Month Term
B	light and medium duty trucks	60-Month Term
C	forklifts and tow tractors	60-Month Term
D	heavy duty trucks, carrydeck cranes, hydraulic cranes and car movers	84-Month Term

EXHIBIT B

FORM OF CERTIFICATE OF ACCEPTANCE

COVER PAGE

FOR

CERTIFICATE OF ACCEPTANCE

The following Certificate of Acceptance identifies certain of the Items of Equipment subject to the Equipment Lease, dated as of July 15, 1982 (as amended, modified or supplemented, the "Lease"), between GENERAL ELECTRIC CREDIT CORPORATION, as lessor, and LOUISVILLE AND NASHVILLE RAILROAD COMPANY, as lessee. Said Lease was filed on _____, 198_, in the office of _____, under file/recording #_____, and the terms and provisions of the Lease are incorporated herein in full.

CERTIFICATE OF ACCEPTANCE NO. _____

Re: Equipment Lease, dated as of July 15, 1982 (the "Lease"), between GENERAL ELECTRIC CREDIT CORPORATION, as lessor (the "Lessor"), and LOUISVILLE AND NASHVILLE RAILROAD COMPANY, as lessee (the "Lessee"). The terms used herein shall have the meanings given to such terms in the Lease.

1. Lessee hereby certifies that the following Items of Equipment, constituting Items of Equipment of the Group of Equipment indicated below, will be used at the location indicated below, have been tested and inspected by Lessee, have been found to be in good order, are new and unused (for the purpose of the Lessee's Certificate), have not been available for use by any Person and have been accepted as Items of Equipment under the Lease, all on the date indicated below:

Acceptance Date: _____, 1982

Group of Equipment/
Lease Term in Months: Group_____(__ Months)

Location of Use of Items of Equipment: _____

Quantity	Vendor	# Cyl	Make	Body Type	Title & Vehicle ID Number or Serial Number	Color	Weight or Seats	Fuel	Lessor's Cost
									$

Total Lessor's Cost $_____

EXHIBIT B-2

2. Lessee hereby represents and warrants that (i) no Event of Default or event which, with the giving of notice or the lapse of time, or both, would become such an Event of Default has occurred and is continuing, (ii) the delivery and acceptance of Items of Equipment under the Lease on this Acceptance Date has not caused and will not cause a breach of Section 2(c) of the Lease, and (iii) the representations and warranties of Lessee contained in the Lessee's Certificate are true and correct on and as of the date hereof as though made on and as of the date hereof.

GENERAL ELECTRIC CREDIT CORPORATION, as Lessor

By:_____
Name:_____
Title:_____
Employee or Agent of Lessee as Authorized Representative of Lessor

LOUISVILLE AND NASHVILLE RAILROAD COMPANY, as Lessee

By:_____
Title:_____

Employee or Agent of Lessee

EXHIBIT C

CERTAIN FINANCIAL TERMS

Basic Rent Dates: For any Item, the 15th day of each calendar month during the term of this Lease as to such Item, provided that if any such day shall not be a Business Day, any payment due on such day may be made with the same effect on the next succeeding Business Day.

Daily Lease Rate Factor: With respect to each Item of Equipment, shall be an amount equal to (i) 1/360th of an amount equal to (x) the base rate of interest per annum publicly announced from time to time at Bankers Trust Company in New York City (the "Prime Rate") plus (y) one quarter of one percent, from and including the respective Funding Date for such Item of Equipment to but excluding the Interim Rent Date for such Item, times (ii) the sum of (A) the Lessor's Cost of such Item plus (B) the Special Funding Cost for such Item paid by Lessor on the Funding Date for such Item, said Daily Lease Rate Factor to be effective for each day elapsed from and including such Funding Date to but excluding such Interim Rent Date.

Basic Lease Rate Factor:	Items	Percentage of Lessor's Cost
Group A	(49-Month Term)	2.1916%
Group B	(60-Month Term)	1.9679%
Group C	(60-Month Term)	1.8696%
Group D	(84-Month Term)	1.4838%

Final Acceptance Date: December 31, 1982

Interim Rent Dates: For any Item of Equipment, whichever of the following dates as occurs on, or next follows, the Funding Date for such Item: October 15, 1982, January 15, 1983 and March 15, 1983.

First Basic Rent Dates: October 15, 1982 (for Items delivered to and accepted by or on behalf of Lessor after July 15, 1982 to and including September 30, 1982) and January 15, 1983 (for Items delivered to and accepted by or on behalf of Lessor after September 30, 1982 to and including December 31, 1982.

Last Basic Rent Dates and Expiration Dates:

1. For Items delivered to and accepted by or on behalf of Lessor on or after July 15, 1982 to and including September 30, 1982:

Group	Last Basic Rent Date	Expiration Date
A (49-Month Term)	October 15, 1986	November 14, 1986
B (60-Month Term)	September 15, 1987	October 14, 1987
C (60-Month Term)	September 15, 1987	October 14, 1987
D (84-Month Term)	September 15, 1989	October 14, 1989

2. For Items delivered to and accepted by or on behalf of Lessor on or after October 1, 1982 to and including the Final Acceptance Date:

Group	Last Basic Rent Date	Expiration Date
A (49-Month Term)	January 15, 1987	February 14, 1987
B (60-Month Term)	December 15, 1987	January 14, 1988
C (60-Month Term)	December 15, 1987	January 14, 1988
D (84-Month Term)	December 15, 1989	January 14, 1990

Overdue Rate: 2% per annum above the Prime Rate (based on a year of 12 30-day months).

ACRS Property Class: Three-year property = Groups A and B
Five-year property = Groups C and D

Depreciation Method: Accelerated Cost Recovery System

Investment Tax Credit:	Three-year Property:	6% in 1982
	Five-year Property:	10% in 1982

Aggregate Group Limits:	Groups	Limit of Lessor's Cost
	A	$5,000,000
	B	$5,400,000
	C	$1,900,000
	D	$2,900,000

EXHIBIT C-3

EXHIBIT D
CASUALTY VALUES

(Acceptance from July 15, 1982 through September 30, 1982)

The Casualty Value of any Item whose Acceptance Date is from July 15, 1982 through September 30, 1982 during the initial Lease term for such Item shall be the percentage of the Lessor's Cost of such Item set forth opposite the applicable Casualty Payment Date:

Casualty Payment Date	Group A	Group B	Group C	Group D
December 15, 1982	102.6007	103.5210	103.1633	103.8507
June 15, 1983	97.5614	100.7617	100.1147	103.0964
December 15, 1983	87.2786	92.7586	92.3077	97.7273
June 15, 1984	79.6132	87.3969	87.6090	95.6256
December 15, 1984	66.7255	76.8003	78.3057	89.0513
June 15, 1985	56.4528	68.8429	72.0500	85.6995
December 15, 1985	41.6105	56.3691	61.1164	77.8189
June 15, 1986	29.9639	47.1230	53.1459	73.0945
December 15, 1986		37.4313	40.4087	63.7716
June 15, 1987		27.1088	30.6523	57.5964
December 15, 1987				47.1749
June 15, 1988				40.1902
December 15, 1988				32.9125
June 15, 1989				25.2374

The Casualty Value of any Item during the Lease Extension Period for such Item, if any, shall be:

(x) the Fair Market Value of such Item as of the commencement of such Lease Extension Period (as determined by agreement between the Lessor and the Lessee no less than 120 days prior to the commencement of such Lease Extension Period or, if the Lessor and the Lessee are unable to agree upon such Fair Market Value, then such Fair Market Value shall be determined in accordance with the procedure for appraisal of Fair Rental Value set forth in Section 18(c) of the Lease); as reduced by

(y) amortization of such Fair Market Value to the next Basic Rent Date for such Item following the applicable Event of Loss, such amortization having been determined on a straight-line basis over the remaining economic life of such Item (such remaining economic life as of the commencement of such Lease Extension Period as determined by agreement of the Lessor and the Lessee no less than 120 days prior to the commencement of such Lease Extension Period or, if the Lessor and the Lessee are unable to agree on any such remaining economic life, by appraisal as provided in clause (x) above with respect to Fair Market Value).

EXHIBIT D
CASUALTY VALUES

(Acceptance from October 1, 1982 through December 31, 1982)

The Casualty Value of any Item whose Acceptance Date is from October 1, 1982 through December 31, 1982 during the initial Lease term for such Item shall be the percentage of the Lessor's Cost of such Item set forth opposite the applicable Casualty Payment Date:

Casualty Payment Date	Group A	Group B	Group C	Group D
June 15, 1983	100.1486	102.0617	101.5434	103.4386
December 15, 1983	91.9707	96.0519	95.6172	99.7575
June 15, 1984	83.7723	90.0662	90.2161	96.7713
December 15, 1984	72.8231	81.3380	82.7530	91.8652
June 15, 1985	61.8408	72.6236	75.7478	87.6058
December 15, 1985	48.8147	61.9353	66.5994	81.3660
June 15, 1986	36.3318	51.8919	57.8154	75.7017
December 15, 1986	24.5814	42.6794	46.7896	67.9822
June 15, 1987		32.7610	36.0946	60.8269
December 15, 1987		22.3187	23.5173	51.9849
June 15, 1988				44.0100
December 15, 1988				37.0245
June 15, 1989				29.5864
December 15, 1989				21.8159
January 15, 1990				20.0000

The Casualty Value of any Item during the Lease Extension Period for such Item, if any, shall be:

(x) the Fair Market Value of such Item as of the commencement of such Lease Extension Period (as determined by agreement between the Lessor and the Lessee no less than 120 days prior to the commencement of such Lease Extension Period or, if the Lessor and the Lessee are unable to agree upon such Fair Market Value, then such Fair Market Value shall be determined in accordance with the procedure for appraisal of Fair Rental Value set forth in Section 18(c) of the Lease); as reduced by

(y) amortization of such Fair Market Value to the next Basic Rent Date for such Item following the applicable Event of Loss, such amortization having been determined on a straight-line basis over the remaining economic life of such Item (such remaining economic life as of the commencement of such Lease Extension Period as determined by agreement of the Lessor and the Lessee no less than 120 days prior to the commencement of such Lease Extension Period or, if the Lessor and the Lessee are unable to agree on any such remaining economic life, by appraisal as provided in clause (x) above with respect to Fair Market Value).

EXHIBIT E
TERMINATION VALUES

(Acceptance from July 15, 1982 through September 30, 1982)

The Termination Value of any Item whose Acceptance Date is from July 15, 1982 through September 30, 1982 during the initial Lease term for such Item shall be the percentage of the Lessor's Cost of such Item set forth opposite the applicable Proposed Voluntary Termination Date:

Proposed Voluntary Termination Date	Group A	Group B	Group D
August 15, 1985	50.3148	63.4852	
September 15, 1985	47.1964	60.7605	
October 15, 1985	45.3678	59.3276	
November 15, 1985	43.5059	57.8639	
December 15, 1985	41.6105	56.3691	
January 15, 1986	39.7224	54.8835	
February 15, 1986	37.8005	53.3666	
March 15, 1986	35.8445	51.8181	
April 15, 1986	33.8747	50.2580	
May 15, 1986	31.9364	48.7065	
June 15, 1986	29.9639	47.1230	
July 15, 1986	28.0434	45.5681	
August 15, 1986	26.0889	43.9813	
September 15, 1986	24.1001	42.3623	
October 15, 1986	22.1426	40.7512	
November 15, 1986		39.1077	
December 15, 1986		37.4313	
January 15, 1987		35.7625	
February 15, 1987		34.0605	
March 15, 1987		32.3253	
April 15, 1987		30.5766	
May 15, 1987		28.8595	
June 15, 1987		27.1088	
July 15, 1987		25.4100	
August 15, 1987		23.6778	52.8951
September 15, 1987		21.9120	50.5141
October 15, 1987			49.4215
November 15, 1987			48.3085
December 15, 1987			47.1749

Proposed Voluntary Termination Date	Group A	Group B	Group D
January 15, 1988			46.0474
February 15, 1988			44.8992
March 15, 1988			43.7301
April 15, 1988			42.5533
May 15, 1988			41.3823
June 15, 1988			40.1902
July 15, 1988			39.0170
August 15, 1988			37.8227
September 15, 1988			36.6072
October 15, 1988			35.3970
November 15, 1988			34.1655
December 15, 1988			32.9125
January 15, 1989			31.6644
February 15, 1989			30.3947
March 15, 1989			29.1031
April 15, 1989			27.8029
May 15, 1989			26.5311
June 15, 1989			25.2374
July 15, 1989			23.9857
August 15, 1989			22.7122
September 15, 1989			21.4168

EXHIBIT E
TERMINATION VALUES

(Acceptance from October 1, 1982 through December 31, 1982)

The Termination Value of any Item whose Acceptance Date is from October 1, 1982 through December 31, 1982 during the initial Lease term for such Item shall be the percentage of the Lessor's Cost of such Item set forth opposite the applicable Proposed Voluntary Termination Date:

Proposed Voluntary Termination Date	Group A	Group B	Group D
October 15, 1985	53.6815	66.0112	
November 15, 1985	50.6251	63.3486	
December 15, 1985	47.5327	60.6533	
January 15, 1986	45.7311	59.2508	
February 15, 1986	43.8933	57.8154	
March 15, 1986	42.0190	56.3466	
April 15, 1986	40.1302	54.8662	
May 15, 1986	38.2495	53.3959	
June 15, 1986	36.3318	51.8919	
July 15, 1986	34.4444	50.4196	
August 15, 1986	32.5200	48.9137	
September 15, 1986	30.5582	47.3738	
October 15, 1986	28.6037	45.8433	
November 15, 1986	26.6116	44.2786	
December 15, 1986	24.5814	42.6794	
January 15, 1987	22.5579	41.0889	
February 15, 1987		39.4636	
March 15, 1987		37.8031	
April 15, 1987		36.1289	
May 15, 1987		34.4628	
June 15, 1987		32.7610	
July 15, 1987		31.0890	
August 15, 1987		29.3812	
September 15, 1987		27.6374	
October 15, 1987		25.9010	55.4154
November 15, 1987		24.1282	53.0697
December 15, 1987		22.3187	50.7028

Proposed Voluntary Termination Date	Group A	Group B	Group D
January 15, 1988			49.6247
February 15, 1988			48.5253
March 15, 1988			47.4044
April 15, 1988			46.2759
May 15, 1988			45.1538
June 15, 1988			44.0099
July 15, 1988			42.8864
August 15, 1988			41.7412
September 15, 1988			40.5741
October 15, 1988			39.4130
November 15, 1988			38.2299
December 15, 1988			37.0245
January 15, 1989			35.8249
February 15, 1989			34.6029
March 15, 1989			33.3583
April 15, 1989			32.1051
May 15, 1989			30.8571
June 15, 1989			29.5864
July 15, 1989			28.3348
August 15, 1989			27.0605
September 15, 1989			25.7631
October 15, 1989			24.4706
November 15, 1989			23.1550
December 15, 1989			21.8159
January 15, 1990			.0000

EXHIBIT F

LESSEE'S CERTIFICATE

The undersigned hereby represents, warrants and covenants to the Lessor named in the equipment lease identified in Exhibit A hereto (the "Lease") as follows:

(a) Capitalized terms used herein and not otherwise defined herein are used as defined in, or by reference in the Lease.

(b) Corporate Organization and Power. The Lessee is a corporation duly organized and validly existing in good standing under the laws of the jurisdiction of its incorporation, is duly qualified to do business in each jurisdiction (including each jurisdiction where any Item of Equipment is or is to be located) or where its ownership or lease of property or the conduct of its business requires such qualification, and has full corporate power and authority to hold property under the Lease and to enter into and perform its obligations under the Lease.

(c) Execution and Delivery of Lease. The execution, delivery and performance by the Lessee of the Lease have been duly authorized by all necessary corporate action on the part of the Lessee, and the Lease is not inconsistent with the Lessee's Charter or By-Laws, does not contravene any law of or governmental rule, regulation or order applicable to it, does not and will not contravene any provision of, or constitute a default under, any indenture, mortgage, contract or other instrument to which it is a party or by which it is bound, and the Lease constitutes a legal, valid and binding agreement of the Lessee, enforceable against the Lessee in accordance with its terms.

(d) Litigation. There are no actions, suits or proceedings pending or, to the knowledge of the Lessee, threatened against or affecting the Lessee in any court or before any governmental commission, board or authority which, if adversely determined, will have a material adverse effect on the ability of the Lessee to perform its obligations under the Lease.

(e) No Consent Required. No order, license, consent, authorization or approval of, or exemption by, or the giving of notice to, or the registration with or the taking of any other action in respect of, any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, and no filing, recording, publication or registration in any public office or any other place, is now,

or under existing law in the future will be, required or necessary to authorize the execution, delivery and performance of the Lease, or for the legality, validity, binding effect or enforceability thereof other than (i) filings and recordings in the jurisdictions of original use of the Items providing notice to third parties that the Items located therein are subject to a true lease and (ii) in the case of Items which are motor vehicles or other property as to which registration of title is required under applicable law, such documents as are required to be filed with and obtained from each Title State in order to confirm the Lessor's ownership of such Items and to authorize the Lessee's operation thereof. If any of the Items constitutes "railroad cars, locomotives or other rolling stock" used or intended for a use related to interstate commerce within the meaning of 49 U.S.C. 11303, recording of this Lease with respect to such Item with the Interstate Commerce Commission pursuant to 49 U.S.C. 11303 has been duly made.

(f) No Stockholder Approval. The execution, delivery and performance by the Lessee of the Lease do not require any stockholder approval or any approval or consent of any trustee or holder of any indebtedness or other obligation except such as have been obtained and a copy thereof delivered to the Lessor.

(g) No Default Under Other Agreements. The Lessee is not in default, and no condition exists which with notice or lapse of time or both would constitute a default, under any mortgage, deed of trust, indenture or other instrument or agreement to which it is a party or by which it or any of its properties or assets may be bound, which might have a material adverse effect on it or on any of the transactions contemplated hereby.

(h) Title to Items. On each Acceptance Date (i) the Lessor will acquire good and marketable title to each Item accepted by the Lessee on such date on behalf of the Lessor free and clear of all Liens except for Lessor's Liens, and (ii) no filing or recording of any document (except as set forth in paragraph (e) above will then be necessary in order to establish, preserve, protect and perfect the Lessor's good and marketable title to such Item.

(i) Condition of the Equipment. Each Item of Equipment is personal property and, when subjected to use by the Lessee under the Lease, will not be or become (i) fixtures under applicable law, (ii) an accession to any property, except property owned by the Lessor, or (iii) affixed to any property, except property owned by the Lessor or by the Lessee free and clear of all Liens. Each Item of Equipment will be new and unused on the Acceptance Date therefor and will not have been put into use or operation by the Lessee prior to such date.

(j) Financial Statements. The balance sheet and statement of income of the Lessee, or any consolidated group of companies of which the Lessee is a member, for the fiscal year ended December 31, 1981, heretofore delivered to the Lessor named in Exhibit A hereto have been prepared in accordance with generally accepted accounting principles and fairly present the financial position of the Lessee, or any consolidated group of companies of which the Lessee is a member, on and as of the date thereof and the results of its or their operations for the period or periods covered thereby. Since the date of such balance sheet there has been no material adverse change in the financial condition or operations of the Lessee.

(k) Access to or Furnishing of Information. The Lessee agrees to furnish to the Lessor named in Exhibit A:

(1) Simultaneously with the mailing thereof, copies of all periodic reports filed by the Lessee with the Interstate Commerce Commission, and by the Lessee or by its parent with the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934; and

(2) from time to time, such information as such Lessor from time to time may reasonably request.

(l) Representations and Warranties. The representations and warranties of the Lessee contained in the Lease are true and correct as if made on the date hereof.

(m) No Default Under Lease. No Event of Default has occurred and is continuing, nor has any event occurred which, with notice or lapse of time or both, would constitute an Event of Default.

(n) No Breach of Section 2(c) of Lease. The delivery and acceptance of Items of Equipment under the Lease on this Acceptance Date has not caused and will not cause a breach of Section 2(c) of the Lease.

(o) Satisfaction of Conditions to Acceptance. The Lessee has performed or caused to be performed all acts required to be performed by it or caused by it to be performed under the Lease, including, without limitation, under Sections 21(a) and 21(b) thereof.

IN WITNESS WHEREOF, the undersigned Lessee has caused this Certificate to be executed by its officer thereunto duly authorized on this ____ day of August, 1982.

LOUISVILLE AND NASHVILLE RAILROAD COMPANY,
as Lessee

By: _____
Title:

EXHIBIT A
to
LESSEE'S CERTIFICATE

Lessor: GENERAL ELECTRIC CREDIT CORPORATION

Equipment Lease: Equipment Lease, dated as of July 15, 1982, between General Electric Credit Corporation, as lessor, and Lessee, as lessee.

EXHIBIT G
to
EQUIPMENT LEASE

[FORM OF ASSIGNMENT]

ASSIGNMENT

THIS ASSIGNMENT, dated as of July 15, 1982, from PETERSON, HOWELL & HEATHER, INC. (the "Assignor"), a Maryland corporation, to General Electric Credit Corporation (the "Assignee"), a New York corporation,

W I T N E S S E T H :

WHEREAS, Louisville and Nashville Railroad Company, as lessee, has entered into an Equipment Lease (the "Lease"), dated as of July 15, 1982, with the Assignee covering certain automobiles, trucks, cranes, forklifts and other similar Items (as defined in the Lease; unless otherwise defined herein, capitalized terms used herein have the meanings assigned thereto in the Lease);

WHEREAS, in connection with the transactions contemplated by the Lease, the Assignor has ordered Items from various manufacturers, dealers and other suppliers (herein the "Vendors") pursuant to sales agreements, purchase orders and the like (the "Sales Agreements") between the Assignor and the Vendors, and some of the Items may be shipped to the Assignor pursuant to the Sales Agreements under bills of lading, bills of sale or other title documents in favor of the Assignor (the "Title Documents"; the Sales Agreements (if any) and the Title Documents (if any) covering any Item are referred to collectively herein as the "Purchase Documents" for such Item);

WHEREAS, pursuant to the Lease on each Acceptance Date the Assignee is to acquire title to the Items accepted by the Lessee on the Assignee's behalf, and in connection therewith it is a condition precedent that simultaneous with such acceptance on the Assignee's behalf all right, title and interest of the Assignor in and to the Purchase Documents covering such Items be assigned to the Assignee;

NOW, THEREFORE, the Assignor and the Assignee hereby agree as follows:

1. Effective on and as of each Acceptance Date, the Assignor does hereby sell, assign, transfer and set over unto the Assignee all of the Assignor's right, title and interest in and to the Items acquired by Assignee on such Acceptance Date and

the applicable Purchase Documents for such Items and the purchase and operation thereof, including, without limitation, (i) the right to purchase such Items pursuant to the applicable Purchase Documents, including the right to accept delivery of such Items, such acceptance to be exercised by a person designated by the Lessee and acting as authorized agent of the Assignee, (ii) the right to take title to the Items, (iii) the right to receive any and all money due or to become due to the Assignor in respect of such Items under or pursuant to the applicable Purchase Documents, (iv) the right to enforce all claims for damages and to exercise any and all other rights under the applicable Purchase Documents with respect to such Items, including any thereof in respect of the non-conformity of such Items with any specifications or warranties contained in the applicable Purchase Documents, and (v) any and all rights of the Assignor to compel performance of the terms of the applicable Purchase Documents in respect of such Items.

2. Anything herein to the contrary notwithstanding: (a) the Assignor shall at all times remain liable to each Vendor under the applicable Purchase Documents to perform all the duties and obligations of the purchaser thereunder to the same extent as if this Assignment had not been executed; (b) the exercise by the Assignee of any of the rights assigned hereunder shall not release the Assignor from any of its duties or obligations to the Vendors under the applicable Purchase Documents except to the extent that such exercise by the Assignee shall constitute performance of such duties or obligations; and (c) the Assignee shall not have any obligation or liability under any Purchase Documents by reason of, or arising out of, this Assignment or any obligation to perform any of the obligations or duties of the Assignor under any Purchase Documents.

3. As provided in the Lease, upon satisfaction of the applicable conditions set forth in the Lease, on or before each Acceptance Date the Assignor, for each Item of Equipment described in Paragraph 4 of Schedule 2 of the Lease, shall execute a Manufacturer's Statement of Origin in favor of the Assignee covering any such Item purchased by the Assignee and accepted by the Lessee for lease thereunder and, for each Item of Equipment described in paragraph 5 of Schedule 2 of the Lease, the Assignor shall execute a bill of sale in favor of the Assignee covering any such Item purchased by the Assignee and accepted by the Lessee for lease thereunder for which the Vendor did not issue a bill of sale or a Manufacturer's Statement of Origin in the Assignee's name.

4. The Assignor agrees that at any time and from time to time, upon the written request of the Assignee, the Assignor will promptly and duly execute and deliver or cause to be executed and delivered any and all such further instruments and documents and take such further action as the Assignee may reasonably request in order to obtain the full benefits of this Assignment and of the rights and powers herein granted.

IN WITNESS WHEREOF, the Assignor has caused this Assignment to be duly executed as of the day and year first above written.

PETERSON, HOWELL & HEATHER, INC.,
as Assignor

By_____
Title:

AGREED AND ACCEPTED:

GENERAL ELECTRIC CREDIT CORPORATION,
as Assignee

By_____
Title:

EXHIBIT H

FORM OF OPINION OF LESSEE'S COUNSEL

, 1982

Gentlemen:

Reference that Equipment Lease (the "Lease"; unless otherwise defined herein, capitalized terms used herein have the meanings as assigned thereto in the Lease), dated as of July 15, 1982, between General Electric Credit Corporation and Louisville and Nashville Railroad Company (the "Lessee").

As counsel for the Lessee, I have reviewed such documents as are necessary for the purposes hereof, and it is my opinion that:

(a) The Lessee is a corporation duly organized and validly existing in good standing under the laws of the jurisdiction of its incorporation, is duly qualified to do business in each jurisdiction (including each jurisdiction where any Item of Equipment is or is to be located) where its ownership or lease of property or the conduct of its business requires such qualification, and has full corporate power and authority to hold property under the Lease and to enter into and perform its obligations under the Lease.

(b) The execution, delivery and performance by the Lessee of the Lease have been duly authorized by all necessary corporate action on the part of the Lessee and do not require any stockholder approval or any approval or consent of any trustee or holder of any indebtedness or other obligation (except such as have been obtained and a copy thereof delivered to the Lessor), and the Lease is not inconsistent with the Lessee's Charter or By-Laws, does not contravene any law or governmental rule, regulation or order applicable to it, does not and will not contravene any provision of, or constitute a default under, any indenture, mortgage, contract or other instrument to which it is a party or by which it is bound, and the Lease constitutes a legal, valid and binding agreement of the Lessee, enforceable against the Lessee in accordance with its terms.

(c) No order, license, consent, authorization or approval of, or exemption by, or the giving of notice to, or the registration with or the taking of any other action in respect of, any federal, state, municipal or other governmental depart-

ment, commission, board, bureau, agency or instrumentality, and no filing, recording, publication or registration in any public office or any other place, is now, or under existing law in the future will be required or necessary to authorize the execution, delivery and performance by the Lessee of the Lease, or for the legality, validity, binding effect or enforceability thereof other than (i) filings and recordings in the jurisdictions of original use of the Items providing notice to third parties that the Items located therein are subject to a true lease and (ii) in the case of certain Items which are motor vehicles or other property as to which registration of title is required under applicable law, such documents as are required to be filed with and obtained from each Title State in order to confirm the Lessor's ownership of such Items and to authorize the Lessee's operation thereof. If any of the Items accepted on the date hereof under the Lease constitutes "railroad cars, locomotives or other rolling stock" used or intended for a use related to interstate commerce within the meaning of 49 U.S.C. 11303, recording of the Lease with respect to such Item with the Interstate Commerce Commission pursuant to 49 U.S.C. 11303 has been duly made. On the date hereof (i) the Lessor is acquiring good and marketable title to each Item accepted on the date hereof under the Lease by the Lessee on behalf of the Lessor free and clear of all Liens except for Lessor's Liens, and (ii) no filing or recording of any document (except as set forth in the preceding two sentences) is necessary in order to establish, preserve, protect and perfect the Lessor's good and marketable title to such Item.

(d) There are no actions, suits or proceedings pending or, to my knowledge, threatened against or affecting the Lessee in any court or before any governmental commission, board or authority which, if adversely determined, will have a material adverse effect on the ability of the Lessee to perform its obligations under the Lease.

(e) Each Item of Equipment is personal property and, when subjected to use by the Lessee under the Lease, will not be or become (i) fixtures under applicable law, or (ii) an accession to any property, except property owned by the Lessor, or (iii) affixed to any property, except property owned by the Lessor or by the Lessee free and clear of all Liens.

Very truly yours,

[Counsel to Lessee]

EXHIBIT I
TO
EQUIPMENT LEASE

[Form of Opinion of Lessor's Special Counsel]

, 1982

General Electric Credit Corporation
260 Long Ridge Road
Stamford, Connecticut 06902

Equipment Leases with you as
Lessor and Louisville and
Nashville Railroad Company and
Seaboard Coast Line Railroad
Company (each a "Lessee")

Dear Sirs:

At your request, in connection with your purchase of the items of equipment identified in the attached documents and leased under two Equipment Leases, each dated as of July 15, 1982 (collectively the "Leases"), between you and each above-named Lessee, we have examined originals or copies, submitted to us by Peterson, Howell & Heather, Inc. (the "Equipment Manager"), of the documents attached hereto.

We also have made an examination of the Uniform Motor Vehicle Certificate of Title Act or statute of similar import (the "Motor Vehicle Act") as in effect in the States of _____ (the jurisdictions in which the Lessee has certified the equipment described in the attached documents is or is to be used initially) as such Motor Vehicle Act is reported in standard compilations.

Based on the foregoing, we are of the opinion that:

1. The vehicle identification or serial number for each Item specified in the attached Certificate of Acceptance and Delivery Receipt for such Item corresponds to the vehicle identification or serial number for such Item specified in the attached Manufacturer's Statement of Origin, purchase order, invoice, and Application for Certificate of Title (or, in the case of any Item initially located for use in the Commonwealth of Virginia as set forth in the Certificate of Acceptance covering such Item, a Temporary Certificate of Title) for such Item.

2. Each attached Application for Certificate of Title is in proper form for filing in the jurisdiction of the location of use of such Item specified in the Certificate of Acceptance therefor and (assuming the appropriate fees and taxes (or exemption therefrom) have been paid) the documents required to be submitted therewith are attached thereto.

We have not, except as specifically noted above, made any independent review or investigation of agreements, instruments, corporate records or other documents, orders, judgments, rules or other regulations or decrees by which the Lessor, either Lessee, any manufacturer or vendor of any Item, or the Equipment Manager or any of their respective property may be bound.

We have assumed the authenticity of all documents submitted to us, the genuineness of all signatures, the legal capacity of natural persons and the conformity to the originals of all documents submitted to us as copies. In making our examination of any documents, we have assumed that all parties thereto had the corporate power and authority to enter into and perform all obligations thereunder, and, as to such parties, we also have assumed the due authorization by all requisite corporation action, the due execution and delivery of such documents, and the validity and binding effect and enforceability thereof.

General Electric Credit Corporation

We are not members of the Bar of any jurisdiction other than New York and have obtained no opinions from members of the Bar of any other jurisdiction with respect to the matters set forth in this letter. Except as set forth in paragraph 2. above, we do not express any opinion concerning the law of any jurisdiction other than the law of the State of New York.

Except as set forth herein, the terms used in this opinion shall have the same meaning as set forth in the respective Leases.

This opinion is being delivered to you for your sole benefit and no other person or entity is entitled to rely hereon.

Very truly yours,