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INTERSTATE COMMERCE COMMISSION
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BERNARD D. ATWOOD
JAMES M. ESTABROOK
EDWARD H. MAHLA
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MacDONALD DEMING
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RICHARD G. ASHWORTH
EDWARD L. JOHNSON
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R. GLENN BAUER
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LENNARD G. RAMBUSCH
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BARTON T. JONES
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BRIAN D. STARER
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JOHN K. WEIR
JUAN A. ANDUIZA
DONALD J. KENNEDY
RICHARD L. JARASHOW
WILLIAM F. PAN

HAIGHT, GARDNER, POOR & HAVENS

ONE STATE STREET PLAZA
NEW YORK, N.Y. 10004
TELEPHONE (212) 344-6800
CABLE: MOTOR NEW YORK
RCA TELEX: 222974
WUI TELEX: 620362
ITT TELEX: 424674
WU TELEX: 127683

WARD C. NEILSON
WILLIAM J. JUNKERMAN
COUNSEL

WASHINGTON OFFICE
FEDERAL BAR BUILDING
1819 H STREET, N.W.
WASHINGTON, D.C. 20006
TELEPHONE (202) 737-7847
CABLE: MOTOR WASHINGTON
WASHINGTON WU TELEX: 892598

CARROLL E. DUBUC
RESIDENT PARTNER WASHINGTON

RALPH E. CASEY
JOHN W. McCONNELL, JR.
OF COUNSEL WASHINGTON

*ALSO ADMITTED
TO PRACTICE IN
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Secretary
Interstate Commerce Commission
Washington, D.C. 20423

GENERAL ELECTRIC CREDIT CORPORATION
FINANCING OF RAIL EQUIPMENT
LEASED TO BOSTON AND MAINE CORPORATION
Our file 4184-64

Dear Sir:

We are special counsel for General Electric Credit Corporation ("GECC"), and we enclose for filing (i) four counterparts of a Purchase Agreement dated as of January 15, 1980 (the "Purchase Agreement") between Robert W. Meserve, Benjamin H. Lacy, Trustees of the Property of Boston and Maine Corporation, Debtor (the "Lessee") and Portec, Inc. (Railcar Division) (the "Builder"); (ii) four counterparts of an Agreement and Assignment dated as of January 15, 1980 relating to the Purchase Agreement among the Builder, First Security Bank of Utah, N.A., not in its individual capacity but solely as Owner Trustee (the "Owner Trustee") under a Trust Agreement dated as of January 15, 1980 and the Lessee; and (iii) four counterparts of an Equipment Lease dated as of January 15, 1980 between the Lessee and the Owner Trustee. Each of these documents relates to the following equipment:

100, 3,000 cubic foot, 100-ton covered hopper cars, Portec Specifications No. H-100-780626, bearing identifying numbers BM 5200 through BM 5299, both inclusive.

2- Secretary, Interstate Commerce Commission

The relevant addresses for each of the parties to the transaction are as follows:

Builder:

Portec, Inc. (Railcar Division)
1800 Century Boulevard
Atlanta, Georgia 30345

Owner Trustee:

First Security Bank of Utah, N.A.,
as Owner Trustee
79 South Main Street
Salt Lake City, Utah 84111
Attention: Trust Department,
Corporate Trust Division

GECC:

General Electric Credit Corporation
P.O. Box 8300
Stamford, Connecticut 06904
Attention: Manager, Operations
Leasing & Industrial Loans

Lessee:

Boston and Maine Corporation
Iron Horse Park - High Street North
Billerica, Massachusetts 01862
Attention: Vice President - Equipment

Also enclosed is our check in the amount of $100, payable to the Interstate Commerce Commission to cover the prescribed filing fee.

Please return all additional copies of the enclosed counterparts not required for filing by the Interstate Commerce Commission to Mr. Schneider of our Washington Office.

Very truly yours,

HAIGHT, GARDNER, POOR & HAVENS

By Thomas J. Whalen

Thomas J. Whalen

TJW:rb
Enclosures

RECORDATION NO. 12139 - B

AUG 28 1980 - 11 25 AM

INTERSTATE COMMERCE COMMISSION

EQUIPMENT LEASE

Dated as of January 15, 1980

between

ROBERT W. MESERVE and BENJAMIN H. LACY
Trustees of the Property of
BOSTON AND MAINE CORPORATION, Debtor,
Lessee

and

FIRST SECURITY BANK OF UTAH, N.A.,
not in its individual capacity but solely as Trustee
under a Trust Agreement dated January 15, 1980
with General Electric Credit Corporation,

Lessor

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* This Table of Contents has been included in this document for convenience only and does not form a part of or affect any construction or interpretation of this document.

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EQUIPMENT LEASE dated as of January 15, 1980, between ROBERT W. MESERVE AND BENJAMIN H. LACY, TRUSTEES OF THE PROPERTY OF BOSTON AND MAINE CORPORATION, DEBTOR (such Trustees being hereinafter called the "Lessee" and such corporation being hereinafter called the "Debtor"), and FIRST SECURITY BANK OF UTAH, N.A., a national banking association, acting not in its individual capacity but solely as Trustee (hereinafter called the "Lessor") under a Trust Agreement dated the date hereof (the "Trust Agreement") with General Electric Credit Corporation (hereinafter called the "Owner").

On March 12, 1970, a petition was filed for the reorganization of the Debtor under Section 77 of the Bankruptcy Act in the United States District Court for the District of Massachusetts (the "Court") and such petition was duly approved as properly filed by the Court (the proceedings with respect thereto being hereinafter called the "Reorganization Proceedings") and ROBERT W. MESERVE and BENJAMIN H. LACY were duly qualified as Trustees of the property of the Debtor on May 18, 1970 and on August 3, 1973, respectively.

The Lessee has entered into a purchase agreement dated as of the date hereof (the "Purchase Agreement") with PORTEC, INC. (Railcar Division) (the "Builder"), pursuant to which the Lessor has agreed or will agree to purchase and take delivery of the covered hopper cars described in Schedule A hereto (the "Equipment"), and the Lessee has assigned all of its right, title and interest in and to the Purchase Agreement to the Lessor pursuant to an Agreement and Assignment dated as of the date hereof (the "Agreement and Assignment") among the Builder, the the Lessee and the Lessor.

To induce Lessor to purchase the Equipment the Lessee agrees (i) to lease from the Lessor all Units of the Equipment as are delivered and accepted and settled for as shall be described in one or more certificates of acceptance in the form provided by Lessor (a "Certificate of Acceptance") at the rentals and for the terms and upon the conditions hereinafter provided (each such unit so leased being hereinafter called a "Unit"); and (ii) to indemnify the Lessor for certain tax losses should they occur pursuant to a Tax Indemnity Agreement dated as of the date hereof (the "Indemnity Agreement").

NOW, THEREFORE, in consideration of the rentals to be paid and the covenants hereinafter mentioned to be kept and performed by the Lessee, the Lessor hereby agrees to lease the Units to the Lessee upon the following terms and conditions:

SECTION 1. NET LEASE.

This Lease is a net lease. The Lessee's obligation to pay all rentals and other amounts hereunder shall be absolute and unconditional and, except as herein provided, the Lessee shall not be entitled to any abatement of rent or any other amounts due hereunder, reduction thereof or setoff against rent or such other amounts, including, but not limited to, abatements, reductions, counterclaims or setoffs due or alleged to be due by reason of any past, present or future claims whatsoever of the Lessee against the Lessor, whether under this Lease, under the Purchase Agreement or otherwise, including the Lessee's rights by subrogation hereunder or thereunder against the Lessor or the Builder or otherwise; nor, except as otherwise expressly provided herein, shall this Lease terminate, or the respective obligations of the Lessor or the Lessee be otherwise affected, by reason of any defect in or damage to or loss of possession or loss of use or destruction of all or any of the Units from whatsoever cause, any liens, encumbrances or rights of others with respect to any of the Units, the prohibition of or other restriction against the Lessee's use of all or any of the Units, the interference with such use by any person or entity, the invalidity or unenforceability or lack of due authorization or approval of this Lease, any insolvency of or bankruptcy, reorganization or similar proceeding against the Debtor or the Lessee, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the rents and other amounts payable by the Lessee hereunder shall continue to be payable in all events in the manner and at the times herein provided unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease. To the extent permitted by applicable law, the Lessee hereby waives any and all rights which it may now

have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender the Lease of any of the Units except in accordance with the express terms hereof. Each rental or other payment made by the Lessee as required by the terms of this Lease shall be final and the Lessee shall not seek to recover all or any part of such payment from the Lessor for any reason whatsoever.

SECTION 2. DELIVERY AND ACCEPTANCE OF UNITS.

The Lessor hereby appoints the Lessee its agent for inspection and acceptance of the Units. Each delivery of a Unit to the Lessor under the Purchase Agreement, as assigned by the Agreement and Assignment, shall be deemed to be a delivery hereunder to the Lessee at the point or points within the United States of America at which such Unit is delivered to the Lessor under the Purchase Agreement, as assigned by the Agreement and Assignment. Upon delivery of a Unit, the Lessee will cause an employee or agent of the Lessee to inspect the same, and if such Unit is found to be acceptable, to accept delivery of such Unit on behalf of the Lessor from the Builder and for itself hereunder and to execute and deliver to the Lessor a Certificate of Acceptance stating that such Unit has been inspected and accepted on behalf of the Lessee and the Lessor on the date of such Certificate of Acceptance and is marked in accordance with Section 5 hereof, whereupon, except as provided in the next sentence hereof, such Unit shall be deemed to have been delivered to and accepted by the Lessee and shall be subject thereafter to all the terms and conditions of this Lease. The inspection and approval and delivery, inspection and acceptance hereunder of any unit of Equipment not purchased by the Lessor pursuant to the Purchase Agreement, as assigned by the Agreement and Assignment, shall be null and void and ineffective to subject such Unit to this Lease. The Lessee hereby represents and warrants to the Lessor that no Unit shall be put into service earlier than the date of delivery to and acceptance by the Lessee or its agent as agent for the Lessor hereunder.

SECTION 3. RENTALS.

With respect to each Unit subject to this Lease, the Lessee will pay to the Lessor as (i) basic rentals 216 consecutive monthly payments, payable on the 1st day of the month in advance, commencing November 1, 1980; and (ii) interim rental one payment on November 1, 1980. Each monthly basic rental payment shall be in an amount equal to 0.9660% of the Purchase Price (defined to be the amount set forth in a Builder's invoice with respect to such Unit delivered to the Lessor in accordance with the Purchase Agreement, as assigned by the Agreement and Assignment and approved by the Lessor and Lessee (which shall include any applicable freight charges)) of each Unit subject to this Lease on the date of such payment. The interim rental payment shall be in an amount equal to the product of the Purchase Price of each Unit subject to this Lease on the date of payment multiplied by .03220% for each day elapsed from and including the date the Builder is paid under the Purchase Agreement with respect to such Unit to, but excluding, November 1, 1980.

If any of the monthly rental payment dates referred to above is not a business day, the monthly rental payment otherwise payable on such date shall then be payable on the next succeeding business day. The term "business day" as used herein means a calendar day, excluding Saturdays, Sundays and any other day on which banking institutions in Boston, Massachusetts or Salt Lake City, Utah, are authorized or obligated to remain closed.

SECTION 4. TERM OF LEASE.

The term of this Lease as to each Unit shall begin on the date of delivery and acceptance of such Unit hereunder and, subject to the provisions of Sections 7, 11 and 13 hereof, shall terminate on October 31, 1998.

SECTION 5. IDENTIFICATION MARKS.

The Lessee will cause each Unit to be kept numbered with the identifying number set forth in Schedule A hereto, or in the case of any Unit not there listed such identifying number as shall be set forth in any amendment or

supplement hereto extending this Lease to cover such Unit, and will keep and maintain or cause to be kept and maintained, plainly, distinctly, permanently and conspicuously marked on each side of each Unit, in letters not less than one inch in height, the words, "OWNERSHIP HELD BY FIRST SECURITY BANK OF UTAH, N.A., AS OWNER-TRUSTEE", or other appropriate words designated by the Lessor, with appropriate changes thereof and additions thereto as from time to time may be required by law or reasonably requested in order to protect the Lessor's title to and interest in such Unit and the rights of the Lessor under this Lease. The Lessee will not place or permit any such Unit to be placed in operation or exercise any control or dominion over the same until such words shall have been so marked on both sides thereof and, at its expense, will replace or cause to be replaced promptly any such name and words which may be removed, defaced, obliterated or destroyed. The Lessee will not change or permit to be changed the identifying number of any Unit unless and until (i) a statement of new number or numbers to be substituted therefor shall have been filed, recorded and deposited by the Lessee in all public offices where the Lease has been filed, recorded and deposited; and (ii) the Lessee shall have furnished the Lessor an opinion of counsel to the effect that such statement has been so filed, recorded and deposited, such filing, recordation and deposit will protect the Lessor's interests in such Units and no filing, recording, deposit or giving of notice with or to any other Federal, state or local government or agency thereof is necessary to protect the interests of the Lessor in such Units.

Except as above provided, the Lessee will not allow the name of any person, association or corporation to be placed on any Unit as a designation that might be interpreted as a claim of ownership; provided, however, that the Lessee may permit the Equipment to be lettered with the names, trademarks, initials or other insignias customarily used by the Lessee or its affiliates, on railroad equipment used by them of the same or a similar type for convenience of identification of their respective rights to use the Equipment.

SECTION 6. TAXES.

The Lessee agrees to pay or cause to be paid promptly, and on written demand to identify and hold the Lessor harmless from, all income, gross receipts, franchise, sales, use, property, ad valorem, value added, leasing, leasing use, stamp, excise or other taxes, assessments, fees and charges of any nature whatsoever, together with any penalties, fines, additions to tax or interest thereon, howsoever imposed, whether levied or imposed upon the Lessor, the Lessee or any Unit by any Federal, state or local government or governmental subdivision thereof, upon or with respect to the manufacture, purchase, ownership, delivery, leasing, possession, use, operation, transfer of title, return or other disposition thereof; the rentals, receipts or earnings arising therefrom; this Lease or the transactions contemplated by this Lease (all such taxes, assessments, fees, charges, penalties, fines, additions to tax and interest imposed as aforesaid being hereinafter called "Taxes"); excluding, however: Taxes of the United States or of any state or local government or governmental subdivision or authority thereof imposed on or measured solely by the net income or excess profits of the party entitled to indemnification, other than Taxes arising out of or imposed in respect of the receipt of indemnification payments pursuant to this Lease; provided, however, that the Lessee shall not be required to pay any Taxes during the period it may be contesting or causing to be contested the same in good faith and by appropriate proceedings if counsel for the Lessor shall have determined that the nonpayment thereof or the contest thereof in such proceedings does not, in the opinion of such counsel, adversely affect the title, property or rights of the Lessor.

The amount which the Lessee shall be required as reasonably determined by the indemnified party to pay with respect to any Taxes indemnified against pursuant to this Section 6, shall be an amount sufficient to restore the indemnified party to the same after-tax position such indemnified party would have been in had such Taxes not been imposed.

In case any report is required to be made with respect to any obligation of the Lessee under this Section 6 or arising out of this Section 6, the Lessee shall either

make or cause to be made such report or return in such manner as will show the interests of the Lessor in the Units, or shall promptly notify or cause to be notified the Lessor of such requirement and shall make or cause to be made, at its own expense, such report or return in such manner as shall be satisfactory to the Lessor.

The Lessee shall furnish or cause to be furnished promptly, upon request, such information and data as are normally available to the Lessee and which the Lessor reasonably may require to permit compliance with the requirements of any taxing authorities.

SECTION 7. PAYMENT FOR CASUALTY OCCURRENCES; INSURANCE.

In the event that any Unit shall be or become lost, stolen, destroyed, irreparably damaged, or permanently rendered unfit for use from any cause whatsoever, or taken or requisitioned by condemnation or otherwise resulting in loss of possession by the Lessee for a period of 90 consecutive days, except requisition for use by the United States Government for a period not in excess of the then remaining term of this Lease (each such occurrence being hereinafter called a "Casualty Occurrence"), during the term of this Lease, or until such Unit shall have been returned in the manner provided in Section 11 or Section 14 hereof, the Lessee shall promptly and fully notify or cause to be notified the Lessor with respect thereto. On the rental payment date next succeeding the delivery of such notice (or, in the event such rental payment date will occur within 15 days after delivery of notice, on the following rental payment date), the Lessee shall pay or cause to be paid to the Lessor an amount equal to the rental payment or payments in respect of such Unit due and payable on such date plus a sum equal to the Casualty Value of such Unit as of the date of such Casualty Occurrence (the "Calculation Date"); provided, however, that in the event of a Casualty Occurrence during the period any Unit is being returned pursuant to Sections 11 and 14 hereof, the Lessee shall make such payment to the Lessor on a date 30 days after such Casualty Occurrence. Upon the making of such payment by or on behalf of the Lessee in respect of any Unit, the rental

for such Unit shall cease to accrue as of the date of such payment, the term of this Lease as to such Unit shall terminate and (except in the case of the loss, theft or complete destruction of such Unit) the Lessor shall be entitled to recover possession of such Unit.

The Lessor hereby appoints the Lessee its agent to dispose of any Unit suffering a Casualty Occurrence or any component thereof, before or after the expiration of this Lease, at the best price obtainable on an "as is, where is" basis. Provided that the Lessee has previously paid the Casualty Value to the Lessor and no Event of Default hereunder, or event which with notice or lapse of time or both would constitute such an Event of Default, shall have occurred and be continuing, the Lessee shall be entitled to retain the proceeds of such sale to the extent they do not exceed the Casualty Value of such Unit, and shall pay any excess to the Lessor. If any such Event of Default or event has occurred and is continuing, the Lessee shall promptly pay all such proceeds to the Lessor.

The Casualty Value of each Unit as of the Calculation Date for each such Unit shall be that percentage of the Purchase Price of each Unit as is set forth in Item I of Schedule B hereto opposite the rental payment date next succeeding the actual date of the Casualty Occurrence, or if there is no such rental payment date, the last rental payment date. The aforesaid percentages have been computed without regard to recapture of the Investment Credit pursuant to section 38 of the Code. Consequently, the Casualty Value of any Unit suffering a Casualty Occurrence during the period preceding the third, fifth or seventh anniversary of the date of delivery and acceptance of such Unit shall be increased by the applicable percentage of the Purchase Price set forth in Item II of Schedule B hereto and such additional amounts, if any, shall be included within the meaning of the term "Casualty Value" as used herein.

In the event of the requisition for use of any Unit during the term of this Lease or any renewal thereof, unless such requisition shall constitute a Casualty Occurrence, all of the Lessee's obligations under this Lease with respect to such Unit shall continue to the same extent

as if such requisition had not occurred. All payments received by the Lessor or the Lessee from the requisitioning authority for the use of such Unit during the term of this Lease shall be paid over to, or retained by, the Lessee provided no Event of Default, or event which with notice or lapse of time or both would constitute an Event of Default, shall have occurred and be continuing; and all payments received by the Lessor or the Lessee from the requisitioning authority for the use of such Unit after the term of this Lease, shall be paid over to, or retained by, the Lessor.

As between the Lessee and Lessor, the Lessee will bear the responsibility for and risk of damage to or destruction or loss of any Unit. Except as hereinabove in this Section 7 provided, the Lessee shall not be released from its obligations hereunder in the event of, and shall bear the risk of, any Casualty Occurrence to any Unit from and after delivery and acceptance thereof by the Lessee hereunder.

The Lessee will, at all times prior to the return of the Equipment to the Lessor in accordance with the terms of this Lease (including the storage period provided under Sections 11 and 14 hereof), maintain or cause to be maintained, at its own expense, public liability, property and casualty insurance in respect of the Units at the time subject hereto, at least in amounts and against risks customarily insured against by railroad companies on similar equipment owned by them and in amounts and against risks customarily insured against by the Lessee on similar equipment owned by it. The proceeds of such insurance shall be payable to the Lessor and, so long as there is no Event of Default hereunder, the Lessee as their respective interests may appear.

The Lessee shall obtain from each insurer under the paragraph immediately above an agreement, by endorsement or separate instrument, that such insurer will give the Lessor and the Owner 30 days' written notice before such insurer's policy shall be materially altered or cancelled or not renewed. Any policies of insurance carried in accordance with this Section 7 shall (i) name the Lessor as additional named insureds, as their respective interests may

appear and (ii) shall waive any rights to claim any premiums or commissions against the Lessor. In the event such policies shall contain breach of warranty provisions, such policies shall provide that in respect of the interest of the Lessor in such policies the insurance shall not require contributions from other policies held by the Lessor and shall not be invalidated by any action or inaction of the Lessee or any other person (other than the Lessor) and shall insure the Lessor regardless of any breach or violation of any warranty, declaration or condition contained in such policies by the Lessee or any person (other than the Lessor). On or prior to the delivery and acceptance of any Unit hereunder, and in January of each year, the Lessee shall, to the extent applicable under the next preceding paragraph, deliver to the Lessor a certificate of insurance by or on behalf of each insurer stating the coverage, named insureds and limits of each such policy.

SECTION 8. REPORTS.

On or before April 1 in each year, commencing with the calendar year 1981, the Lessee will furnish or cause to be furnished to the Lessor an accurate statement (a) setting forth as at the preceding December 31 the amount, description and numbers of all Units then leased hereunder, the amount, description and numbers of all Units that have suffered a Casualty Occurrence during the preceding calendar year or, in the case of the first such statement, since the date of this Lease (specifying the dates of such Casualty Occurrences) or to the knowledge of the Lessee are then undergoing repairs (other than running repairs) or are then withdrawn from use pending repairs (other than running repairs) and such other information regarding the condition and state of repair of the Units as the Lessor may reasonably request and when so specifically requested by the Lessor, such report with regard to repairs shall be made by the chief mechanical officer of the Lessee and (b) stating that, in the case of all Units repainted or repaired during the period covered by such statement, the numbers and the markings required by Section 5 hereof have been preserved or replaced. The Lessor shall have the right by its agents to inspect the Units and the Lessee's and its agents' records with respect thereto at such reasonable times as the Lessor may request during the continuance of this Lease.

SECTION 9. DISCLAIMER OF WARRANTIES; COMPLIANCE WITH LAWS AND RULES; MAINTENANCE; INDEMNIFICATION.

THE LESSOR DOES NOT MAKE, HAS NOT MADE AND SHALL NOT BE DEEMED TO MAKE OR HAVE MADE ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE DESIGN, COMPLIANCE WITH SPECIFICATIONS, OPERATION OR CONDITION OF, OR AS TO THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE UNITS OR ANY COMPONENT THEREOF DELIVERED TO THE LESSEE HEREUNDER, AND THE LESSOR DOES NOT MAKE ANY WARRANTY OF MERCHANTABILITY OR FITNESS OF THE UNITS OR ANY COMPONENT THEREOF FOR ANY PARTICULAR PURPOSE NOR AS TO TITLE TO THE UNITS OR ANY COMPONENT THEREOF, NOR ANY OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO ANY UNIT OR ANY COMPONENT THEREOF (EITHER UPON DELIVERY THEREOF TO THE LESSEE OR OTHERWISE), it being agreed that all such risks, as between the Lessor and the Lessee, are to be borne by the Lessee; but the Lessor hereby irrevocably appoints and constitutes the Lessee its agent and attorney-in-fact during the term of this Lease to assert and enforce from time to time, in the name of and for the account of the Lessor and/or the Lessee, as their interests may appear, at the Lessee's sole cost and expense, whatever claims and rights the Lessor may have against the Builder. The Lessor shall have no responsibility or liability to the Lessee or any other person with respect to any of the following: (i) any liability, loss or damage caused or alleged to be caused directly or indirectly by any Units or by any inadequacy thereof or deficiency or defect therein or by any other circumstances in connection therewith; (ii) the use, operation or performance of any Units or any risks relating thereto; (iii) any interruption of service, loss of business or anticipated profits or consequential damages; or (iv) the delivery, operation, servicing, maintenance, repair, improvement or replacement of any Units. The Lessee's delivery of a Certificate of Acceptance shall be conclusive evidence as between the Lessee and the Lessor that the Units described therein are in all the foregoing respects satisfactory to the Lessee; and the Lessee will not assert any claim of any nature whatsoever against the Lessor based on any of the foregoing matters.

The Lessee agrees, for the benefit of the Lessor, to comply in all respects (including, without limitation, with respect to the use, maintenance and operation of each

Unit) with all the laws of the jurisdiction in which its operations involving the Unit may extend, with the interchange rules of the Association of American Railroads, and with all lawful rules of the United States Department of Transportation, the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Units, to the extent that such laws and rules affect the title, operation or use of the Units and in the event that such laws or rules require any alteration, replacement, modification or addition of or to any part of any Unit, the Lessee will fully conform therewith at no expense to the Lessor; provided, however, that the Lessee may upon written notice to the Lessor, in good faith, contest or cause to be contested the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of the Lessor, adversely affect the property or rights of the Lessor under this Lease.

The Lessee agrees to prepare and deliver to the Lessor within a reasonable time prior to the required date of filing (or, to the extent permissible, file on behalf of the Lessor) any and all reports (other than income tax returns) to be filed by the Lessor with any Federal, state or other regulatory authority solely by reason of the ownership by the Lessor of the Units or the leasing thereof to the Lessee and to supply any information which the Lessor reasonably requests to enable it to prepare any other reports.

The Lessee agrees that, at its own cost and expense, it will maintain and keep each Unit (including any parts installed on or replacements made to any Unit and considered an addition thereto as hereinbelow provided) which is subject to this Lease in good operating order, repair and condition, ordinary wear and tear excepted. Such maintenance shall include the performance of any overhauls required pursuant to standard and prudent operating requirements of the Lessee (including but not limited to the interchange rules of the Association of American Railroads).

The Lessee and its affiliates, at their own cost and expense, may from time to time make such alterations, modifications and additions (including, without limitation,

any special devices, assemblies or racks at any time attached or affixed to any Unit) (hereinafter collectively called "Additions") to the Units as the Lessee may deem desirable in the proper conduct of its business so long as such Additions shall not be inconsistent with the continuing operation of the Units, and shall not diminish the value, utility or condition of the Units below the value, utility and condition thereof immediately prior to the making of such Additions, assuming the Units were then in the condition required to be maintained by the terms of this Lease.

Title to all Parts (as hereinbelow defined) incorporated in or installed as part of the Units shall without further act vest in the Lessor in the following cases: (i) such Part is in replacement of or in substitution for, and not in addition to, any Part originally incorporated in or installed as part of a Unit at the time of the acceptance thereof hereunder or any Part in replacement of, or in substitution for, any such original Part; (ii) such Part is required to be incorporated in or installed as part of the Units pursuant to the terms of the second and fourth paragraphs of this Section 9; or (iii) notwithstanding the provisions of the fifth paragraph of this Section 9, such Part cannot be readily removed from the Unit to which it relates without material damage thereto and without diminishing or impairing the value or utility which such Unit shall have had at such time had such alteration or addition not occurred. In all other cases, if no Event of Default, or event which with notice or lapse of time or both would constitute an Event of Default, shall have occurred and be continuing, title to Parts incorporated in or installed as parts of the Units as a result of such alterations or additions shall vest in the Lessee. The term Part for the purposes of this paragraph and Section 14 hereof shall be defined to include any appliance, part, instrument, accessory, furnishing or other equipment of any nature which may from time to time be incorporated in or installed as part of any Unit.

The Lessee shall pay or cause to be paid, and shall protect, indemnify and hold the Lessor (both in its individual and fiduciary capacities) harmless from and against any and all causes of action, suits, penalties,

claims, demands, judgments, losses, liabilities, costs, charges and expenses of any nature whatsoever which may be imposed on, incurred by or asserted against the Lessor (including any or all liabilities, obligations, damages, costs, disbursements, expenses (including without limitation reasonable attorneys' fees and expenses of Lessor) relating thereto) in any way relating to or arising or alleged to arise out of this Lease or the Units, including, without limitation, those in any way relating to or arising or alleged to arise out of (i) the manufacture, construction, purchase, acceptance, rejection, ownership, delivery, nondelivery, lease, sublease, possession, use, operation, condition, sale, return or other disposition of any Unit or portion thereof; (ii) any claims based on strict liability in tort or imposed by statute; (iii) any latent and other defects whether or not discoverable by the Lessor; (iv) any claim for patent, trademark or copyright infringement; or (v) any injury to or the death of any person or any damage to or loss of property on or near the Units or in any manner growing out of or concerned with, or alleged to grow out of or be connected with, the ownership, use, replacement, adaptation or maintenance of the Units or of any other equipment in connection with the Units; excluding, however, any matter resulting from an act or omission of the Lessor which would constitute the wilful misconduct or gross negligence of the Lessor. The Lessee and the Lessor each agrees to give the other promptly upon obtaining knowledge thereof written notice of any claim or liability hereby indemnified against.

In the event the Lessee is required to make any indemnification payment under this Section 9, the Lessee shall pay Lessor an amount which, after deduction of all taxes required to be paid by such Indemnified Person in respect of the receipt thereof under the laws of the United States or of any political subdivision thereof (after giving credit for any savings in respect of taxes by reason of deductions, credits or allowances in respect of the payment of the expense indemnified against, and of any other such taxes as determined in the sole discretion of Lessor), shall be equal to the amount of such payment herein.

The Lessee further agrees to indemnify, protect and hold harmless the Lessor and the Builder, as a third party beneficiary hereof, from and against any and all

liabilities, claims, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against any of them because of the use in or about the construction or operation of any of the Equipment or any article or material specified by the Lessee and not manufactured by the Builder or of any design, system, process, formula or combination specified by the Lessee and not developed or purported to be developed by the Builder which infringes or is claimed to infringe on any patent or other right. The Lessee will give notice to the Builder of any claim known to the Lessee from which liability may be charged against the Builder.

SECTION 10. DEFAULT.

If, during the continuance of this Lease, one or more of the following events (each such event being herein sometimes called an "Event of Default") shall occur:

(A) payment of any part of the rental provided in Section 3 hereof, payment in respect of any Casualty Occurrence pursuant to Section 7 hereof or payment due under the Indemnity Agreement shall not be made by or on behalf of the Lessee, and such failure to make payment shall continue for 5 business days after such payment is due; or

(B) the Lessee shall make or permit any unauthorized assignment or transfer of this Lease, or any interest herein, or of the right to possession of the Units, or any thereof; or

(C) default shall be made in the observance or performance of any other of the covenants, conditions and agreements on the part of the Lessee contained herein or in any document or certificate executed by the Lessee in connection herewith or in the Purchase Agreement, the Agreement and Assignment, or the Indemnity Agreement and such default shall continue for 30 days after written notice from the Lessor to the Lessee specifying the default and demanding that the same be remedied; or

(D) any representation or warranty made by the Lessee in its own behalf or with regard to the Debtor herein or in any certificate or statement furnished to the Lessor pursuant to or in connection with any such agreement proves untrue in any material respect as of the date of issuance or making thereof; or

(E) a decree or order is entered in the Reorganization Proceedings or otherwise preventing or disabling the Lessee from performing any of its obligations under this Lease or the Indemnity Agreement; or

(F) if the obligations of the Lessee hereunder are assumed by a corporation or by the Debtor's successor pursuant to a plan of reorganization for the Debtor approved in the Reorganization Proceedings (such corporation or successor being hereinafter called the "Successor") and either

(i) a petition for reorganization under Section 77 of the Bankruptcy Act, as now constituted or as such Section 77 may hereafter be amended, or under any other provision of Title 11 of the United States Code, as now constituted or as hereafter amended, shall be filed by or against the Successor and, unless such petition shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the assumed obligations of the Successor under this Lease and under the Indemnity Agreement shall not have been and shall not continue to have been duly assumed in writing, pursuant to a court order or decree, by or on behalf of a trustee or trustees or other similar officer appointed (whether or not subject to confirmation or ratification) in such proceedings in such manner that such obligations shall have the same status as obligations incurred by such trustee or trustees or officer, within 30 days after such appointment, if any, or within 60 days after such petition shall have been filed whichever shall be earlier; or

(ii) Any proceedings shall be commenced by or against the Successor for any relief which includes, or might result in, any modification of the obligations of the Successor under this Lease or under the Indemnity Agreement under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions or extension (other than a law which does not permit any readjustments of the obligations of the Successor hereunder or under the Indemnity Agreement), and, unless such proceedings shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Successor under this Lease and under the Indemnity Agreement shall not have been and shall not continue to have been duly assumed in writing, pursuant to a court order or decree, by or on behalf of a trustee or trustees or receiver or receivers or other similar officer appointed (whether or not subject to confirmation or ratification) for the Successor or for the property of the Successor in connection with any such proceedings in such manner that such obligations shall have the same status as obligations incurred by such a trustee or trustees or receiver or receivers or officers, within 30 days after such appointment, if any, or within 60 days after such proceedings shall have been commenced whichever shall be earlier;

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

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

(b) by notice in writing to the Lessee to terminate this Lease, whereupon all rights of the Lessee to the use of the Units shall absolutely cease and

terminate as though this Lease had never been made, but the Lessee shall remain liable as herein provided; and thereupon the Lessor may by its agents enter upon the premises of the Lessee or other premises where any of the Units may be and take possession of all or any of such Units and thenceforth hold, possess, sell, operate, lease to others and enjoy the same free from any right of the Lessee, or its successors or assigns, to use the Units for any purposes whatever and without any duty to account to the Lessee for such action or inaction or for any proceeds arising therefrom; but the Lessor shall, nevertheless, have a right to recover from the Lessee any and all amounts which under the terms of this Lease may be then due or which may have accrued to the date of such termination (computing the rental for any number of days less than a full rental period by multiplying the rental for such full rental period by a fraction of which the numerator is such number of days and the denominator is the total number of days in such full rental period) and also to recover forthwith from the Lessee as damages for loss of the bargain and not as a penalty, whichever of the following amounts the Lessor, in its sole discretion, shall specify: (x) a sum with respect to each Unit which represents the excess of (1) the present value, at the time of such termination, of the entire unpaid balance of all rentals for such Unit which would otherwise have accrued hereunder from the date of such termination to the end of the term of this Lease as to such Unit over (2) the then present value of the rentals which the Lessor reasonably estimates to be obtainable for the Unit during such period, such present value to be computed in each case on the basis of a 10% per annum discount, compounded monthly from the respective dates upon which rentals would have been payable hereunder had this Lease not been terminated, together with any damages and expenses, including reasonable attorneys' fees, in addition thereto which the Lessor shall have sustained by reason of the breach of any covenant, representation or warranty of this Lease other than for the payment of the rental; or (y) an amount equal to the excess, if any, of the Casualty Value as of the rental payment date on or next

preceding the date of termination over the amount the Lessor reasonably estimates to be the sales value (after deduction of all estimated expenses of such sale) of such Unit at such time; provided, however, that in the event the Lessor shall have sold or leased any Unit, the Lessor, in lieu of collecting any amounts payable to the Lessor by the Lessee pursuant to the preceding clauses (x) and (y) of this part (b) with respect to such Unit, may, if it shall so elect, demand that the Lessee pay the Lessor and the Lessee shall pay to the Lessor on the date of such sale or leasing, as the case may be, as liquidated damages for loss of a bargain and not as a penalty (i) in the case of such a sale an amount equal to the excess, if any, of the Casualty Value for such Unit, as of the rental payment date on or next preceding the date of termination, over the net proceeds of such sale, and (ii) in the case of such a leasing, an amount equal to the excess, if any, of the present value of all rental for such Unit which would otherwise have accrued hereunder from the date of termination to the end of the term of this Lease as to such Unit over the sum of (I) the then present value of all rental for such Units required under such new lease plus (II) the then present value of the rental (if any) which the Lessor reasonably estimates to be obtainable for the Unit during the period commencing on the termination of such new lease and ending on the date the term of this Lease would have terminated if it had not been terminated early due to default, each such present value to be computed in each case on the basis of a 10% per annum discount, compounded, in the case of rental which is estimated under clause II of this sentence, monthly from the respective dates upon which rentals would have been payable hereunder had this Lease not been terminated and, in the case of rental under such new lease, periodically from the respective dates upon which such rental shall be payable thereunder.

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

The remedies in this Lease provided in favor of the Lessor shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in its favor existing at law or in equity. The Lessee hereby waives any requirements of law, now or hereafter in effect, which might limit or modify the remedies herein provided, to the extent that such waiver is permitted by law. The Lessee hereby waives any and all existing or future claims to any offset against the rental payments due hereunder and agrees to make such rental payments regardless of any offset or claim which may be asserted by the Lessee or on its behalf.

The failure of the Lessor to exercise the rights granted it hereunder upon the occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or recurrence of any such contingencies or similar contingencies; and a waiver of any such right on one occasion shall not constitute a waiver of such right as to any other occasion and shall not be effective unless in writing signed by the Lessor.

The parties hereto acknowledge that the Debtor is a railroad subject to the Reorganization Proceedings and that notwithstanding any provision herein to the contrary:

(i) no termination of this Lease by reason of an Event of Default in respect of the Lessee as opposed to a Successor shall be final except after delivery of written notice from the Lessor to the Lessee of the event giving rise to the Event of Default and the continuance uncured of such Event of Default for 30 days;

(ii) the Lessee's interests under this Lease shall be deemed assigned to and its obligations under this Lease shall be deemed assumed by any Successor;

(iii) in the event the Reorganization Proceedings are dismissed under Section 77(g) of the Bankruptcy Act or otherwise and liquidation of the Debtor is instituted, the Lessee shall select one of the following options in order to fulfill its obligations under this Lease:

(a) the Trustees of the Debtor shall continue to perform this Lease in accordance with its terms and provisions;

(b) this Lease may be assigned and the obligation under the Lease assumed by a new lessee, with the consent of the Lessor which consent shall not be unreasonably withheld, and upon such assignment and assumption, the obligation of the Lessee hereunder shall terminate without further liability; or

(c) the Lessee may, upon payment of a sum equal to the next succeeding 12 installments of monthly basic rent, cancel this Lease after the effective date of the order of liquidation of the Debtor, provided that the Lessee shall perform the obligations with respect to the Equipment required by the Lessee hereunder with respect thereto during such 12-month period. In the event a new lessee is obtained in accordance with the preceding subparagraph (iii)(b) during such 12-month period, the Lessee shall be relieved of the obligations of the remaining balance of such 12-month period upon the payment and performance by such new lessee of the obligations and payments required hereunder, and the Lessee shall be entitled to a credit in the amount thereof; provided, however, that the Lessee shall pay all costs of repainting, restenciling and transportation of the Units subject to this Lease to such new lessee; and provided, further, that the Lessee's obligation with respect to the return of the Equipment shall be as set forth in Section 11 hereof in the event the Lessee elects to proceed with the option set forth in this subparagraph (iii)(c).

SECTION 11. RETURN OF UNITS UPON DEFAULT.

If this Lease shall terminate pursuant to Section 10 hereof, the Lessee shall forthwith deliver or cause to be delivered possession of the Units to the Lessor and shall

give or cause to be given prompt telegraphic and written notice to the Association of American Railroads, all railroads and to any party having possession of any Unit so to return such Units. Each Unit returned to the Lessor pursuant to this Section 11 shall (i) be in the same operating order, repair and condition as when originally delivered to the Lessee, ordinary wear and tear and modifications, if any, permitted by this Lease excepted and (ii) shall otherwise meet the requirements of Section 9 hereof and meet the standards then in effect under the Interchange Rules of the Association of American Railroads or such comparable standards as may then be in effect. For the purpose of delivering possession of any Unit or Units to the Lessor as above required, the Lessee shall at its own cost, expense and risk:

(a) forthwith and in the usual manner cause such Units to be transported to such location as shall reasonably be designated by the Lessor on the lines of the Lessee and there assembled,

(b) furnish and arrange for the Lessor to store such Units on the lines of the Lessee until such Units have been sold, leased or otherwise disposed of by the Lessor, the Lessor agreeing to use its best efforts to sell, lease or otherwise dispose of the Units within one year, and

(c) cause the Units to be moved to such interchange point or points with the lines of the Lessee as shall be designated by the Lessor upon any sale, lease or other disposal of all or any of the Units.

During any storage period the Lessee will permit the Lessor or any persons designated by it to inspect the Units. The assembling, delivery, storage, maintenance and transporting of the Units as provided in this Section 11 shall be at the expense and risk of the Lessee (and the Lessee will maintain the insurance required by Section 7 of this Lease to be maintained during this period) and are of the essence of this Lease; and, upon application to any court of equity having jurisdiction in the premises, the Lessor shall be entitled to a decree against the Lessee requiring specific

performance of the covenants of the Lessee so to assemble, deliver, store and transport the Units. During any storage period, the Lessee will permit the Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser or user of any such Unit, to inspect the same. In the event that the Units or any thereof are sold, the Lessee shall pay to the Lessor the per diem interchange earned for each such Unit which shall not have been assembled, delivered and stored, as hereinbefore provided, by the date of such sale for each day from the date of such sale to the date such Unit is available to the purchaser thereof.

Without in any way limiting the obligation of the Lessee under the foregoing provisions of this Section 11, the Lessee hereby irrevocably appoints the Lessor as the agent and attorney of the Lessee, with full power and authority, at any time while the Lessee is obligated to deliver possession of any Unit to the Lessor, to demand and take possession of such Unit in the name and on behalf of the Lessee from whomsoever shall be in possession of such Unit at the time and to give all appropriate notices and directions to the Association of American Railroads and such other authorities as shall be necessary to change the registration of such Unit from the Lessee to the Lessor or as the Lessor may direct.

SECTION 12. ASSIGNMENT; POSSESSION AND USE.

This Lease shall be assignable in whole or in part by the Lessor without the consent of the Lessee.

After any such assignment, the term "Lessor" as used in this Lease shall include such assignee (the "Assignee") for all purposes of this Lease, including but not limited to the provisions of Sections 6 and 9 hereof, and this Lease shall be binding upon and inure to the benefit of the Lessor and the Assignee, and the successors and assigns, agents, principals and servants of any such party, and the Lessee and its successors, and, to the extent permitted hereby, assigns. With respect to Section 9, the wilful misconduct or gross negligence of any one such person

shall not affect the rights of any other such person under such Section except to the extent such other person shall have been otherwise compensated for any loss indemnified against by any other person.

During the term of this Lease, if no Event of Default shall have occurred and the Assignee, if any, is entitled to apply the payment as set forth herein, the Lessee's use and quiet enjoyment of the Units shall not be disturbed by the Lessor or anyone claiming solely through or under the Lessor. Without the prior written consent of the Lessor, the Lessee shall not assign or transfer its leasehold interest under this Lease in the Units or any of them except as specifically set forth herein. The Lessee, at its own expense, will promptly pay or discharge any and all sums claimed by any party which, if unpaid, might become a lien, charge, security interest or other encumbrance (other than an encumbrance created by the Lessor or resulting from claims against the Lessor not related to the ownership of the Units) upon or with respect to any Unit or the interest of the Lessor or the Lessee therein, and will promptly discharge any such lien, claim, security interest or other encumbrance which arises, but shall not be required to pay or discharge any such claim so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner and the nonpayment thereof does not, in the reasonable opinion of the Lessor, materially adversely affect the interest of the Lessor in the Equipment or in the income and proceeds from the Equipment. Except to the extent specifically permitted by the provisions hereof, the Lessee shall not part with the possession or control of, or suffer or allow to pass out of its possession or control, any of its Units.

So long as the Lessee shall not be in default under this Lease, the Lessee shall be entitled to the possession and use of the Units by it or any affiliate in accordance with the terms hereof and (i) to permit the use of the Units by a railroad company or companies incorporated in the United States of America with which the Lessee has contractual arrangements for the use of the Units for its benefit upon trackage owned or operated by it or upon lines of railroad owned or operated by such railroad company or

companies or over which such railroad company or companies have trackage or other operating rights or over which railroad equipment of such railroad company or companies is regularly operated pursuant to contract, and (ii) also to permit the use of the Units upon connecting and other carriers in the usual interchange of traffic or pursuant to run-through agreements, but only upon and subject to all the terms and conditions of this Lease. The Lessee may receive and retain compensation for such use from other railroads so using any of the Units.

Nothing in this Section 12 shall be deemed to restrict the right of the Lessee to assign or transfer its leasehold interest under this Lease in the Units or possession of the Units to any solvent corporation incorporated under the laws of any state of the United States of America or the District of Columbia (which shall have specifically assumed the obligations of the Lessee hereunder and under the Indemnity Agreement by an appropriate instrument in writing) into or with which the Lessee shall have become merged or consolidated or which shall have acquired the property of the Lessee as an entirety or substantially as an entirety, provided that such assignee or transferee will not, upon the effectiveness of such assumption and merger, consolidation or acquisition be in default under any provision of this Lease.

SECTION 13. RIGHT OF FIRST OFFER TO PURCHASE.

Provided that this Lease shall not have been earlier terminated pursuant to Section 10 hereof, in the event that after expiration of this Lease, Lessor elects to sell any Units to third parties after expiration of this Lease, Lessee shall be given written notice of such intention. Such notice shall include the fair market value of such Units (determined by independent appraisal arranged by Lessor). Lessee shall thereafter have the sole right and option to purchase the Units for cash at the fair market value specified in such notice. Within ten days of receipt of notice from Lessor, Lessee shall exercise such purchase right by delivery to Lessor of a written notice specifying the date of purchase, which date shall not be later than

fifteen (15) days after the date of delivery of such notice by Lessee to Lessor. Failure by Lessee to give such written notice or make payment on the date specified in such notice shall automatically terminate any further right of Lessee to purchase such Units.

SECTION 14. RETURN OF UNITS UPON EXPIRATION OF TERM.

On or prior to the termination of the term of this Lease or as soon as practicable on or after the termination of the term of this Lease and in any event not later than 90 days after the termination of the term of this Lease, the Lessee will, at its own cost and expense, at the request of the Lessor, cause each Unit to be transported to such point or points on the Lessee's lines as shall be designated by the Lessor immediately prior to such termination and arrange for the Lessor to store such Unit on any of Lessee's lines of railroad or premises approved by the Lessor for a period commencing on the date of its arrival at any such point and extending thereafter to a date not later than 90 days from the date at which at least 95% of such Units are first placed in storage pursuant to this Section 14, the assembly, delivery, storage and transporting of such Unit to be at the expense and risk of the Lessee. During any such storage period the Lessee will permit the Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser or user of such Unit, to inspect the same; provided, however, that the Lessee shall not be liable for any injury to or the death of any person exercising, either on behalf of the Lessor or any prospective purchaser or user, the rights of inspection granted under this sentence, except in the case of negligence or wilful wrongdoing of the Lessee or of its employees or agents and except to the extent otherwise provided by law. The assembly, delivery, storage and transporting of the Units as hereinbefore provided are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises, the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to cause the assembly, delivery, storage and transporting of the Units. Each Unit returned to the Lessor pursuant to this Section 14

shall (i) be in the same operating order, repair and condition as when originally delivered to the Lessee, ordinary wear and tear excepted, (ii) have attached or affixed thereto any part title to which is in the Lessor pursuant to Section 9 hereof and have removed therefrom at Lessee's expense any part or addition title to which is in the Lessee or any other person pursuant to such Section 9, and (iii) meet the standards then in effect under the Interchange Rules of the Association of American Railroads, if applicable, or such comparable standards as may then be in effect. If any Unit suffers a Casualty Occurrence during any period prior to its return to the Lessor as provided for in this Section 14 or during any storage period provided for in this Section 14, the Lessee shall pay to the Lessor the Casualty Value of such Unit as determined in accordance with Section 7 hereof. All gross amounts earned in respect of any Unit shall, from and after the termination of the term of this Lease as to such Unit, belong to and be the property of the Lessor.

SECTION 15. RECORDING.

The Lessor, at its own expense, will cause this Lease, and any assignment hereof or thereof to be filed and recorded with the Interstate Commerce Commission in accordance with 49 U.S.C. Section 11303. The Lessee will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register, record (and will refile, reregister, deposit and redeposit or rerecord whenever required) any and all further instruments required by law or reasonably requested by the Lessor for the purpose of proper protection, to its satisfaction, of the Lessor's interests in the Units, or for the purpose of carrying out the intention of this Lease.

SECTION 16. CONDITIONS.

Prior to the delivery and acceptance of any Unit hereunder, the Lessor shall have been advised that all conditions to its purchase of the Equipment under and as contemplated by the Purchase Agreement and the Agreement and Assignment shall have been satisfied.

Lessee agrees to deliver to Lessor at its request such opinions and certificates in form and substance as shall be reasonably required by Lessor hereunder and to satisfy the conditions of the Purchase Agreement and the Agreement and Assignment.

SECTION 17. LESSOR'S RIGHT TO PERFORM FOR THE LESSEE.

If the Lessee fails to perform or comply with any of its agreements contained herein, the Lessor may upon notice to the Lessee itself perform or comply with such agreement, and the amount of the reasonable cost and expenses of the Lessor incurred in connection with such performance or compliance, together with interest on such amount at the rate of 15% per annum (or such lesser amount as may be legally enforceable), shall be payable by the Lessee upon demand.

SECTION 18. INTEREST ON OVERDUE RENTALS.

Anything to the contrary herein contained notwithstanding, any nonpayment of rentals and other obligations due hereunder shall result in the obligation on the part of the Lessee promptly to pay an amount equal to interest at a rate of 15% per annum on the overdue rentals and other obligations for the period of time during which they are overdue or such lesser amount as may be legally enforceable.

SECTION 19. REPRESENTATIONS AND WARRANTIES OF THE LESSEE.

The Lessee represents and warrants to the Lessor as follows:

(a) The Debtor is a corporation duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its incorporation and is duly qualified to do business and in good standing in such other jurisdictions in which the business and activities of the Debtor require such qualifications.

(b) The Lessee has full power, authority and legal right to carry on the Debtor's business as now conducted and is duly authorized and empowered in the Reorganization Proceedings pursuant to an order or orders of the court in the Reorganization Proceedings (the "Order") and otherwise to execute and deliver this Lease, the Purchase Agreement, the Agreement and Assignment, and the Indemnity Agreement and to fulfill and comply with the terms, conditions and provisions hereof and thereof; this Lease, the Purchase Agreement, the Agreement and Assignment, and the Indemnity Agreement have been duly authorized and approved in the Reorganization Proceedings pursuant to the Order, from which no appeal has been taken, and otherwise have been or will be, on or before delivery of any unit of Equipment, duly authorized, executed and delivered and, assuming due authorization, execution and delivery thereof by the other parties thereto, constitute or will then constitute valid, legal and binding agreements, enforceable against the Lessee in accordance with their terms.

(c) There are no actions, suits or proceedings (whether or not purportedly on behalf of the Lessee or the Debtor) pending or (to the knowledge of the Lessee) threatened against or affecting the Lessee or any property rights of the Lessee at law or in equity or before any commission or other administrative agency which could materially and adversely affect the condition, financial or otherwise, of the Lessee or materially prevent or interfere with its ability or right to perform its duties and obligations under this Lease, the Purchase Agreement, the Agreement and Assignment, or the Indemnity Agreement; and the Lessee is not to its knowledge in default with respect to any order or decree of any court or governmental commission, agency or instrumentality.

(d) The Lessee is not a party to any agreement or instrument or subject to any charter or other restriction materially and adversely affecting the business, present or proposed, of the Lessee or the operations, property or assets or condition, financial or otherwise, of the Lessee.

(e) Neither the execution and delivery of this Lease, the Purchase Agreement, the Agreement and Assignment, and the Indemnity Agreement nor the consummation of the transaction herein and therein contemplated nor the fulfillment of, or compliance with, the terms and provisions hereof and thereof will conflict with, or result in a breach of, any of the terms, conditions or provisions of any order entered in the Reorganization Proceedings or of any bond, debenture, note, mortgage, indenture, agreement or other instrument to which either of the Lessee or the Debtor is a party or by which it or its property may be bound, or constitute (with the giving of notice or the lapse of time or both) a default thereunder or result in the creation or imposition of any lien, charge, security interest or other encumbrance of any nature whatsoever upon any property of the Lessee or the Debtor or upon the Equipment pursuant to the terms of any such agreement or instrument or violate any applicable law or governmental rule or regulation.

(f) No authorization, approval, order or license is required from any court or other governmental or public body or authority (including, but not limited to the Interstate Commerce Commission) in connection with the execution, delivery and performance by the Lessee of this Lease, the Purchase Agreement, the Agreement and Assignment, or the Indemnity Agreement, other than the Order.

(g) The Lessee has filed all foreign, Federal, state and local income tax returns which are required to be filed, and has paid or made provisions for the payment of all income taxes which have or may become due pursuant to said returns or pursuant to any assessment received by it, other than such taxes which are being contested in good faith and which in the aggregate do not involve material amounts.

(h) The Lessee has furnished to the Lessor copies of the Debtor's Form 10-K for the fiscal year ended December 31, 1979, containing audited consolidated balance sheets of the Debtor as of December 31, 1977, and

1978, and the related consolidated statements of operations, accumulated deficit and changes in financial position for the twelve month periods then ended. Such financial statements are in accordance with the books and records of the Debtor and have been prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the period covered by the financial statements. The financial statements present fairly the financial condition of the Debtor at such dates and the results of its operations and changes in its financial position for such periods; and from the date of the last such balance sheet, there has not been any material adverse change in the assets, liabilities, business or condition (financial or otherwise) of the Debtor.

SECTION 20. REPORTS.

The Lessee will deliver to the Lessor (i) as soon as available and in any event within 120 days after the end of each fiscal year of the Debtor, a certificate signed by a responsible officer of the Debtor stating that a review of the activities of the Debtor during such year has been made under his supervision with a view to determining whether the Debtor has kept, observed, performed and fulfilled all of the obligations of the Debtor under this Lease and that to the best of his knowledge the Debtor during such year has kept, observed, performed and fulfilled each and every covenant, obligation and condition contained herein, or if an Event of Default (as defined in the Lease) shall exist or if an event has occurred and is continuing which, with the giving of notice or the passage of time, or both, would constitute an Event of Default, specifying such Event of Default and all such events and the nature and status thereof; (ii) as soon as available and in any event within 90 days after the end of each quarterly period (except the last) of each fiscal year, and to the extent available a balance sheet of the Debtor as at the end of such period, and an income statement of the Debtor for the period beginning on the first day of such quarterly period and ending on the date of such balance sheet, setting forth comparative figures for the corresponding period of the preceding fiscal

year, all in reasonable detail and certified by the principal accounting officer employed by the Debtor; (iii) as soon as available and in any event within 150 days after the end of each fiscal year, a copy of the consolidated balance sheet of the Debtor and the related statements of operations, accumulated deficit and changes in financial position, certified by independent public accountants; and any other report reasonably required; and (iv) promptly upon any responsible officer's becoming aware of any condition which constitutes an Event of Default, or which with notice or lapse of time or both would constitute such an Event of Default, written notice specifying such condition and the nature and status thereof. For the purposes of this Section 20 a "responsible officer" shall mean, with respect to the subject matter of any covenant, agreement or obligation of the Lessee in this Lease contained, any corporate official of the Debtor who in the normal performance of such official's operational responsibilities would have knowledge of such matter.

SECTION 21. NECESSARY COSTS AND EXPENSES OF ADMINISTRATION.

Upon the issuance of the Order, it is hereby expressly understood and agreed that any and all obligations of the Lessee hereunder and any and all amounts payable in connection therewith, including but not limited to those arising out of any breach of warranty or breach or termination of this Lease, or otherwise, together with interest thereon to the date of payment thereof, shall be deemed to be necessary costs and expenses of administration incurred by the Trustees in the Reorganization Proceedings and shall rank equally and ratably with all other expenses of administration of the Trustees, except trustees' certificates heretofore or hereafter issued by the Trustees.

Subject to the provisions of the last paragraph of Section 10 hereof, in case of any sale or conveyance of all or substantially all of the lines of railroad of the Debtor, or of the lines of the Debtor on which a substantial portion of the Equipment is used, the purchaser or transferee of the purchaser shall not be at liberty to refuse to accept performance of this Lease or to disaffirm it, and any such purchaser and any such transferee shall assume and agree to perform each and all of the obligations of the Lessee hereunder.

The Lessee agrees, but only so long as the Lessee is subject to the Reorganization Proceedings, that the Lessee will not assume or enter into any other leases of equipment, equipment trust agreements, conditional sale agreements or other liabilities or obligations in connection with the leasing or financing of the acquisition of railroad rolling stock, (i) if such liabilities or obligations would be entitled, directly or indirectly, to any priority in right of payment over the obligations of the Lessee hereunder; or (ii) if such liabilities or obligations would be secured, directly or indirectly, by any mortgage, lien or other security interest in property of the Debtor (except the equipment or other property involved in the particular transaction) unless the obligations of the Lessee hereunder are equally and ratably secured thereby, provided that nothing herein shall restrict the right of the Trustees to issue and sell trustees' certificates for any proper purpose.

SECTION 22. NOTICES.

Any notice required or permitted to be given by either party hereto to the other shall be deemed to have been given when delivered to such other party or by registered or certified mail, postage prepaid, addressed as follows:

If to the Lessor, at:

79 South Main Street
Salt Lake City, Utah 84111

Attention: Trust Department,
Corporate Trust Division

with a copy to

General Electric Credit Corporation
P.O. Box 8300
Stamford, Connecticut 06904

Attention: Manager - Operations
Leasing and Industrial Loans

If to the Lessee, at:

Boston and Maine Corporation
Iron Horse Park - High Street
North Billerica, Massachusetts 01862

Attention: Vice President - Equipment

or addressed to any party at such other address as such party shall hereafter furnish to the other parties in writing. Any certificate, document or report required to be furnished by any party hereto to the other parties shall be delivered to the address set forth above or so furnished for such party. Any notice to the Lessee regarding the Lessee's failure to perform any obligation hereunder shall also be furnished by the Lessee to the Lessor.

SECTION 23. SEVERABILITY; EFFECT AND MODIFICATION OF LEASE; SURVIVAL.

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

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

All agreements, indemnities, 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, with respect to matters or events occurring during the term of this Lease or with respect to the obligations of Lessee under Sections 6, 7, 9, 10, 11 and 14.

SECTION 24. EXECUTION.

This Lease may be executed in several counterparts, such counterparts together constituting but one and the same instrument, but the counterpart delivered to the Lessor shall be deemed to be the original counterpart. Although for convenience this Lease is dated as of the date first set forth above, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.

SECTION 25. INCORPORATION OF INDEMNITY AGREEMENT.

The Indemnity Agreement between the Lessor and Lessee dated as of the date hereof is incorporated herein by reference. All the rights and obligations in said Agreement shall be considered as rights and obligations under this Lease and inseparable therefrom.

SECTION 26. LAW GOVERNING.

The terms of this Lease and all rights and obligations hereunder shall be governed by the laws of the Commonwealth of Massachusetts; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. Section 11303.

SECTION 27. AGREEMENTS FOR THE BENEFIT OF OWNER AND LESSOR'S ASSIGNS.

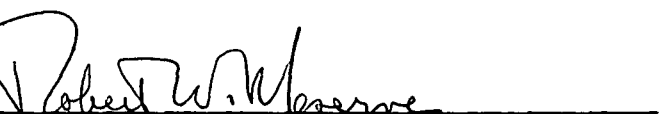
All rights of the Lessor hereunder (including, but not limited to its rights under Sections 6, 7, 9, 10, 11 and 14) shall inure to the benefit of, and may be enforced by, the Owner and any of the Owner's assigns under the Trust Agreement and the Lessor's assigns, and in this connection any references to "Lessor" in provisions setting forth such rights shall also be deemed to include the Owner, its successors and assigns.

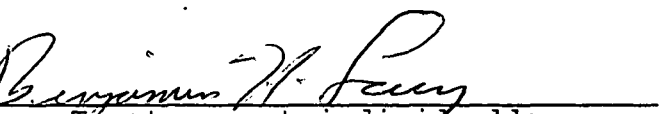
SECTION 28. NO RECOURSE.

It is expressly understood by and between the parties hereto, anything herein to the contrary notwithstanding, that each and all the representations, undertakings and agreements herein on the part of the Lessor are each and every one of them made and intended not as personal representations, undertakings and agreements by First Security Bank of Utah, N.A., including its successors and assigns, or for the purpose or with the intention of binding said financial institution personally, but are made and intended for the purpose of binding only the Trust Estate as such term is used in the Trust Agreement, and this Lease is executed and delivered by the Lessor solely in the exercise of the powers conferred upon it as trustee under the Trust Agreement, and no personal liability or personal responsibility assumed by or shall at any time be asserted or enforceable against the Lessor or the Owner on account of any representation, undertaking or agreement herein of the Lessor, either express or implied, all such personal liability, if any, being expressly waived and released by the Lessee and by all persons claiming by, through or under the Lessee.

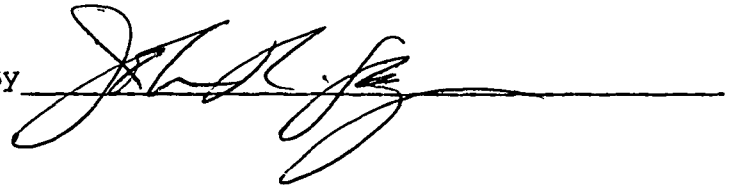
IN WITNESS WHEREOF, the parties hereto have executed or caused this instrument to be executed as of the date first above written.

ROBERT W. MESERVE and BENJAMIN H. LACY, Trustees of the Property of Boston and Maine Corporation, Debtor,

By 
as Trustee, not individually

By 
as Trustee, not individually

FIRST SECURITY BANK OF UTAH, N.A.,
not in its individual capacity, but
solely as Owner Trustee,

By 

(CORPORATE SEAL)

ATTEST:

COMMONWEALTH OF MASSACHUSETTS)
) ss.:
COUNTY OF SUFFOLK)

On this 26th day of August, 1980, before me personally appeared ROBERT W. MESERVE to me personally known, who, being by me duly sworn, says that he is a Trustee of the Property of Boston and Maine Corporation, Debtor, and that said instrument was signed on behalf of said Debtor by authority of the United States District Court for the District of Massachusetts, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Trustee.

Katherine M. McCarte
NOTARY PUBLIC

My Commission Expires: Jan. 26, 1984

(NOTARIAL SEAL)

COMMONWEALTH OF MASSACHUSETTS,)
) ss.:
COUNTY OF SUFFOLK,)

On this 26th day of August, 1980, before me personally appeared BENJAMIN H. LACY, to me personally known, who, being by me duly sworn, says that he is a Trustee of the Property of Boston and Maine Corporation, Debtor, and that said instrument was signed on behalf of said Debtor by authority of the United States District Court for the District of Massachusetts, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Trustee.

Katherine M. McCarte
NOTARY PUBLIC

My Commission Expires: Jan. 26, 1984

(NOTARIAL SEAL)

STATE OF UTAH)
) ss.:
COUNTY OF SALT LAKE)

On this 22nd day of August, 1980, before me personally appeared John R Sager, to me personally known, who, being by me duly sworn, says that he is asst Trust Officer of FIRST SECURITY BANK OF UTAH, N.A., that one of the seals affixed to the foregoing instrument is the corporate seal of said national banking association, that said instrument was signed and sealed on behalf of said national banking association by authority of its By-Laws, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national banking association.

Casey N Knobel
NOTARY PUBLIC

My Commission Expires: 7/17/82

(NOTARIAL SEAL)

SCHEDULE A

Type	Builder's Specification	Builder's Plant	Quantity	Estimated Unit Base Price	Estimated Total Base Price	Road Numbers	Estimated Time And Place Of Delivery
3,000 Cubic Ft. 100-Ton Covered Hopper Car	PORTEC Specifications No. H-100-780626 Dated March 15, 1979; Portec Drawing No. H-780626 and Specialty List of August 10, 1979 as modified December, 1979	Clinton, Illinois	100	$45,000	$4,500,000	BM5200 through BM5299, both Inclusive	August-October 1980 at Clinton, Illinois

SCHEDULE B to Lease

Casualty Values*

Item I:

Rental Payment Date		Percentage of Purchase Price	Rental Payment Date		Percentage of Purchase Price
11/1/80	1	89.72	3/1/84	41	96.10
12/1/80	2	90.08	4/1/84	42	96.13
1/1/81	3	90.42	5/1/84	43	96.14
2/1/81	4	90.72	6/1/84	44	96.15
3/1/81	5	90.99	7/1/84	45	96.16
4/1/81	6	91.25	8/1/84	46	96.16
5/1/81	7	91.50	9/1/84	47	96.15
6/1/81	8	91.75	10/1/84	48	96.14
7/1/81	9	91.99	11/1/84	49	96.12
8/1/81	10	92.22	12/1/84	50	96.10
9/1/81	11	92.44	1/1/85	51	96.06
10/1/81	12	92.66	2/1/85	52	96.03
11/1/81	13	92.87	3/1/85	53	95.98
12/1/81	14	93.08	4/1/85	54	95.93
1/1/82	15	93.27	5/1/85	55	95.88
2/1/82	16	93.46	6/1/85	56	95.82
3/1/82	17	93.64	7/1/85	57	95.75
4/1/82	18	93.82	8/1/85	58	95.68
5/1/82	19	93.99	9/1/85	59	95.60
6/1/82	20	94.15	10/1/85	60	95.51
7/1/82	21	94.31	11/1/85	61	95.42
8/1/82	22	94.46	12/1/85	62	95.33
9/1/82	23	94.61	1/1/86	63	95.23
10/1/82	24	94.74	2/1/86	64	95.12
11/1/82	25	94.87	3/1/86	65	94.98
12/1/82	26	95.00	4/1/86	66	94.71
1/1/83	27	95.12	5/1/86	67	94.44
2/1/83	28	95.23	6/1/86	68	94.16
3/1/83	29	95.33	7/1/86	69	93.88
4/1/83	30	95.43	8/1/86	70	93.60
5/1/83	31	95.52	9/1/86	71	93.32
6/1/83	32	95.61	10/1/86	72	93.03
7/1/83	33	95.69	11/1/86	73	92.75
8/1/83	34	95.76	12/1/86	74	92.46
9/1/83	35	95.83	1/1/87	75	92.17
10/1/83	36	95.89	2/1/87	76	91.87
11/1/83	37	95.95	3/1/87	77	91.58
12/1/83	38	96.00	4/1/87	78	91.28
1/1/84	39	96.04	5/1/87	79	90.98
2/1/84	40	96.07	6/1/87	80	90.68

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* The Casualty Value of each Unit as of any rental payment date shall be that percentage of the Purchase Price of such Unit as is set forth in the above schedule opposite each such rental payment date.

Rental Payment Date		Percentage of Purchase Price	Rental Payment Date		Percentage of Purchase Price
7/1/87	81	90.38	11/1/90	121	76.22
8/1/87	82	90.07	12/1/90	122	75.81
9/1/87	83	89.76	1/1/91	123	75.40
10/1/87	84	39.45	2/1/91	124	74.99
11/1/87	85	89.14	3/1/91	125	74.57
12/1/87	86	88.82	4/1/91	126	74.15
1/1/88	87	88.51	5/1/91	127	73.72
2/1/88	88	88.19	6/1/91	128	73.29
3/1/88	89	87.86	7/1/91	129	72.86
4/1/88	90	87.54	8/1/91	130	72.43
5/1/88	91	87.21	9/1/91	131	71.99
6/1/88	92	86.88	10/1/91	132	71.55
7/1/88	93	86.55	11/1/91	133	71.10
8/1/88	94	86.22	12/1/91	134	70.66
9/1/88	95	85.88	1/1/92	135	70.21
10/1/88	96	85.54	2/1/92	136	69.75
11/1/88	97	85.20	3/1/92	137	69.29
12/1/88	98	84.86	4/1/92	138	68.83
1/1/89	99	84.51	5/1/92	139	68.37
2/1/89	100	84.17	6/1/92	140	67.90
3/1/89	101	83.81	7/1/92	141	67.43
4/1/89	102	83.46	8/1/92	142	66.95
5/1/89	103	83.10	9/1/92	143	66.48
6/1/89	104	82.75	10/1/92	144	65.99
7/1/89	105	82.38	11/1/92	145	65.51
8/1/89	106	82.02	12/1/92	146	65.02
9/1/89	107	81.65	1/1/93	147	64.53
10/1/89	108	81.28	2/1/93	148	64.03
11/1/89	109	80.91	3/1/93	149	63.53
12/1/89	110	80.54	4/1/93	150	63.03
1/1/90	111	80.16	5/1/93	151	62.52
2/1/90	112	79.78	6/1/93	152	62.01
3/1/90	113	79.39	7/1/93	153	61.49
4/1/90	114	79.01	8/1/93	154	60.97
5/1/90	115	78.62	9/1/93	155	60.45
6/1/90	116	78.23	10/1/93	156	59.92
7/1/90	117	77.83	11/1/93	157	59.39
8/1/90	118	77.43	12/1/93	158	58.86
9/1/90	119	77.03	1/1/94	159	58.32
10/1/90	120	76.63	2/1/94	160	57.78

Rental Payment Date		Percentage of Purchase Price
3/1/94	161	57.23
4/1/94	162	56.68
5/1/94	163	56.12
6/1/94	164	55.56
7/1/94	165	55.00
8/1/94	166	54.43
9/1/94	167	53.86
10/1/94	168	53.28
11/1/94	169	52.70
12/1/94	170	52.12
1/1/95	171	51.53
2/1/95	172	50.94
3/1/95	173	50.34
4/1/95	174	49.73
5/1/95	175	49.13
6/1/95	176	48.51
7/1/95	177	47.90
8/1/95	178	47.28
9/1/95	179	46.65
10/1/95	180	46.02
11/1/95	181	45.39
12/1/95	182	44.75
1/1/96	183	44.10
2/1/96	184	43.45
3/1/96	185	42.80
4/1/96	186	42.14
5/1/96	187	41.47
6/1/96	188	40.80
7/1/96	189	40.13
8/1/96	190	39.45
9/1/96	191	38.76
10/1/96	192	38.07
11/1/96	193	37.38
12/1/96	194	36.68
1/1/97	195	35.97
2/1/97	196	35.26
3/1/97	197	34.54
4/1/97	198	33.82
5/1/97	199	33.09
6/1/97	200	32.36
7/1/97	201	31.62
8/1/97	202	30.88
9/1/97	203	30.13
10/1/97	204	29.37
11/1/97	205	28.61
12/1/97	206	27.84
1/1/98	207	27.07
2/1/98	208	26.29
3/1/98	209	25.51
4/1/98	210	24.72
5/1/98	211	23.92
6/1/98	212	23.12
7/1/98	213	22.31
8/1/98	214	21.49
9/1/98	215	20.67
10/1/98*	216	20.00

*and thereafter

Item II:

Anniversary of Delivery and Acceptance	Percentage of Purchase Price
Third	19.23076
Fifth	12.8205
Seventh	6.41025