

**TRAILER TRAIN
COMPANY**

101 NORTH WACKER DRIVE · CHICAGO, ILLINOIS 60606
(312) 853-3223

REGISTRATION NO. 14326-B Filed 1425 14326-B

June 4, 1984 ^{JUN 7} 1984 - 2:30 PM

INTERSTATE COMMERCE COMMISSION

4-159A040

Secretary
Interstate Commerce Commission
Washington, D.C. 20423

No. _____
Date ... JUN 7 ... 1984 ...

Fee \$ 10.00

RECEIVED

JUN 7 2 25 PM '84

FEE OPERATION BR.
I.C.C.

Dear Secretary:

I.C.C. Washington, D. C.

Enclosed for recordation pursuant to Section 11303 of Title 49 of the U.S. Code are four counterparts each of:

- (1) An Equipment Lease Agreement ("Lease") dated as of May 24, 1984, between MetLife Capital Corporation ("Lessor") and Trailer Train Company ("Lessee"), relating to the Memorandum of Lease dated as of May 24, 1984 between Lessor and Lessee.

A summary description of this transaction is provided below.

The general description of the railroad rolling stock covered by this Lease is as follows:

<u>Description</u>	<u>AAR Mechanical Designation</u>	<u>Car No's (Inclusive)</u>	<u>No. of Cars</u>	<u>Manufacturer</u>
Five-platform ARC-5 Flatcar with 5 hitches	FCA	61000-61019*	20	Thrall Car Manufacturing Company
Single-platform Front-Runner Flatcar with one hitch	FC	121000-121249*	250	Thrall Car Manufacturing Company
Single-platform Front-Runner Flatcar with one hitch	FC	130000-130249*	250	United American Car Company

* All units will have marked on each side thereof, the following legend:

"OWNERSHIP SUBJECT TO A SECURITY AGREEMENT FILED WITH THE INTERSTATE COMMERCE COMMISSION"

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

Quantity Book CT. Kopyler

Lessee: Trailer Train Company
101 North Wacker Drive
Chicago, Illinois 60606

Lessor: MetLife Capital Corporation
10800 N.E. 8th Street
Suite 306
Bellevue, Washington 98004

Enclosed is a check in the amount of \$10 for recordation fees.

A short summary of this document to appear in the index is as follows:

Five-year TEFRA Finance Equipment Lease dated as of
May 24, 1984, encompassing 500 single-platform
flatcars and 20 five-platform cars.

Prior recordations relating to this lease have been made on May 24,
1984 at 9:05 AM, recordation numbers 14326 and 14326-A.

The undersigned is the Lessee named above and has knowledge of the
matters set forth in the enclosed documents.

Please return two stamped, recorded counterparts of said documents to
the undersigned at the above address.

TRAILER TRAIN COMPANY

By:



T. D. Marion

Its: Assistant Treasurer

Interstate Commerce Commission
Washington, D.C. 20423

6/7/84

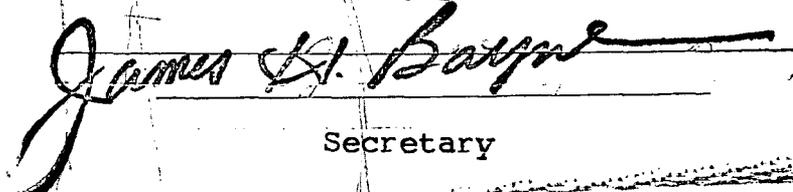
OFFICE OF THE SECRETARY

T.D. Marion
Assist. Treasurer
Trailer Train Company
101 North Wacker Drive
Chicago, Illinois 60606

Dear **Sir:**

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on **6/7/84** at **2:30pm** and assigned re-
recording number(s). **14326-B**

Sincerely yours,


Secretary

Enclosure(s)

SE-30
(7/79)

REGISTRATION NO. *14356-B* File# 1425

JUN 7 1984 - 2 30 PM

INTERSTATE COMMERCE COMMISSION

EQUIPMENT LEASE AGREEMENT

Dated as of *MAY 24, 1984*

between

METLIFE CAPITAL CORPORATION

Lessor

and

TRAILER TRAIN COMPANY

Lessee

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EQUIPMENT LEASE AGREEMENT

THIS EQUIPMENT LEASE AGREEMENT ("Lease"), dated as of the 24th day of May, 1984, by and between METLIFE CAPITAL CORPORATION, a Delaware corporation ("Lessor") and TRAILER TRAIN COMPANY, a Delaware corporation ("Lessee").

W I T N E S S E T H :

1. DEFINITIONS. Unless the context otherwise requires, the terms in Exhibit A annexed hereto shall have the meanings set forth therein for all purposes of this Lease and shall be equally applicable to both the singular and the plural forms of the terms therein defined.

2. LEASE OF UNITS. Lessor shall lease to Lessee and Lessee shall lease from Lessor, upon and subject to the following terms and conditions, the Units described in Exhibit B annexed hereto.

3. PURCHASE, LEASE AND FUNDING.

a. Purchase, Lease and Funding. Subject to the conditions in Section 3.b. hereof, (i) on the applicable Delivery Date, Lessor shall purchase each Unit from Lessee and simultaneously lease such Unit to Lessee hereunder, and (ii) on the applicable Funding Date, Lessor shall pay the Lessor's Cost of such Unit to Lessee. Lessor's obligations hereunder shall terminate with respect to any Units for which the delivery date and funding date do not occur on or before December 31, 1984. The aforesaid purchase and lease shall be conclusively evidenced by the execution and delivery by Lessee of a Certificate of Delivery and Acceptance relating to such Unit substantially in the form of Exhibit D annexed hereto, which Certificate of Delivery and Acceptance shall be acknowledged by Lessor. Lessee shall give Lessor written notice of the Delivery Date of any Unit and of Lessor's Cost of such Unit at least three (3) business days prior to such Funding Date. Each Funding shall take place at the offices of Lessor, at 10900 N. E. 8th St., Suite 1300, Bellevue, Washington.

b. Conditions of Purchase, Lease and Funding.

(1) First Delivery Date Conditions. The obligation of Lessor to purchase and lease any Unit on its Delivery Date and to pay Lessor's Cost of such Unit on any Funding Date shall be subject to fulfillment of the following conditions to the reasonable satisfaction of Lessor and its counsel on or before the First Delivery Date:

(i) Lessor shall have received fully executed counterparts of this Lease and the Security Agreement.

(ii) Lessor shall have received certified copies, dated on or before the First Delivery Date, of the appropriate proceedings of the Board of Directors or executive committee thereof of Lessee with respect to the authorization of this Lease, the Certificates of Delivery and Acceptance, the Bills of Sale, Purchase Agreement Assignments, the Security Agreement and other instruments contemplated herein and therein and to the execution, delivery and performance thereof by Lessee.

(iii) Lessor shall have received certificates of Lessee showing the incumbency and the specimen signatures of the officers of Lessee who will execute, as appropriate, this Agreement, the Certificates of Delivery and Acceptance, the Bills of Sale, Purchase Agreement Assignments, Security Agreement and the other instruments contemplated herein and therein.

(iv) Lessor shall have received a signed opinion dated the First Delivery Date of such legal counsel for Lessee as is reasonably acceptable to Lessor, in the form set forth in Exhibit F(1) annexed hereto.

(v) Lessor shall have received good and sufficient evidence that Lessee has pledged security for its obligations hereunder pursuant to the Security Agreement.

(vi) Lessor shall have received executed UCC-1 financing statements from Lessee with respect to the security interest referred to in (v) above.

(2) Delivery Date Conditions. The obligation of Lessor to purchase and lease any Unit on its Delivery Date and to pay Lessor's Cost of such Unit on any Funding Date shall be subject to fulfillment of the following conditions to the reasonable satisfaction of Lessor and its counsel on or before such Delivery Date:

(i) The representations and warranties of Lessee contained herein and of each such party in any certificate delivered pursuant hereto or thereto shall be true and correct on and as of such Delivery Date with the same effect as though made on and as of such Delivery Date; on such Delivery Date there shall be no Event of Default or no event which, but for the lapse of time or the giving notice or both, would be an Event of Default.

(ii) Lessor shall have received a signed opinion dated on such Delivery Date of such legal counsel for Lessee as is reasonably acceptable to Lessor, in the form set forth in Exhibit F(1) hereto.

(iii) A copy of this Agreement, and any assignments hereunder, shall have been filed of record with the Interstate Commerce Commission.

(iv) Lessor shall have received Purchase Agreement Assignment Consents from the Vendor of the Units.

(v) Since the First Delivery Date there shall not have been any material adverse change in the business, operations, properties or financial condition of Lessee.

(vi) Lessor's Cost of such Unit will not cause the aggregate Lessor's Cost of all Units delivered and accepted hereunder to exceed \$17,250,000.00.

(vii) Lessor shall not have given Lessee notice (which notice may be written, telexed, telegraphed or telecopied) to the effect that, in Lessor's judgment, this Lease fails to qualify as a true lease with respect to such Unit under the Finance Lease provisions of the Tax Equity and Fiscal Responsibility Act of 1982.

(viii) Lessor shall have received an executed Certificate of Delivery and Acceptance with respect to such Unit.

(3) General Funding Date Conditions. The obligation of Lessor to pay Lessor's Cost of any Unit on any Funding Date shall be subject to the fulfillment of the following conditions to the reasonable satisfaction of lessor and its counsel on or before said Funding Date:

(i) Lessor shall have received an invoice for such Unit certified by Lessee as to the correctness of the price stated therein;

(ii) Lessor shall have received evidence reasonably satisfactory to it of payment in full to the Vendor of such Unit of all amounts which Lessee claims were paid to such Vendor by Lessee for the purchase of such Unit.

(iii) Lessor shall have received an executed Bill of Sale with respect to each Unit.

(4) Change in Tax Law. Notwithstanding the other terms of this Section 3, Lessee shall not be required to sell any Unit to Lessor, and Lessor shall not be required to purchase any Unit from Lessee, if, on or prior to the applicable Delivery Date, any Tax Law Change, as hereafter defined, shall have occurred. "Tax Law Change" shall mean any (i) amendment to the Code, (ii) adoption of temporary or final regulation, (iii) issuance of proposed regulations, or (iv) proposals for an amendment to the Code (or proposed changed to such proposals existing on the date of execution hereof) by the leadership of the United States Senate or House of Representatives or the chairman, ranking minority member or majority of the Senate Finance Committee or House Ways and Means Committee, which would result in Lessor not being entitled to all of the Tax Benefits described in Section 28.a. hereof.

(5) Non-Delivery of Units. If despite its best efforts in the matter Lessee cannot meet conditions in Section 3.b.(1-3), Lessee will not be required to sell the affected Units to Lessor hereunder.

c. Transaction Indemnity. In the event that, as to any Unit, for any reason whatsoever, each condition precedent to the transactions as contemplated herein is not satisfied or waived or any Unit suffers a Casualty Occurrence before the Delivery Date with respect thereto, (i) such Unit shall be excluded from the definition of "Leased Equipment," (ii) Lessor shall reassign all of its right, title and interest in and to such Unit to Lessee without recourse or warranty other than for claims resulting from or arising out of Lessor's breach of any Lessor Obligations and (iii) Lessee shall indemnify, protect and keep harmless Lessor and its successors, assigns, representatives, agents and servants from and against any and all claims which may be imposed on, incurred by or asserted against Lessor or in any way relating to or arising out of the purchase, acceptance, ownership, delivery, use, sale, return or other disposition of such Unit except for Claims resulting from or arising out of Lessor's breach of any Lessor Obligations. The provisions of this Section 3.c. shall survive the expiration or earlier termination of this Lease.

4. LEASE TERM. The term of this Lease for each Unit shall commence on the Delivery Date for such Unit and shall end on the Expiration Date for such Unit, unless renewed pursuant to Section 14.a. hereof or unless sooner terminated pursuant to Section 12 or 17 hereof.

5. RENTAL.

a. Basic Rent. Lessee shall pay Basic Rent to Lessor for each Unit on each Rental Payment Date.

b. Supplemental Rent. Lessee shall also pay to Lessor or its assigns, as Supplemental Rent, any and all amounts, liabilities and obligations which Lessee assumes or agrees to pay hereunder to Lessor or others, including, without limitation, Casualty Loss Values payable under Section 12.c. hereof and the indemnities provided for in Sections 3.c., 11.a. and 20 hereof, promptly as the same shall become due and owing, and in the event of any failure by Lessee to pay any Supplemental Rent, Lessor or its assigns shall have all rights, powers and remedies provided for herein or by law or equity or otherwise as in the case of nonpayment of Basic Rent. Lessee shall also pay to Lessor on demand, as Supplemental Rent, to the extent permitted by applicable law, interest at the Default Interest Rate on any part of any installment of Basic Rent and any payment of Casualty Loss Value not paid when due for the period for which the same shall be overdue and on any other payment of Supplemental Rent due hereunder and not paid when due to Lessor for the period when due until the same shall be paid.

c. Obligation to Pay Rent. This is a net lease and Lessee's obligation to pay all Basic Rent and Supplemental Rent payable hereunder in accordance with the terms hereof shall be absolute and unconditional, and shall not be affected by any circumstance, including, without limitation: (i) any setoff, counterclaim, recoupment, deduction, defense or other right which Lessee may have against any vendor, manufacturer or supplier or anyone else for any reason whatsoever; (ii) any defect in the title, condition, design,

operation, merchantability or fitness for use of any Unit; (iii) the existence of any liens, encumbrances or rights of others whatsoever with respect to any Unit, whether or not resulting from claims against the Lessor; (iv) subject to Section 12.c. hereof, any loss or destruction of, or damage to, any Unit or any interruption or cessation in the use or possession thereof for any reason whatsoever and of whatever duration; (v) the invalidity or unenforceability of the Lease or any other infirmity therein or any lack of power or authority of Lessor or Lessee to enter into the Lease; or (vi) any insolvency, bankruptcy, reorganization or similar proceedings by or against Lessee or Lessor. If for any reason whatsoever (other than pursuant to Section 12.c. hereof or resulting from or arising out of Lessor's breach of any Lessor Obligations) this Lease shall be terminated in whole or in part by operation of law or otherwise except as specifically provided herein, Lessee shall nonetheless pay to Lessor an amount equal to each payment of Rent at the time such payment would have become due and payable in accordance with the terms hereof had this Lease not been terminated in whole or in part. Lessee hereby waives, to the extent permitted by applicable law, any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender this Lease, except in accordance with the express terms hereof. Each payment of Basic Rent or Supplemental Rent made by Lessee shall be final, and Lessee will not seek to recover all or any part of such payments from Lessor or any other person for any reason whatsoever. This provision, however, shall not be construed to waive or in any other manner adversely affect Lessee's right of action, if any, against Lessor or any other person for damages incurred by Lessee on account of any breach by Lessor or such other person of any provision of this Lease or any other agreement relating or not relating hereto.

6. DISCLAIMER OF WARRANTIES. LESSEE EXPRESSLY ACKNOWLEDGES THAT LESSOR IS NOT A MANUFACTURER, DISTRIBUTOR, VENDOR OR SUPPLIER OF EQUIPMENT OR AN AGENT OF ANY MANUFACTURER, DISTRIBUTOR, VENDOR OR SUPPLIER OF ANY UNIT. LESSOR SHALL NOT BE DEEMED TO HAVE MADE OR GIVEN, AND LESSOR HEREBY EXPRESSLY DISCLAIMS, ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE TITLE, VALUE, CONDITION, DESIGN, OPERATION, MERCHANTABILITY OR FITNESS FOR USE OF ANY UNIT OR AS TO TITLE THERETO, OR ANY OTHER REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO SUCH UNIT, except that Lessor hereby represents and warrants that on the Delivery Date of each Unit, Lessor shall have received whatever title was conveyed to it by Lessee or by the respective Seller thereof, as the case may be, and that each Unit shall be free of liens and encumbrances which may result from claims against Lessor resulting from or arising out of Lessor's breach of any Lessor Obligations. Lessee agrees that the only other guarantees or warranties made with respect to any Unit are those made by the Seller or manufacturer thereof, and the parties agree that they shall cooperate in enforcing such guarantees and warranties when such action is necessary, which enforcement shall be at Lessee's expense. So long as no Event of Default or event which, with the lapse of time or the giving of notice or both, would be an Event of Default,

shall have occurred and be continuing, Lessor hereby assigns to Lessee, for and during the term of this Lease, any applicable Seller or manufacturer warranty issued on or applicable to any Unit, and Lessor hereby authorizes Lessee during the term of this Lease to obtain, at Lessee's sole expense, any and all services furnished in connection therewith by any Seller or manufacturer.

7. OPERATION AND MAINTENANCE OF UNITS.

a. General. Lessee shall operate the Units only in the normal and ordinary course of Lessee's business within the United States except for incidental usage in Canada and Mexico.

b. Lessee's Maintenance Obligation. Lessee, at its own expense, shall maintain, service and repair each Unit, and from time to time make or cause to be made all necessary restorations thereto, as are consistent with prudent industry practice and as are in compliance with Section 7.c. hereof and in accordance with the rules and regulations of the American Association of Railroads.

c. Lessee's Compliance with Law. Lessee shall comply in all material respects with all laws, rules, regulations, requirements and orders of all governmental authorities having jurisdiction with respect to the use, maintenance, condition and operation of each Unit (including but not limited to the American Association of Railroads) (regardless of upon which person such laws, rules, regulations, requirements or orders shall, by their terms, be nominally imposed), unless Lessee shall be contesting the validity thereof in good faith and by appropriate proceedings. Lessee, at its own expense, shall procure and pay for all permits, franchises, inspections and licenses necessary or appropriate in connection with any Unit and any repair, restoration, replacement, renewal, addition or improvement thereof and thereto.

d. Lessor's Rights and Obligations. 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 Unit, or, except to the extent specifically provided herein, to incur any cost or expense in connection with this Lease. In the event Lessee fails or is unable to perform maintenance and repairs as provided herein, Lessor shall have the right, but not the obligation, to perform the same, in the manner and subject to the provisions set forth in Section 23 hereof. Lessor and its agents and employees shall have at all reasonable times during normal business hours (upon reasonable notice) the right of access to the premises where any Unit is located for the purposes of inspecting such Unit and any maintenance records and observing its use and operation.

8. ADDITIONS AND IMPROVEMENTS.

a. Generally. Except as may be required pursuant to Section 8.b. or Section 7.c. hereof, Lessee shall not make any addition or improvement to any Unit which is not readily removable without causing material damage to any Unit. Lessee shall be entitled from time to time during the term of this Lease to acquire and install, at Lessee's expense, such additions or improvements to the Leased Equipment which are readily removable without causing material damage to any Unit and which do not impair the Fair Market Value or utility of any Unit as originally delivered hereunder to Lessee (ordinary wear and tear excepted).

b. Compliance with Law. Lessee agrees to make, at its own expense and without offset for Rent due hereunder, any addition or improvement required to be made to any Unit in order to satisfy Lessee's obligations set forth in Section 7.c. hereof. Any such addition or improvement shall immediately and without further act become the property of Lessor.

c. Severable Additions. Should Lessee install any addition or improvement on any Unit which is readily removable without causing material damage to such Unit and which does not impair the Fair Market Value or utility of such Unit as originally delivered hereunder to Lessee (ordinary wear and tear excepted), Lessee may remove such addition or improvement before such Unit is returned to Lessor. Lessee shall repair all damage to such Unit resulting from such installation and removal so as to restore the Unit to the condition in which it existed prior to the installation of such addition or improvement (ordinary wear and tear excepted). Notwithstanding the foregoing and provided that Lessee has not exercised its option to purchase such Unit pursuant to Section 14.b. hereof or to renew this Lease with respect to such Unit pursuant to Section 16.c. hereof, at the end of the applicable Base Term or the Renewal Term of this Lease, Lessor shall be entitled to purchase from Lessee any such addition or improvement at its then Fair Market Value. Lessee shall not be required to remove any such addition or improvement if the retention of such addition or improvement will not adversely affect the operating capabilities of such Unit in the possession of Lessor. Any addition or improvement not so removed shall become the property of Lessor.

d. Nonseverable Additions. Should Lessee make to any Unit any addition or improvement which is not readily removable without causing material damage to such Unit, such addition or improvement shall immediately and without further act become the property of Lessor.

9. INSURANCE.

a. General. Lessee shall procure and continuously maintain and pay for public liability and property damage insurance insuring Lessor and Lessee, all in such amounts and against such risks and hazards as are customary in Lessee's business, with insurance companies and pursuant to

contracts or policies satisfactory to Lessor. All contracts and policies shall include provisions for the protection of Lessor notwithstanding any act or neglect of or breach or default by Lessee, shall provide that they may not be modified, terminated or cancelled unless Lessor is given at least ten (10) days' advance written notice thereof, and shall provide that the coverage is "primary coverage" for the protection of Lessee and Lessor notwithstanding any other coverage carried by Lessee or Lessor protecting against similar risks. Lessee shall promptly notify any appropriate insurer of each and every occurrence which may become the basis of a claim or cause of action against the insureds and provide Lessor with all data pertinent to such occurrence. Lessee shall furnish Lessor with certificates of such insurance or copies of policies upon request, and shall furnish Lessor with renewal certificates or other statements with respect to renewal of existing policies or the purchase of other insurance within five (5) days of such renewal date.

b. Existing Coverage. Lessor has examined Lessee's existing coverage with Midland Insurance Company (No. GL 750441), Integrity Insurance Company (No. ISX 111155), International Insurance Company (No. 522 0287064), Howe Insurance Company (HXL-1-57-46-09), and Twin City Fire Insurance Company (No. TXS 103058) and Lessor is satisfied with such insurance in terms of type of coverage, insurance companies and amount of coverage.

c. Performance by Lessor. In the event that Lessee shall fail to maintain insurance as herein provided, Lessor may at its option, but without obligation, provide such insurance and, in such event, Lessee shall, upon demand from time to time, reimburse Lessor for the cost thereof, together with interest on such cost at the Default Interest Rate computed from the date of payment of such cost to the date of reimbursement. Lessor shall give Lessee prompt written notice of any such insurance.

d. Separate Insurance. Nothing in this Section 9 shall be construed to prohibit Lessor from insuring at its own expense any Unit or its interest therein; and any insurance so maintained shall not provide for or result in a reduction of the coverage or the amounts payable under any of the insurance required to be maintained by Lessee under this Section 9.

10. TITLE AND LIENS.

a. Title. Lessor and Lessee agree that this is an agreement of lease only, and nothing contained herein shall be construed as conveying to Lessee any right, title or interest in or to the Units except as Lessee. Lessor and Lessee intend that the Leased Equipment is and shall remain personal property and each of them agrees that it will not itself take any action, and will use its best efforts to prevent any others from taking any action, which would cause any Unit to lose such character. The Leased Equipment shall remain personal property regardless of the degree or manner of its attachment to realty and title thereto shall remain exclusively in Lessor. At Lessor's request, Lessee shall execute any and all documents acknowledging Lessor's ownership of the Units. Lessee shall execute any and all documents which are presented to Lessee as necessary or appropriate to perfect, confirm and protect the interest of Lessor in and to the Units and this Lease.

b. Liens. Lessee shall keep the Leased Equipment free from any and all liens, encumbrances and claims (except Permitted Liens) and shall not do or permit any act or thing whereby Lessor's title or rights may be encumbered or impaired. Lessee agrees to take such action (including the obtaining and recording of waivers), at its own expense, as may be necessary to prevent any third party from acquiring any right to or interest in the Leased Equipment by virtue of the Leased Equipment being deemed to be real property or part of any real property, and if at any time any person shall claim any right or interest referred to above, Lessee will, at its own expense, cause such claim to be waived in writing or otherwise eliminated to Lessor's reasonable satisfaction within thirty (30) days after such claim shall at first become known to Lessee.

11. TAXES AND OTHER CHARGES.

a. General. Subject to contest rights set forth in Section 11.e, hereof Lessee shall pay, indemnify and hold Lessor harmless from, and shall reimburse Lessor for, all taxes and governmental charges, including, without limitation, income, sales, use, gross receipts, fuel, stamp, personal property, excise or other taxes, tolls, levies, imposts, duties, charges or withholdings of any nature, along with any penalties, fines or interest thereon imposed against Lessor by any foreign, federal, state or local government or taxing authority or any subdivision thereof: (i) upon or with respect or incidental to the Leased Equipment or any Unit or any part thereof; (ii) upon the ordering, purchase, ownership, delivery, leasing, subleasing, possession, registration, use, operation, return or other disposition thereof; (iii) upon the rentals, receipts, or earnings arising therefrom; or (iv) upon or with respect to this Lease (all such expenses, taxes, fees, charges, fines, penalties and additions to tax being hereinafter called "Impositions"), subject to the contest rights set forth in Section 11.e; provided that this Section 11.a. shall not apply to (A) Impositions included in Lessor's Cost of the Leased Equipment, (B) Impositions imposed by the United States or any state or political subdivision thereof which are based upon or measured by Lessor's net income or which are in substitution for, or relieve Lessor from, any Imposition based upon or measured by Lessor's net income, in each case with the exception of increases in Impositions attributable to payments made by Lessee under this Section 11.a., (C) business and occupation taxes and franchise taxes imposed on Lessor by the United States or any state or political subdivision thereof or (D) penalties, fines or interest imposed as a result of Lessor's failure to notify Lessee as provided by Section 11.d.

b. After-tax Basis. The indemnity amounts payable under Section 11.a. hereof shall be computed on an "after-tax" basis, so that any such indemnity payment shall be in an amount which, when reduced by the increase in the federal, state and local tax liability of the Lessor based upon or measured by Lessor's net income as a result of such payment and after taking into account any present or future tax benefits to Lessor arising from

such payment or the circumstances giving rise to such payment, shall equal the amount of the tax in respect of which such indemnity is payable. Lessee may within thirty (30) days of receipt of notice from Lessor of the amount of the indemnity amount payable request that an independent "big eight" public accounting firm mutually selected by Lessor and Lessee verify at Lessee's expense the computations performed by Lessor in determining the indemnity amount and Lessor shall provide such accountants with information necessary to perform such verification.

c. Offsets. Notwithstanding Sections 11.a. or 11.b. hereof, to the extent that Lessor receives or is allowed a refund of or credit against any Imposition which has actually been paid by Lessee, Lessor shall notify Lessee of said refund or credit within thirty (30) days thereof, and Lessee's obligations under Section 11.a. hereof to Lessor shall be offset to the extent of such refund or credit, or Lessee shall be entitled to a refund of such amount from Lessor, at Lessee's election.

d. Tax Filing and Payments. Lessee shall timely prepare and file all reports and returns which are required to be made with respect to any obligation of Lessee under, or arising out of, Section 11.a. hereof. Lessee shall, to the extent permitted by law, cause all billings of such fees, taxes, charges, fines, penalties and additions to tax to be made to Lessor in care of Lessee, make payment thereof and, from time to time on written request of Lessor submit written evidence of such payment. Lessor shall furnish Lessee, promptly after receipt, copies of all requests for information from any taxing authority relating to any obligation of Lessee under, or arising out of, Section 11.a. hereof, and shall request such taxing authority to contact Lessee regarding any such information. The provisions of this Section 11 shall survive the expiration or earlier termination of this Lease.

e. Contest Rights. Lessee shall be entitled to contest any Imposition which it would be required to pay or indemnify Lessor for hereunder, provided that (i) Lessee shall first have delivered to Lessor an opinion of counsel reasonably acceptable to Lessor to the effect that there is a reasonable basis for concluding that the Imposition is unwarranted, (ii) such contest is diligently conducted by Lessee, (iii) adequate steps are taken to avoid any possibility of collection efforts against Lessor, the Units or any of Lessor's other property while such proceedings are pending, and (iv) Lessee keeps Lessor informed of all major developments therein, and consults with Lessor with respect to such proceedings at Lessor's reasonable request.

12. RISK OF LOSS.

a. Generally. During the term of this Lease with respect to any Unit, and for so long thereafter as such Unit remains in the possession of Lessee, Lessee shall bear the risk of and all responsibility for loss or damage to such Unit of any kind whatsoever. Lessee agrees to indemnify and hold Lessor harmless against all risks to the Leased Equipment, including, without limitation, loss or damage caused by fire, lightning, tornadoes, wind storm, water damage, explosion, strikes, riots, civil commotion, vandalism, malicious mischief, burglary and theft.

b. Casualty Occurrence. In the event that a Unit shall be or become (i) lost, stolen, destroyed, (ii) in Lessee's reasonable judgment, irreparably damaged or damaged beyond economic repair, from any cause whatsoever, or (iii), taken or requisitioned by any governmental body by condemnation or similar proceeding which results in the loss of possession of such Unit by Lessee for a period of more than one hundred eighty (180) consecutive days or for a period which exceeds the then remaining term of this Lease with respect to such Unit (any such event described in clauses (i), (ii) or (iii) herein called a "Casualty Occurrence"), Lessee shall notify Lessor on the next Rental Payment Date or Expiration Date, of the location of the Unit, if known, the nature of the Casualty Occurrence and any other pertinent information regarding the Casualty Occurrence in the possession of Lessee; provided however, that Lessee shall give Lessor prompt notification of any Substantial Casualty Occurrence involving ten (10) or more Units or significant liability claims.

c. Consequences of Casualty Occurrence. In the event of a Casualty Occurrence with respect to a Unit, Lessee shall pay to Lessor on the next Rental Payment Date or Expiration Date, as the case may be, next following such Casualty Occurrence (the "Casualty Loss Payment Date") (A) all accrued and unpaid Basic Rent and Supplemental Rent (excluding Casualty Loss Values which are covered in (B), below) hereunder to and including such Casualty Loss Payment Date, and (B) the Casualty Loss Value for such Unit. If Lessee has paid Lessor such amounts and has paid all unpaid license, personal property, highway, use or other taxes, excises or charges that may have accrued with respect to such Unit, then, and in such event, the obligation of Lessee to pay Basic Rent with respect to such Unit on or after the Casualty Loss Payment Date shall cease, and the term of this Lease with respect to such Unit shall terminate on such Casualty Loss Payment Date except for obligations which, by the terms hereof, expressly survive the termination hereof. On such Casualty Loss Payment Date, Lessee shall take possession of such Unit, and Lessor shall, upon request of Lessee, execute and deliver to, or upon the order of, Lessee a bill of sale for such Unit (without warranties other than for liens or claims resulting from or arising out of acts of Lessor or claims of Lessor's creditors for which Lessee is not responsible under this Lease). Except as otherwise provided in this Section 12.c., Lessee shall not be released from its obligations hereunder in the event of, and shall bear the risk of, a Casualty Occurrence to any Unit after delivery to and acceptance of such Unit by Lessee hereunder and prior to termination of this Lease and delivery by Lessee to Lessor of such Units pursuant to Section 15 hereof.

13. ASSIGNMENTS AND SUBLEASES.

a. Lessor. Lessor may, from time to time, assign (whether as security or otherwise) all or any part of its right, title and interest in this Lease, including all moneys and claims for moneys due and to become due to it; provided, however, that the "lessor" hereunder, whether such "lessor" is lessor or the assignee of this Lessee, is qualified as a party eligible to be a Lessor of finance lease property under Section 168(f)(8)(C)(i) of the Internal Revenue Code of 1954, as amended. In the event of such assignment, Lessor shall remain liable for the performance of all Lessor Obligations. Such assignee shall have no obligation or liability under this Lease by reason of or arising out of such assignment, nor shall such assignee be required or obligated in any manner to perform or fulfill any obligations of Lessor under this Lease.

b. Lessee. Lessee may sublease any Unit or assign this Lease in connection with Lessee's standard pooling arrangements or in connection with a change in Lessee's corporate structure. In addition, Lessee may upon the express written consent of Lessor sublease any Unit or assign this Lease provided that Lessee has delivered a copy of any such sublease to Lessor. Lessee hereby grants Lessor a security interest in any such sublease or assignment as security of the performance of Lessee's obligations hereunder. No sublease or assignment shall in any way relieve Lessee from any obligation under this Lease, and Lessee hereby waives any rights it may now have or hereafter acquire to avoid any such obligation by reason of such sublease or assignment or any circumstances arising from such sublease or assignment. Lessee agrees to indemnify and hold harmless Lessor against any and all reasonable out-of-pocket expenses, claims, demands and liabilities, of whatever nature, relating to or in any way arising out of such sublease or assignment, including, without limitation, reasonable out-of-pocket expenses incurred in recording Lessor's security interest in such sublease or assignment and in evaluating any proposed sublease or assignment, and all reasonable costs, damages, charges, attorneys' fees and expenses arising out of or necessitated by assertion of any such claim or demand with regard to such sublease or assignment.

14. RENEWAL AND PURCHASE OPTIONS.

a. Renewal Option. Upon not less than one hundred eighty (180) days' written notice prior to the First Expiration Date and provided that no Event of Default or event which, but for the lapse of time or the giving of notice or both, would be an Event of Default, shall have occurred and be continuing, Lessee shall be entitled to renew this Lease with respect to all, but not less than all, Units then subject to this Lease, for a term mutually agreed upon by Lessee and Lessor (the "Renewal Term"), for a rental equal to the Fair Market Rental Value thereof at the time of such renewal, with the Casualty Loss Values during such Renewal Term shall equal the Fair Market Values of the respective Units as of the beginning of such Renewal Term and otherwise on the same terms and conditions as provided herein.

b. Purchase Option. Upon not less than one hundred eighty (180) days' written notice prior to the First Expiration Date and provided that no Monetary Event of Default or event which, but for the lapse of time or the giving of notice or both, would be a Monetary Event of Default, shall have occurred and be continuing, Lessee shall be entitled to purchase all, but not less than all, Units then under this Lease, for an amount equal to twenty percent (20%) of Lessor's Cost of such Units provided however, that Lessee shall have the right to exercise its option to purchase such Units notwithstanding such Monetary Event of Default only if Lessee shall provide Lessor with adequate security for the payment of such defaulted amount at least ninety-one (91) days prior to such Expiration Date with respect to Events of Default occurring prior to such ninety-one days, and Lessee shall also provide Lessor with security with respect to Events of Default occurring during the ninety-one day period immediately prior to the Expiration Date. The purchase of and payment for each Unit shall take place on the Expiration Date of such Unit.

c. Valuation. Lessor and Lessee shall negotiate in good faith the Fair Market Rental Value, and in the event such agreement cannot be reached at least ninety (90) days prior to the end of the applicable term, shall, at Lessee's or Lessor's option, submit the question of value to independent appraisers in the manner specified in Section 17.c. hereof. Lessor and Lessee shall be bound by the determination of such independent appraisers.

15. RETURN OF EQUIPMENT. In the event that Lessee does not exercise the purchase option described in Section 14.b. with respect to the Units, Lessee shall, at its own expense and risk, deliver possession of each Unit at one or more of up to three locations in the continental United States specified by Lessor. Each Unit shall, on its return, (i) contain such additions, improvements or accessories added to such Unit, (ii) be free of such liens and (iii) be in the same condition as when delivered and accepted hereunder, ordinary wear and tear excepted and in good operating order, repair, condition and appearance, in each case, as required by the terms of the Lease including, without limitation, Sections 7, 8 and 10 hereof. Lessor shall not abandon any Unit to Lessee or to any other person or entity.

16. DEFAULT. The following events shall constitute Events of Default hereunder:

(i) Lessee shall fail to make any payment of Basic Rent or Casualty Loss Value when due and such failure shall continue unremedied for a period of five (5) business days after Lessee has been given notice by Lessor that the same has become due;

(ii) Lessee shall fail to cause reinstatement of cancelled insurance coverage and such failure shall continue unremedied for a period of ten (10) days after Lessee has been given notice thereof by Lessor;

(iii) Lessee shall fail to make any other payment or perform or observe, in any material respect, any other covenant, condition or agreement to be performed or observed by it hereunder, or under any other agreement or instrument delivered by Lessee pursuant hereto or thereto, and such failure shall continue unremedied for a period of thirty (30) days after Lessee has been given notice thereof by Lessor. It is understood, however, that the loss by Lessor of anticipated tax benefits shall not constitute an event of default so long as Lessee is in compliance with the provisions of Paragraph 28 hereof;

(iv) Any representation or warranty made by Lessee herein, in any Assignment or in any Certificate of Delivery and Acceptance or in any certificate furnished to Lessor in connection herewith or therewith or pursuant hereto or thereto, shall prove to be incorrect or misleading in any material respect when made, and which may have a materially adverse effect on Lessor;

(v) Lessee shall (i) apply for or consent to the appointment of a trustee, receiver, liquidator, custodian or the like of itself or its property, (ii) be unable, or admit in writing the inability, to pay its debts as they mature, (iii) make an assignment for the benefit of creditors, (iv) commence a voluntary case under a chapter of the Bankruptcy Reform Act of 1978, as amended, or file a petition or answer seeking reorganization or an agreement with creditors or to take advantage of any insolvency law or other law providing for the relief of debtors of an answer admitting the material allegations of a petition filed against it in any bankruptcy, reorganization or insolvency proceeding, or (v) take any corporate action for the purpose of effecting any of the foregoing; or

(vi) An involuntary case under a chapter of the Bankruptcy Reform Act of 1978, as amended, shall be commenced, or any other proceeding shall be instituted without the application, approval or consent of Lessee seeking reorganization, dissolution, winding up, liquidation, a composition or arrangement with creditors, a readjustment of debts, the appointment of a trustee, receiver, liquidator, custodian or the like of such party or of all or any substantial part of its assets or other like relief or the issuance of a writ of attachment, execution or similar process in a material amount against any material part of the property of Lessee and Lessee shall fail to contest such proceeding in good faith or such proceeding shall continue for any period of thirty (30) consecutive days.

17. REMEDIES.

a. Generally. Upon the occurrence of any Event of Default and at any time thereafter so long as the same shall be continuing, Lessor may, at its option, declare this Lease to be in default, and at any time thereafter Lessor may do one or more of the following with respect to any Unit as Lessor in its sole discretion shall elect, to the extent permitted by, and subject to compliance with, any mandatory requirements of applicable law then in effect:

(i) Recovery of Units. Lessor may cause Lessee, upon the written demand of Lessor and at Lessee's expense, to return promptly any Unit to Lessor at the location, in the condition and otherwise in accordance with all of the terms of Section 15 hereof.

(ii) Sale, Lease or Use of Units. Lessor may sell any Unit at public or private sale, with notice to Lessee but with or without advertisement as Lessor may determine, or otherwise dispose of, hold, use, operate, lease to others or keep idle any Unit as Lessor in its sole discretion may determine, all free and clear of any rights of Lessee and without any duty to account to Lessee with respect to such action or inaction or for any proceeds with respect thereto except to the extent required by clause (iv) below in the event Lessor elects to exercise its rights under said paragraph in lieu of its rights under clause (iii) below.

(iii) Payment Generally. Whether or not Lessor shall have exercised, or shall thereafter at any time exercise, any of its rights under clause (i) or clause (ii) above, Lessor, with respect to any Unit, by written notice to Lessee specifying a payment date not earlier than fifteen (15) days from the date of such notice ("Payment Date"), may cause Lessee to pay to Lessor, on the Payment Date, as liquidated damages for loss of a bargain and not as a penalty, (x) any unpaid Supplemental Rent, (y) any unpaid Basic Rent with respect to such Unit due up to and including the Rental Payment Date preceding the Payment Date, and (z) whichever of the following amounts Lessor, in its sole discretion, shall specify in such notice (together with interest on such amount at the Default Interest Rate from the Casualty Loss Payment Date preceding the Payment Date to the date of actual payment):

(A) an amount equal to the Casualty Loss Value of such Unit, such Casualty Loss Value computed as of the Casualty Loss Payment Date preceding the Payment Date; provided, however, that Lessor shall be entitled without deduction to such amount for such Unit only if Lessor shall have demanded the return of such Unit pursuant to paragraph (i) above and Lessee shall have failed to return such Unit in accordance with the terms of said paragraph; or

(B) an amount equal to the excess, if any, of such Casualty Loss Value over the sum of (x) the Fair Market Value of the Unit as of the Expiration Date therefor, discounted to present worth at the Reference Rate, and (y) the Fair Market Rental Value (computed in the manner described in Section 17.c. hereof) of such Unit for the remainder of the lease term hereunder after discounting at the Reference Rate such Fair Market Rental Value on such periodic basis as Basic Rent is payable hereunder to present worth as of such Casualty Loss Payment Date; or

(C) an amount equal to the excess, if any, of such Casualty Loss Value of such Unit over the aggregate Fair Market Value (computed in the manner described in Section 17.c. hereof) of such Unit as of such Casualty Payment Date.

(iv) Payment After Sale. In the event Lessor, pursuant to clause (ii) above, shall have sold any Unit, Lessor, in lieu of exercising its rights under clause (iii) above with respect to such Unit, may, if it shall so elect, cause Lessee to pay to Lessor, as liquidated damages for loss of a bargain and not as a penalty, (A) any unpaid Supplemental Rent, (B) any unpaid Basic Rent with respect to such Unit due up to and including the Rental Payment Date preceding the date of such sale and (C) the amount of any deficiency between the net proceeds of such sale and the Casualty Loss Value of such Unit computed as of the Casualty Loss Payment Date preceding the date of such sale, together with interest at the Default Interest Rate on such amount from the Casualty Loss Payment Date preceding the date of such sale until the date of actual payment by Lessee.

b. Other Amounts and Expenses. In addition, Lessee shall be liable for any and all unpaid Supplemental Rent due hereunder before, after or during the exercise of any of the foregoing remedies and for all reasonable legal fees and other costs and expenses incurred by Lessor by reason of the occurrence of any Event of Default or the exercise of Lessor's remedies with respect thereto, including all costs and expenses incurred by Lessor in connection with the return of any Unit in accordance with the terms hereof or the placing of such Unit in the condition required hereunder.

c. Valuation. For purposes of this Lease, the following procedure shall be followed for determining the Fair Market Value or Fair Market Rental Value of any property: If either party hereto shall have given written notice to the other requesting determination of such value, the parties shall attempt to agree upon such value, and, failing such agreement within twenty (20) days after the giving of such notice, the parties shall consult for the purpose of appointing one qualified independent appraiser by mutual agreement. If no such appraiser shall be so appointed within thirty (30) days after such notice shall have been given, each party shall appoint an independent appraiser (which shall not be a manufacturer of such property) within thirty-five (35) days after such notice shall have been given, and the two appraisers so appointed shall within forty (40) days after such notice

shall have been given appoint a third independent appraiser (which shall not be a manufacturer of such property). If no such third appraiser shall be so appointed within forty (40) days after such notice shall have been given, either party may apply to the American Arbitration Association (or any successor thereto) at Seattle, Washington, for the appointment of a third appraiser, and both parties shall be bound by any appointment made by such Association. Each appraiser appointed pursuant to the foregoing procedure shall be instructed to determine the Fair Market Value or Fair Market Rental Value, as the case may be, of the property in question within thirty (30) days after his appointment. If the parties shall have appointed a single appraiser, his determination of value shall be final and binding as the Fair Market Value or the Fair Market Rental Value, as the case may be. If three appraisers shall have been appointed as hereinabove set forth, the values determined by the three appraisers shall be averaged, the determination which shall differ most from such average shall be disregarded, the remaining two determinations shall be averaged, and such average shall be final and binding as the Fair Market Value or the Fair Market Rental Value, as the case may be. All expenses of such appraisers shall be borne by Lessee.

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

18. REPRESENTATIONS AND WARRANTIES. Lessee represents and warrants to Lessor that:

(i) Lessee is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

(ii) Lessee has full power and authority to execute, deliver and perform this Lease, the Security Agreement, the Indemnity, the Assignments, the Certificates of Delivery and Acceptance and the Bills of Sale and to own or lease its properties and to carry on its business as now conducted and as contemplated hereby.

(iii) This Lease has been duly authorized, executed and delivered by Lessee and constitutes the legal, valid and binding obligations of Lessee, enforceable against it in accordance with the terms hereof and thereof, subject, as to enforceability of remedies, to limitations imposed by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the enforcement of creditors' rights generally and to general principles of equity.

(iv) The Security Agreement, the Assignments, the Certificates of Delivery and Acceptance and the Bills of Sale have each been duly authorized by Lessee and, when executed and delivered by Lessee, will constitute the legal, valid and binding obligation of Lessee, enforceable against it in accordance with the terms thereof, subject, as to enforceability of remedies, to limitations imposed by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the enforcement of creditors' rights generally and to general principles of equity.

(v) No authorization, consent or approval of, notice to or filing with any governmental authority is required for the execution, delivery and performance by Lessee of this Lease, the Security Agreement, the Assignments, the Supplements or the Bills of Sale.

(vi) Neither the execution, delivery or performance by Lessee of this Lease, the Security Agreement, the Assignments, the Certificates of Delivery and Acceptance or the Bills of Sale, nor compliance with the terms and provisions thereof, conflicts or will conflict with or will result in a breach or violation of any of the terms, conditions or provisions of any law, governmental rule or regulation or the charter documents, as amended, or bylaws, as amended, of Lessee or any order, writ, injunction or decree of any court or governmental authority against Lessee or by which it or any of its properties is bound or any indenture, mortgage or contract or other agreement or instrument to which Lessee is a party or by which it or any of its properties is bound, or constitutes or will constitute a default thereunder or will result in the imposition of any lien not permitted by the Lease upon any of its properties.

(vii) Except for those suits or proceedings previously disclosed to Lessor, there are none pending or, to the knowledge of Lessee, threatened in any court or before any regulatory commission, board or other governmental administrative agency against or affecting Lessee which could have a material adverse effect on its ability to fulfill its obligations hereunder or under the Security Agreement, the Assignments, the Certificates of Delivery and Acceptance or the Bills of Sale.

(viii) Title to each Unit, immediately upon delivery and acceptance of such Unit hereunder, will validly vest in Lessor and, upon payment of the purchase price in full by Lessor, will be free of all claims, liens and encumbrances.

(ix) Lessee's principal place of business and chief executive office (as such terms are used in the Uniform Commercial Code) is located in Illinois.

19. REPORTS. Lessee shall give to Lessor the following:

(i) Within a reasonable amount of time after receiving a written request therefor, Lessee shall provide Lessor with a list of the railroad lines where the Units are located.

(ii) Promptly after the same shall have come to the attention of a responsible officer of Lessee, notice of any claim, demand, action, legal proceeding or dispute that (A) involves the rights of Lessor or Lessee hereunder, (B) involves the interpretation of any provision of this Lease or (C) directly or indirectly affects the tax or other liability or rights of Lessor or Lessee hereunder. If any litigation, suit or action is begun by or against Lessee relating to this Lease or the Leased Equipment, Lessor shall have the right, but not the obligation, to intervene in said litigation, suit or action at its own expense and assist in the prosecution or defense of same.

(iii) At least sixty (60) days prior thereto, notice of any change in Lessee's name and any change in the location of the principal place of business or chief executive office of Lessee.

(iv) Promptly after the same shall have come to the attention of a responsible officer of Lessee, notice of the occurrence of any Event of Default and any event which, but for the lapse of time or the giving of notice or both, would be an Event of Default.

(v) Within one hundred twenty (120) days after the end of each fiscal year, a certificate of an authorized officer of Lessee stating that (A) a review of the activities of Lessee during the preceding twelve-month period has been made with a view to determining whether Lessee has kept, observed, performed and fulfilled all of its obligations under this Lease, and (B) to the best knowledge, information and belief of such officer, there has occurred no Event of Default or event which, but for the lapse of time or the giving of notice or both, would be an Event of Default, or, if any such Event of Default or event has occurred, specifying the nature thereof, the period of continuance thereof and what action Lessee has taken or proposes to take with respect thereto.

For purposes of this Section 19, a "responsible officer" shall mean, with respect to the subject matter of any covenant, agreement or obligation of Lessee contained in this Lease, any corporate officer or other representative of Lessee who, in the normal performance of his operational responsibilities, would have knowledge of such matter and the requirements of this Lease with respect thereto.

20. INDEMNITY.

a. Generally. Lessee shall indemnify and hold Lessor harmless from, and defend Lessor against, any and all claims relating to or any way arising out of this Lease or the possession, preparation, use, sublease, delivery, installation, operation, control or disposition of any Unit, including, without limitation, any claim arising by reason of latent and other defects, whether or not discoverable by Lessor or Lessee, based upon the negligence of Lessor or upon any infringement of any patent, copyright or similar right, arising under the strict liability doctrine in tort or arising by reason of the existence, at the time Lessor takes possession of a Unit pursuant to Section 15 hereof, of any lien or right of third parties against such Unit, except, as to all of the foregoing, those claims relating to or arising out of Lessor's breach of this Lease or any Lessor Obligations. Lessor will make available to Lessee all of Lessor's rights under any similar indemnification from any Seller or manufacturer of the Leased Equipment. This indemnity, and all other indemnities of Lessee herein, shall survive the expiration or earlier termination of this Lease; provided, however, that the indemnity contained in this Section 20 shall not extend to any Imposition described in Section 11.a.

b. After-tax Basis. The indemnity amounts payable under Section 20.a. hereof shall be computed on an "after-tax" basis, so that any such indemnity payment shall be in an amount which, when reduced by the increase in the federal, state and local tax liability of the Lessor based upon or measured by Lessor's net income as a result of such payment, and after taking into account any present or future tax benefits to Lessor arising from such payment or the circumstances giving rise to such payment, shall equal the amount of the claim in respect of which such indemnity is payable. Lessee may within thirty (30) days of receipt of notice from Lessor of the amount of the indemnity amount payable request that an independent "big eight" public accounting firm mutually selected by Lessor and Lessee verify at Lessee's expense the computations performed by Lessor in determining the indemnity amount and Lessor shall provide such accountants with information necessary to perform such verification.

c. Control of Litigation; Subrogation. Provided no Event of Default shall have occurred and be continuing, Lessee shall have the right to control litigation related to any claim against Lessor for which Lessee would be liable under this Section 20, using legal counsel selected by Lessee and reasonably acceptable to Lessor, and to determine the settlement of claims therein. To the extent that Lessee has made an indemnity payment to Lessor pursuant to this Lease, Lessee shall be subrogated to Lessor's rights in the affected transaction.

21. PAYMENT OF EXPENSES.

a. Generally. Except as otherwise provided herein, neither party hereto shall be required to pay the expenses of the other party arising out of a change in or supplement to this Lease or any document referred to herein which was not requested by the first party or made necessary by actions of, or a failure to act by, the first party.

b. Transaction Costs. If, on or prior to the First Delivery Date, Lessor shall have given Lessee notice (which notice may be written or telephonic) to the effect that, in Lessor's judgment, this Lease fails to qualify as a true lease with respect to any Unit under the Finance Lease provisions of Section 168(f)(8) of the Internal Revenue Code of 1954, as amended, Lessor and Lessee agree that each of them shall be responsible for one-half of the Transaction Costs.

22. PAYMENT TERMS. Notwithstanding any provisions hereof to the contrary, any payment required under this Lease which is due on a day which is not a business day may be paid on the next day which is a business day. All payments to be made hereunder shall be made by wire transfer in accordance with the following instructions, or such other instructions as are delivered from time to time by one party to another party in accordance with Section 26 hereof:

If to Lessor: MetLife Capital Corporation
c/o Seattle-First National Bank
Bellevue Branch
Seattle, Washington
Account Number 37690013

If to Lessee: Trailer Train Company
101 N. Wacker Drive
Chicago, Illinois 60606

23. LESSOR'S RIGHTS AND NONPAYMENT. If Lessee fails to make any payment to a party other than Lessor in connection with this Lease, or fails to perform or comply with any of its agreements contained herein, Lessor may, but shall not be required to, make such payment or perform or comply with such agreement, and the amount of such payment and the amount of the reasonable expenses incurred by Lessor in connection with such payment or the performance or compliance with such agreement, as the case may be, together with interest thereon at the Default Interest Rate, shall be deemed Supplemental Rent, payable by Lessee on demand. Any nonpayment of Rent or other amounts due under this Lease shall result in the obligation on the part of Lessee promptly to pay interest equal to the Default Interest Rate on the over-due Rent or such other amount for the period of time during which it is overdue.

24. FURTHER ASSURANCES. Lessee shall from time to time execute and deliver such further documents and assurances and take such further actions as Lessor may reasonably request (i) in order to carry out the intent and purposes of this Lease or (ii) to establish and protect Lessor's title to any Unit or the rights and remedies granted or intended to be granted in favor of Lessor under the terms of this Lease, an Assignment or a Certificate of Delivery and Acceptance.

25. QUIET ENJOYMENT. Lessor covenants that Lessee and its permitted successors, sublessees and assigns, so long as no Event of Default has occurred and is continuing hereunder, may and shall peaceably and quietly have, hold, possess, use and enjoy the Units as provided in this Lease without suit, molestation or interruption by Lessor or by reason of Lessor's acts.

26. NOTICES. All notices herein required shall be given not later than the date required hereunder and shall be deemed to have been duly given when signed by an appropriate officer or other representative of Lessee or Lessor specifically authorized by Lessee or Lessor, respectively, and either delivered to an officer of Lessee or Lessor, or mailed prepaid by certified mail, return receipt requested, and addressed to the address indicated herein for such party or to such other address as such party may designate in writing pursuant hereto.

27. GENERAL. This lease shall be governed by the laws of the State of Illinois and constitutes the entire lease agreement between the parties. No other agreement, oral or written, express or implied, has been made between the parties hereto with respect to the subject matter hereof. If any provision of this Lease or the application thereof to any party or circumstances is held invalid or unenforceable, the remainder of this Lease and the application of such provision to other parties or circumstances shall not be affected thereby, and to this end the provisions of this Lease are declared severable. No term or provision of this Lease may be changed, waived, discharged, or terminated orally. Any other change, waiver, discharge, or termination can be accomplished only by an instrument in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought. This lease will be simultaneously executed in two (2) counterparts, each of which, when so executed and delivered, shall constitute an original, fully enforceable counterpart.

28. TAX INDEMNITY.

a. Intended Tax Benefits. In entering into the Lease and the transactions contemplated thereby, it is the intention of Lessor that such transactions will result in making available to Lessor the following tax benefits (the "Tax Benefits") for the purpose of determining its liability for income taxes imposed by the federal government of the United States:

(1) The Lease constitutes a true lease under which Lessor will be considered the owner of each Unit and lessor of each Unit under the Lease, and Lessee will be considered the lessee of each Unit under the Lease;

(2) Lessor will be entitled to the credit allowed by Section 38 of the Internal Revenue Code of 1954, as amended ("Code") for "new section 38 property" equal to ten percent (10%) of the Lessor's Cost of each Unit (the "Investment Tax Credit");

(3) Lessor will have a basis in each Unit ("Lessor's Basis") under Code Section 1012 and related sections equal to ninety-five percent (95%) of the Lessor's Cost of such Unit;

(4) Lessor will be entitled to depreciate the full amount of Lessor's Basis in each Unit to zero over a five (5)-year period in the manner prescribed in Code Section 168(b)(1);

(5) All amounts taken into account with respect to the Lease in computing Lessor's gross income will be treated as income or loss derived from or allocable to sources within the United States;

(6) There will not be included in the gross income of Lessor any part of the cost of any improvement, modification or addition to any Unit which is required under the Lease or which is not readily removable without causing material damage to such Unit; and

(7) The payments of Rent called for in the Lease will be included in Lessor's gross income only at the time Lessor actually receives the corresponding funds, assuming that Lessor has properly elected the cash receipts and disbursements method of accounting for federal income tax purposes.

b. Covenants by Lessee. Lessee agrees that neither it nor any corporation controlled by it, in control of it, or under common control with it, directly or indirectly, will at any time take any action or fail to take any action or file or fail to file any returns, certificates or other documents where any such action, failure to act, filing or failure to file would be inconsistent with the foregoing Tax Benefits, which would increase the amount of Rent with respect to any Unit required to be taken into income by Lessor over the amounts specified to be payable under the Lease on the dates due thereunder with respect to such Unit, or which would be inconsistent with Lessor's claim to be the owner of the Units for federal income tax purposes. Lessee and such other corporations shall file such returns, take such action, execute such documents and keep and make available for inspection and copying by Lessor such records (other than Lessee's or its direct or indirect parent's or subsidiaries' corporate income tax returns), or cause the same to be accomplished, all as may be reasonable and necessary to facilitate accomplishment of the foregoing. The covenants made by Lessee in this Section 28.b. refer solely to such acts or failures to act with respect to its federal income tax returns and its assertions or statements made to the Internal Revenue Service ("Service") with respect thereto.

c. Representations and Warranties by Lessee. Lessee represents and warrants to Lessor that (i) on the respective Delivery Date, each Unit will constitute "recovery property" as defined in Code Section 168(c)(1); (ii) each Unit was new section 38 property of Lessee, which was leased hereunder within 3 months after the date such Unit was placed in service by Lessee, within the meaning of Code Section 168(f)(8)(B)(i)(II); (iii) on the respective Delivery Date of each Unit, no Investment Tax Credit will have been claimed by Lessee or any other corporation or other entity controlled by it, in control of it or under common control with it, or will

have been legally claimed by any other person with respect thereto; (iv) on the respective Delivery Date and at all times during the term of the Lease, each Unit will constitute "section 38 property," as defined in Code Section 48(a); (v) no Unit will be precluded from constituting finance lease property by reason of Code Section 168(f)(8)(B)(ii), which generally limits the cost basis of finance lease property to an amount not exceeding forty percent (40%) of the cost basis of Lessee's "qualified base property" placed in service in the respective year; (vi) no Unit will be precluded from constituting finance lease property by reason of Code Section 168(f)(8)(B)(iv)(V), which generally denies finance lease property status to property used by a non-United States person not subject to United States tax on the income derived from the use of such property; (vii) no Unit will be precluded from constituting finance lease property by reason of clauses I-IV of Code Section 168(f)(8)(B)(iv), which generally denies finance lease property status to contain other kinds of property; (viii) on the respective Delivery Date, the Fair Market Value of each Unit will not be less than the Lessor's Cost thereof; (ix) as of the date hereof and as of the respective Delivery Date, the Fair Market Value of each Unit on the respective Expiration Date is reasonably estimated to be an amount equal to at least twenty percent (20%) of the Lessor's Cost thereof, without including in such value any increase or decrease for inflation or deflation, and after subtracting from such value any cost of Lessor for removal and delivery of possession of such Unit to Lessor at the end of the Base Term thereof; (x) as of the date hereof and as of the respective Delivery Date, the remaining useful life of each Unit on the respective Expiration Date is reasonably estimated to be equal to at least twenty percent (20%) of the length of the Base Term thereof; and (xi) Lessee entered into a binding contract to acquire or construct each Unit, or Lessee acquired such Unit, or construction of such Unit was begun by or for Lessee, in each case before March 2, 1984, and in each case within the meaning of section 13(c)(1) of the Deficit Reduction Tax Bill of 1984, as passed by the United States Senate on May 17, 1984, and section 13(d) of the Tax Reform Act of 1984, as passed by the United States House of Representatives on April 11, 1984.

d. Indemnification and Adjustment of Values.

(1) Loss of Tax Benefits. Subject to the limitations set forth in this Section 28, if Lessor shall lose, or shall not have, or shall lose the right to claim, or shall suffer a disallowance of, or shall be required to recapture, all or any portion of the Tax Benefits with respect to all or part of any Unit due to (i) the incorrectness of any representation or warranty made by Lessee in this Agreement, the Security Agreement or in any certificate or written statement furnished to Lessor pursuant hereto or thereto (including, without limitation, those made in Section 28.c. hereof), (ii) the breach by Lessee of any of those covenants set forth in Section 28.b. hereof), (iii) the use of the Security Agreement in connection with this Agreement or the occurrence of the transactions and events contemplated thereby, or (iv) any act or failure to act by Lessee, which is not required by this Lease or the Security Agreement (other than Lessee's treatment of the Lease inconsistent with the Tax Benefits with respect to matters other than Lessee's federal income tax returns, as contemplated by Section 28.b hereof), then Lessee shall make such loans (an "Indemnity Loan") or payments (an

"Indemnity Payment") to Lessor and such other actions shall be taken, all as described in the remainder of this Section 28.d. and in Section 28.e.

(2) Limitations on Liability. No loans, payments or other actions referred to in Section 28.d.(1) shall be made or taken to the extent that Lessor shall have lost, or shall not have, or shall have lost the right to claim, or shall have suffered a disallowance of, or shall have been required to recapture all or any part of the Tax Benefits with respect to all or part of the Units to which it would otherwise have been entitled to the extent such Tax Benefits have been lost because one or more of the following events has occurred:

(i) a Casualty Occurrence with respect to any Unit, if Lessee shall have paid the amounts stipulated under Section 12.c. of the Lease as the same may be revised pursuant to Section 28.d.(5) hereof;

(ii) any act or failure to act of Lessor which is neither (A) required by the Lease or (B) required by applicable law if in response to a breach by Lessee of any of its obligations contained in the Lease or the Security Agreement or the incorrectness of any representation or warranty contained in either agreement or any certificate or written statement furnished pursuant thereto;

(iii) the failure of Lessor timely or properly to claim all or any portion of the Tax Benefits in its income tax return for the appropriate year, or the failure of Lessor to follow the appropriate procedure timely or properly to claim all or any portion of the Tax Benefits;

(iv) an amendment to or change in the Code or regulations thereunder which is enacted or adopted after the Delivery Date with respect to a Unit;

(v) the failure of Lessor to qualify as a party eligible to be a lessor of finance lease property under Code Section 168(f)(8)(C)(i); or

(vi) any voluntary or involuntary transfer or other disposition by Lessor of any of its interest in any Unit or the Lease.

(3) Indemnity Loan. In the event that (i) an event described in Section 28.d.(1) occurs with respect to Section 28.a.(3), (4), (6) or (7), and (ii) the tax benefits to Lessor arising therefrom are equal in amount to, and have the same character for federal income tax purposes as, the tax detriment arising therefrom, Lessee shall at its election, make Indemnity Loans to Lessor in amounts equal to the excess of (x) the additional federal income taxes payable by Lessor from time to time as a result of such event, over (y) any net reduction in federal income taxes (other than a reduction previously taken into account hereunder) realized previously or at such time, by Lessor attributable to a tax benefit arising from such event or any circumstances resulting in such event. Each Indemnity Loan shall be repaid without interest by Lessor to Lessee in the amounts and at the times that Lessor first realizes a net reduction in federal income taxes (other than a

reduction previously taken into account hereunder) attributable to a tax benefit arising from the event with respect to which such Indemnity Loan was made or any circumstances resulting in such event. Any such Indemnity Loan shall be made by Lessee to Lessor on the next Rental Payment Date with respect to such Unit after the date which the liability of Lessee hereunder becomes fixed as provided in Section 28.e. Notwithstanding any other provision herein, if any Indemnity Loan is not treated as an interest-free loan under the Code and regulations in effect from time to time, Lessee shall make an Indemnity Payment to Lessor in the manner described in Section 28.d.(4) in the same manner as though an event described in Section 28.d.(1) had occurred; provided, however, that (i) the applicable Tax Benefit shall be treatment of the Indemnity Loan as an interest-free loan and (ii) only an Indemnity Payment described in Section 28.d.(4), and not an Indemnity Loan, shall be made with respect thereto.

(4) Indemnity Payment Generally. In the event of an occurrence described in Section 28.d.(1) hereof, Lessee shall make an Indemnity Payment by paying to Lessor an amount computed as of the first Rental Payment Date with respect to such Unit after the date on which the liability of Lessee hereunder shall become fixed as provided in Section 28.e. hereof, which (after deduction of all income taxes required to be paid by Lessor on such lump sum under the laws of the United States or any state or political subdivision thereof, and after taking into account any present or future tax benefits (such as offsets resulting from any additional deductions or credits due to increased tax liabilities to any taxing authorities) and any Indemnity Loans made with respect to such event pursuant to Section 28.d.(3) hereof will maintain Lessor's net after-tax yield and total after-tax cash flows (computed over the entire life of this transaction on the same assumptions as utilized by Lessor in entering into this transaction including, without limitation, Lessor's composite marginal tax rate of 46%), each at the same level that would have been available if Lessor had been entitled to utilization of all of the Tax Benefits ("Lessor's Economic Return"). Any such Indemnity Payment shall be made, at Lessee's election, either (i) in a lump sum payment on such Rental Payment Date; or (ii) provided that Lessee shall first have provided Lessor with such security therefor as shall reasonably be requested by Lessor, in equal installments of principal, plus accrued interest thereon at the Reference Rate, on each remaining Rental Payment Date with respect to the affected Units.

(5) Limitation on Payment. The aggregate cumulative amount of Indemnity Payments and the net present value (discounted at the Reference Rate) of any Indemnity Loans made by Lessor to Lessee under this Section 28 arising from (i) the incorrectness of the representation of Lessee set forth in clause (vi) of Section 28.c., provided that the loss of Tax Benefits arising from such incorrectness is not attributable to more than Minimal Foreign Use, as hereinafter defined, of the Units, and (ii) an event described in clause (iii) of Section 28.d. (1), shall be limited to an amount

equal to 12.92% of the Lessor's Cost of all Units subject to the Lease at any time, plus accrued interest on the balance of such fund not previously the subject of this Section 28.d.(5) at the Reference Rate from the Funding Date for the affected Units to the date said Indemnity Loan or Indemnity Payment is made. There shall be Minimal Foreign Use if, in any year during the term of the Lease, (A) less than 1% of the aggregate income derived from the use of the Units will be attributable to the use of such Units by a person other than a United States person, within the meaning of Code Sections 168(f)(8)(B)(V) and 7701(a)(30), who is not subject to United States tax on income derived from such use, and (B) less than 10% of the income derived from the use of any particular Unit will be attributed to the use of such Unit by such a person.

(6) Loan or Payment After Expiration Date. Except with respect to a Casualty Occurrence for which the Casualty Loss Value is increased pursuant to Section 28.d.(7) hereof, if Lessee is obligated to make an Indemnity Loan or an Indemnity Payment with respect to a Unit to Lessor after the Expiration Date for such Unit (for example, because no such loan or payment obligation had become fixed hereunder prior to such Expiration Date), then Lessee shall make such Indemnity Loan or Indemnity Payment by loaning or paying to Lessor, as appropriate, in lieu of such payment or payments, on or before thirty (30) days after the liability of Lessee with respect to such Unit hereunder shall become fixed as provided in Section 28.e; provided however, that (i) such loans or payments shall be calculated as of such date, and (ii) any Indemnity Payments may be made in a lump sum or in installments, as provided in the last sentence of Section 28.d.(4).

(7) Adjustment of Casualty Loss Values. Lessee acknowledges that the Casualty Loss Values provided for in the Lease have been computed on the assumption that Lessor shall be entitled to all of the Tax Benefits. Accordingly, in the event Lessee becomes obligated under the provisions of this Agreement to make an Indemnity Loan or Indemnity Payment to Lessor pursuant to this Section 28.d., said Casualty Loss Values shall be revised as may be necessary so that the amount payable by Lessee in connection with any Casualty Occurrence shall maintain Lessor's Economic Return upon payment of the Casualty Loss Value. The revised Casualty Loss Values shall be applied to any payment of Casualty Loss Value paid after the liability of Lessee hereunder shall become fixed as hereinafter provided, regardless of the date of the Casualty Occurrence. Furthermore, with respect to any payment of Casualty Loss Value made by Lessee prior to the aforementioned revision of such Casualty Loss Value with respect to the Units, Lessee shall pay to Lessor, or Lessor shall pay to Lessee, as the case may be, in a lump sum, the difference between (i) the Casualty Loss Value actually paid and (ii) the amount Lessee would have been required to pay had the liability of Lessee hereunder become fixed prior to the date of the original payment, and such Casualty Loss Value had accordingly been revised as above provided, together with interest at the Reference Rate from the date of such earlier payment to the date such difference is paid under this Section 28.d.(7).

(8) Verification of Lessor's Economic Return. Lessee may, within ninety (90) days of receipt of notice from Lessor of the amount of an Indemnity Loan or Indemnity Payment or a required adjustment in Casualty Loss Values pursuant to Section 28.d.(7) hereof, request that an independent "big eight" public accounting firm mutually selected by Lessor and Lessee verify, at Lessee's expense, the computations made by Lessor in determining the amount and terms of the Indemnity Loan and the amounts necessary to maintain Lessor's Economic Return with respect to an Indemnity Payment, and Lessor will provide such accountants with the information reasonably necessary to make such verification.

(9) No Lease Defaults. Neither a default by Lessee in its obligations set forth in Section 28.b., nor the incorrectness of any of Lessee's representations and warranties set forth in Section 28.c., shall be considered an event giving rise to an Event of Default under Section 16 of the Lease.

e. Contesting Loss of Tax Benefits.

(1) Notice to Lessee. In the event that the appropriate taxing authority asserts that Lessor is not entitled to all or any portion of the Tax Benefits with respect to all or any part of any Unit, Lessor shall promptly notify Lessee in writing of such assertion. In addition, Lessor shall give to Lessee any information relating to such assertion which Lessor reasonably believes to be relevant and may be within the knowledge of Lessor.

(2) Contest. If (i) within thirty (30) days after Lessor gives notice to Lessee pursuant to Section 28.e.(1) hereof, Lessor receives an opinion of independent counsel selected by Lessee who is reasonably acceptable to Lessor (such acceptable counsel herein referred to as "Counsel"), that there is a reasonable basis for allowing all or a portion of the disallowed Tax Benefits with respect to a Unit or Units in respect of which Lessee would otherwise be required to make a loan or payment to Lessor pursuant to Section 28.d. hereof, and (ii) Lessee shall first have indemnified Lessor for all reasonable expenses (including, without limitation, Lessor's reasonable attorneys' fees and expenses in connection therewith) which may be entailed therein, Lessor shall, upon the request of Lessee, contest such matter in such forum as Lessor, in its sole judgment, shall select. Lessor may take such action prior to making payment of any tax and interest and/or penalty attributable to the disallowance or recapture with respect to Lessor of all or any portion of the Tax Benefits with respect to any Unit (a "Tax Payment"), or Lessor may make such Tax Payment and then sue for a refund. Lessor need not appeal any adverse decision unless Lessor shall have received from Counsel an opinion that there is a substantial basis for concluding that part or all of the disallowed Tax Benefits should be allowed.

(3) No Election to Contest. If Lessee has not properly made an election to have Lessor contest the disallowance of Tax Benefits in the manner described in Section 28.e.(2), then the liability of Lessee to make an Indemnity Loan or Indemnity Payment shall become fixed on the date Lessor makes the corresponding Tax Payment.

(4) Action Prior to Payment. If Lessor takes such action prior to making such Tax Payment, the Indemnity Loan and/or Indemnity Payment need not be made by Lessee while such action is pending; provided, however, that Lessee shall pay the reasonable expenses (including, without limitation, Lessor's reasonable attorneys' fees) relating to such action when and as the same shall become due. In such case, if the Final Determination (as such term is defined in Section 28.e.(7) hereof) shall be adverse to Lessor, the Indemnity Loan and/or Indemnity Payment hereunder shall be computed by Lessor as of the date of such Final Determination and shall be made by Lessee to Lessor in the manner described in Section 28.d.(3) and/or Section 28.d.(4).

(5) Action After Payment. If Lessor makes such Tax Payment prior to contesting the matter and then sues for a refund, Lessee shall either make an Indemnity Payment, or an Indemnity Loan in the amount of such Tax Payment (plus any gross-up with respect to interest or penalties included in such Tax Payment in the same manner as is described in Section 28.d.(4)), to Lessor on the first Rental Payment Date after such Tax Payment is made. If Lessee has made an Indemnity Payment and if the Final Determination shall be (in whole or in part) in favor of Lessor, Lessee and Lessor shall, within thirty (30) days of the date of such Final Determination, adjust their accounts so that (i) Lessor pays to Lessee an amount equal to the sums theretofore paid by Lessee to Lessor (or a proportionate part thereof if the Final Determination is partly adverse to Lessor) together with interest thereon at the rate then being paid on tax overpayments by the appropriate taxing authority from the date such sums were paid to Lessor by Lessee to the date Lessor pays to Lessee an amount equal to such sums, and (ii) Lessee pays to Lessor an amount, if any, which (after deduction of all taxes required to be paid by Lessor as a result of its receipt of such sums and after taking into account any present or future tax benefits (such as offsets resulting from any additional deductions or credits due to increased tax liabilities to any taxing authorities) and after taking into account Lessor's payment of the Tax Payment), the sum paid by Lessee to Lessor with respect to such claim, the amount paid by Lessor to Lessee pursuant to clause (i) of this Section 28.e.(5) and the refund, including interest and penalties and interest thereon, received by the Lessor from the taxing authority), will maintain Lessor's Economic Return. If Lessee has made an Indemnity Loan, and if the Final Determination shall be (in whole or in part) in favor of Lessor, Lessor shall, within thirty (30) days of the date of such Final Determination, pay to Lessee the amount to which Lessor is entitled from the Service, including interest, to the date of payment by Lessor to Lessee, attributable to such favorable Final Determination, plus the amount of the gross-up referenced above.

(6) Covenant of Cooperation. In any claim or litigation described in this Section 28.e., Lessor shall conduct such proceedings in good faith, shall give prompt notice to Lessee of all material developments therein and shall consult with Lessee or its authorized representative concerning said claim or litigation upon the reasonable request of Lessee or such authorized representative. In addition, counsel for Lessee shall be entitled to participate in such litigation, provided that (i) subject to Section 28.e.(7), Lessor shall make all final decisions therein, and (ii) the extent and details

of Lessee's counsel's participation shall be subject to the reasonable judgment of counsel for Lessor as to the conduct of the litigation.

(7) Final Determination. "Final Determination," for purposes of this Agreement, means a final decision of a court of competent jurisdiction after all allowable appeals required by Section 28.e.(2) hereof (other than an appeal or petition for certiorari to the Supreme Court of the United States, unless Lessor elects to file such appeal or petition) have been exhausted by either party to the action. Neither concession by Lessor of any of the aforementioned Tax Benefits in the overall settlement of a controversy with the appropriate taxing authority either at the administrative level or at the court level, nor the failure to recover in whole or in part with respect to the disallowance of such Tax Benefits which is the result of a setoff against a claim for refund based upon the loss of such Tax Benefits where the matters set off do not relate to such Tax Benefits, will constitute an adverse "Final Determination" causing the aforementioned additional payments to accrue to Lessor unless such overall settlement of a tax controversy with the appropriate taxing authority is approved by Lessee in a separate agreement between Lessor and Lessee. If Lessor settles such a tax controversy in such a manner that no Final Determination results, and Lessee has made an interest-free loan to Lessor in the manner described in Section 28.e.(5), Lessor shall within thirty (30) days after the date of such settlement, pay to Lessee the amount to which Lessee would have been entitled had Lessor been successful on the issue contested hereunder, including interest thereon which would have been paid or credited by the Internal Revenue Service to Lessor as a result of such successful contest.

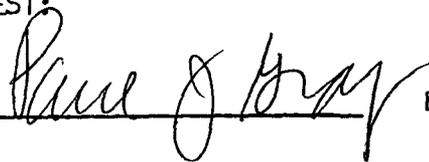
29. DEFINITION OF LESSOR.

The term "Lessor," solely for purposes of any indemnity contained herein or any verification of any such indemnity payment shall include any affiliated group, within the meaning of Code Section 1504, of which Lessor is a member if consolidated returns are filed for such affiliated group for federal income tax purposes, or the comparable definition under a combined report for state income tax purposes.

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

LESSOR:
[CORPORATE SEAL]
ATTEST:

METLIFE CAPITAL CORPORATION



By: 
Title: RESIDENT
Address: 10900 N.E. 8th Street
Suite 1300
Box C-97550
Bellevue, Washington 99009
Attention:

LESSEE:
[CORPORATE SEAL]
ATTEST:

TRAILER TRAIN COMPANY

T.D. Marlow
Assistant Secretary

By: R.E. Zimmerman
Title: TREASURER
Address: 101 N. WACKER DR
Chicago, Ill. 60600

STATE OF ILLINOIS)
) ss.
COUNTY OF COOK)

Before me a notary public in and for the said county appeared RE. ZIMMERMAN and T.D. MARLOW to me personally known and who being first duly sworn, stated that they were respectively the TREASURER and ASST. SECRETARY of Trailer Train Company, and that they signed the foregoing document as the duly authorized act and deed of said corporation

[Notarial Seal]

Carole A. Freund
NOTARY PUBLIC

My Commission expires:

August 29, 1984

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

Before me a notary public in and for the said county appeared Paul S. Graf and John Cornwall to me personally known and who being first duly sworn, stated that they were respectively the Asst. Secretary and President of MetLife Capital Corporation, and that they signed the foregoing document as the duly authorized act and deed of said corporation

[Notarial Seal]

Joan L. Sauter
NOTARY PUBLIC

My Commission expires:

May 12, 1986

DEFINITIONS

"Assignment" shall mean each Purchase Agreement Assignment between Lessor and Lessee with respect to one or more Units, substantially in the form of Exhibit E annexed hereto.

"Basic Rent" for any Unit shall mean as of any Rental Payment Date for such Unit an amount equal to the percentage of Lessor's Cost of such Unit set forth below opposite such Rental Payment Date:

<u>Rental Payment Date</u>	<u>Basic Rent Factor as a Percentage of Equipment Cost</u>
1- 5	10.4994
6-10	12.8325

"Bill of Sale" shall mean a bill of sale from Lessee to Lessor substantially in the form of Exhibit G annexed hereto.

"Casualty Occurrence" shall mean any of the events referred to in Section 12.b. hereof.

"Casualty Loss Payment Date" shall have the meaning set forth in Section 12.c. hereof.

"Casualty Loss Value" for any Unit suffering a Casualty Occurrence shall mean an amount equal to that percentage of Lessor's Cost of such Unit set forth as a casualty loss factor in Exhibit C annexed hereto.

"Certificate of Delivery and Acceptance" shall mean a Certificate of Delivery and Acceptance substantially in the form of Exhibit D annexed hereto and covering the Unit or Units listed therein, executed by Lessee and acknowledged by Lessor.

"Claims" shall mean any lien, liability, obligation, loss, damage, penalty, claim, action, suit, cost, expense, or disbursement (including without limitation, reasonable legal fees and expenses) of any kind or nature.

"Default Interest Rate" shall mean eighteen percent (18%) per annum (computed on the basis of a 360-day year of twelve 30-day months), or the maximum interest rate permitted by law, whichever is less.

"Delivery Date" for any Unit, shall mean the date on which such Unit is delivered and accepted hereunder.

"Event of Default" shall mean any of the events referred to in Section 16 hereof.

"Expiration Date" for any Unit shall mean the fifth anniversary date of the Funding Date for such Unit.

"Fair Market Rental Value" for any Unit shall mean an amount equal to the rental which would be obtained for such Unit in an arm's-length transaction between an informed and willing lessee-user (other than a lessee currently in possession) and an informed and willing lessor under no compulsion to lease in a transaction taking place at a major market for such Unit. Fair Market Rental Value shall be determined on an "as-is, where-is" basis. Costs of removal from the location of current use shall not be a deduction from such value.

"Fair Market Value" shall mean an amount equal to the value of any Unit which would be obtained in an arm's-length transaction between an informed and willing buyer-user (other than a buyer currently in possession or a used equipment dealer) and an informed and willing seller under no compulsion to sell. Fair Market Value shall be determined on an "as-is, where-is" basis. Costs of removal from the location of current use shall not be a deduction from such value.

"First Delivery Date" shall mean the Delivery Date of the first Unit to be delivered and accepted hereunder.

"First Expiration Date" shall mean the fifth anniversary date of the First Funding Date.

"First Funding Date" shall mean the first Funding Date.

"Funding" shall mean the payment of Lessor's cost by Lessor pursuant to Section 3 hereof on a Funding Date, which amount shall not be less than Five Hundred Thousand Dollars (\$500,000.00).

"Funding Date" shall mean a date designated by Lessee in written notice to Lessor which shall be at least five (5) days after the date Lessor receives such notice upon which Lessor shall pay Lessor's Cost to Seller or Lessee with respect to each Unit purchased and leased hereunder; provided however that there shall be a maximum of five (5) Funding Dates.

"Initial Term" for any Unit shall mean the term of this Lease provided for in Section 4.a. hereof, exclusive of any renewal term provided for in Section 14.a. hereof.

"Lease," "herein," "hereunder" or other like words, unless the context otherwise requires, shall mean and include this Equipment Lease Agreement, as the same may from time to time be supplemented or amended.

"Leased Equipment" shall mean collectively all Units subject to this Lease at any given time.

"Lessor's Cost" for any Unit shall mean the actual cost thereof to Lessor, including the cost specified in Seller's invoice therefor and any applicable state and local sales and use taxes paid by Lessor. Lessor's Cost with respect to the Leased Equipment shall be the sum of the amounts of Lessor's Cost with respect to all the Units. Lessors Cost with respect to the Leased Equipment shall in no event exceed \$17,250,000.

"Lessor Obligations" shall mean (a) Lessor's obligation to purchase each Unit on its Delivery Date and pay Lessor's Cost of each Unit on its Funding Date, upon satisfaction of all conditions precedent thereto contained in Section 3.b. hereof, (b) Lessor's obligation to allow Lessee peaceable and quiet enjoyment of the Units as provided in Section 25 hereof, and (c) if and when Lessor is required to transfer title to such Unit to Lessee, such title will be free and clear of all liens and encumbrances which result from claims against Lessor.

"Monetary Event of Default" - shall mean a default by Lessee in the payment of Basic or Supplemental Rent.

"Payment Date" shall have the meaning set forth in Section 17.a.(iii) hereof.

"Permitted Liens" shall mean (a) the rights of Lessor, (b) liens or encumbrances which result from claims against Lessor not related to the ownership of the Units or any interest therein, (c) liens for taxes either not yet due or being contested in good faith and by appropriate proceedings diligently conducted so long as such proceedings shall stay the enforcement thereof and the sale or forfeiture of any unit or any part thereof or interest therein and (d) undetermined or inchoate materialmen's, mechanics', workmen's, repairmen's or employees' liens or other like liens arising in the ordinary course of business and securing obligations which are not delinquent or which shall have been bonded or the enforcement of which shall have been suspended (but only for the duration of such suspension).

"Purchase Agreement" shall mean any purchase agreements or purchase orders for a Unit.

"Reference Rate" shall mean two percentage points over the reference rate in effect and announced from time to time by Bank of America National Trust and Savings Association.

"Renewal Term" shall have the meaning set forth in Section 14.a. hereof.

"Rent" shall mean Basic Rent and Supplemental Rent collectively.

"Rental Payment Date" for each Unit shall mean six (6) months after the Basic Term Commencement Date and every six (6) months thereafter to and including the Expiration Date for such Unit.

"Security Agreement" shall mean that certain Security Agreement between Lessor, Lessee and Bank of America National Trust and Savings Association executed contemporaneously herewith.

"Seller" shall mean the respective vendor of such Unit.

"Supplemental Rent" shall mean all amounts, liabilities and obligations which Lessee assumes or agrees to pay hereunder to Lessor or others, except Basic Rent.

"Transaction Costs" shall have the meaning set forth in Section 5.d. hereof.

"Unit" shall mean, unless the context otherwise requires, the equipment described as a "Unit" in Exhibit B annexed hereto and leased hereunder.

"Vendor" shall mean a railcar manufacturing company that sells a Unit to Lessee.

DESCRIPTION OF UNITS

<u>Vendor's Names:</u>	<u>No. of Units</u>	<u>Description</u>	<u>Marks and Identification Numbers</u>
Thrall Car Manufacturing Company	20	Five (5) platform inter-modal railcars	UTTX 61000-61019
United American Car Company	250	Single platform inter-modal railcars	TTUX 130000-130249
Thrall Car Manufacturing Company	250	Single platform inter-modal railcars	TTUX 121000-121249

A. May 24, 1984 Funding Date

<u>Casualty Loss Payment Date</u>	<u>Casualty Loss Factor</u>
11/24/84	100.687641
5/24/85	97.391987
11/24/85	90.623026
5/24/86	86.080067
11/24/86	78.034110
5/24/87	69.822177
11/24/87	57.949907
5/24/88	48.092342
11/24/88	34.512639
5/24/89	22.851850

B. August 17, 1984 Funding Date

<u>Casualty Loss Payment Date</u>	<u>Casualty Loss Factor</u>
2/17/85	101.076831
8/17/85	97.908599
2/17/86	91.239645
8/17/86	86.750523
2/17/87	78.717909
8/17/87	70.471741
2/17/88	58.461525
8/17/88	48.374919
2/17/89	34.484067
8/17/89	22.851850

If the second Funding occurs on a date other than August 17, 1984, the Casualty Loss Factors set forth above shall be adjusted in a consistent manner to reflect the actual Funding Date.

C. September 17, 1984 Closing Date

<u>Casualty Loss Payment Date</u>	<u>Casualty Loss Factor</u>
3/1985	100.970384
9/1985	97.790914
3/1986	91.119799
9/1986	86.620692
3/1987	78.584956
9/1987	70.336031
3/1988	58.324469
9/1988	48.242010
3/1989	34.351569
9/1989	22.851850

If the third Funding occurs on a date other than September 17, 1984, the Casualty Loss Factors set forth above shall be adjusted in a consistent manner to reflect the actual Funding Date. If there are more than three (3) Funding Dates, Lessor shall compute in a manner consistent with the factors set forth in this Exhibit C appropriate Casualty Loss Factors for Units funded on such dates.

EXHIBIT D
TO LEASE

CERTIFICATE OF DELIVERY AND ACCEPTANCE NO. ____

TRAILER TRAIN COMPANY
("Lessee"), lessee under that certain Equipment Lease Agreement ("Lease") dated as of _____, 1984 between Lessee and METLIFE CAPITAL CORPORATION ("Lessor") hereby acknowledges that Lessee has accepted, as agent for Lessor and on its own behalf, delivery of the following equipment ("Equipment") and the simultaneous lease of such Equipment to Lessee under the Lease:

<u>Delivery</u> <u>Date</u>	<u>Description</u>	<u>Location</u>	<u>Serial</u> <u>No.</u>	<u>Lessor's</u> <u>Cost</u>
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On the respective Delivery Date, Lessor leased to Lessee, and Lessee accepted and leased from Lessor, the Equipment pursuant to the Lease. Lessee warrants that the Equipment was new and in good condition and working order as of the respective Delivery Date and that no original use nor placing in service commenced prior to ninety (90) days prior to the respective Delivery Date.

Lessee hereby certifies that (1) the representations and warranties of Lessee contained in the Lease, and of Lessee in any certificate delivered pursuant thereto are true and correct on and as of the date hereof with the same effect as though made on the date hereof; and (2) as of the date hereof, there is no Event of Default under the Lease and no default under the Assignments and no event has occurred which, but for the lapse of time or the giving of notice or both, would be such an Event of Default or default. Unless otherwise indicated, capitalized terms used herein and in the opinion of counsel attached hereto shall have the meanings specified in the Lease.

TRAILER TRAIN COMPANY

Dated: _____

By: _____
Title: _____

ACKNOWLEDGMENT

This Certificate of Delivery and Acceptance No. _____ is hereby
acknowledged by Lessor this _____ day of _____, 19__.

Lessor:

METLIFE CAPITAL CORPORATION

By _____
Title:

PURCHASE AGREEMENT ASSIGNMENT NO. 1

THIS PURCHASE AGREEMENT ASSIGNMENT dated as of May 24th 1984, by and between TRAILER TRAIN COMPANY, a corporation ("Assignor"), and METLIFE CAPITAL CORPORATION, a Delaware corporation ("Assignee");

W I T N E S S E T H:

WHEREAS, Assignor has entered into the following order contracts (the "Purchase Agreements" or individually a "Purchase Agreement"), copies of which are attached hereto, for the purchase of the following described equipment:

<u>Purchase Agreement</u>	<u>Date</u>	<u>Seller</u>	<u>No. of Units</u>	<u>Equipment</u>	<u>Model Number</u>
T-4083-T	Jan. 16 1984	Thrall Car Manufacturing Company	250	Single-Platform Front-Runner Flatcars	TTUX
T-2083-T	Oct. 14 1983	Thrall Car Manufacturing Company	20	Five-Platform Arc-5 Flatcars	UTTX

WHEREAS, Assignee, as Lessor, and Assignor, as Lessee, have entered into that certain Equipment Lease Agreement dated as of May 24, 1984 (the "Lease"), pursuant to the terms and conditions of which Assignor will lease from Assignee those units of said equipment which are made subject to the Lease (the "Units"); and

WHEREAS, Assignee wishes to acquire the Units pursuant to the terms and conditions of the Lease, and Assignor is willing to assign to Assignee, on the terms and conditions hereinafter set forth, Assignor's rights and interest under the Purchase Agreements to the extent that the Purchase Agreements pertain to the Units, and Assignee is willing to accept such assignment;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

1. Assignment. Assignor has sold, assigned and transferred and does hereby sell, assign and transfer to Assignee all of Assignor's right, title and interest in and to the Purchase Agreements to the extent that the Purchase Agreements pertain to the Units. Assignee hereby accepts such assignment.

2. Liability. It is expressly agreed that, anything herein contained to the contrary notwithstanding, Assignor shall at all times remain liable to each Seller under and in accordance with the respective Purchase Agreement, and Assignee shall not have any obligation or liability under the Purchase Agreements by reason of, or arising out of, this Purchase Agreement Assignment or be obligated to perform any of the obligations or duties of Assignor under the Purchase Agreements, other than to pay in accordance with the terms of the respective Purchase Agreement and the Lease the purchase price for such Unit to the extent not already paid by Lessee.

3. Further Assurances. Assignor agrees that at any time and from time to time, upon the written request of Assignee, Assignor shall promptly and duly execute and deliver any and all such further instruments and documents and take such further action as Assignee may reasonably request in order to obtain the full benefits of this Purchase Agreement Assignment and of the rights and powers herein granted.

4. Representations and Warranties. Assignor does hereby represent and warrant that (i) each Purchase Agreement is in full force and effect and enforceable in accordance with its terms and Assignor is not in default thereunder; (ii) Assignor has not assigned or pledged, and hereby covenants that it will not assign or pledge, so long as this Purchase Agreement Assignment shall remain in effect, the whole or any part of the rights hereby assigned to anyone other than Assignee; and (iii) Assignor will not, so long as this Purchase Agreement Assignment shall remain in effect, enter into any agreement with any Seller which would amend or modify, or rescind, cancel or terminate any Purchase Agreement without the prior written consent of Assignee, which consent shall not be unreasonably withheld.

5. Actions of Assignee. Assignee agrees that it will not enter into any agreement with any Seller which would amend, modify, rescind, cancel or terminate any Purchase Agreement without the prior written consent of Assignor, unless Assignee shall have notified the Seller that an Event of Default or event which, with the lapse of time or the giving of notice or both, would be such an Event of Default, has occurred and is continuing.

6. Warranties. So long as no Event of Default under the Lease or event which, with the lapse of time or the giving of notice or both, would be such an Event of Default, shall have occurred and be continuing, Assignee hereby assigns to Assignor, for and during the term of the Lease, any and all Seller and manufacturer warranties issued on or applicable to the Units, and Assignee hereby authorizes Assignor during the term of the Lease to obtain at Assignor's sole expense any and all services furnished in connection therewith by any Seller or any manufacturer.

IN WITNESS WHEREOF, the parties hereto have caused this Purchase Agreement Assignment to be duly executed as of the day and year first above written.

Assignor:

TRAILER TRAIN COMPANY

By _____
Title:

Assignee:

METLIFE CAPITAL CORPORATION

By _____
Title:

CONSENT AND AGREEMENT

The undersigned, _____ ("Seller"), hereby acknowledges notice of and consents to all of the terms of the foregoing Purchase Agreement Assignment ("Assignment", the defined terms therein being hereinafter used with the same meaning as defined therein) and hereby confirms to Assignee that:

(i) Assignee shall not be liable for any of the obligations or duties of Assignor to Seller under any Purchase Agreement, nor shall the Assignment give rise to any duties or obligations whatsoever on the part of Assignee owing to Seller except for the obligation of Assignee to pay the purchase price for a Unit in accordance with the terms of the respective Purchase Agreement and the Assignment in the event such Unit is made subject to the Lease;

(ii) Seller hereby represents and warrants to Assignee that each Purchase Agreement to which Seller is a party constitutes as of the date thereof and at all times thereafter to and including the date of this Consent and Agreement, and that this Consent and Agreement constitutes, a binding obligation of Seller, in each case enforceable, with respect to the Units listed in the Assignment, against Seller in accordance with its terms; and

(iii) by consenting to the terms of the Assignment, Seller does not intend to modify its rights and obligations under any Purchase Agreement.

Dated: _____

By _____
Title: _____

OPINION OF COUNSEL FOR LESSEE

1. First Delivery Date. The opinion of counsel for Lessee for the First Delivery Date shall state that (i) Lessee is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware; (ii) Lessee has the full power and authority to execute, deliver and perform the Lease, the Assignments, the Certificates of Delivery and Acceptance and the Bills of Sale and to own or lease its properties and to carry on its business as now conducted and as contemplated hereby; (iii) the Lease has been duly authorized, executed and delivered by Lessee and constitutes the legal, valid and binding obligations of Lessee, enforceable against it in accordance with the terms thereof; (iv) the Assignments, Certificates of Delivery and Acceptance and Bills of Sale with respect to the Units have each been duly authorized by Lessee and, when executed and delivered by Lessee, will constitute the legal, valid and binding obligations of Lessee, enforceable against it in accordance with the terms thereof; (v) no authorization, consent or approval of, notice to or filing with any governmental authority is required for the execution, delivery and performance by Lessee of the Lease, the Assignments, the Certificates of Delivery and Acceptance and the Bills of Sale; (vi) neither the execution, delivery or performance by Lessee of the Lease, the Assignments, the Certificates of Delivery and Acceptance and the Bills of Sale; nor compliance with the terms and provisions thereof, conflicts or will conflict with or will result in a breach or violation of any of the terms, conditions or provisions of any law, governmental rule or regulation or the Articles of Incorporation, as amended, or Bylaws, as amended, of Lessee or, any order, write injunction or decree of any court or governmental authority against Lessee or by which it or any of its properties is bound or any indenture, mortgage or contract or other agreement or instrument to which Lessee is a party or by which it or any of its properties is bound, or constitutes or will constitute a default thereunder or will result in the imposition of any lien upon any of its properties; (vii) to such counsel's knowledge after due inquiry, there are no suits or proceedings pending or threatened in any court or before any regulatory commission, board or other governmental administrative agency against or affecting Lessee which could have a material adverse effect on its ability to fulfill its obligations under the Lease; (viii) Lessee's principal place of business and chief executive office (as such terms are used in the Uniform Commercial Code) is located at 101 N. Wacker, Chicago, Illinois; and (ix) the Purchase Agreement with respect to each Unit being delivered on such Delivery Date constitutes, as of the date of the opinion, and has constituted, at all times since a date before March 2, 1984, (A) an agreement duly authorized, executed and delivered by Lessee, (B) assuming due authorization, execution and delivery by the respective Vendor, a legal, valid and binding obligation

of each party thereto, enforceable in accordance with its terms, and (C) taking into account the opinion of clauses (A) and (B), an agreement under which, if Lessee did not purchase the Unit referenced therein, would have subjected Lessee to normal remedies provided by applicable law.

2. Purchase Obligation. The opinion of counsel for Lessee on each Delivery Date subsequent to the First Delivery Date shall state the matters set forth in opinion (iv) of Section 1 of this Exhibit F(1).

3. Qualification and Reliance. In giving an opinion provided for herein, counsel for Lessee may qualify such opinion that any agreement is enforceable in accordance with its terms by a general reference to (i) limitations imposed by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforcement of lessors' or creditors' rights generally, (ii) to applicable laws limiting certain remedial provisions of the Lease which, in the opinion of counsel for Lessee, will not materially interfere with the practical realization of the benefits or security to be provided therefrom and (iii) to general principles of equity. Counsel for Lessee may further qualify such opinion by a limitation to the law of the State of Illinois and the laws of the United States.

BILL OF SALE

Trailer Train Company, a _____ corporation ("Seller"), for good and valuable consideration, the receipt of which is hereby acknowledged, hereby sells, grants, transfers and delivers to MetLife Capital Corporation ("Buyer"), as Lessor under that certain Equipment Lease Agreement dated as of _____, 1984, all of its right, title and interest, if any, in and to the following equipment:

<u>Description</u>	<u>Model</u>	<u>Serial Number</u>
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to have and to hold said equipment unto itself, its successors and assigns forever.

Seller warrants and represents that the Equipment is free and clear of all liens or encumbrances, and that Seller agrees to defend Buyer's title to the equipment at its sole cost and expense.

IN WITNESS WHEREOF, Trailer Train Company has caused this Bill of Sale to be executed in its name by a duly authorized officer on this _____ day of _____, 1984.

TRAILER TRAIN COMPANY

By _____
Title: