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MASTER LEASE PURCHASE AGREEMENT

THIS MASTER LEASE PURCHASE AGREEMENT (this "Master Lease") is entered into as of the 29th day of December, 1993 between METLIFE CAPITAL CORPORATION, a Delaware corporation ("Lessor"), whose address is 10900 N.E. 4th Street, Suite 500, mailing address C-97550, Bellevue, Washington 98009 and Morrison Knudsen Corporation, an Ohio corporation ("Lessee"), whose chief executive offices are located at 4600 Apple Street, P.O. Box 5368, Boise, Idaho 83705.

Lessor and Lessee from time to time may enter into written agreements in the form of Lease Purchase Addenda (singularly, an "Addendum") for the leasing of equipment by Lessor to Lessee. To facilitate such transactions, Lessor and Lessee are entering into this "Master Lease", the terms and provisions of which shall be incorporated by reference in each Addendum. Further modifications to the terms and conditions of the leasing of equipment under any Addendum may be indicated on a Closing Schedule (a "Schedule"). Each particular Addendum, its related Schedule, and the terms and conditions of this Master Lease incorporated therein, shall be collectively referred to herein as the "Lease."

Lessor and Lessee MUTUALLY AGREE AS FOLLOWS:

1. LEASE PURCHASE ADDENDUM

If Lessor agrees to lease equipment when requested by Lessee, the parties shall sign an Addendum setting forth the particulars regarding the transaction, including, without limitation, the list of items of equipment (individually, an "Item" and, collectively, the "Equipment"), the prices of each Item (including disclosure of all rebates, discounts and other incentives received or receivable with respect thereto), "Related Costs", including taxes, transportation, installation and other applicable costs, the aggregate of the foregoing ("Total Cost"), length of the Basic Term, rental rates, purchase and renewal options, if any, and other applicable provisions. "Cost of an Item" shall mean the price of the Item plus its applicable portion of Related Costs. Total Cost and Cost of an Item may be further amended as set forth in an applicable Schedule as set forth in Section 2(F) below, and references to such defined terms shall mean the amounts as so amended. In the absence of a signed Addendum, this Master Lease shall not constitute a lease or a commitment by either party to enter into a lease.

2. REQUEST TO LEASE; EQUIPMENT ACCEPTANCE

(A) Request; Specifications. Signing an Addendum shall constitute the request from Lessee to Lessor to lease the Equipment, and the Addendum and this Master Lease shall constitute the lease and agreement (the "Lease") regarding the Equipment. At the time of signing the Addendum, Lessee shall furnish Lessor detailed specifications ("Specifications") of the Items, including descriptions, prices, delivery terms and instructions, installation provisions and all other applicable specifications. Lessee assumes full responsibility with respect to the selection of Items supplied for lease and the specification thereof; the Lessor shall have no liability or responsibility with respect thereto regardless of whether the Specifications prove inadequate for the intended purpose or use.

(B) Inspection; Acceptance. It is Lessee's responsibility to receive and promptly inspect and test each Item tendered for delivery by a supplier and the installation thereof. Lessee shall give Lessor written notice of acceptance of an Item as soon as it can be determined that the Item and its installation are in compliance with Specifications. As between Lessee and Lessor, the giving of such written notice shall constitute Lessee's irrevocable acceptance of the Item or Items designated in the notice, whether or not such Items or their installation are defective in any respect, and notwithstanding any failure of an Item or its installation to conform to Specifications, without

prejudice however to rights which Lessor and Lessee, or either of them, may have against any other person, whether with respect to design, manufacture, condition or otherwise.

(C) Purchase Cut-Off Date. If, by the "Purchase Cut-Off Date" set forth in an Addendum, Lessee shall not have given Lessor written notice of acceptance of an Item, Lessor shall have no obligation to lease the Item to Lessee. In such event, Lessee shall immediately pay all accrued Interim Rental and reimburse Lessor for all sums Lessor may have paid for or with respect to the Item and for all Lessor's costs and expenses with respect thereto, and Lessee shall indemnify and defend Lessor against and hold Lessor harmless from any and all cost, expense, loss, liability and damage that Lessor may suffer or that may be asserted against Lessor by reason of Lessor's failure or refusal to lease such Item. Any such Item shall be deemed to be deleted from the Addendum and no longer included in the Equipment.

(D) Conditions Precedent. Lessee shall deliver to Lessor such further instruments, documents and certifications as Lessor reasonably may request, including without limitation evidences of authority (e.g., corporate certificates, corporate resolutions, partnership documents and authorizations), evidence of insurance, purchase orders and acceptances thereof, purchase and sale agreements and financial information, and instruments and documents to implement, perfect or continue the perfection of Lessor's rights and remedies as Lessor of the Equipment, including without limitation Uniform Commercial Code forms or forms necessary or advisable to record or register Lessor's interest in the Equipment with the Interstate Commerce Commission in accordance with 49 U.S.C. § 11303 and to deposit such documents with the Registrar General of Canada pursuant to Section 90 of The Railway Act (Canada). Lessee's delivery of the foregoing and of the Specifications are conditions precedent to any obligation of Lessor to make any commitments to pay for the Equipment or any Item or lease the Equipment or any Item to Lessee under the Lease.

(E) Supplemental Lease Request. If at any time prior to the Closing Date Lessee requests Lessor to add further Items to the Equipment, and if Lessor so agrees, Lessee shall execute a Lease Purchase Addendum Supplement in a form supplied by Lessor, which shall become part of the Addendum, subject to all of its provisions and the provisions of this Master Lease, and the equipment specified therein shall be Items of Equipment under the Lease.

(F) Closing. Following the date ("Closing Date") which is the earlier of (i) the date Lessee gives Lessor written notice of acceptance of the last Item or (ii) the Purchase Cut-Off Date (or on such other day as is mutually agreed), Lessor shall send Lessee a Closing Schedule ("Schedule"), setting forth any adjustments to descriptions and Costs of Items and Total Cost and confirming the Closing Date, amount of Periodic Rental installments, payment schedules, and insurance requirements. Lessee's signature on any such Schedule shall signify the Lessee's agreement that the Schedule is correct. Lessee shall pay all rentals as they become due in accordance with the terms and conditions of this Lease as indicated on the Schedule. If Lessee establishes an error that affects the amount of rentals set forth on the Schedule, Lessor shall give Lessee a credit for any overpayment of rentals, and Lessee promptly shall pay Lessor any underpayments. The Schedules are hereby incorporated herein by reference.

3. LESSEE'S WARRANTIES

(A) Lessee represents and warrants to Lessor that it is a corporation duly organized, validly existing and in good standing under the laws of the state of Ohio and that it is qualified to do business in every jurisdiction where the failure to qualify would have a materially adverse effect on Lessor's rights hereunder; it has taken all corporate or partnership action which may be required to authorize the execution, delivery and performance of this Lease, and such execution, delivery and performance will not conflict with or violate any provision of its Charter or Articles or Certificate of Incorporation, By-laws or any provisions thereof, or in the case of a partnership, its Certificate of Partnership or Limited Partnership and its Partnership Agreement, or result in a default or

acceleration of any obligation under any material agreement, order, decree or judgment to which it is a party or by which it is bound, nor is it now in default under any of the same; there is no litigation or proceeding pending or threatened against it which may have a materially adverse effect on Lessee or which would prevent or hinder the performance by it of its obligations hereunder; this Lease and the attendant documents constitute valid obligations of the Lessee, binding and enforceable against it in accordance with their respective terms; no action by or with any commission or administrative agency is required in connection herewith; it has the power to own its assets and to transact business in which it is engaged; it will give to Lessor prompt notice of any change in its name, identity or structure or relocation of its chief executive offices.

(B) Lessee's written acceptance of an Item and its installation shall constitute a representation and warranty by Lessee to Lessor that: (i) the Item is personal property in good order and condition, and (ii) Lessee's acceptance of the Item or Items designated in the notice of acceptance is irrevocable, whether or not such Items or their installation are defective in any respect, and notwithstanding any failure of an Item or its installation to conform to Specifications. Lessee shall not cause, suffer or permit any Item to be attached or affixed to real property or improvements thereon (collectively, "Realty") unless Lessor first shall consent thereto in writing and Lessee shall have obtained from all persons having any interest in the Realty written consents which approve such attachment, waive any claims to or encumbrances upon attached Items and consent to the detachment and removal of such Items at any time by Lessor or Lessee. Notwithstanding attachment of any Items to Realty, all the Equipment at all times shall be and remain personal property. Upon termination of Lessee's right to possession of the Equipment, whether by expiration of the Term or otherwise, Lessee at its sole cost and expense shall detach and remove the Equipment from the Realty and save Lessor harmless from and indemnify and defend Lessor against any claim, demand, loss, liability, and damage arising from such detachment or removal, or both.

4. TERM OF LEASE

The Term of the Lease ("Term") may consist of an "Interim Term" and a "Basic Term." The Interim Term shall begin on the date that Lessee first gives Lessor written notice of acceptance of an Item or written approval for partial payment, whichever is earlier, and shall continue until the time the Basic Term begins. The Basic Term shall begin on the Closing Date and shall continue for the length of the Basic Term set forth in the Addendum.

5. INTERIM RENTAL

During the Interim Term, if any, Lessee shall pay rent monthly ("Interim Rental"), on a calendar month basis, in an amount determined by Lessor by applying the "interim Rental Rate" set forth in the Addendum to portions of the Total Cost then or theretofore expended by Lessor, for the number of days such sums are outstanding during such calendar month. The "prime rate" referred to in this Lease shall mean the rate per annum publicly announced by Chase Manhattan Bank, New York City, from time to time as its prime rate, whether or not such rate is applied by said bank to any then outstanding loans, changing with each announced change of such prime rate. Lessee shall pay Lessor each installment of Interim Rental on the fifteenth day after the end of such calendar month.

6. PERIODIC RENTAL

Lessee shall pay rent ("Periodic Rental") for the Basic Term in an amount calculated by multiplying the Total Cost by the Periodic Rental Rate set forth in the Addendum multiplied by the number of months constituting the length of the Basic Term. Lessee shall pay installments of Periodic Rental to Lessor in accordance with the payment schedule set forth in the Addendum.

7. LATE PAYMENT

If any installment of rent or other sum owing under the Lease shall not be paid when due and shall remain unpaid for ten (10) days, Lessee shall pay Lessor a late charge equal to five percent (5%) of the amount delinquent, but in no event at a rate greater than limited by any applicable law. Such late charge is in addition to and not in lieu of other rights and remedies Lessor may have.

8. INSURANCE

Lessee shall procure and continuously maintain and pay for (a) all risk insurance against loss or damage to the Equipment for not less than the full replacement value thereof naming Lessor as Loss Payee and (b) combined single limit liability insurance, insuring Lessor and Lessee, all in such amounts and against such risks and hazards as are set forth in the Addendum, with Lloyds of London or an insurance companies rated A:X or better by A.M. Best Company, 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 proceeds of all insurance shall be payable first to Lessor to the extent of its liability or interest as the case may be, shall provide that they may not be modified, terminated or canceled unless Lessor is given at least thirty (30) 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 and Lessor 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 not less than ten (10) days prior to the renewal date.

9. TAXES

Lessee shall pay all taxes, fees, assessments and other governmental charges of whatever kind or character and by Lessor or Lessee payable on or relating to any Item of Equipment or the sale, purchase, ownership, use, value, value added, possession, shipment, transportation, delivery or operation thereof or the exercise of any option, election or performance of any obligation by Lessee hereunder, which may accrue or be levied, assessed or imposed during the Term and any Renewal Term or which remain unpaid as of the date of surrender of such Item to Lessor, and all taxes of any kind imposed by any federal, state, local, or foreign taxing authority against Lessor on or measured by any amount payable by Lessee hereunder, including, without limitation, all license and registration fees and all sales, use, value, ad valorem, personal property, excise, gross receipts, stamp or other taxes, imposts, duties and charges together with any penalties, fines or interest thereon, except taxes of Lessor on net income imposed by the United States or any state or foreign income tax. Lessee shall reimburse Lessor for any payments made by Lessor which are the obligation of Lessee under the Lease, but Lessee shall not be obligated to pay any amount under this Section so long as it shall in good faith and by appropriate proceedings contest the validity of the amount thereof, unless such contest would materially adversely affect Lessor's interest in any Item of Equipment or would subject any Item to lien, encumbrance, forfeiture or sale. Lessee shall indemnify Lessor on an after-tax basis against any loss, claim, demand and expense, including legal expense, resulting from such nonpayment or contest and further agrees to indemnify Lessor against any and all taxes, assessments and other charges imposed upon Lessor under the laws of any federal, state, local or foreign government or taxing authority, as a result of any payment made by Lessee pursuant to this Section. Whenever this lease terminates as to any Item, Lessee will on request advance to Lessor the amount estimated by Lessor to equal personal property taxes on the Item which are not yet payable but for which Lessee will afterward become liable hereunder; Lessor will account to Lessee for such advances. On request of either Lessor or Lessee, the other will submit written evidence of all payments required of it under this Section.

10. MAINTENANCE, ETC.

(A) Lessee at its expense at all times shall: (i) keep the Equipment in good and efficient working order, condition and repair, ordinary wear and tear excepted, and make all inspections and repairs, including replacement of worn parts, to effect the foregoing and to comply with requirements of laws, regulations, rules and provisions and conditions of insurance policies; and (ii) pay all costs, expenses, fees and charges incurred in connection with the use or operation of the Equipment and of each Item, including but not limited to repairs, maintenance, storage and servicing. Additionally, Lessee will maintain or cause the Equipment to be maintained according to prudent industry practice and in compliance in all material respects with the applicable specifications and regulations of the American Association of Railroads (AAR), Department of Transportation Federal Railroads Administration and Interstate Commerce Commission. Lessee shall not make any alterations, substitutions, improvements or additions to the Equipment or Items, except those required in order to comply with laws, regulations, rules and insurance policies, unless Lessor first shall have consented thereto in writing. Notwithstanding any consent by Lessor, Lessee shall pay all costs and expenses of the foregoing. All replacements, repairs, improvements, alterations, substitutions and additions shall constitute accessions to the Equipment and shall be subject to Lessor's security interest.

(B) Lessor hereby transfers and assigns to Lessee, for so long during the Term and any Renewal Term as Lessee is not in default, Lessor's right, title and interest in, under and to any assignable factory and dealer warranty, whether express or implied, with respect to the Equipment. All claims and actions upon any warranty shall be made and prosecuted by Lessee at its sole cost and expense. Lessor shall have no obligation to make or prosecute any claim upon or under a warranty. So long as Lessee shall not be in default, Lessor shall cooperate with Lessee with respect to a claim on a non-assignable warranty, at Lessee's expense. Lessee shall have proceeds of a warranty claim or recovery paid to Lessor. Lessor shall make such proceeds available for any repair, restoration or replacement to correct such warranted condition. Lessor shall pay or cause to be paid over to Lessee any excess proceeds.

11. USE

So long as no Event of Default has occurred or has been cured by Lessee within any applicable grace period, Lessee shall be entitled to the possession, use and quiet enjoyment of the Equipment during the Term and any Renewal Term in accordance with the terms of the Lease. Lessee warrants that the Equipment will at all times be used and operated solely in the conduct of Lessee's business or the business of any permitted sublessee for the purpose for which it was designed and intended and under and in compliance with applicable laws and all lawful acts, rules, regulations and orders of any governmental bodies or officers having power to regulate or supervise the use of such property, except that Lessee may in good faith and by appropriate proceedings contest the application of any such rule, regulation or order in any reasonable manner that will not adversely affect the interest of Lessor in any Equipment or subject the same to forfeiture or sale. Lessee will not permit its rights or interest hereunder to be subject to any lien, charge or encumbrance and will keep the Equipment free and clear of any and all liens, charges, encumbrances and adverse claims (except those arising from acts of Lessor).

12. NET LEASE; LOSS AND DAMAGE

(A) This is a net lease. Lessee assumes all risk of and shall indemnify Lessor against all damage to and loss of the Equipment from any cause whatsoever, whether or not such loss or damage is or could have been covered by insurance. The Lease shall not terminate and, except to the extent Lessor has agreed to look to Qualified Sublease rents to satisfy Lessee's obligations to pay Periodic Rentals pursuant to Section 15 of this Master Lease, there shall be no abatement.

reduction, suspension or deferment of Interim or Periodic Rental for any reason, including damage to or loss of the Equipment or any one or more Items. Lessee promptly shall give Lessor written notice of any material loss or damage, describing completely and in detail the cause and the extent of loss and damage. At the option of Lessee, Lessee shall: (i) repair or restore the damaged or lost Items to good condition and working order; or (ii) replace the damaged or lost Items with similar equipment in good condition and working order; or (iii) pay Lessor in cash the Stipulated Loss Value of the damaged or lost Items. Upon Lessee's complying with the foregoing, Lessor shall pay or cause to be paid over to Lessee the net proceeds of insurance, if any, with respect to such damage or loss. "Damage" and "loss" shall include damages and losses of any kind whatsoever including, without limitation, physical damage and partial or complete destruction, including intentionally caused damage and destruction, and theft.

(B) If Lessee pays Lessor the Stipulated Loss Value for an Item, then the Lease shall terminate with respect to that Item, that Item shall no longer be deemed part of the Equipment and Lessee shall be entitled to retain the Item. However, it is understood that Lessor makes no representation or warranty with respect to the Item, and further that Lessor shall have no obligation to pay any tax with respect thereto. In the event that Lessee pays Lessor the Stipulated Loss Value for an Item, no further Interim Rental shall be payable with respect to the Item, and Periodic Rental for the remainder of the Term shall be reduced by an amount determined by multiplying the Cost of that Item by the Periodic Rental Rate by the number of months then remaining in the Basic Term.

13. STIPULATED LOSS VALUE

The "Stipulated Loss Value" of an Item shall be a sum computed by Lessor, which is equal to that portion of the Total Cost of that Item which remains outstanding presuming that Periodic Rental payments received are first applied to earned but unpaid interest at the rental rate as specified in the Addendum. The Stipulated Loss Value for the Equipment shall not exceed the amount set forth in the Closing Schedule for the Lease Year during which the loss occurs, which amount shall be pro-rated monthly effective to the month in which payment of the Stipulated Loss Value is received by Lessor. A "Lease Year" is a twelve-month period beginning on the Closing Date or on any anniversary thereof.

14. SECURITY INTEREST AND MARKING

(A) This Lease is one intended as security and for tax purposes, both parties will treat this transaction as a secured loan by Lessor to Lessee. Lessor will not claim tax benefits associated with the Equipment.

(B) If so requested by Lessor, Lessee will affix tags, supplied by Lessor, reflecting Lessor's security interest in the Equipment.

(C) As security for its payment and performance obligations under this Lease, Lessee hereby pledges, assigns as security and grants to Lessor a security interest in (i) the Equipment, (ii) any Qualified Subleases (as defined in Section 15 herein) and rents and other payments due thereunder, and (iii) any other permitted sublease covering the Equipment the base term of which exceeds twelve (12) calendar months, and the rents and other payments due thereunder. Lessor shall terminate and release the security interest hereunder upon complete satisfaction of Lessee's obligations secured hereby.

15. LESSEE'S RIGHT TO SUBLEASE; MODIFICATION OF RECOURSE FOR PERIODIC RENTALS

(A) Lessee may not sublease the Equipment without written notice to the Lessor prior to or within ten (10) business days of the commencement thereof, which notice shall contain the name of

the proposed sublessee, its chief executive offices, and the location or locations in which the proposed sublessee intends or may use the Equipment to be subleased.

(B) Upon the terms and conditions of this Section 15, Lessor may from time to time seek recourse for Lessee's obligations to pay Periodic Rentals solely from rents to be paid to Lessee by certain sublessees of the Equipment. For purposes of this Lease, the following capitalized words shall have the meanings ascribed below:

(i) "Qualified Sublease" means a sublease in form and substance satisfactory to Lessor, under which Lessee subleases to a Qualified Sublessee one or more items of Equipment which has a base lease term, not giving effect to any renewal periods or automatic extensions, of at least twelve (12) months.

(ii) "Qualified Sublessee" means a sublessee under a Qualified Sublease whose long term secured debt has a credit rating of at least BBB by Standard and Poor's, Duff and Phelps or Fitch, or Baa by Moody's (the "Rating Requirement"), and the financial condition and creditworthiness of which has been reviewed and approved in advance by Lessor, such approval not to be unreasonably withheld.

(iii) "Directed Sublease Rents" means the regularly scheduled monthly periodic rents due to Lessee by a Qualified Sublessee under a Qualified Sublease.

(iv) "Sublease Rent Account" means an account established at Seafirst National Bank, Seattle Branch, or such other independent financial institution as Lessor and Lessee may agree, into which Directed Sublease Rents shall be deposited by Qualified Sublessees during the Directed Rent Period from which Lessee shall pay all or a portion of the Periodic Rentals in accordance with the terms and conditions of this Section 15.

(v) "Directed Rent Period" means, for any Qualified Sublease, the period from the month in which the Qualified Sublessee first deposits Directed Sublease Rents into the Sublease Rent Account until, unless Lessor agrees to extend such period in writing in its sole discretion, the earliest to occur of the following: (i) the first day of the 60th month thereafter (notwithstanding any longer term of the Qualified Sublease), or (ii) the expiration or early termination of the Qualified Sublease giving rise to such payments, or (iii) the exercise by the Qualified Sublessee of an option, if any, to purchase the Qualified Sublease Equipment, or (iv) the credit rating of long term secured debt of the Qualified Sublessee is downgraded below the Rating Requirement, or (v) the occurrence of a split credit rating whereby one major credit rating agency has rated the Qualified Sublessee's long term secured debt at a rating lower than the Rating Requirement.

(vi) "Payment Due Date" means the date on which a payment of Periodic Rentals to Lessor by Lessee is due hereunder.

(vii) "Sublease Rent Report" means the monthly report to be delivered by Lessee to Lessor containing information about each Qualified Sublease for six-month periods in accordance with the provisions of this Section 15.

(C) Prior to the commencement date of any Qualified Sublease, and in any event at least ten (10) days prior to January 1 and July 1 of each calendar year, Lessor and Lessee shall execute a written agreement (the "Sublease Rent Report") indicating (i) the Qualified Subleases then in effect and any Qualified Subleases scheduled to commence within the next six month period, (ii) the name of all Qualified Sublessees, (iii) the locations in which the Qualified Sublessee will use and operate the Equipment during the Directed Rent Period, (iv) the due date of the Directed Sublease Payments under each Qualified Sublease (assuming a Qualified Sublessee will take advantage of payment grace periods), and (v) the amount of Periodic Rentals due on the next Payment Due Date which will

be satisfied by Directed Sublease Rents in accordance with Section 15(E). Lessee shall also provide to Lessor written notice that the Qualified Sublessee has been advised in writing to deposit Directed Sublease Rents into the Sublease Rent Account. Thereafter, during the Directed Rent Period for any Qualified Sublease, Lessee shall advise Lessor in writing (the "Default Notice") within ten (10) days (i) of any missed or delinquent Directed Sublease Rents, (ii) any other act or omission by a Qualified Sublessee which, to the best of Lessee's knowledge, would, with the passage of time or giving of notice, become an event of default in accordance with the terms and conditions of the Qualified Sublease, or (iii) any other conditions which would result in the termination of the Directed Rent Period for each Qualified Sublease. In addition, Lessee shall notify Lessor immediately at any time a Qualified Sublessee fails to pay its Directed Sublease Rents within sixty (60) days of the date such Directed Sublease Rents were due under the Qualified Sublease.

(D) At the time of execution of this Lease or in any event no later than the commencement date of any Qualified Sublease, Lessee shall establish the Sublease Rent Account. Lessee shall instruct the Qualified Sublessee to remit its Directed Sublease Rents directly to the Sublease Rent Account. Lessee shall have full responsibility for invoicing the Qualified Sublessee for Directed Sublease Rents and causing Qualified Sublessee's to deposit the Directed Sublease Rents into the Sublease Rent Account during the Directed Rent Period of the Qualified Sublease, all pursuant to its normal billing and collection practices. The institution administering the Sublease Rent Account shall provide Lessor, on each Rent Payment Date, a written report identifying the date deposits were made to the Sublease Rent Account and the name of the depositor, for each deposit made during the previous six months. If administratively feasible, Lessor shall also be entitled to contact the administrator of the Sublease Rent Account from time to time to obtain a verbal update of such information.

If any Qualified Sublessee fails to pay in full its Directed Sublease Rents into the Sublease Rent Account within sixty (60) days of the date such Directed Sublease Rents were due under the Qualified Sublease, Lessee shall have the option, in its sole discretion, to:

(i) remove the defaulted lease from the status of a Qualified Sublease, update the Sublease Rent Report, cure the default by the Qualified Sublessee by paying all past due and outstanding Periodic Rentals, and thereafter assume full responsibility and liability for all Periodic Rentals due with respect to the Equipment that is the subject of such defaulted sublease; or

(ii) assign and convey to Lessor all of Lessee's right, title and interest in and to the Qualified Sublease and all rents and payments due thereunder, whereupon Lessor shall be entitled to exercise all rights and remedies of the lessor thereunder, including but not limited to its right to repossess or foreclose on the Equipment or otherwise cause the Qualified Sublessee to pay or perform under the Qualified Sublease.

(E) On each Payment Due Date, Lessor shall be entitled to withdraw from the Sublease Rent Account that portion of the Directed Sublease Rents which, according to the Sublease Rent Report, were to be applied to the Periodic Rentals then due and payable, whether such Directed Sublease Rents were deposited during the preceding six month period or prior thereto in the form of an advance payment by the Qualified Sublessee. If any of the Directed Sublease Rents which, according to the Sublease Rent Report, were to be applied to the Periodic Rentals then due and payable have not been deposited by a Qualified Sublessee by the Payment Due Date, then, unless such amounts have been otherwise paid to Lessor by Lessee, Lessor shall be entitled to withdraw such late Directed Sublease Rents immediately upon deposit by the Qualified Sublessee into the Sublease Rent Account.

(F) Following withdrawal by Lessor of the Periodic Rentals pursuant to Section 15(E) above, Lessee shall be entitled to withdraw from the Sublease Rent Account any remaining balance, provided, Lessee may not withdraw (i) any Directed Sublease Rents deposited after Lessor's

withdrawal but which, under the Sublease Rent Report, were to be applied to the Periodic Rentals previously due (which Lessor is entitled to withdraw immediately upon deposit pursuant to Section 15(E)), unless such amounts were paid by Lessor, or (iii) any portion of the remaining balance which represents the prepayment by a Qualified Sublessee of its Directed Sublease Rents and which, according to the subsequent Sublease Rent Report, is to be applied to the Periodic Rentals due in the subsequent six month period. All interest earned on the amounts deposited in the Sublease Rent Account shall be the property of Lessee and may be withdrawn by Lessee at any time.

(G) During the Directed Rent Period for any Qualified Sublease, Lessor shall seek payment of that portion of Periodic Rentals relating to Equipment that is the subject of such Qualified Subleases, as set forth in any Sublease Rent Report, only to the extent such funds are available in the Sublease Rent Account, PROVIDED, notwithstanding the existence of a Qualified Sublease relating to Equipment or the deposit of Directed Sublease Rents into the Sublease Rent Account, Lessee's direct obligation for the payment of Periodic Rentals shall be reinstated: (i) for any Periodic Rentals for which funds would have been available in the Sublease Rent Account had such account been managed and withdrawals made by Lessee in accordance with this Section 15, (ii) to the extent that any shortfall in the amount of Directed Sublease Rents available results from the imposition of withholding, value added, goods and services taxes or similar taxes imposed by any government or taxing authority on the Directed Sublease Rents, (iii) with respect to Periodic Rentals to be paid out of Directed Sublease Rents where such Directed Sublease Rents are not paid by the Qualified Sublessee due to an assertion by the Qualified Sublessee that it has withheld, abated or set off such Directed Sublease Rents due to the act or failure to act by the Lessee under the Qualified Sublease, including any failure by Lessee with regard to the performance or availability of the related Equipment or to conduct its billing and collection procedures in a commercially reasonable manner, (iv) for Directed Sublease Payments which are not paid when due as set forth in the Sublease Rent Report if Lessee fails to provide to Lessor the Default Notice as required under Section 15(C), or (v) the termination of the Directed Rent Period.

(H) At any time there are insufficient funds available in the Sublease Rent Account to meet the payment of then due Periodic Rentals which, according to the Sublease Rent Report, were to be paid out of Directed Sublease Rents, Lessor shall have the right, by written notice to Lessee, to require Lessee to have conducted, at Lessee's sole expense, an independent audit by a certified public accounting firm acceptable to Lessee and Lessor of the Sublease Rent Account to determine that the account has been managed and withdrawals made from and deposits made into such account in accordance with this Section 15.

(I) Notwithstanding anything in this Section 15 to the contrary, Lessee shall at all times remain fully obligated to perform all other acts and make all other payments, including late payment charges, default interest, reimbursed expenses and indemnity payments according to the provisions of the Lease, except to the limited extent Lessee is relieved of its direct obligation for payment of Periodic Rentals under this Section 15(G).

16. LESSEE'S INDEMNITIES

Lessee will defend, indemnify and hold harmless Lessor from and against any claim, cause of action, damage, liability, cost or expense (including but not limited to legal fees and costs) which may be asserted against or incurred in any manner by or for the account of Lessor or Lessee: (i) relating to the Equipment or any part thereof, including without limitation the manufacture, construction, purchase, delivery, acceptance or rejection, installation, ownership, sale, leasing, removal or return of the Equipment, or as a result of the use, maintenance, repair, replacement, operation or the condition thereof (whether defects are latent or discoverable); (ii) by reason or as a result of any act or omission of Lessee for itself or as agent or attorney-in-fact for Lessor hereunder; (iii) as a result of claims for patent, trademark or copyright infringement; (iv) as a result of product liability claims or claims for strict liability, or (v) arising out of or relating to any sublease of the Equipment.

including but not limited to Lessor's establishing, enforcing, defending or preserving its rights in the Equipment or sublease rents, whether in the United States or Canada or any other country where the Equipment may then be located, and whether relating to actions in a court of law, equity, bankruptcy or otherwise, provided, Lessee shall not be required to indemnify Lessor for the failure of a Qualified Sublessee under a Qualified Sublease to pay into the Sublease Rent Account any Directed Sublease Rents during the Directed Rent Period for a Qualified Sublease, except to the extent set forth in Section 15, nor for any claim, loss, liability or expense arising solely out of Lessor's gross negligence or willful misconduct..

17. LESSOR MAY PERFORM

If Lessee at any time shall fail to pay to any person any sum which Lessee is required by the Lease to pay or shall fail to do or perform any other act Lessee is required by the Lease to do or perform, Lessor at its option may pay such sum or do or perform such act, and Lessee shall reimburse Lessor on demand for the amount of such payment and for the cost and expense which may be incurred by Lessor for such acts or performance, together with interest thereon at the Default Rate from the date of demand until paid.

18. EVENTS OF DEFAULT AND REMEDIES

(A) Events of Default. Each of the following shall constitute an "Event of Default":

- (i) Failure to perform and comply with the provisions and conditions of Section 8 hereof, which failure is not cured within five (5) days Lessee has notice of such failure; or
- (ii) Failure to pay within five (5) days of the date when due, any sum, including installments of rental, owed by Lessee at anytime to Lessor, except to the extent such payment obligation of Lessee is relieved under Section 15; or
- (iii) Failure of Lessee to act in accordance with the requirements of Section 15 with respect to the management of or withdrawals from the Sublease Rent Account which causes Lessor to fail to receive when due a Periodic Rental payment from the Sublease Rent Account in accordance with the terms and conditions of such section; or
- (iv) Failure to perform and comply with any other provision or condition of the Lease within thirty (30) days after Lessor shall have given Lessee written notice of default with respect thereto; or
- (v) Any event of default occurs with respect to any obligations of Lessee to Lessor (or to any affiliate of Lessor) on or with respect to any transactions, debts, undertakings or agreements of any Schedule to this Master Lease; or
- (vi) If any representation or warranty made by Lessee herein or in any statement or certificate furnished by Lessee in connection with this Agreement proves untrue in any material respect as of the date of making thereof, and shall not be made good within thirty (30) days after written notice thereof to Lessee, or Lessee becomes insolvent or is generally not paying its debts as they become due or makes an assignment for benefit of creditors; or
- (vii) Proceedings are commenced by Lessee under the Federal Bankruptcy Code or any similar Federal or State laws for the relief of debtors are commenced against Lessee and are not dismissed within sixty (60) days after such

commencement, or a trustee or receiver is appointed for Lessee or a major part of its property and is not discharged within thirty (30) days after such appointment; or

- (viii) Any item of Equipment is seized or levied on under legal or governmental process against Lessee or against such item of Equipment; or
- (ix) The merger, consolidation, reorganization, conversion to a Subchapter "S" status or dissolution of a corporate or partnership Lessee which has a materially adverse effect upon Lessor's position under the Lease.

(B) Remedies. The occurrence of an Event of Default shall terminate any obligation of Lessor to lease Equipment or items thereof to Lessee. When an Event of Default has occurred and is continuing, Lessor at its option may:

- (i) Proceed by appropriate court action or actions, either at law or in equity, to enforce performance by the Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof; and/or
- (ii) Without notice or demand declare immediately due and payable the entire Stipulated Loss Value of any and all items of Equipment then under lease plus any and all amounts which under the terms of the Lease may be then due; and thereupon Lessor shall have an immediate right to pursue all remedies provided by law, including, without limitation, the following:
 - (a) Lessee agrees to put Lessor in possession of the Equipment on demand;
 - (b) Lessor is authorized to enter any premises where Equipment is situated and take possession thereof without notice or demand and without legal proceedings;
 - (c) At Lessor's request, Lessee will assemble the Equipment and make it available to Lessor at a place designated by Lessor which is reasonably convenient to both parties;
 - (d) Lessee agrees that ten (10) days from the time notice is sent shall be a reasonable period of notification of a sale or other disposition of the Equipment;
 - (e) Lessee agrees to pay on demand the amount of all expenses reasonably incurred by Lessor in protecting or realizing on the Equipment;
 - (f) If Lessor disposes of the Equipment, Lessee agrees to pay any deficiency remaining after application of the net proceeds to the amounts due hereunder.

If upon the occurrence of an Event of Default, Lessor brings suit or otherwise incurs expenses for protection of Lessor's rights, Lessee will pay Lessor its legal fees, in a reasonable amount, together with Lessor's collection expenses and court costs. In addition, from and after an Event of Default, Lessee shall be liable for interest on amounts due Lessor hereunder at a rate per annum computed monthly which shall be five (5) percentage points above the prime rate, but not greater than the maximum rate, if any, limited by applicable law ("Default Rate"); provided however, that Lessee shall not be assessed a late charge during such period of time that Default Rate is accruing against Lessee as herein stated. The remedies herein provided in favor of Lessor shall not be deemed to be

exclusive but shall be concurrent and cumulative and in addition to all other remedies available at law or equity. The exercise or partial exercise of any remedy shall not restrict Lessor from further exercise of that remedy or any other remedy.

19. SURRENDER

At any time that Lessee is required to deliver the Equipment to Lessor, Lessee shall immediately cease using the Equipment and at Lessee's expense shall redeliver and surrender the Equipment to Lessor in good order, condition and repair, ordinary wear and tear excepted, conforming to all applicable AAR interchange rules, other laws and regulations as directed by the Department of Transportation, Federal Railroads Administration, or Interstate Commerce Commission, and in condition to achieve minimum performance specifications as required by the manufacturer, at a place to be designated by Lessor and reasonably convenient to both parties. Lessee shall also be required to provide Lessor, at no cost to Lessor, free storage of the Equipment for 180 following the date on which such delivery is required, and will allow Lessor to show and demonstrate the Equipment to prospective lessees or purchasers during such time.

20. HOLDOVER

If Lessee shall not immediately redeliver and surrender any Item of Equipment to Lessor when required by the terms hereof, Lessee shall pay Lessor, at such time or times as Lessor may demand, a sum equal to a one-month installment of Periodic Rental for each calendar month or fraction of a month during which such failure to redeliver and surrender continues.

21. INSPECTION; REPORTS

Lessor, its agents and employees shall have the right to enter upon any premises where the Equipment or Items are then located to inspect and examine the same during normal business hours and at any other times if Lessor reasonably believes any Items or Lessor's rights are in jeopardy of damage or loss. So long as Lessee is not in default, Lessor shall give Lessee not less than twenty-four (24) hours notice of such inspection. Lessee shall immediately give Lessor written notice of any damage to or loss of the Equipment or any Items from any cause, including without limitation damage or loss caused by accident, the elements, intentional acts and theft. Such notice shall set forth an itemization of the affected Items and a detailed account of the event, including names of any injured persons and a description of any damaged property arising from any such event or from any use or operation of the Equipment or any Items, and of any attempt to take, distraint, levy upon, seize or attach the Equipment or any Items. All rights granted to Lessor herein are for the benefit of Lessor and shall not be construed to impose any obligation on Lessor, whether or not Lessor makes any inspections or receives any reports.

22. FINANCIAL AND OTHER DATA

During the Term and any Renewal Term, Lessee: (a) shall furnish Lessor annual balance sheets and profit and loss statements of Lessee and any guarantor of Lessee's obligations accompanied, at Lessor's request, by the audit report of an independent certified public accountant of reasonable competence; and (b) at Lessor's request, shall furnish Lessor quarterly balance sheets and profit and loss statements of Lessee and any such guarantor as required by the Securities and Exchange Commission (commonly referred to as "10-A" reports).

23. WARRANTY OF INFORMATION

Lessee warrants that all information furnished and to be furnished to Lessor is accurate and that all financial statements it has furnished and hereafter may furnish Lessor, including operating statements and statements of condition, are and will be prepared in accordance with generally

accepted accounting principles, consistently applied, and reasonably reflect and will reflect, as of their respective dates, results of the operations and the financial condition of Lessee and of any other entity they purport to cover.

24. NON-WAIVER

Neither the acceptance by Lessor of any payment or any other performance, nor any act or failure of Lessor to act or to exercise any rights, remedies or options in any one or more instances shall constitute a waiver of any such right, remedy or option or of any other then existing or thereafter accruing right, remedy or option, or of any breach or default then existing or thereafter occurring. No purported waiver by Lessor of any right, remedy, option, breach or default shall be binding unless in writing and signed by an officer of Lessor. A written waiver by Lessor of any right, remedy, option, breach or default shall not constitute a waiver of any other then existing or thereafter accruing right, remedy or option or of any other then existing or thereafter occurring breach or default.

25. NOTICES: PAYMENTS

(A) A written notice may be given: (i) by delivering the same to a corporate officer of the party to whom it is directed (the "Addressee"), or to a general partner if the Addressee is a partnership, or to the owner if the Addressee is a sole proprietorship; or (ii) by mailing the notice to the Addressee by first class mail, registered or certified, with postage prepaid, addressed to the Addressee at the address following its name in the opening paragraph of this Master Lease or to such other address as Addressee may specify by notice in writing given in accordance with this Section. A notice so mailed shall be deemed given on the third business day following the date of mailing. A "business day" shall be any day that is not a Saturday or Sunday or a legal holiday.

(B) The Lessee shall make all payments to Lessor at the place where the notice is to be mailed to Lessor pursuant to subparagraph (A). Payments are deemed paid when received by Lessor.

26. ASSIGNMENT

(A) Lessee shall not assign the Lease or any rights in or to the Equipment or Items. Any attempted assignment shall be of no effect, unless Lessor first shall have consented thereto in writing. Lessor's consent to an assignment in any one or more instances shall not impose any obligation upon Lessor to consent to any other or further assignments. Lessor's consent to an assignment shall not release Lessee from any obligations with respect to the Lease unless expressly so stated in the written consent.

(B) All rights of Lessor hereunder may be assigned, pledged, mortgaged, transferred or otherwise disposed of, either in whole or in part, without notice to Lessee but subject always to the rights of Lessee under this Lease, provided, Lessor agrees it shall not assign or transfer its rights and interests hereunder to entities that are in direct or indirect competition with Lessee or are actively involved with litigation with Lessee. If Lessee is given notice of any such assignment, Lessee shall acknowledge receipt thereof in writing. In the event that Lessor assigns this Lease or the rent due or to become due hereunder or any other interest herein, whether as security for any of its indebtedness or otherwise, no breach or default by Lessor hereunder or pursuant to any other agreement between Lessor and Lessee, should there be one, shall excuse performance by Lessee of any provision hereof, it being understood that in the event of such default or breach by Lessor that Lessee shall pursue any rights on account thereof solely against Lessor. No such assignee shall be obligated to perform any duty, covenant or condition requested to be performed by Lessor under the terms of this Lease.

27. SUCCESSOR AND ASSIGNS; SURVIVAL

The representations, warranties, and agreements of Lessee, and Lessee's obligations under any and all provisions of the Lease, shall be binding upon its successors and assigns and are expressly made for the benefit of and shall be enforceable by Lessor and its successors and assigns. The indemnities of Lessor by Lessee herein shall survive the expiration or other termination of the Lease.

28. MISCELLANEOUS

(A) The term "Lessor" shall mean the Lessor named herein and its successors and assigns.

(B) Whenever the context so requires, any pronoun gender includes all other genders, and the singular includes the plural. If more than one person constitute Lessee, whether as a partnership or otherwise, all such persons are and shall be jointly and severally liable for all agreements, undertakings and obligations of Lessee.

(C) All captions and section, paragraph and other divisions and subdivisions are for convenience of reference only and shall not affect the construction, interpretation or meaning of the agreement or Lease or of any of the provisions thereof.

(D) This Lease shall be governed by and construed according to the law of the State of Washington.

(E) This Lease shall be binding upon and, except as limited in Section 26 hereof, shall inure to the benefit of Lessor and Lessee and their respective successors and assigns.

(F) This Lease cannot be canceled or terminated except as expressly provided herein.

(G) Wherever Lessor's consent is required hereunder, such consent will not be unreasonably withheld.

(H) Lessee's obligation to pay or reimburse Lessor for expenses as provided hereunder shall be limited to reasonable expenses.

29. LESSOR'S DISCLAIMER

Lessee acknowledges and agrees that it has selected both the Equipment of the type and quantity which is the subject of this Lease and the supplier from whom the Equipment was purchased. LESSOR MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE DESIGN, COMPLIANCE WITH SPECIFICATIONS, CONDITION, QUALITY, WORKMANSHIP, OR THE SUITABILITY, ADEQUACY, OPERATION, USE OR PERFORMANCE OF THE EQUIPMENT OR AS TO ITS MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE. ANY DELAY IN DELIVERY SHALL NOT AFFECT THE VALIDITY OF THIS LEASE. The Lessee understands and agrees that neither the supplier nor any salesman or any agent of the supplier is an agent of Lessor. No salesman or agent of supplier is authorized to waive or alter any term or condition of this Lease, and no representation as to the Equipment or any other matter by the supplier shall in any way affect Lessee's duty to pay the rent and perform its obligations as set forth in this Lease. Lessor shall not be liable to Lessee for any incidental, consequential, or indirect damages or for any act, neglect, omission, breach or default by any third party.

30. ENTIRE AGREEMENT

This Master Lease and any Lease Purchase Addenda and related Schedules hereto shall constitute the entire agreement between the parties and shall not be altered or amended except by an agreement in writing signed by the parties hereto or their successors or assigns.

[remainder of this page intentionally left blank]

