



First Fidelity Leasing Group, Inc.
1700 Market Street, 9th Floor, Philadelphia, PA 19103
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215 496-1900

17718
REGISTRATION NO _____ FILED 1425

FEB 28 1992 -2 00 PM

David J. Kovacs
Vice President

February 24, 1992 INTERSTATE COMMERCE COMMISSION

2-059A003

Secretary
Interstate/Commerce Commission
Washington, D.C. 20423

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REGISTRATION NO _____ FILED 1425

FEB 28 1992 -2 00 PM

REC'D
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PHOTODUPLICATION UNIT

INTERSTATE COMMERCE COMMISSION

Dear Secretary:

I have enclosed two originals of the documents described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is a Master Lease Agreement with Lease Schedule No. 1, a primary document, dated February 10, 1992.

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

Lessor:

First Fidelity Leasing Group, Inc.
1700 Market Street, 9th Floor
Philadelphia, PA 19103

Lessee:

Metropolitan Edison Company
2800 Pottsville Pike
P.O. Box 16001
Reading, PA 19640

Agent for Lessee

GPU Service Corporation
P.O. Box 15152
Route 183 and Van Reed Road
Reading, PA 19612-5152

A description of the equipment covered by the documents follows:

<u>Quantity</u>	<u>Machine</u>	<u>Model/Feature</u>	<u>Manufacturer</u>	<u>Total Cost</u>
One (1)	Locomotive	SW 900	E.M.D.	\$173,858.26

A fee of \$16.00 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to First Fidelity Leasing Group, Inc., 1700 Market Street, 9th Floor, Philadelphia, PA 19103.

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

Master Lease Agreement No. 0354187 between First Fidelity Leasing Group, Inc., 1700 Market Street, Philadelphia, Pennsylvania, as Lessor ("Lessor"), and GPU Service Corporation, Rt. 183 and Van Reed Road, P.O. Box 15152, Reading, Pennsylvania 19612-5152 ("Agent"), acting on behalf of Metropolitan Edison Company, 2800 Pottsville Pike, P.O. Box 16001, Reading, PA 19640, as Lessee ("Lessee") dated January 10, 1992 (the "Master Lease"), together with Lease Schedule No. 1, between Lessor and Lessee, dated February 10, 1992, covering One (1) E.M.D. Model SW 900 Locomotive.

Very truly yours,



David S. Kovacs
Vice President

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FEB 28 1992 2:00 PM

MASTER LEASE AGREEMENT NO. 0354187 INTERSTATE COMMERCE COMMISSION

This Master Lease Agreement, entered into this day 10th day of January, 1992, between FIRST FIDELITY LEASING GROUP, INC., 1700 Market Street, Philadelphia, Pennsylvania 19103 (hereinafter referred to as "Lessor"), and GPU SERVICE CORPORATION, Rt. 183 and Van Reed Road, P.O. Box 15152, Reading, Pennsylvania 19612-5152 (hereinafter referred to as "GPUSC"), acting on behalf of itself or GPU NUCLEAR CORPORATION, JERSEY CENTRAL POWER & LIGHT COMPANY, METROPOLITAN EDISON COMPANY and/or PENNSYLVANIA ELECTRIC COMPANY (hereinafter referred to as the "affiliates"), as and to the extent specified in the applicable lease schedule referred to herein.

W I T N E S S E T H:

WHEREAS, GPUSC has been authorized by the affiliates to enter into equipment leases on their behalves on terms and conditions negotiated by it, and

WHEREAS, GPUSC has identified the need and intention to lease certain equipment for itself or the affiliates, and Lessor has agreed to lease such equipment to GPUSC and/or the affiliates under the terms of this Master Lease Agreement.

NOW, THEREFORE, in consideration of such promises and the mutual promises hereinafter set forth,

Lessor hereby agrees to lease the personal property (hereinafter referred to as "equipment") to be specified from time to time in the lease schedules to be signed by the parties hereto and to be annexed to this Master Lease Agreement provided; however, that Lessor and Lessee shall have no obligation hereunder until the execution and delivery of each such schedule by Lessor and Lessee. As used herein and in such schedules, the term "Lessee" shall mean and refer to GPUSC and/or the affiliate(s) named in such schedule for whose benefit the equipment is being leased. The Lessee so named shall be liable for the rental and other obligations applicable under the schedule and this Master Lease Agreement. If more than one Lessee is named in such schedule, each shall be severally buy not jointly liable for the amount or the percentage of such obligations set opposite its name. A form of such lease schedule is attached hereto as Exhibit 1. Attached hereto as Exhibit 2 is the initial lease schedule naming the Lessee, listing the equipment to be initially leased from Lessor hereunder, specifying the rent and term of the rental and describing the other specific terms and conditions applicable thereto in addition to the general provisions of this Master Lease Agreement.

1. TERM OF AGREEMENT

The term of any lease schedule ("Schedule") issued pursuant to this Master Lease Agreement shall begin on the later of (a) the date hereof or (b) the date when the equipment is delivered to and accepted by Lessee (the "commencement date"), and shall continue in effect through the "expiration date" as defined in each Lease Schedule (the "expiration date"), (i) unless terminated by Lessee upon 30 days prior written notice by Lessee to Lessor and upon payment by Lessee to Lessor of the applicable amount specified

opposite the elapsed period of the term in the list of "Early Termination Payments" annexed to the applicable Schedule as Annex A, or (ii) unless terminated as hereinafter set forth.

2. RENT

Lessee agrees to pay Lessor the rental specified in the lease schedule(s) applicable to each item or group of items of equipment described in such schedule(s) for the term applicable to such item(s). Such rent shall be due and payable on the first day of each month and shall continue in equal monthly installments. Lessee shall have the option of terminating the lease applicable to any item of equipment upon 90 days' prior written notice to Lessor by paying the early termination payment applicable to such equipment. Any and all taxes, as provided in the paragraph entitled, "Taxes and Fees" shall be in addition to the rentals payable to Lessor hereunder. A late payment charge at the rate of 1.0% per month, or the highest rate of interest permitted by applicable law, whichever is less, shall be paid by Lessee to Lessor on all late payments owed Lessor by Lessee. If such payments have not been received by Lessor at Lessor's place of business or by Lessor's designated agent by the date such payments are due under this Master Lease Agreement, Lessor may bill Lessee for such charges.

3. RIGHT OF QUIET ENJOYMENT

Provided it duly and punctually pays the rent and performs the other obligations to be performed by it hereunder, Lessee shall be entitled to quietly and peaceably enjoy and use the equipment during the term of this Master Lease Agreement, and Lessor shall protect Lessee's rights hereunder from any and all persons claiming under or through Lessor. This provision shall bind Lessor and any assignee of Lessor.

4. LOCATION OF EQUIPMENT

The equipment shall be initially located at the location specified in the Schedule applicable to such equipment and may be moved from this location, upon 20 days' prior notification in writing to Lessor, provided the new location shall be in a jurisdiction that has adopted the Uniform Commercial Code and Lessee executes such UCC-1 financing statements as Lessor may reasonably require, prior to moving the equipment.

5. CARE OF EQUIPMENT

Lessee shall use the equipment in a reasonable and proper manner and shall, at its sole cost and expense, comply with all laws, ordinances, and regulations relating to the possession, use, or maintenance of the equipment. When a limitation on use is made part of the identification and description of particular items of the equipment in the applicable Schedules, Lessee shall use such items of the equipment only for the stated use.

6. OPERATION OF EQUIPMENT

Lessee shall register and license the equipment wherever required and shall permit the equipment to be operated only by competent and qualified employees of Lessee.

7. IDENTIFICATION OF EQUIPMENT

If Lessor supplies Lessee with labels, plates, or other markings stating that the equipment is owned by Lessor, Lessee shall affix and keep the same in a prominent place on the equipment. Lessee shall not alter, disfigure, or cover up any marks of identification displayed on the equipment. Lessee may, however, affix its own labels, plates or other markings on the equipment.

8. ALTERATIONS

Lessee shall not materially alter the equipment without obtaining prior written permission from Lessor; provided that such permission shall not be required for alterations which are minor in nature, which do not affect the durability or usefulness of the equipment or which can be undone without damage to the equipment.

9. MAINTENANCE AND REPAIR

Lessee shall keep the equipment in good repair and operating condition, except for reasonable wear and tear. Lessee will enter into a maintenance agreement with the manufacturer of the equipment or such other party as Lessee chooses. Lessee shall pay all expenses of maintaining and repairing the equipment, and shall furnish necessary fuel and lubrication. Expenses of repair shall include labor, material, parts, and similar items.

10. INSPECTION OF EQUIPMENT

Provided proper notification is given to Lessee at least 24 hours in advance, Lessor shall be given (a) the right to enter the premises where the equipment shall then be located during normal working hours, (b) free access to the equipment, and (c) the necessary facilities to inspect the equipment.

11. RETURN OF EQUIPMENT

On or prior to the expiration date of the lease term specified in the applicable Schedule, Lessee shall return the equipment to Lessor in the same condition as received, except for normal depreciation and reasonable wear and tear, and if required a certification that the equipment has been under maintenance, unless it exercises the option to buy the equipment or to renew this Master Lease Agreement. Lessee shall be responsible for costs incurred in returning the equipment, provided the site to which the equipment is to be returned is within the number of miles specified in the applicable Lease Schedule.

12. PURCHASE OPTION A

Provided that no Event of Default (as hereinafter defined) has occurred and is continuing hereunder, Lessee shall have the option to purchase the equipment at the expiration date of the initial term for a purchase price equal to the Fair Market Value thereof, determined as of the expiration date.

Not less than 120 days prior to such expiration date, Lessee may indicate, by written notification to Lessor, Lessee's interest in exercising Lessee's purchase option described above. Lessor shall then respond in writing with its estimate of the Fair Market Value of the equipment as of the expiration date.

If, on or before a date 90 days prior to such expiration date, Lessor and Lessee are unable to agree upon a determination of the Fair Market Value of the equipment, such Fair Market Value shall be determined in accordance with the procedure for Appraisal, as defined below.

After a determination of the Fair Market Value of the equipment has been made in accordance with the procedure referred to above, Lessee may exercise its option to purchase the equipment for the Fair Market Value thereof by delivering written notification of such exercise to Lessor not less than 30 days prior to the expiration date.

At such expiration date, if Lessee has elected to purchase the equipment and no Event of Default has occurred and is continuing hereunder, Lessee shall purchase from Lessor and Lessor shall sell to Lessee, without recourse or merchantability warranty, the equipment for a cash consideration equal to the Fair Market Value thereof. Upon payment of such purchase price, Lessor shall execute and deliver to Lessee, or to Lessee's assignee or nominee, a bill of sale (without representations or warranties except that title to the equipment is being transferred by Lessor free and clear of all claims, liens, security interests and other encumbrances by or in favor of any person claiming by, through or under Lessor) for the equipment, and such other documents as may be required to release the equipment from the terms and scope of this Master Lease Agreement and to transfer title thereto to Lessee or such assignee or nominee, in such form as may reasonably be requested by Lessee.

Fair Market Value shall be determined pursuant to the "Appraisal" procedure defined below and shall be on the basis of, and shall mean, the aggregate amount which would be obtainable in an arm's-length transaction between an informed and willing buyer or user (other than (i) a lessee currently in possession or (ii) a used equipment dealer) and an informed and willing seller under no compulsion to sell. In such determination, all alternative uses in the hands of each buyer or user, including, without limitation, the further leasing of the equipment shall be taken into account in making such determination.

"Appraisal" shall mean a procedure whereby two independent appraisers, neither of whom shall be the manufacturer of the equipment, one chosen by Lessee and one by Lessor, shall mutually agree upon the amount in question. Lessor or Lessee, as the case may be, shall deliver a written notice to the other party appointing its appraiser within five days after receipt from the other party of a written notice appointing that party's appraiser. If within five days after appointment of the two appraisers as described above, the two appraisers are unable to agree upon the amount in question, a third independent appraiser, who shall not be the manufacturer of the equipment, shall be chosen within five business days thereafter by the mutual consent of such first two appraisers or, if they fail to agree upon the appointment of a third appraiser, such appointment shall be made by an authorized representative of the American Arbitration Association or any organization successor thereto.

The decision of each appraiser so appointed and chosen shall be given within 10 days after the selection of such third appraiser. The average of three appraisals arrived at by said three appraisers shall be binding and conclusive on Lessor and Lessee. Lessor and Lessee shall each pay the fees and expenses of the respective appraisers appointed by them and shall share equally the fees and expenses of the third appraiser, if any.

- OR -

12. PURCHASE OPTION B

Provided that no Event of Default (as hereinafter defined) has occurred and is continuing hereunder, Lessee shall have the option to purchase the equipment listed on each Schedule at the expiration date of the initial term for a purchase price stated thereon, if such purchase price is shown on such Schedule.

13. ACCEPTANCE OF EQUIPMENT

The equipment shall be shipped directly from the supplier thereof to Lessee. As between Lessor and Lessee, Lessee agrees to accept such shipment, if, as and when it is received and passes inspection. Lessee agrees to inspect the equipment and if it is acceptable, to sign Lessor's Certificate of Acceptance with all deliberate speed at which time lease term for such equipment shall commence. The parties agree that their rights and obligations under this Master Lease Agreement shall not be affected by any delay in inspection of the equipment by Lessee caused by circumstances beyond its control including but not limited to acts of God, fire, flood, war, government regulations, directions or request, accidents or labor trouble. Lessor shall not be liable for any loss or damage by reason of delay in shipment or delivery caused by any of the foregoing or any similar circumstances. Lessor shall have no obligation to pay for the equipment or commence the Lease until it has received an executed Certificate of Acceptance from Lessee. Lessee shall lease the equipment for the term and at the rental set forth in the applicable Schedule and shall pay rent when due irrespective of any claims, demands, set-offs, actions, suits or proceeding that it may have or assert against any supplier or manufacturer of the equipment or any portion thereof.

14. RISK OF LOSS OR DAMAGE

- (a) As between Lessor and Lessee, Lessee hereby assumes and shall bear the entire risk of any loss, theft, damage to or destruction of the equipment from any cause whatsoever not due to the fault or negligence of Lessor, hereinafter referred to as "Loss or Damage" under this Master Lease Agreement which shall continue in full force and effect notwithstanding any such Loss or Damage.
- (b) In the event of Loss or Damage to the equipment, Lessee shall either (i) promptly place the equipment in good repair, condition and working order and if Lessee elects to do so, Lessor shall remit all insurance proceeds to Lessee for such purpose, (unless Lessee has elected to self-insure the equipment), so long as Lessee has not committed an Event of Default as defined in Section 19; (ii) if Lessor does not remit such proceeds to Lessee, pay Lessor therefor in cash the Stipulated Loss Value

(defined below) within 60 days of such Loss or Damage. "Stipulated Loss Value", as used herein, shall be the amount as shown opposite the elapsed period of the term on Annex B to the applicable Schedule.

15. INSURANCE

Unless it elects to self-insure the equipment, Lessee shall, at its own expense, keep the equipment insured with companies reasonably acceptable to Lessor for such amounts and against normal hazards, including, but not limited to, insurance for damage to equipment and liability coverage for personal injuries, death or property damage, with losses under policies payable to Lessor as its interest may appear, as co-insured, irrespective of any breach of warranty or other act of Lessee, all of the foregoing on terms reasonably satisfactory to Lessor. Lessee, shall deliver said policies, or evidence of such insurance to Lessor. No insurance shall be subject to any co-insurance clause. Insurance for damage to the equipment shall be for not less than its full "stipulated Loss Value". Said policies shall provide that such insurance may not be altered or cancelled by the insurer until after 30 days written notice to Lessor. All expense of insurance shall be prepaid by Lessee, but in default thereof, Lessor may but shall not be obligated to pay for or acquire such insurance, and the premiums therefor shall be payable by Lessee to Lessor upon demand.

Lessee hereby appoints Lessor as Lessee's attorney-in-fact to make proof of loss and claims for insurance, and to make adjustments with insurers, to receive payment of and execute or endorse all documents, checks or drafts in connection with payments made as a result of such insurance policies. Any expense of Lessor in adjusting or collecting insurance shall be borne by Lessee. Lessee will not make adjustments with insurers except with Lessor's written consent which shall not be unreasonably withheld or delayed. Lessor shall apply proceeds of insurance to repair or replace the equipment or any portion thereof, which Lessee elects to repair or replace, after deducting the amount required to satisfy any obligation of Lessee to Lessor hereunder.

16. LIABILITY AND INDEMNITY FOR DAMAGES AND PERSONAL INJURIES

Lessee shall indemnify, save and keep harmless Lessor, its agents, employees, successors and assigns from and against any and all losses, damages, penalties, injuries, claims, actions, and suits, including legal expenses, of whatsoever kind and nature, in contract or tort, arising out of its use of the equipment unless caused by the negligence or willful misconduct of Lessor, in which case Lessor shall indemnify Lessee to the same extent as Lessee is hereby indemnifying Lessor. Lessee shall at its own expense defend any and all actions based thereon arising out of the selection, manufacture, purchase, acceptance or rejection of the equipment, and the delivery, lease, possession, maintenance, use, condition, return of (including, without limitation, latent and other defects, whether or not discoverable by Lessor or Lessee and any claim for patent, trademark or copyright infringement) or operation of the equipment by whomsoever used or operated; provided that Lessee shall have no indemnity or other liability for any of the foregoing which arise out of or result from the particular use of the equipment by a subsequent lessee or other user. The indemnities and assumptions of liability herein provided for

shall continue in full force and effect for two (2) years after the termination of this Master Lease Agreement whether by expiration of time, by operation or law or otherwise.

17. TAXES AND FEES

Lessee shall have no liability whatsoever for franchise taxes or taxes imposed by the United States of America or any state or political subdivision thereof which are on or measured by the net income of Lessor. Lessee shall report and pay promptly any and all other taxes, fees (including registration fees) and assessments due, assessed or levied against the equipment or the purchase, ownership, delivery, leasing, possession, use or operation thereof or upon the rentals or receipts with respect to this Master Lease Agreement, including, without limitation, all license and registration fees and all sales, use, personal property, excise, gross receipts, stamp or other similar taxes, together with any penalties, fines or interest thereon, imposed against this Master Lease Agreement, Lessor, Lessee or the equipment by any foreign, federal, state, or local government or taxing authority during or relating to the term of this Master Lease Agreement (all hereinafter called "Taxes"), and in addition, Lessee shall reimburse Lessor or its assigns upon receipt of written request for reimbursement for any Taxes charged to or assessed against Lessor or its assigns, and Lessee will, on request of Lessor, submit to Lessor written evidence of Lessee's payment thereof. In case any report or return is required to be made with respect to any Taxes, to the extent possible Lessee will make such report or return in such manner as will show Lessor's ownership of the equipment, and send a copy thereof to Lessor.

18. TAX INDEMNIFICATION (IF LEASE IS TAX-ORIENTED)

As owner of the equipment, Lessor intends to take the deductions for depreciation as provided by Section 168 of the Internal Revenue Code of 1986, as amended ("the Code"). Lessee shall not take any action or omit to take any action which Lessor, in writing, reasonably requests Lessee to take which results in the loss by Lessor of the depreciation if it is otherwise available to it under the Code.

Lessee represents that an amount equal to at least 10% of the total cost of the equipment is a reasonable estimate of the Fair Market Value of the equipment at the end of the lease term without including inflation or deflation and that the equipment has an estimated useful life which exceeds the lease term by the greater of one year or 10% of such estimated life.

Lessee shall promptly pay to Lessor as additional rent such amount that after deducting therefrom all taxes required to be paid by Lessor in respect to the receipt of such amount shall compensate Lessor for loss of such tax benefits (after netting out the effect of all tax benefits to Lessor from Lessee's action or omission) including any interest, penalties and additions to tax caused by act, omission or representation of Lessee contrary to those required by the Master Lease Agreement or set forth herein. Lessor hereby agrees to exercise in good faith its best efforts determined by tax counsel of Lessor to be reasonable, proper and consistent with the overall tax interests of Lessor) to avoid requiring Lessee to pay such indemnification, provided, however, that

Lessor has the sole discretion to determine whether or not to undertake judicial or administrative proceedings beyond the level of a Federal or State auditing agent, and provided, further, that Lessor shall not be required to take any action pursuant to this sentence unless and until Lessee shall have agreed to indemnify Lessor for any liability or loss which Lessor may incur as a result of taking such action.

19. EVENTS CONSTITUTING DEFAULTS

The occurrence of any of the following events (herein "Event of Default") shall constitute a default hereunder:

- A. The nonpayment by Lessee for a period of 15 days after any installment of rent or any other sum is required to be paid by Lessee hereunder.
- B. The non-performance by Lessee of any other covenant or condition of this Master Lease Agreement required to be performed or satisfied by Lessee hereunder which is not cured within 30 days after notice thereof from Lessor to Lessee, or if such default cannot be cured within 30 days, which Lessee has not in good faith commenced to cure within such 30 day period.
- C. Any affirmative act of insolvency by Lessee or the filing by Lessee of any petition under any bankruptcy, reorganization, insolvency, or moratorium law, or any law for the relief of, or relating to, debtors.

20. REMEDIES UPON DEFAULT

Upon occurrence of any Event of Default, Lessor may declare this Master Lease Agreement in default by giving written notice to Lessee. Lessee hereby authorizes Lessor at any time thereafter to enter with or without legal process any premises where the equipment may be and to take possession thereof. Lessee shall, without further demand, forthwith pay to Lessor an amount which, together with any security deposit hereunder then held by Lessor and not applied against any other obligation of Lessee to Lessor, is equal to any unpaid rent due on or before Lessor's declaration of this Master Lease Agreement to be in default, plus as liquidated damages for loss of bargain and not as a penalty an amount equal to the Stipulated Loss Value for the equipment on the date Lessor shall have declared this Master Lease Agreement in default, together with interest as provided herein. After default, to the extent requested by Lessor, Lessee will, at its own cost and expense (i) promptly return the equipment to Lessor at an address specified by Lessor, in the same condition as received, reasonable wear and tear and normal depreciation excepted, (ii) pay for any repairs required to place the equipment in such condition, (iii) without unreasonable delay cause the equipment to be assembled at its expense, and (iv) deliver the equipment to any carrier designated by Lessor for shipment to such location in the United States as Lessor shall direct within 300 miles of Lessee's site.

Lessor may, but shall not be required to, sell the equipment at private or public sale, in bulk or in parcels, with notice, without having the equipment present at the place of sale; or Lessor may, but shall not be required to, lease, otherwise dispose of or keep idle all or part of the equipment. Lessor may use Lessee's premises for any or all of the foregoing without liability

for rent, costs, damages or otherwise. The proceeds of sale, lease or other disposition, if any, shall be applied (1) to all Lessor's costs, charges and expenses incurred in taking, removing, holding, repairing and selling, leasing or otherwise disposing of equipment; then, (2) to the extent not previously paid by Lessee, to pay Lessor the Stipulated Loss Value for the equipment and all other sums including any unpaid rent and any indemnification then remaining unpaid hereon; then (3) to reimburse to Lessee any such sums previously paid by Lessee as liquidated damages; and (4) any surplus shall be retained by Lessor. Lessee shall pay any deficiency in (1) and (2) forthwith. Lessee shall pay Lessor all reasonable costs and expenses, including reasonable attorney's fees and the reasonable fees of the collection agencies incurred by Lessor in enforcing any of the terms, conditions or provisions hereof. The express remedies set forth herein may be exercised separately or cumulatively.

21. RENEWAL OPTION

Lessee is hereby granted by Lessor an option to renew this Master Lease Agreement with respect to the equipment at the expiration date of the initial term for an additional term of one, two or three years, at the Fair Market Rental Value, but otherwise on the same conditions specified in this Master Lease Agreement and in the applicable lease schedule to the extent agreed upon by Lessor and Lessee. Should Lessee desire to exercise its option to renew this Master Lease Agreement with respect to the equipment, Lessee shall, at least 30 days prior to the expiration date of the initial term give Lessor written notice of Lessee's intention to exercise the option herein granted. The Fair Market Rental Value of the equipment shall be equal to the purchase price of the equipment (as determined in the manner set forth in the paragraph entitled "Purchase Option" applicable to the Schedule for the equipment) times one percent (1%) per month thereof multiplied by the number of months of the renewal term divided by the number of months of the renewal term.

22. CHOICE OF LAW

This lease shall be governed by and construed under the laws of the Commonwealth of Pennsylvania without regard to its choice of law rules.

23. STATUS OF EQUIPMENT

The equipment leased hereunder is, and will at all times remain, personal property, notwithstanding that it or any part of it may be, or may hereafter become, in any manner attached to, or embedded in, or permanently resting on, real property or improvements thereon.

24. OWNERSHIP OF EQUIPMENT

Subject to Lessee's rights under "Purchase Option," title to the equipment shall at all times remain in Lessor, and Lessee shall have only the right to retain the possession of the equipment pursuant to the conditions hereof. Lessee shall give Lessor immediate notice of any claim, levy, lien, or legal process issued against the equipment.

25. NONWAIVER OF DEFAULTS

Any failure by either party to enforce or require the strict keeping and performance of any of the terms or provisions of this Master Lease Agreement shall not constitute a waiver of such terms or provisions and shall not affect or impair such terms or provisions in any way, or the right of such party at any time to avail itself of such remedies as it may have for any breach of such terms or provisions.

26. ASSIGNMENT

Lessee shall not assign this Master Lease Agreement or any of the equipment leased hereby, or any interest in this Master Lease Agreement or the equipment, without Lessor's written consent, which shall not be unreasonably withheld or delayed. Lessee shall not sublet the equipment leased hereby, or any item of it, without Lessor's written consent, which shall not be unreasonably withheld or delayed. Lessee may assign this Master Lease Agreement or sublet the equipment to an affiliated company upon written notice to Lessor and upon execution of any additional documents reasonably required by Lessor to protect its interest in the equipment; provided Lessee shall remain fully liable under this Master Lease Agreement and provided Lessee gives Lessor at least ten (10) days prior written notice.

Lessor may assign this Master Lease Agreement or any of its rights thereunder without Lessee's consent; but Lessor shall not because of such assignment be excused from performing any of its obligations and duties hereunder. If this Master Lease Agreement is assigned by Lessor as collateral for a loan to Lessor, Lessee shall not assert against such assignee and/or secured party of Lessor any defense, offset or counterclaim that Lessee may have against Lessor.

27. DISCLAIMER OF WARRANTIES

LESSOR MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO THE DESIGN, COMPLIANCE WITH SPECIFICATIONS, OPERATION OR CONDITION OF, OR AS TO THE QUALITY OF THE EQUIPMENT. NO WARRANTY IS TO BE IMPLIED WITH RESPECT TO MERCHANTABILITY, THE FITNESS OF THE EQUIPMENT FOR A PARTICULAR PURPOSE, OR WITH RESPECT TO INFRINGEMENT OR THE LIKE. NOTHING HEREIN CONTAINED SHALL BE CONSTRUED AS DEPRIVING LESSEE OF WHATEVER RIGHTS, IF ANY, LESSEE MAY HAVE AGAINST THE SUPPLIER OF THE EQUIPMENT. No oral agreement, representation, or warranty shall be binding upon the parties hereto, and all prior conversations, agreements, or representations, if any, relating hereto, are deemed to be integrated herein. No modification hereof shall be binding and enforceable unless in writing and signed by the parties. Subject to the foregoing, Lessor shall assign to Lessee all available manufacturer's and dealer's warranties applicable to the equipment and cooperate, to the extent required, to enable Lessee to enforce such warranties.

28. NOTICES

Any notices required hereunder shall be deemed to have been given on the date such notice is received, by certified mail, postage prepaid, in an envelope addressed to the party being notified and signed by the party giving the notice, as follows:

To Lessee:
GPU Service Corporation
P. O. Box 15152
Route 183 and Van Reed Road
Reading, PA 19612-5152
Attention: Systemwide Contracts

To Lessor:
First Fidelity Leasing Group, Inc.
1700 Market Street
9th Floor
Philadelphia, PA 19103
Attn: Vice President/Operations Div.

29. AUTHORIZATION FOR CHANGES AND APPROVALS

No changes or amendments to this Master Lease Agreement or in any Schedule are authorized unless made by Lessee's representatives and substantiated by formal written direction or amendment. Changes made by Lessor, unless authorized by a written direction from Lessee, or amendment signed by Lessee, shall be made at the sole risk of Lessor. Any purported change or amendment made in a manner other than as herein provided shall not be binding on Lessee or enforceable against it.

Representatives of Lessee's Materials and Services Department are the only persons authorized to bind Lessee contractually for the supply or rental of the equipment under this Master Lease Agreement or to any amendment hereof.

30. INVOICING/PAYMENT

Lessor shall invoice monthly the amount for which Lessee is obligated hereunder by mailing one (1) original and one (1) copy of the invoice to the Lessee listed on the applicable schedule.

Lessor's invoices shall refer to Agreement No. 0354187 and shall briefly describe the nature of the sums specified in the invoice and affix the purchase order number thereto.

All proper invoices thus submitted shall be due and payable within 30 days after Lessee's receipt thereof.

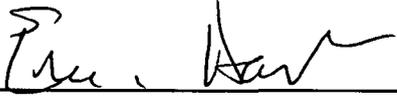
31. SEVERABILITY

Any provision herein contained which may be invalid under applicable law or any governmental rule or regulation will be deemed omitted, modified or altered to conform thereto.

32. ENTIRE AGREEMENT

This agreement constitutes the entire agreement between Lessee and Lessor. It supersedes all prior or contemporaneous communications, representations, or agreements whether oral or written with respect to the subject matter hereof and has been induced by no representations, statements or agreements other than those herein expressed.

FIRST FIDELITY LEASING GROUP, INC.
1700 Market Street, 9th Floor
Philadelphia, PA 19103

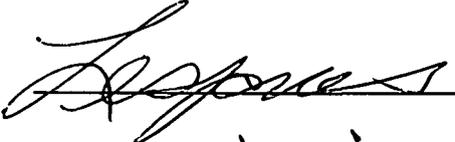
By: 

Name: Eric M. Hart

Title: Executive Vice President

Date: February 13, 1992

GPU SERVICE CORPORATION,
Acting on behalf of itself or
GPU NUCLEAR CORPORATION, JERSEY
CENTRAL POWER & LIGHT COMPANY
METROPOLITAN EDISON COMPANY and/or
PENNSYLVANIA ELECTRIC COMPANY

By: 

Name: Les J. Jones

Title: Contracts Adm. Sr.

Date: 1-10-92

CORPORATE ACKNOWLEDGMENT

COMMONWEALTH OF PENNSYLVANIA:

SS

COUNTY OF Philadelphia _____:

On this 11th day of February, 1992, before me, the undersigned officer, personally appeared Eric M. Hart

_____ who acknowledged himself to be the Executive Vice President of First Fidelity Leasing Group, Inc., a corporation, and that he as Executive Vice President being authorized to do so, executed the foregoing Lease Schedule No. 00001 for the purposes therein contained by signing the name of the corporation by himself as Executive Vice President.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.


NOTARY PUBLIC

My Commission Expires:

