RECORDATION NO 20522 FILED 1425
JAN 29 1997 -10 50 AM

ALVORD AND ALVORD
ATTORNEYS AT LAW
918 SIXTEENTH STREET, N W
SUITE 200
WASHINGTON, D C
20006-2973

(202) 393-2266
FAX (202) 393-2156

ELIAS C ALVORD (1942)
ELLSWORTH C ALVORD (1964)

OF COUNSEL
URBAN A. LESTER

RECORDATION NO 20522-A, B, C, D, E FILED 1425
JAN 29 1997 -10 50 AM

Counterparts — E M Luria

January 28, 1997

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S C. Section 11301(a), are two (2) copies of a Lease Agreement (1997-D), dated as of January 28, 1997, a primary document and two (2) copies each of the following secondary documents related thereto: Lease Supplement (1997-D), dated January 28, 1997, Sublease Agreement (1997-D), dated as of January 28, 1997, Sublease Supplement (1997-D), dated January 28, 1997, Equipment Pledge Agreement (1997-D), dated as of January 28, 1997 and Loan and Security Agreement (1997-D), dated as of January 28, 1997.

The names and addresses of the parties to the enclosed documents are:

Lease Agreement (1997-D)
and
<u>Lease Supplement (1997-D)</u>

Lessor: Massachusetts Bay Transportation Authority
10 Park Plaza
Boston, Massachusetts 02116

Lessee: Fleet National Bank, Trustee
777 Main Street
Hartford, Connecticut 06115

Sublease Agreement (1997-D)
and
Sublease Supplement (1997-D)

Sublessor: Fleet National Bank, Trustee
777 Main Street
Hartford, Connecticut 06115

Sublessee Massachusetts Bay Transportation Authority
10 Park Plaza
Boston, Massachusetts 02116

Equipment Pledge Agreement (1997-D)

Pledgor Massachusetts Bay Transportation Authority
10 Park Plaza
Boston, Massachusetts 02116

Pledgee: Fleet National Bank, Trustee
777 Main Street
Hartford, Connecticut 06115

Loan and Security Agreement (1997-D)

Borrower Fleet National Bank, Trustee
777 Main Street
Hartford, Connecticut 06115

Lender: Utrecht-America Finance Co.
245 Park Avenue, 38th Floor
New York, New York 10167

A description of the railroad equipment covered by the enclosed documents is set forth on Schedule A attached to the Lease Supplement (1997-D)

Also enclosed is a check in the amount of $132 00 payable to the order of the Surface Transportation Board covering the required recordation fee

Kindly return one stamped copy of each of the enclosed documents to the undersigned.

Very truly yours,

Robert W Alvord

RWA/bg
Enclosures

SCHEDULE A
(1997-D)

Thirty-three (33) No. 2 Red Line Rapid Transit Cars manufactured by UTDC (USA) Inc. (the "Manufacturer") pursuant to Formal Contract No. 265 dated April 19, 1984, as amended, between the Manufacturer and the Massachusetts Bay Transportation Authority (the "MBTA"), identified by the following MBTA identification numbers:

1700	1717
1701	1718
1702	1719
1703	1720
1704	1721
1705	1722
1706	1723
1707	1724
1708	1725
1709	1726
1710	1727
1711	1728
1712	1729
1713	1730
1714	1731
1715	1732
1716	

RECORDATION NO. 20522
FILED 1425
JAN 28 1997 -10 50 AM

LEASE AGREEMENT
(1997-D)

dated as of January 28, 1997

between

MASSACHUSETTS BAY TRANSPORTATION AUTHORITY,

Head Lessor,

and

FLEET NATIONAL BANK,
not in its individual capacity, but
solely as Trustee,

Head Lessee.

Lease and Sublease of Rail Equipment

TABLE OF CONTENTS

		Page
SECTION 1.	Definitions and Rules of Usage	1
SECTION 2.	Leasing of Equipment	1
SECTION 3.	Lease Term and Rent	1
(a)	Lease Term	1
(b)	Basic Lease Rent	2
(c)	Supplemental Lease Rent	2
(d)	Refund; Adjustments	2
(e)	Manner of Payment	4
(f)	Advance Payment of Basic Lease Rent	5
(g)	Limited Recourse	6
(h)	Lease Security	7
SECTION 4.	Net Lease; Absolute Obligation to Pay Rent	8
SECTION 5.	Representations, Warranties and Agreements	8
SECTION 6.	Possession, Operation, Use and Maintenance	9
SECTION 7.	Inspection	9
SECTION 8.	Replacement and Ownership of Parts; Alterations, Modifications, Additions and Substitutions	10
SECTION 9.	Event of Loss; Replacement	10
(a)	Event of Loss	10
(b)	Non-Insurance Payments Received on Account of an Event of Loss	11
SECTION 10.	Insurance	12
SECTION 11.	Liens	12
SECTION 12.	Return of the Equipment	13
SECTION 13.	Purchase Option	13
SECTION 14.	Events of Default	14
SECTION 15.	Remedies	15

SECTION 16. Assignment 16

SECTION 17. Acknowledgment of Assignment for Security 16

SECTION 18. Head Lessor Termination Option; Head Lessee Option. 16
(a) 16
(b) Sale of Head Lessor's Interest in the Equipment 17

SECTION 19. Miscellaneous. 18
(a) Notices 18
(b) Counterparts 18
(c) Amendments 18
(d) Agreement to Lease 18
(e) GOVERNING LAW. 18
(f) Benefit and Binding Effect 18
(g) Service of Process and Jurisdiction; Waiver of Immunity 19
(h) Entire Agreement 19
(i) Currency 19
(j) Execution Date 19

Exhibit A - Form of Lease Supplement

Exhibit B - Basic Lease Rent Schedule

Exhibit C - Head Lease Stipulated Loss Value Percentages

This LEASE AGREEMENT (1997-D) dated as of January 28, 1997 (this "Lease" or this "Agreement") is between MASSACHUSETTS BAY TRANSPORTATION AUTHORITY, having its principal office at 10 Park Plaza, Boston, Massachusetts 02116-3974, as Head Lessor, and FLEET NATIONAL BANK, a national banking association, not in its individual capacity but solely as Trustee, having its principal place of business at 777 Main Street, Hartford, Connecticut 06115, as Head Lessee.

W I T N E S S E T H :

WHEREAS, the Equity Investor and the Trustee have entered into the Trust Agreement pursuant to which the Equity Investor has created the Trust for the benefit of the Equity Investor, and the Trustee is authorized and directed to execute and deliver this Agreement and the other Operative Documents; and

WHEREAS, the Head Lessee desires to lease from the Head Lessor and the Head Lessor is willing to lease to the Head Lessee the Equipment upon the terms and conditions of this Lease.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the Head Lessor and the Head Lessee agree as follows:

SECTION 1. Definitions and Rules of Usage. Capitalized terms used and not otherwise defined herein shall have the meanings given such terms in Appendix A to the Participation Agreement (1997-D), dated as of January 28, 1997 among the Head Lessor, the Head Lessee, State Street Bank and Trust Company, as Equity Investor, and Utrecht-America Finance Co., as Lender, and the rules of usage set forth therein shall apply hereto.

SECTION 2. Leasing of Equipment. Subject to the terms and conditions of the Participation Agreement, on the Delivery Date the Head Lessor shall lease the Equipment to the Head Lessee and the Head Lessee shall lease the Equipment from the Head Lessor, such leasing to be evidenced by the execution by the Head Lessor and the Head Lessee of the Lease Supplement in substantially the form attached hereto as Exhibit A.

SECTION 3. Lease Term and Rent.

(a) Lease Term.

(i) Unless earlier terminated in accordance with the express provisions hereof, the Equipment shall be leased hereunder for an initial lease term commencing on the Delivery Date and ending at 11:59 p.m. (New York City time) on January 28, 2012 (the "Initial Head Lease Term").

(ii) Unless earlier terminated in accordance with the express provisions hereof, the Head Lessee shall have the right to renew this Lease at the end of the Initial Head Lease Term for a renewal term ending at 11:59 p.m. (New York City time) on June 22, 2027

(the "Renewal Head Lease Term" and together with the Initial Head Lease Term, the "Head Lease Term"), upon not less than 30 days' prior notice to the Head Lessor (the "Renewal Option"), provided that this Lease shall be deemed to have been automatically renewed for the Renewal Head Lease Term if (x) the Sublease is renewed for the Sublease Renewal Term pursuant to Section 14(d)(i) of the Sublease or (y) the Sublessor has provided a Successor Sublessee to enter into a Successor Sublease pursuant to Section 14(d)(ii) of the Sublease. If the Sublessee exercises its right to terminate the Sublease pursuant to Section 14(d)(i)(E) of the Sublease, the Head Lessee shall have the right to revoke its election to renew this Lease at any time prior to commencement of the Renewal Head Lease Term. All of the terms of this Lease shall apply during the Renewal Head Lease Term.

(b) Basic Lease Rent.

The Head Lessee shall pay Basic Lease Rent in Dollars for each Item of Equipment on each Basic Rent Payment Date during the Head Lease Term in an amount equal to the product obtained by multiplying the Equipment Value of such Item of Equipment by the percentage set forth opposite such Basic Rent Payment Date in Exhibit B, subject to adjustment as provided in Section 3(d). Basic Lease Rent shall be payable in advance (allocable to the rental period beginning on the date due and ending on the day immediately preceding the next Basic Rent Payment Date and treated as compensation for the use of the Equipment for such period) or in arrears (allocable to the rental period beginning on the Basic Rent Payment Date immediately preceding the date such payment is due and ending on the day immediately preceding the date such payment is due and treated as compensation for use of the Equipment for such period), as set forth on Exhibit B.

(c) Supplemental Lease Rent.

The Head Lessee shall also pay to the Head Lessor all other amounts, liabilities and obligations (other than Basic Lease Rent) which Head Lessee assumes or agrees to pay under this Lease ("Supplemental Lease Rent") promptly as the same shall become due. The Head Lessee shall also pay as Supplemental Lease Rent interest at the Overdue Rate on any Basic Lease Rent or Supplemental Lease Rent (collectively, "Lease Rent") not paid when due for any period for which the same shall be overdue.

(d) Refund; Adjustments.

(i) If upon the occurrence of an Event of Loss there shall be payable, under the terms of the Sublease or Successor Sublease, Stipulated Loss Value with respect to any Item or Items of Equipment (or any comparable amount under any Successor Sublease) or, in the event that the Sublease or any Successor Sublease is no longer in effect, an Event of Loss occurs with respect to any Item or Items of Equipment, on the applicable Loss Payment Date (x) the Head Lessor shall become obligated to, and shall, refund to the Head Lessee an amount equal to (A) any amounts in respect of Basic Lease Rent paid by the Head Lessee pursuant to Section 3(f)(i) on the Delivery Date and any Advance Payment Amounts paid by the Head

Lessee after the Delivery Date with respect to such Item or Items of Equipment, in each case, which are attributable to Basic Lease Rent payable for the period occurring after such Loss Payment Date, provided, that if such Loss Payment Date occurs on a date other than a Basic Rent Payment Date, the portion of the payment amount in respect of Basic Lease Rent paid pursuant to Section 3(f)(i) or the Advance Payment Amount, as the case may be, that is attributable to the period from the Loss Payment Date to the next succeeding Basic Rent Payment Date that is to be refunded will be calculated by multiplying the product of (1) the number of days (calculated based upon a 360 day year with 12 thirty-day months) from and including the Loss Payment Date to but not including the next succeeding Basic Rent Payment Date, divided by the total number of days from the preceding Basic Rent Payment Date (including such Basic Rent Payment Date) to the next succeeding Basic Rent Payment Date (but not including such Basic Rent Payment Date) by (2) the amount in respect of the Basic Lease Rent paid pursuant to Section 3(f)(i) or the Advance Payment Amount, as the case may be, that was attributable to the period between such Basic Rent Payment Dates; plus (B) interest on the amounts specified in clause (A) at the Discount Rate computed on a semiannual basis for the period commencing on the date of the payment or advance payment in respect of such Basic Lease Rent and ending on the Loss Payment Date (each payment described herein and in clause (ii) below, a "Refund") and (y) the Head Lessee shall be relieved of its obligation to pay Basic Lease Rent, if any, attributable to such Item or Items of Equipment that has not been paid and that is attributable to any period occurring after such Loss Payment Date and shall have the right to receive a release of any security interest in, and the return of, the Alternative Head Lease Collateral and any other collateral or security provided by the Head Lessee to support such Basic Lease Rent obligation of which Head Lessee is relieved (each release described herein and in clause (ii) below, a "Release"). Any Refund owed to the Head Lessee under this clause (i) may be applied as a credit against any amount of Head Lease Stipulated Loss Value which is due and payable by the Head Lessee to the Head Lessor under Section 9 hereof on such Loss Payment Date and any Refund not so credited shall be paid to the Head Lessee on such Loss Payment Date as provided above.

(ii) If the Sublessee has exercised the right to terminate the Sublease pursuant to Section 14(d)(i)(E) of the Sublease and the Head Lessee has not elected (or has revoked its election of) the Renewal Option, then (A) on the date the Initial Head Lease Term ends, the Head Lessor shall refund to the Head Lessee an amount equal to (x) the Advance Payment Amounts with respect to all installments of Basic Lease Rent paid under Section 3(f), if any, attributable to the Renewal Head Lease Term, as set forth on Exhibit B hereto, plus (y) interest on the amount specified in clause (x) at the Discount Rate computed on a semiannual basis for the period commencing on the applicable Advance Payment Date and ending at the end of the Initial Head Lease Term; *provided, however*, that the Head Lessor's obligation to pay any Refund under this clause (ii) shall be reduced by the amount of any Equity Sublease Payment of Termination Value paid by the Sublessee to the Head Lessee pursuant to and in accordance with Section 14(d)(i)(E) of the Sublease, and (B) the Alternative Head Lease Collateral and any other collateral or security provided by the Head Lessee to secure its obligations hereunder shall be released from any Lien in favor of the Head Lessor and the Lender and returned to the Head Lessee. If the Sublessee has exercised the Purchase Option, the Head Lessee shall not be

entitled to receive, and the Head Lessor shall not be required to pay, any Refund pursuant to this clause (ii).

(iii) Notwithstanding anything herein to the contrary, any payments of Basic Lease Rent hereunder shall be reduced by the amount of any withholding taxes required to be withheld on any such payment under Applicable Law. The payment of any Basic Lease Rent due hereunder net of such withholding taxes shall be deemed payment in full of such Lease Rent. Neither the Head Lessee nor the Equity Investor shall have any liability to the Head Lessor with respect to any such withholding taxes. The Head Lessor agrees to indemnify and hold harmless the Head Lessee, the Equity Investor or any Affiliate of either thereof for any liability incurred by any of the foregoing in respect of any such withholding taxes, including, without limitation, interest, penalties and additions to taxes.

(iv) Notwithstanding anything to the contrary contained in this Section 3(d), if the Sublessee is released from its obligation to make any payment of Stipulated Loss Value under Section 9 of the Sublease with respect to any Item or Items of Equipment, the Head Lessor shall thereupon automatically be relieved of all obligations to make any Refund or Releases to the Head Lessee pursuant to clause (i) of this Section 3(d) with respect thereto. Except as set forth in the preceding sentence, the Head Lessor's obligations to make any Refund and to provide for the Releases hereunder shall be absolute and unconditional and shall not be affected by any circumstances or events whatsoever. Except as otherwise expressly provided herein, the Head Lessor waives, to the extent permitted by Applicable Law, and covenants not to assert, any rights now or hereafter conferred by statute or otherwise to any abatement, suspension, deferment, diminution or reduction of any Refund payable by the Head Lessor or any Releases required hereunder. Any Refund or Release made by the Head Lessor shall be final absent manifest error, and, absent manifest error, the Head Lessor will not seek or have any right to recover all or any part of such Refund or Releases from the Head Lessee or any other Person for any reason whatsoever; provided, that the obligation of the Head Lessor to make a Refund and to provide for the Releases shall be without prejudice to, and shall not be construed as a waiver or release of, any rights or cause of action which the Head Lessor may have against the Head Lessee, the Equity Investor, the Lender or any other Person.

(e) Manner of Payment.

All Lease Rent shall be paid by the Head Lessee to the Head Lessor at its principal office as set forth in Schedule I to the Participation Agreement, or to such other address as the Head Lessor may specify, in immediately available funds, so that the Head Lessor receives the full amount of such payment no later than 1:00 p.m. (New York City time) on the due dates thereof. Except as provided herein, any Refund shall be paid by the Head Lessor to the Head Lessee at its principal office as set forth on Schedule I to the Participation Agreement, or such other address as the Head Lessee may specify, in immediately available funds, so that the Head Lessee receives an amount which (together with any amounts credited against Head Lease Stipulated Loss Value as provided in Section 3(d) above) equals the full amount of such payment no later than 1·00 p.m. (New York City time) on the due date thereof.

(f) Advance Payment of Basic Lease Rent.

(i) On the Delivery Date the Head Lessee shall pay to the Head Lessor the payment amounts in respect of the installments of Basic Lease Rent for each Item of Equipment that are payable on January 28, 1997 as set forth on Exhibit B, which shall constitute payment in full of the Basic Lease Rent for the first rental period of the Head Lease Term (beginning on the Delivery Date and ending on the day immediately preceding the next Basic Rent Payment Date); provided that a portion of such Basic Lease Rent may be required to be refunded to the Head Lessee upon occurrence of certain events as set forth in Sections 3(d) hereof.

(ii) Head Lessee shall have the right at its option by written notice to the Head Lessor given (A) on any day on or after April 14, 1997 and on or before April 28, 1997, (B) on any day on or after July 14, 1997 and on or before July 28, 1997, and (C) at least 30 days but not more than 180 days prior to each Basic Rent Payment Date occurring thereafter during the Lease Term, to pay any or all of the future installments of then unpaid Basic Lease Rent (other than the Specified Portion) in advance of when such installments are due in the case of any notice delivered pursuant to clause (B) or (C) above and any or all of the future installments of then unpaid Basic Lease Rent payable during the Initial Head Lease Term (other than the Specified Portion) in advance of when such installments are due in the case of any notice delivered pursuant to clause (A) above. Such written notice (the "Advance Payment Notice") shall specify the date on which the advance payment is to be made, the future installments of unpaid Basic Lease Rent to be paid in advance by the Head Lessee and the applicable Advance Payment Amount. Any advance payment option elected hereunder shall be paid, in the case of clause (A) above, on April 28, 1997, in the case of clause (B) above, on July 28, 1997 and, in the case of clause (C) above, on the relevant Basic Rent Payment Date (any such date, an "Advance Payment Date"). On any such Advance Payment Date, the Head Lessee may make such advance payment by applying all or a portion of the Head Lease Deposit (or the Alternative Head Lease Collateral, if any) (and any interest accrued thereon) against the applicable Advance Payment Amount in accordance with Section 3(h) below and paying the balance of the Advance Payment Amount, if any, in immediately available funds on the Advance Payment Date in accordance with Section 3(e) above. Upon payment of any Advance Payment Amount in accordance with the preceding sentence, the Head Lessor hereby acknowledges that it shall accept receipt of such Advance Payment Amount (together with the economic use and benefit of such Advance Payment Amount until the installment of Basic Lease Rent with respect to which such advance payment has been made is payable in accordance with Exhibit B) in complete satisfaction of the future installments of Basic Lease Rent that are payable under this Lease and with respect to which the advance payment has been made.

(iii) Except as provided in Section 3(d), any advance payment pursuant to this Section 3(f) shall be retained by the Head Lessor in any and all events which are contemplated, prospective or possible under the provisions and conditions hereof, and shall be absolute and irrevocable under any circumstances whatsoever, including any rescission or termination of the Sublease or this Lease, and the Head Lessee hereby waives any rights now

or hereafter conferred by statute or otherwise to recover such advance payments. If a claim is ever made upon the Head Lessor for repayment or recovery of any amount or amounts received in payment on account of any Basic Lease Rent and the Head Lessor repays all or part of said amount by reason of (A) any judgment, decree or order of any court or administrative body having jurisdiction over Head Lessor or any of its property or (B) any settlement or compromise of any such claim effected by the Head Lessor with any claimant (including the Head Lessee) other than pursuant to Section 3(d) hereof, then Head Lessee shall remain liable to the Head Lessor for the amount so repaid or recovered to the same extent as if such amounts had never been originally received by the Head Lessor.

(iv) If the Head Lessee has not elected to make advance payments with respect to all of the Basic Lease Rent (other than the Specified Portion) in accordance with this Section 3(f) and Exhibit B and either (w) there is an Event of Loss and, under the terms of the Sublease, Stipulated Loss Value with respect to any Item or Items of Equipment is payable on the applicable Loss Payment Date, (x) the Sublessee exercises one of its purchase options pursuant to Section 14(f) of the Sublease, (y) the Sublessee has elected to terminate the Sublease pursuant to Section 15 of the Sublease, the Sublessor has not made a preemptive election pursuant to Section 15(c) of the Sublease and the Sublessee has arranged for a third party sale of the Head Lease Rights pursuant to Section 15 of the Sublease, or (z) the Head Lessee has exercised one of its purchase options set forth in Section 13 hereof, then on the Loss Payment Date in the case of clause (w) above, the Sublease Expiration Date in the case of clause (x) above, the Termination Date in the case of clause (y) above, or the date of exercise of the purchase option in the case of clause (z) above, the Head Lessee shall either make an advance payment in respect of the remaining installments of Basic Lease Rent (other than the Specified Portion) for the Items or Items of Equipment that are the subject of such Event of Loss, purchase or Sublease termination, as the case may be in any amount equal to the applicable Advance Payment Amount or shall retain liability for, or otherwise arrange (in a manner reasonably acceptable to the Head Lessor) for, the payment of such installments of Basic Lease Rent (other than the Specified Portion).

(g) Limited Recourse.

The Head Lessor acknowledges that the Head Lessee's obligation to pay Lease Rent hereunder is limited to, so long as the Lien of the Loan Agreement has not been discharged pursuant to Section 7.01 thereof, the Head Lease Deposit, the Alternative Head Lease Collateral, any amounts released to the Head Lessee pursuant to Sections 3.01 (clause second), Section 3.02 (clause third) and Section 3.03 (second sentence) of the Loan Agreement and, after the Lien of Loan Agreement has been discharged pursuant to Section 7.01 thereof, the Trust Estate. The Head Lessor further acknowledges and agrees that its rights and remedies with respect to the Head Lessee are without recourse and shall be limited to the Trust Estate, subject to the Lien of the Loan Agreement, and neither the Trustee, the Equity Investor nor any other Person shall have any liability for claims of the Head Lessor against the Head Lessee.

(h) Lease Security.

(i) On the Delivery Date the Head Lessee shall make the Head Lease Deposit as contemplated in Section 2(a)(v) of the Participation Agreement with the Head Lessor as collateral to secure its obligations to pay future installments of Basic Lease Rent, which Head Lease Deposit shall be repayable by the Head Lessor on July 28, 1997, with interest thereon at 5.35% as further described herein. If the Head Lessee elects in accordance with Section 3(f)(ii)(A) or 3(f)(ii)(B) to pay any or all of any future installments of unpaid Basic Lease Rent (other than the Specified Portion) in advance, such advance payment may be made by applying part or all (as the case may be) of the Head Lease Deposit against the applicable Advance Payment Amount. The Head Lessor shall be required to return the Head Lease Deposit to the Head Lessee (plus any interest accrued thereon) on July 28, 1997 unless such Head Lease Deposit previously has been applied to pay any installment of Basic Lease Rent (other than the Specified Portion) in advance (in which case the balance, if any, of the Head Lease Deposit (plus any interest accrued thereon) remaining after such application shall be repaid to the Head Lessee on such date); provided, however, that prior to the return of the Head Lease Deposit (and any interest accrued thereon), the Head Lessee must have provided Alternative Head Lease Collateral to the Head Lessor, as contemplated in Section 22(j) of the Participation Agreement, sufficient to secure the Head Lessee's obligations to pay the future installments of unpaid Basic Lease Rent (other than the Specified Portion). Any such Alternative Head Lease Collateral shall have sufficient value at the time provided to permit the Head Lessor to factor, on a non-recourse basis, its right to receive Basic Lease Rent for an amount that, together with the amount of any advance payment made by the Head Lessee pursuant to Section 3(f)(ii)(A) and 3(f)(ii)(B) above, is not less than $22,292,291.91.

(ii) In connection with the delivery of Alternative Head Lease Collateral, the Head Lessee shall grant to the Head Lessor a first priority security interest and to the Lender a second priority security interest in such Alternative Head Lease Collateral pursuant to documentation in form and substance reasonably satisfactory to the Head Lessor and the Lender executed prior to the release by the Head Lessor to the Head Lessee of the Head Lease Deposit. If the Head Lessee fails to provide Alternative Head Lease Collateral as provided herein on or before July 28, 1997 the Head Lessee shall be deemed to have elected to make an advance payment of all installments of Basic Lease Rent (other than the Specified Portion) in accordance with Exhibit B on July 28, 1997 and the Head Lessor may apply the Head Lease Deposit to the payment of the Advance Payment Amount for such installments of the Basic Lease Rent and the balance, if any, of the Head Lease Deposit (together with accrued interest thereon) remaining after such application will be returned to the Head Lessee.

SECTION 4. Net Lease; Absolute Obligation to Pay Rent.

This Lease is a net lease. The Head Lessee acknowledges and agrees that, except as otherwise provided in Section 3, its obligations to pay all Lease Rent due and owing in accordance with the terms hereof shall be absolute and unconditional and shall not be affected by any circumstance whatsoever, including any setoff, counterclaim, recoupment, defense or other right which the Head Lessee may have against the Head Lessor or any other Person for any reason whatsoever. Except as provided in Section 3(d), no payment or advance payment

of Basic Lease Rent shall be subject to any abatement, diminution or reduction, and the Head Lessee agrees that it will not seek to recover from the Head Lessor all or any part of the Basic Lease Rent so paid for any reason whatsoever, including any present or future claims of the Head Lessee against the Head Lessor or any other Person under this Lease or otherwise. Notwithstanding any other provision of this Section 4 to the contrary, the Head Lessee shall not be impaired in the exercise of any right it may have to assert and sue upon any claim it may have against the Head Lessor in a separate action.

SECTION 5. Representations, Warranties and Agreements.

(a) EXCEPT AS OTHERWISE PROVIDED IN THE OPERATIVE DOCUMENTS AND WITHOUT WAIVING ANY RIGHTS THE HEAD LESSEE HAS THEREUNDER WITH RESPECT TO THE HEAD LESSOR, THE SUBLESSEE OR ANY OTHER PERSON, THE HEAD LESSEE AGREES THAT IT LEASES THE EQUIPMENT "AS-IS" AND "WHERE-IS" AND THE HEAD LESSOR DOES NOT MAKE OR SHALL BE DEEMED TO HAVE MADE ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE CONDITION, VALUE, WORKMANSHIP, DESIGN, OPERATION, COMPLIANCE WITH SPECIFICATIONS, CONSTRUCTION, PERFORMANCE OR MERCHANTABILITY, FITNESS OR SUITABILITY FOR USE OR PURPOSE OF THE EQUIPMENT OR ANY PART THEREOF, AS TO THE ABSENCE OF LATENT OR OTHER DEFECTS, WHETHER OR NOT DISCOVERABLE, AS TO THE ABSENCE OF OBLIGATIONS BASED ON STRICT LIABILITY IN TORT, AS TO THE ABSENCE OF INFRINGEMENT OF A PATENT, TRADEMARK OR COPYRIGHT OR AS TO THE QUALITY OF THE MATERIAL OR WORKMANSHIP OF THE EQUIPMENT OR ANY PART THEREOF.

(b) The Head Lessor covenants that during the Head Lease Term, so long as no Event of Default hereunder shall have occurred and be continuing, the Head Lessee's rights under this Lease, including the possession, use or quiet enjoyment of each Item of Equipment, shall not be interrupted by the Head Lessor or any Person claiming any interest in such Item of Equipment by, through or under the Head Lessor.

SECTION 6. Possession, Operation, Use and Maintenance.

(a) Possession and Use.

The Head Lessee will sublease the Equipment to the Sublessee pursuant to the Sublease and, in the event the Successor Sublease Option or the Sublease Renewal Option is elected by the Sublessor and all the requirements of Section 14 of the Sublease are satisfied with respect thereto, the Head Lessee will sublease the Equipment following the Sublease Expiration Date to a Successor Sublessee or the Sublessee, as the case may be, in accordance with Section 14 of the Sublease. Following the termination of (i) the Sublease Renewal Term, if any, or any initial Successor Sublease entered into pursuant to Section 14(d)(ii) of the Sublease or (ii) the Sublease Term if the Head Lessee has elected the Return Option, the Head Lessee

may sublease the Equipment to any other Person (including without limitation a Successor Sublessee), provided any such sublease shall not extend beyond the end of the Head Lease Term and shall be expressly subject and subordinated to this Lease.

(b) Maintenance.

Head Lessee, at its own expense, will maintain, repair and service, or cause to be maintained, repaired and serviced, the Equipment in accordance with the provisions of Section 6(c) of the Sublease which are incorporated herein for such purpose, mutatis mutandis; provided, however, that by entering into the Sublease with the Sublessee or a Successor Sublease with a Successor Sublessee, the Head Lessee shall be deemed to have complied with this Section 6(b) whether or not the Sublessee actually complies with Section 6(c) of the Sublease and so long as the Head Lessee exercises reasonable diligence in enforcing such comparable maintenance provisions of the Successor Sublease; provided, further, that the Head Lessee shall be deemed to have complied with its obligations under this Section 6(b) in respect of any Successor Sublease so long as it takes such actions as may be reasonably requested by Head Lessor to enforce such comparable maintenance provisions.

SECTION 7. Inspection.

The Head Lessor or its authorized representatives may, on reasonable notice, inspect the Equipment; provided, that unless an Event of Default hereunder shall have occurred and be continuing hereunder, inspections shall occur only once in any twelve month period. All such inspections of the Equipment shall be visual, walk-around inspections and shall not, unless an Event of Default shall have occurred and be continuing hereunder, include opening any panels or bays and, in any event, shall be conducted, so long as there is no Event of Default hereunder, so as not to unreasonably interfere with the normal conduct of Head Lessee's or any sublessee's or subsublessee's business or the operation and maintenance of the Equipment. Unless an Event of Default shall have occurred and be continuing hereunder, any inspection or observation made pursuant to this Section 7 shall be at the sole expense and risk of the Head Lessor. The Head Lessor shall not have any duty to make any such inspection or incur any liability or obligation by reason of not making any such inspection. Notwithstanding the above, during the Sublease Term and any Successor Sublease Term, the Head Lessor's right to inspect the Equipment shall be the same as the inspection rights set forth in Section 7 of the Sublease or the comparable provision of any Successor Sublease.

SECTION 8. Replacement and Ownership of Parts; Alterations, Modifications, Additions and Substitutions.

The Head Lessee, at its own expense, shall comply with the provisions of Section 8 of the Sublease regarding replacement of Parts, ownership of Parts and alterations, and modifications and additions to the Equipment which are incorporated herein for such purposes mutatis mutandis; provided, however, that by entering into the Sublease with the Sublessee or a Successor Sublease with a Successor Sublessee, the Head Lessee shall be deemed to have

complied with this Section 8 whether or not the Sublessee or the Successor Sublessee actually complies with such provisions; provided, further, that Head Lessee shall exercise reasonable diligence in enforcing such comparable provisions of any Successor Sublease. Notwithstanding the foregoing, the Head Lessee shall be deemed to have complied with its obligations under this Section 8 in respect of any Successor Sublease so long as it takes such actions as may be reasonably requested by Head Lessor to enforce such provisions of such Successor Sublease.

SECTION 9. Event of Loss; Replacement.

(a) Event of Loss.

Upon the occurrence of an Event of Loss:

(i) During the Sublease Term or any Successor Sublease Term, in the event the Sublessee or any Successor Sublessee elects alternative (i) of Section 9(a) of the Sublease (or the comparable provision of any Successor Sublease), with respect to the amounts specified in (B) below the Head Lessee will pay and, with respect to the amounts specified in (A) and (C) below, will apply any payments received under the Sublease or the Successor Sublease to pay, to the Head Lessor on the Loss Payment Date: (A) (x) the amount determined by multiplying the Equipment Value of each Item of Equipment suffering the Event of Loss by the percentage set forth in Exhibit C opposite the date which is the Basic Rent Payment Date next succeeding the Loss Payment Date (the "Head Lease Stipulated Loss Value") discounted, in the case of any Loss Payment Date that is not a Basic Rent Payment Date, from the next succeeding Basic Rent Payment Date to the Loss Payment Date at the Discount Rate on a semi-annual basis, plus (y) if such Loss Payment Date occurs on a date other than a Basic Rent Payment Date, the portion, if any, of Basic Lease Rent for such Item of Equipment in respect of which an advance payment has been made and that is attributable to the period from the Loss Payment Date to the next succeeding Basic Rent Payment date (calculated by multiplying the product of (1) the number of days (calculated based upon a 360 day year with 12-thirty day months) from and including the Loss Payment Date to but not including the next succeeding Basic Rent Payment Date, divided by the total number of days from the preceding Basic Rent Payment Date (including such Basic Rent Payment Date) to the next succeeding Basic Rent Payment Date) by (2) the amount of Basic Lease Rent for such Item of Equipment in respect of which an advance payment has been made and that was attributable to the period between such Basic Rent Payment Dates, discounted to the Loss Payment Date from the next succeeding Basic Rent Payment Date at the Discount Rate on a semi-annual basis, plus (B) any Basic Lease Rent that was due and payable on or prior to such Loss Payment Date remaining unpaid, plus (C) in the case of an Event of Loss with respect to all Items of Equipment, all Supplemental Lease Rent due and owing on the Loss Payment Date by the Head Lessee to the Head Lessor; provided, that the Head Lessee's obligation to pay such amounts specified in (A) and (C) shall be limited to amounts received by the Head Lessee from the Sublessee or any Successor Sublessee under Section 9(a)(i)(D) of the Sublease (or the

comparable provision of any Successor Sublease) following an Event of Loss, and provided, further, that any Refund owed by the Head Lessor to the Head Lessee under Section 3(d) above may be credited against any amounts owed by the Head Lessee to the Head Lessor under clause (A) above;

(ii) in the event the Sublessee elects to substitute for any Item of Equipment suffering an Event of Loss a Replacement Item of Equipment pursuant to alternative (ii) of Section 9(a) of the Sublease, such Replacement Item of Equipment shall become subject to this Lease and shall be deemed an Item of Equipment for all purposes hereof to the same extent as the Item of Equipment originally leased hereunder;

(iii) in the event the Sublease or any Successor Sublease is no longer in effect, upon the occurrence of an Event of Loss the Head Lessee shall pay to the Head Lessor on the Loss Payment Date the amounts set forth in (A), (B) and (C) of clause (i) above; provided that (1) any Refund owed by the Head Lessor to the Head Lessee under Section 3(d) above may be credited against any amounts owed by the Head Lessee to the Head Lessor under (A) of clause (i) above and (2) the amounts payable by the Head Lessee to the Head Lessor pursuant to (A) of clause (ii) above (after taking into account any Refund credited against the Head Lessee's obligations in accordance with clause (1) of this proviso) shall not in any event exceed the amount of any insurance proceeds attributable to the Head Lessor's interest in the Item or Items of Equipment that are subject to such Event of Loss.

(b) Non-Insurance Payments Received on Account of an Event of Loss.

The Head Lessor and the Head Lessee agree that any payments as described in Sections 9(b), (c) or (d) of the Sublease (or the comparable provision in any Successor Sublease) will be applied as provided in such provisions and otherwise as the interests of the Head Lessor, the Head Lessee and the Sublessee (or any Successor Sublessee) may appear. In the event the Sublease or any Successor Sublease is no longer in effect, any such payments shall be divided between the Head Lessee and the Head Lessor as their interests may appear.

SECTION 10. Insurance.

Head Lessee, at its own expense, will maintain insurance with respect to the Equipment in accordance with the provisions of Section 10 of the Sublease which are incorporated herein for such purpose, mutatis mutandis; provided, however, that by entering into the Sublease with the Sublessee or a Successor Sublease with a Successor Sublessee which contains insurance provisions comparable to Section 10 of the Sublease, the Head Lessee shall be deemed to have complied with this Section 10 whether or not the Sublessee or the Successor Sublessee actually complies with such provisions; provided, further, that Head Lessee shall exercise reasonable diligence in enforcing such comparable provisions of any Successor Sublease. Notwithstanding the foregoing, Head Lessee shall be deemed to have complied with

its obligations under this Section 10 in respect of any Successor Sublease so long as it takes such actions as may be reasonably requested by Head Lessor to enforce such provisions of any Successor Sublease.

SECTION 11. Liens.

The Head Lessee shall comply with the provisions of Section 11 of the Sublease, which are incorporated herein for such purpose, mutatis mutandis, but its obligation thereunder shall be limited to the assets of the Trust Estate; provided, however, that so long as the Sublessee or any Successor Sublessee or any of their respective successors or assigns shall be the sublessee of the Equipment, the obligations of Head Lessee contained in this Section shall be deemed to be satisfied without any further action by the Head Lessee; provided, further, that the Head Lessee shall exercise reasonable diligence in enforcing the provisions of any Successor Sublease comparable to Section 11 of the Sublease. Notwithstanding the foregoing, the Head Lessee shall be deemed to have complied with its obligations under this Section 11 in respect of any Successor Sublease so long as it takes such actions as may be reasonably requested by the Head Lessor to enforce such provisions of such Successor Sublease. The Head Lessor shall not directly or indirectly create, incur, assume or suffer to exist any Liens on the Equipment other than (a) during the Sublease Term, Permitted Liens, (b) Sublessor's Liens and Liens arising by, through or under the Head Lessee, and (c) as otherwise provided in Section 11(c) and 14(d) of the Participation Agreement. The Head Lessor agrees that it will, at its own cost and expense, promptly take such action as may be necessary duly to discharge promptly any Lien on the Equipment (other than those described in clause (a), (b) and (c) of the preceding sentence) and will hold harmless and indemnify on an After-Tax Basis, the Trustee, the Equity Investor, the Lender, the Trust Estate and the Collateral and their respective Affiliates against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements, including legal fees and expenses, of whatsoever kind and nature and any reduction in the amount payable out of the Trust Estate or the Collateral imposed on, incurred by or asserted against any of the foregoing in respect of the imposition, enforcement or removal of any such Liens.

SECTION 12. Return of the Equipment.

Subject to the Head Lessee's exercise of any of its purchase options under Section 13, the Head Lessee will, on the Head Lease Expiration Date, return the Equipment (except any Item of Equipment deemed to have suffered an Event of Loss), free and clear of any Liens (other than Liens arising by, through or under the Head Lessor or the Sublessee), and in the same condition as when possession of the Equipment was returned to the Head Lessee by the Sublessee or any Successor Sublessee, ordinary wear and tear excepted, and in the condition required by Section 6(b).

SECTION 13. Purchase Option.

The Head Lessee shall have the option to purchase the Head Lessor's residual interest in the Equipment for an amount equal to the then estimated Fair Market Sales Value of such residual interest (determined, except in the case of any purchase on the Head Lease Expiration Date, taking into account the fact that the Equipment is encumbered by this Lease) at the time of the exercise of such option, upon the occurrence of the following events (and provided that the Sublessee does not exercise its Purchase Option):

(a) the Basic Term Expiration Date or the Head Lease Expiration Date,

(b) on May 23, 2021;

(c) the Head Lessee exercises its preemptive election under Section 15(c) of the Sublease to take possession of the Equipment once the Sublessee has given notice of its intent to terminate the Sublease pursuant to Section 15(a) of the Sublease; or

(d) an Event of Default occurs and is continuing under the Sublease.

The Head Lessee shall notify the Head Lessor in writing whether it will purchase such interest in the Equipment pursuant to this Section 13: (i) not less than 90 days prior to the Basic Term Expiration Date, May 23, 2021 or the Head Lease Expiration Date; (ii) concurrently with the exercise of its preemptive election as described in clause (c) above; and (iii) at any time within one year of the declaration of an Event of Default under the Sublease. If the Head Lessee elects to purchase such interest in the Equipment pursuant to this Section 13, upon payment to the Head Lessor of an amount equal to the applicable purchase price, plus all other amounts owing by the Head Lessee to the Head Lessor pursuant hereto (whether as Basic Lease Rent or Supplemental Lease Rent), all of the Head Lessor's right, title and interest in the Equipment shall be deemed automatically to have been transferred by the Head Lessor to the Head Lessee or its designee, "as-is, where-is" without recourse or warranty of any kind, except with respect to the absence of Liens (other than Sublessor's Liens). The Head Lessee shall prepare and the Head Lessor shall execute, a termination of this Lease and a bill of sale or other instrument providing for the transfer of the Equipment as the Head Lessee may reasonably request, all at the expense of the Head Lessee. Upon compliance by the Head Lessee with the provisions of this Section 13, this Lease shall terminate except in respect of liabilities and obligations of the Head Lessee which have accrued but not been paid or which are in dispute as of the date of such transfer.

SECTION 14. Events of Default.

The following events shall constitute Events of Default hereunder; provided that no such event shall constitute an Event of Default if caused by, or otherwise directly or indirectly attributable to, the Head Lessor, the Sublessee or any Event of Default under the Sublease;

(a) The Head Lessee shall fail to make any payment of Basic Lease Rent when due and such failure shall continue for a period of five Business Days after receipt of written notice of non-payment from the Head Lessor, or the Head Lessee shall fail to make any payment of Supplemental Rent and such failure shall continue unremedied for a period of 30 days after receipt by the Head Lessee of a written notice of non-payment from the Head Lessor; or

(b) the Head Lessee shall fail to perform or observe any other material covenant or condition to be performed or observed by it hereunder in any material respect and such failure shall not have been cured for a period of 30 days after receipt by the Head Lessee of written notice thereof from the Head Lessor; provided that if such failure is capable of cure but cannot be cured during such 30-day period, no Event of Default shall occur so long as the Head Lessee is diligently attempting to cure and does so within 180 days of such receipt, or

(c) the Head Lessee shall file a voluntary petition in bankruptcy or a voluntary petition or an answer seeking reorganization in a proceeding under any bankruptcy, insolvency or other similar laws (as now or hereafter in effect) or an answer admitting the material allegations of a petition filed against the Head Lessee in any such proceeding, or the Head Lessee shall, by voluntary petition, answer or consent, seek relief under the provisions of any other now existing or future bankruptcy, insolvency or other similar law providing for the reorganization or winding-up of corporations or for an agreement, composition, extension or adjustment with its creditors; or shall adopt a resolution of liquidation; or

(d) a petition against the Head Lessee in a proceeding under applicable bankruptcy, insolvency or similar laws as now or hereafter in effect shall be filed and shall not be withdrawn or dismissed within 90 days thereafter, or if, under the provisions of any law providing for reorganization or winding-up of corporations or other entities which may apply to the Head Lessee, any court of competent jurisdiction shall assume jurisdiction, custody or control of the Head Lessee or of any substantial part of its property and such jurisdiction, custody or control shall remain in force unrelinquished, unstayed or unvacated for a period of 90 days; or

(e) an order, judgment or decree shall be entered in any proceeding by any court of competent jurisdiction appointing, without the consent of the Head Lessee, a receiver, trustee, assignee or liquidator or similar official of the Head Lessee, or of any substantial part of its property or sequestering any substantial part of the property of the Head Lessee, and any such order, judgment or decree or appointment or sequestration shall remain in force undismissed, unstayed or unvacated, for a period of 90 days after the date of entry thereof; or

(f) any additional proceeding similar to those referred to in Section 14(c), (d) or (e) above for the relief of financially distressed debtors under the laws of any jurisdiction is entered into by the Head Lessee voluntarily; or any additional proceeding similar to those referred to in Section 14(c), (d) or (e) above for the relief of financially distressed debtors under the laws of any jurisdiction is entered into by or with respect to the Head Lessee involuntarily and shall remain in force undismissed, unstayed or unvacated for a period of 90 days.

SECTION 15. Remedies.

Upon the occurrence of any Event of Default and at any time thereafter so long as the same shall be continuing, the Head Lessor may, at its option and sole discretion, declare this Lease to be in default by a notice to the Head Lessee, and at any time after this Lease shall be declared in default pursuant to this sentence, unless such declaration shall have been rescinded, the Head Lessor may, subject to the proviso in this Section 15, in its sole discretion do, and the Head Lessee shall comply with, one or more of the following with respect to the Equipment, as the Head 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.

(a) cause the Head Lessee, upon the written demand of the Head Lessor and at the Head Lessee's expense, to, and the Head Lessee shall, promptly return any Items of Equipment as the Head Lessor may demand to the Head Lessor or its order; or

(b) terminate this Lease as to all of the Equipment or any Item of Equipment, or exercise any other right or remedy which may be available under any Applicable Law or proceed by appropriate court action to enforce the terms hereof or to recover damages for the breach hereof;

provided, however, that if and for so long as the Lien of the Loan Agreement has not been discharged pursuant to Section 7.01 thereof with respect to the Collateral (which includes this Lease), the Head Lessor shall have the right to demand, collect, sue for or otherwise receive and enforce payment of the Basic Lease Rent and compliance by the Head Lessee with the terms of this Lease, including without limitation the right to proceed by court action to enforce performance of this Lease or to recover any amounts owing to it solely out of the amounts described in Section 3(g) of this Lease, but shall not have the right to require the return of any Item of Equipment or to terminate this Lease.

The Head Lessor and the Head Lessee hereby acknowledge that irreparable damage would result if this Lease is not specifically enforced, and that, therefore, the rights of the Head Lessor and the Head Lessee under this Lease may be enforced by a decree of specific performance issued by a court of competent jurisdiction and appropriate equitable relief may be applied for and granted in connection therewith.

SECTION 16. Assignment.

The Head Lessor will not, without the prior written consent of the Head Lessee and, so long as the Lien of the Loan Agreement shall not have been discharged pursuant to Section 7.01 thereof, the Lender, assign any of its rights or obligations hereunder except (a) as provided in, and subject to the conditions of, Sections 11(c) and 14(d) of the Participation Agreement and (b) as contemplated in the last sentence of Section 3(h)(i) if the Head Lessee does not pay in advance all of the installments of Basic Lease Rent (other than the Specified Portion) pursuant to the terms of Section 3(f) hereof. The Head Lessee will not, without the

prior written consent of the Head Lessor and, so long as the Lien of the Loan Agreement shall not have been discharged pursuant to Section 7 01 thereof, the Lender, assign any of its rights or obligations hereunder except (i) to a successor owner trustee appointed in accordance with the Trust Agreement and the Participation Agreement, (ii) to the Lender as security under the Loan Agreement, (iii) as provided in and subject to the conditions of Section 20(a) of the Participation Agreement with respect to a transfer to a substantially similar trust or (iv) to a sublessee in accordance with the provisions of this Lease.

SECTION 17. Acknowledgment of Assignment for Security.

In order to secure the indebtedness evidenced by the Loan Certificates and all other amounts owing to the Lender under the Operative Documents, the Head Lessee has agreed in the Loan Agreement, among other things, to assign to the Lender its rights under this Lease. The Head Lessor hereby consents to such assignment and acknowledges receipt of copies of the Loan Agreement, it being understood that such consent shall not affect any requirement or the absence of any requirement for any consent under any other circumstances. Unless and until the Head Lessor shall have received written notice from the Lender that the Lien of the Loan Agreement has been discharged pursuant to Section 7.01 thereof, the Lender, to the extent provided in, and subject to the exceptions contained in, the Loan Agreement, shall have the right to exercise the rights of the Head Lessee under the Lease to give consents, approvals, waivers, notices or the like, to make elections, demands or the like and to take any other discretionary action under this Lease as though named as the Head Lessee herein and no amendment or modification of, or waiver by or consent of the Head Lessee in respect of, any of the provisions of this Lease shall be effective unless the Lender shall have joined in such amendment, modification, waiver or consent or shall have given its prior written consent thereto to the extent set forth in and subject in each case to the exceptions set forth in the Loan Agreement.

SECTION 18. Head Lessor Termination Option; Head Lessee Option.

(a) If the Sublessee elects to exercise the Purchase Option in accordance with Section 14(a) or Section 14(d)(i)(C) of the Sublease and, at the time such election is made, the Head Lessor is also the Sublessee, the Head Lessor shall have the right upon 5 days' (or in the event that the Sublessee elects to exercise the Purchase Option pursuant to Section 14 (d)(i)(C) of the Sublease, one day's) written notice to the Head Lessee to make payment of all amounts due and payable by the Sublessee pursuant to and in accordance with Section 14(f) of the Sublease (and, if applicable, amounts specified in the last sentence of Section 14(d)(i)(C) of the Sublease) and upon payment of all such amounts this Lease shall terminate, the Items of Equipment shall be returned to the Head Lessor on an "as-is, where-is" basis without recourse or warranty except with respect to the absence of Sublessor's Liens, and the Head Lessee shall cease to have any further liabilities or obligations under this Lease except in respect of liabilities and obligations of the Head Lessee which have accrued but not been paid as of the last day of the Initial Head Lease Term.

(b) Sale of Head Lessor's Interest in the Equipment. Consistent with the Head Lessee's right pursuant to Section 13(b) to purchase the Head Lessor's interest in the Equipment on May 23, 2021, the Head Lessee shall have the right to require that the Head Lessor sell all of its right, title and interest in the Equipment then subject to this Lease on May 23, 2021, upon not less than 30 and not more than 90 days' prior written notice to the Head Lessor. During the period following the giving of such notice to the date of sale, the Head Lessee, as non-exclusive agent for the Head Lessor, shall have the right to solicit bids for the cash purchase of such Equipment; provided, however, that the Head Lessee shall act in its sole discretion and shall be under no duty to solicit bids publicly or in any particular market and shall have no liability for failure to obtain the best price. Upon receiving a bid pursuant to the previous sentence, the Head Lessee shall, within five Business Days after receipt thereof and at least ten days prior to the proposed date of such sale, certify in writing to the Head Lessor (i) the amount and terms of such bid, (ii) the proposed date of sale and (iii) the name and address of the party giving the bid (which may include the Head Lessor, the Head Lessee or the Equity Investor or any of their respective Affiliates). On the date of such sale (provided such date is at least ten days following the delivery of such certification), the Equipment shall be sold to such bidder (without regard to the commercial reasonableness or nature of the bid) and this Head Lease shall terminate. The proceeds of such sale shall be allocated, first, to the Head Lessee in an amount up to the Fair Market Sales Value of the Head Lease Rights, and second, to the Head Lessor in an amount equal to the balance of the sale proceeds. Notwithstanding the foregoing, if the Head Lessor does not agree to the offered bid price for any reason whatsoever, the Head Lessor shall have the right at any time prior to the date of such sale to pay to the Head Lessee the Fair Market Sales Value of the Head Lease Rights (which Fair Market Sales Value shall not be less than $1.00). If the Head Lessor makes such payment, all of the Head Lessee's rights hereunder shall be deemed automatically to have been transferred to the Head Lessor on an "as-is, where-is" basis without recourse or warranty of any kind, except with respect to the absence of Sublessor's Liens and the Head Lessor shall not be required to sell its interest in the Equipment under this subsection (b). Upon the consummation of any such sale or the transfer of the Head Lease Rights to the Head Lessor pursuant to this subsection (b), the Head Lessee shall pay all amounts of Lease Rent accrued as of such date and the liability of the Head Lessee for Lease Rent during the Renewal Head Lease Term for the Equipment with respect to periods subsequent to such sale or transfer shall terminate. In connection with the sale of the Equipment pursuant to this subsection (b), the Head Lessor shall execute and deliver to the purchaser a bill of sale conveying the Equipment free and clear of all Liens (other than Sublessor's Liens) and such other documents and certificates as the purchaser may reasonably request to evidence such transfer.

SECTION 19. Miscellaneous.

(a) Notices.

All notices and other communications required under the terms and provisions hereof shall be given and shall be effective in accordance with the provisions of Section 22(a) of the Participation Agreement

(b) Counterparts.

This Lease may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

(c) Amendments.

Neither this Lease nor any of the terms hereof may be terminated, amended, supplemented, waived or modified orally, but only by an instrument in writing signed by both parties.

(d) Agreement to Lease.

This Lease shall constitute an agreement of lease, and nothing contained herein shall be construed as conveying to the Head Lessee any right, title to or interest in the Equipment except as a lessee only.

(e) GOVERNING LAW.

THIS LEASE SHALL IN ALL RESPECTS BE GOVERNED BY THE LAWS OF THE COMMONWEALTH OF MASSACHUSETTS, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE WITHOUT REFERENCE TO ANY CHOICE-OF-LAW OR CONFLICTS-OF-LAWS RULES WHICH MIGHT LEAD TO THE APPLICATION OF THE LAWS OF ANY OTHER JURISDICTION.

(f) Benefit and Binding Effect.

The terms and provisions of this Lease shall inure to the benefit of and be binding on the Head Lessor and the Head Lessee and their respective successors and permitted assigns.

(g) Service of Process and Jurisdiction; Waiver of Immunity.

The provisions of Section 17 of the Participation Agreement are incorporated herein by reference as though fully set out herein.

(h) Entire Agreement.

This Lease, together with the agreements, instruments and other documents required to be executed and delivered in connection herewith, supersedes all prior agreements and understandings of the parties with respect to the subject matter covered hereby.

(i) Currency.

All Lease Rent is to be paid in Dollars.

(j) Execution Date.

Although this Lease is dated as of the date first above written for convenience, the actual date of execution by the parties is the Delivery Date and this Lease shall be effective on, and shall not be binding on any party until, the Delivery Date.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

Head Lessor:

MASSACHUSETTS BAY TRANSPORTATION AUTHORITY

By:_____
Name:
Title:

Head Lessee:

FLEET NATIONAL BANK,
not in its individual capacity, but solely as Trustee

By._____
Name:
Title:

EXHIBIT A

LEASE SUPPLEMENT (1997-D)

THIS LEASE SUPPLEMENT (1997-D) dated January 28, 1997 between MASSACHUSETTS BAY TRANSPORTATION AUTHORITY, having its principal office at 10 Park Plaza, Boston, Massachusetts 02116-3974, as Head Lessor, and FLEET NATIONAL BANK, a national banking association, not in its individual capacity but solely as Trustee, having its principal place of business at 777 Main Street, Hartford, Connecticut 06115, as Head Lessee;

WHEREAS, the Head Lessor and the Head Lessee have heretofore entered into the Lease Agreement, dated as of January 28, 1997 (the "Lease"), which Lease provides for the execution and delivery of Lease Supplements in substantially the form hereof for the purpose of leasing the Items of Equipment when delivered by the Head Lessor to the Head Lessee in accordance with the terms thereof. All of the terms and provisions of the Lease are hereby incorporated by reference in this Lease Supplement to the same extent as if fully set forth herein (including those terms providing that capitalized terms used therein and not otherwise defined therein shall have the meanings given such terms in Appendix A to the Participation Agreement, and the rules of usage set forth therein shall apply thereto).

NOW, THEREFORE, in consideration of the premises and other good and sufficient consideration, and pursuant to Section 2 of the Lease, the Head Lessor hereby delivers and leases to the Head Lessee, and the Head Lessee hereby accepts and leases from the Head Lessor, under the Lease as herein supplemented, the Items of Equipment described (both by serial number and Equipment Value) in Schedule A hereto.

THIS LEASE SUPPLEMENT SHALL IN ALL RESPECTS BE GOVERNED BY THE LAWS OF THE COMMONWEALTH OF MASSACHUSETTS, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE WITHOUT REFERENCE TO ANY CHOICE-OF-LAW OR CONFLICTS-OF-LAWS RULES WHICH MIGHT LEAD TO THE APPLICATION OF THE LAWS OF ANY OTHER JURISDICTION

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

EXHIBIT B
to
Head Lease Agreement

BASIC LEASE RENT SCHEDULE

Basic Rent Payment Date	Basic Lease Rent Paid In Arrears	Basic Lease Rent Paid In Advance	Total Basic Lease Rent	Total Basic Lease Rent Payable in Advance	Specified Portion
Jan 28 1997	-	2,415,745.87	2,415,745.87	-	2,415,745.87
Jul 28 1997	-	-	-	-	-
Jan 28 1998	-	2,611,617.16	2,611,617.16	2,611,617.16	-
Jul 28 1998	-	-	-	-	-
Jan 28 1999	-	2,611,617.16	2,611,617.16	2,611,617.16	-
Jul 28 1999	-	-	-	-	-
Jan 28 2000	-	2,611,617.16	2,611,617.16	2,611,617.16	-
Jul 28 2000	-	-	-	-	-
Jan 28 2001	-	2,611,617.16	2,611,617.16	2,611,617.16	-
Jul 28 2001	-	-	-	-	-
Jan 28 2002	-	2,611,617.16	2,611,617.16	2,611,617.16	-
Jul 28 2002	-	-	-	-	-
Jan 28 2003	-	-	-	-	-
Jul 28 2003	-	-	-	-	-
Jan 28 2004	3,072,490 77	-	3,072,490.77	3,072,490.77	-
Jul 28 2004	-	-	-	-	-
Jan 28 2005	1,971,651 83	-	1,971,651.83	1,971,651.83	-
Jul 28 2005	-	-	-	-	-
Jan 28 2006	2,165,917.53	-	2,165,917.53	2,165,917.53	-
Jul 28 2006	-	-	-	-	-
Jan 28 2007	2,131,635.35	-	2,131,635.35	2,131,635.35	-
Jul 28 2007	-	-	-	-	-
Jan 28 2008	2,137,685.14	-	2,137,685.14	2,137,685.14	-
Jul 28 2008	-	-	-	-	-
Jan 28 2009	2,136,617.53	-	2,136,617.53	2,136,617.53	-
Jul 28 2009	272,007.52	-	272,007.52	272,007.52	-
Jan 28 2010	1,816,797.08	-	1,816,797.08	1,816,797.08	-
Jul 28 2010	-	-	-	-	-
Jan 28 2011	2,193,244 84	-	2,193,244.84	2,193,244.84	-
Jul 28 2011	1,807,790 95	-	1,807,790.95	1,807,790.95	-
Jan 28 2012	-	-	-	-	-
Jul 28 2012	121,819.50	-	121,819.50	-	121,819.50
Jan 28 2013	2,370,539.03	-	2,370,539.03	2,248,719.53	121,819.50
Jul 28 2013	121,819.50	-	121,819.50	-	121,819.50
Jan 28 2014	1,952,208.61	-	1,952,208.61	1,830,389.11	121,819.50
Jul 28 2014	121,819 50	-	121,819.50	-	121,819.50

Jan 28 2015	2,026,031.63	-	2,026,031.63	1,904,212.13	121,819.50
Jul 28 2015	121,819.50	-	121,819.50	-	121,819.50
Jan 28 2016	2,013,004.03	-	2,013,004.03	1,891,184.53	121,819.50
Jul 28 2016	121,819.50	-	121,819.50	-	121,819.50
Jan 28 2017	2,015,303.02	-	2,015,303.02	1,893,483.52	121,819.50
Jul 28 2017	121,819.50	-	121,819.50	-	121,819.50
Jan 28 2018	2,014,897.32	-	2,014,897.32	1,893,077.82	121,819.50
Jul 28 2018	121,819.50	-	121,819.50	-	121,819.50
Jan 28 2019	2,054,871.39	-	2,054,871.39	1,933,051.89	121,819.50
Jul 28 2019	121,819.50	-	121,819.50	-	121,819.50
Jan 28 2020	2,566,549.35	-	2,566,549.35	2,444,729.85	121,819.50
Jul 28 2020	121,819.50	-	121,819.50	-	121,819.50
Jan 28 2021	2,476,253.24	77,829 12	2,554,082.36	2,354,433.74	199,648.62
Jul 28 2021	43,990.38	-	43,990.38	-	43,990.38
Jan 28 2022	2,492,187.85	-	2,492,187.85	2,370,368.35	121,819.50
Jul 28 2022	121,819.50	-	121,819.50	-	121,819.50
Jan 28 2023	2,489,375.86	-	2,489,375.86	2,367,556.36	121,819.50
Jul 28 2023	121,819.50	-	121,819.50	-	121,819.50
Jan 28 2024	2,489,872.09	-	2,489,872.09	2,368,052.59	121,819.50
Jul 28 2024	121,819.50	-	121,819.50	-	121,819.50
Jan 28 2025	2,489,784.52	-	2,489,784.52	2,367,965.02	121,819.50
Jul 28 2025	121,819.50	-	121,819.50	-	121,819.50
Jan 28 2026	2,489,799.97	-	2,489,799.97	2,367,980.47	121,819.50
Jul 28 2026	121,819.50	- -	121,819.50	-	121,819.50
Jan 28 2027	2,489,797.25	-	2,489,797.25	2,367,977.75	121,819.50
Jun 22 2027	738,163.56	-	738,163.56	616,344.06	121,819.50

Exhibit C
to
Head Lease Agreement

HEAD LEASE STIPULATED
LOSS VALUE PERCENTAGE
(as a percentage of Equipment Value)

Basic Rent Payment Date	PV of Basic Head Lease Rents Payable In Advance	PV of Portion of Basic Head Lease Rents Not Payable In Advance	PV of Residual Value of Equipment	Total Head Lease Stipulated Loss Value
Jan 28 1997	98.20762	1.21386	0.57852	100.00000
Jul 28 1997	92.02557	1.28670	0.61323	93.92549
Jan 28 1998	95.92020	1.36390	0.65002	97.93412
Jul 28 1998	88.83546	1.44573	0.68902	90.97022
Jan 28 1999	92.62890	1.53248	0.73037	94.89174
Jul 28 1999	85.44049	1.62442	0.77419	87.83911
Jan 28 2000	89.12779	1.72189	0.82064	91.67032
Jul 28 2000	81.83079	1.82520	0.86988	84.52587
Jan 28 2001	85.40704	1.93472	0.92207	88.26382
Jul 28 2001	77.99654	2.05080	0.97739	81.02473
Jan 28 2002	81.45687	2.17385	1.03604	84.66675
Jul 28 2002	73.92806	2.30428	1.09820	77.33054
Jan 28 2003	77.26773	2.44253	1.16409	80.87436
Jul 28 2003	80.76394	2.58909	1.23394	84.58696
Jan 28 2004	71.81350	2.74443	1.30797	75.86590
Jul 28 2004	75.14166	2.90910	1.38645	79.43721
Jan 28 2005	70.53777	3.08364	1.46964	75.09105
Jul 28 2005	73.87122	3.26866	1.55782	78.69770
Jan 28 2006	68.47886	3.46478	1.65129	73.59492
Jul 28 2006	71.79322	3.67267	1.75036	77.21625
Jan 28 2007	66.52552	3.89303	1.85539	72.27393
Jul 28 2007	69.83285	4.12661	1.96671	75.92616
Jan 28 2008	64.53726	4.37421	2.08471	70.99618
Jul 28 2008	67.84494	4.63666	2.20979	74.69139
Jan 28 2009	62.55890	4.91486	2.34238	69.81614
Jul 28 2009	64.76077	5.20975	2.48292	72.45344
Jan 28 2010	60.75918	5.52233	2.63190	68.91341
Jul 28 2010	64.10635	5.85367	2.78981	72.74983
Jan 28 2011	58.64038	6.20489	2.95720	67.80248
Jul 28 2011	54.59616	6.57719	3.13463	64.30798
Jan 28 2012	57.87193	6.97182	3.32271	68.16646
Jul 28 2012	61.34424	6.89013	3.52208	71.75644
Jan 28 2013	55.79518	6.80353	3.73340	66.33211
Jul 28 2013	59.14289	6.71175	3.95740	69.81204
Jan 28 2014	55.17875	6.61445	4.19485	65.98805

Jul 28 2014	58.48948	6.51132	4.44654	69.44733
Jan 28 2015	54 18313	6.40200	4.71333	65.29846
Jul 28 2015	57.43412	6.28612	4.99613	68 71637
Jan 28 2016	53.11793	6.16329	5.29590	64.57711
Jul 28 2016	56.30500	6.03308	5.61365	67.95174
Jan 28 2017	51.91163	5.89507	5.95047	63.75717
Jul 28 2017	55.02633	5.74877	6.30750	67.08260
Jan 28 2018	50.55789	5.59370	6 68595	62.83754
Jul 28 2018	53.59137	5.42932	7.08711	66.10779
Jan 28 2019	48.87277	5.25508	7.51233	61.64018
Jul 28 2019	51.80513	5.07038	7.96307	64.83859
Jan 28 2020	44.87921	4.87461	8 44086	58.19468
Jul 28 2020	47.57196	4.66708	8 94731	61.18636
Jan 28 2021	40.76267	4.44711	9.48415	54.69392
Jul 28 2021	43.20843	4.19477	10.05320	57 45639
Jan 28 2022	36.07191	3.94645	10.65639	50.67476
Jul 28 2022	38.23623	3.68324	11.29577	53.21524
Jan 28 2023	30.81292	3.40423	11 97352	46.19068
Jul 28 2023	32.66170	3.10849	12.69193	48 46212
Jan 28 2024	24.90189	2.79500	13.45345	41.15033
Jul 28 2024	26.39600	2.46270	14.26065	43.11935
Jan 28 2025	18.26061	2.11046	15.11629	35.48736
Jul 28 2025	19.35624	1.73709	16.02327	37.11660
Jan 28 2026	10.79840	1.34131	16.98466	29.12438
Jul 28 2026	11.44631	0.92179	18.00374	30.37184
Jan 28 2027	2.41388	0.47710	19.08397	21.97495
Jun 22 2027	-	-	20.00000	20.00000

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

Head Lessor:

MASSACHUSETTS BAY TRANSPORTATION AUTHORITY

By: _____
Name:
Title:

Head Lessee:

FLEET NATIONAL BANK, not in its individual capacity, but solely as Trustee, except as otherwise provided herein

By: _____
Name: FRANK McDONALD
Title: VICE PRESIDENT

STATE OF NEW YORK)
) ss.
COUNTY OF THE BRONX)

On January 28, 1997 before me, personally appeared Jonathan R. Davis, known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

DANELLE GAGER
Notary Public, State of New York
No 01GA5011697
Qualified in Bronx County
Commission Expires June 15, 1997

Danelle Gager
Notary Public

STATE OF NEW YORK)
) ss.
COUNTY OF THE BRONX)

On January 28, 1997 before me, personally appeared Frank McDonald, known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

DANELLE GAGER
Notary Public, State of New York
No 01GA5011697
Qualified in Bronx County
Commission Expires June 15, 1997

Danelle Gager
Notary Public