

LAW OFFICE

MCLEOD, WATKINSON & MILLER

MICHAEL R. MCLEOD
WAYNE R. WATKINSON
MARC E. MILLER
RICHARD T. ROSSIER
CHARLES A. SPITULNIK
RICHARD PASCO
ALEX MENENDEZ
ELIZABETH A. HAWS**
AMY B. JONES***

ONE MASSACHUSETTS AVENUE, N.W.
SUITE 800
WASHINGTON, DC 20001-1401
(202) 842-2345
TELECOPY (202) 408-7763

KATHRYN A. KLEIMAN*
OF COUNSEL
(*Admitted in Virginia only)

ROBERT RANDALL GREEN
LAURA L. PHELPS
GOVERNMENT RELATIONS

(**Admitted in Ohio only)
(***Admitted in New York only)

January 14, 2004

RECORDATION NO. 24772 FILED

JAN 14 '04 11-03 AM

SURFACE TRANSPORTATION BOARD

Hon. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, NW
Washington, D.C. 20423

Dear Sir:

I am enclosing an original and two copies of the document described below, to be recorded pursuant to Section 11301 of Title 49 of the U.S. Code.

This document is a Sublease Agreement, a primary document dated January 9, 2004. The names and addresses of the parties to the document are as follows:

Santa Clara Valley Transportation Authority, Sublessor, 3331 N. First Street, San Jose, CA 95134-1927.

Utah Transit Authority, Sublessee, 3600 South 700 West, P. O. Box 30810, Salt Lake City, UT 84130-0810.

A description of the equipment covered by the document follows:

UTDC Light Rail Vehicles in Two Lots:

Lot 1: Running Numbers 818, 835, 837, 844, 850

Lot 2: Running Numbers 801, 816, 817, 819, 822-830, 834, 838-840, 842, 843, 845-849

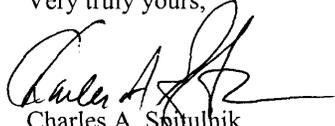
A fee of \$30 is enclosed. Please return the original and the extra copy not needed by the Board for recordation to undersigned counsel. A short summary of the document to appear in the index follows:

MCLEOD, WATKINSON & MILLER

Hon. Vernon A. Williams
January 14, 2004
Page 2

Memorandum of Sublease Agreement between Santa Clara Valley Transportation Authority, Sublessor, 3331 N. First Street, San Jose, CA 95134-1927; Utah Transit Authority, Sublessee, 3600 South 700 West, P. O. Box 30810, Salt Lake City, UT 84130-0810 covering UTDC Light Rail Vehicles in two lots, as follows: Lot 1: Running Numbers 818, 835, 837, 844, 850; Lot 2: Running Numbers 801, 816, 817, 819, 822-830, 834, 838-840, 842, 843, 845-849

Very truly yours,

A handwritten signature in black ink, appearing to read "Charles A. Spjutnik", with a long horizontal flourish extending to the right.

Charles A. Spjutnik
Attorney for Santa Clara Valley
Transportation Authority

Enclosures

EXECUTION VERSION

RECORDATION NO. 24772 FILED

JAN 14 2004 11-03 AM

SURFACE TRANSPORTATION BOARD

UT SUBLEASE AGREEMENT

dated as of January 9, 2004

between

SANTA CLARA VALLEY TRANSPORTATION AUTHORITY,

as sublessor,

and

UTAH TRANSIT AUTHORITY,

as sublessee.

Sublease of Light Rail Equipment

TABLE OF CONTENTS

	Page
SECTION 1. INTERPRETATION, DEFINITIONS AND RULES OF USAGE	1
SECTION 2. SUBLEASING OF UT EQUIPMENT; DELIVERY OF UT EQUIPMENT; CONDITIONS PRECEDENT	1
(a) Subleasing of UT Equipment	1
(b) Delivery of UT Equipment	1
(c) Conditions Precedent to Obligations of VTA	2
(d) Conditions Precedent to Obligations of Utah Transit	4
SECTION 3. UT SUBLEASE TERM, RENT AND OTHER PAYMENTS	5
(a) UT Sublease Term	5
(b) UT Sublease Rent	5
(c) UT Supplemental Rent	5
(d) Purchase and Distribution of UT Parts	6
(e) Manner of Payment	6
SECTION 4. NET LEASE, ETC.	6
SECTION 5. COVENANTS, REPRESENTATIONS, WARRANTIES AND AGREEMENTS REGARDING THE UT EQUIPMENT	7
SECTION 6. REPRESENTATIONS AND WARRANTIES OF VTA	8
SECTION 7. REPRESENTATIONS AND WARRANTIES OF UTAH TRANSIT	11
SECTION 8. POSSESSION, OPERATION AND USE; MAINTENANCE AND IDENTIFICATION; CERTAIN COVENANTS OF UTAH TRANSIT	13
(a) Possession and Sub-subleasing; Assignment	13
(b) Operation and Use	14
(c) Maintenance	14
(d) Reports on UT Equipment	14
(e) Covenants Regarding TBT Leases	15
SECTION 9. INSPECTION	15
SECTION 10. REPLACEMENT AND OWNERSHIP OF UT PARTS; ALTERATIONS, MODIFICATIONS, ADDITIONS AND SUBSTITUTIONS	15
(a) Replacement of UT Parts	15
(b) Ownership of UT Parts	16

TABLE OF CONTENTS
(continued)

	Page
(c) Alterations, Modifications and Additions.....	16
SECTION 11. UT EVENT OF LOSS	17
(a) UT Event of Loss	17
(b) Non-Insurance Payments Received on Account of a UT Event of Loss	19
(c) Requisition for Use with Respect to Items of UT Equipment	19
(d) Application of Payments During Existence of Defaults.....	20
SECTION 12. INSURANCE.....	20
(a) Insurance Requirements.....	20
(b) Compliance with Policies.....	21
(c) Alternative Insurance; Failure to Insure	21
(d) Notification of Claim.....	22
(e) Application of Insurance Proceeds	22
(f) Certificates.....	22
(g) Copies and Descriptions of Policies; Other Insurance.....	22
SECTION 13. LIENS.....	23
SECTION 14. FURTHER ASSURANCES.....	23
SECTION 15. RETURN OF THE UT EQUIPMENT.....	24
SECTION 16. UT PURCHASE OPTION.....	24
(a) The UT Purchase Option	24
(b) VTA's Options.	25
(c) Notices.....	25
(d) Exercise of VTA's Options.	25
(e) UT Burdensome Event.....	28
(f) Exercise of UT Purchase Option	28
(g) Utah Transit's Right to Specific Performance	29
(h) Utah Transit's Option to Purchase VTA's Residual Interest in the UT Equipment.....	29
SECTION 17. UT EVENTS OF DEFAULT.....	29
SECTION 18. REMEDIES.....	30
SECTION 19. VTA'S RIGHT TO PERFORM FOR UTAH TRANSIT.....	32

TABLE OF CONTENTS
(continued)

	Page
SECTION 20. ASSIGNMENT.....	32
SECTION 21. INDEMNIFICATION.....	33
(a) General Indemnity.....	33
(b) Survival of Indemnities; Effect of Other Indemnities; Subrogation.....	36
(c) General Tax Indemnity.....	36
(d) Further Assurances.....	46
(e) VTA Indemnity of Utah Transit and its Affiliates for Certain Taxes.....	46
SECTION 22. ACKNOWLEDGMENT OF SUBLEASE; CERTAIN AGREEMENTS OF UTAH TRANSIT.....	47
SECTION 23. MISCELLANEOUS.....	47
(a) Notices.....	47
(b) Counterparts.....	47
(c) Amendments.....	47
(d) Agreement of Sublease.....	47
(e) Governing Law.....	47
(f) Benefit and Binding Effect.....	48
(g) Service of Process and Jurisdiction; Waiver of Immunity.....	48
(h) Severability.....	48
(i) Entire Agreement.....	49
(j) Currency.....	49
Appendix A - Definitions	
Exhibit A – Form of UT Sublease Supplement	
Exhibit B – Form of Bill of Sale	
Schedule I – Addresses for Notices	
Schedule II – List of UT Equipment by UT Equipment Lot	
Schedule III – UT Sublease Expiration Dates	
Schedule IV – UT Equipment Value	
Schedule V – UT Stipulated Loss Values	

TABLE OF CONTENTS
(continued)

Page

Schedule VI – Agreed UT Purchase Option Price

Schedule VII – UT Sublease Rent

This UT SUBLEASE AGREEMENT (the "UT Sublease") dated as of January 9, 2004 (the "UT Sublease Closing Date"), is between SANTA CLARA VALLEY TRANSPORTATION AUTHORITY (formerly known as Santa Clara County Transit District), a special district organized and existing under and by virtue of the laws of the State of California, as sublessor ("VTA"), and UTAH TRANSIT AUTHORITY, a public transit district organized and existing under and by virtue of the laws of the State of Utah, as sublessee ("Utah Transit").

RECITALS

A. VTA has entered into the following agreements:

1. The Participation Agreement;
2. The Head Lease;
3. The Sublease; and
4. The TBT Leases.

B. Subject to the terms and conditions of the Participation Agreement, and pursuant to the Head Lease, VTA has leased the Equipment to the Trustee, and the Trustee has leased the Equipment from VTA.

C. Subject to the terms and conditions of the Participation Agreement, and pursuant to the Sublease, the Trustee has subleased the Equipment to VTA, and VTA has subleased the Equipment from the Trustee.

D. Utah Transit desires to sublease from VTA, and VTA is willing to sublease to Utah Transit, certain of the Equipment (the "UT Equipment") upon, and subject to, the terms and conditions of this UT Sublease.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, receipt of which is hereby acknowledged, VTA and Utah Transit agree as follows:

SECTION 1. Interpretation, Definitions and Rules of Usage. Capitalized terms used and not otherwise defined herein shall have the meanings given such terms in Appendix A to this UT Sublease and the rules of usage set forth therein shall apply hereto.

SECTION 2. Subleasing of UT Equipment; Delivery of UT Equipment; Conditions Precedent.

(a) Subleasing of UT Equipment. Subject to the terms and conditions set forth below, on and after the UT Sublease Closing Date VTA shall sublease the UT Equipment to Utah Transit and Utah Transit shall sublease the UT Equipment from VTA, such subleasing to be evidenced by the execution by VTA and Utah Transit of this UT Sublease and the UT Sublease Supplements.

(b) Delivery of UT Equipment. The Items of UT Equipment shall be delivered to Utah Transit on one or more dates (each such date, a "Delivery Date") to be mutually agreed upon from

time to time by and between VTA and Utah Transit. On or before the Delivery Date for an Item of UT Equipment, VTA and Utah Transit shall enter into a UT Sublease Supplement for such Item of UT Equipment. Utah Transit and VTA agree that each Item of UT Equipment shall be shipped by VTA from San Jose, California to Salt Lake City, Utah by delivery by VTA to a common carrier hired by Utah Transit. VTA and Utah Transit further agree that for purposes of allocating risk of loss with respect to the UT Equipment, each Item of UT Equipment shall be deemed delivered to Utah Transit F.O.B. (free on board) (as that term is defined in Section 2319 of the California Commercial Code) at San Jose, California.

(c) Conditions Precedent to Obligations of VTA. The obligations of VTA to sublease each Item of UT Equipment to Utah Transit hereunder are subject to the fulfillment to the satisfaction of VTA of the following conditions precedent:

(i) On the UT Sublease Closing Date, and on each subsequent Delivery Date for such Item of UT Equipment, no change shall have occurred in Applicable Law that, in the opinion of VTA or its counsel, would make it illegal for VTA to execute and deliver this UT Sublease or an applicable UT Sublease Supplement or to enter into any transaction contemplated hereunder or thereunder.

(ii) On or before the UT Sublease Closing Date, the UT Sublease and the Parts Distribution Agreement shall have been duly authorized, executed and delivered to VTA by the parties thereto, shall be in form and substance satisfactory to VTA and shall be in full force and effect.

(iii) On or before the UT Sublease Closing Date, VTA shall have received the following, dated as of the UT Sublease Closing Date, in form and substance satisfactory to it:

(A) incumbency certificates of Utah Transit regarding the officers authorized to execute and deliver this UT Sublease and any other documents delivered in connection herewith;

(B) certified copies of all documents evidencing agency actions of Utah Transit, including resolutions of the board of trustees or delegations of authority of Utah Transit duly authorizing the execution, delivery and performance by Utah Transit of this UT Sublease and the transactions contemplated hereby;

(C) certified copies of the bylaws (or administrative regulations) of Utah Transit; and

(D) such other documents and evidence with respect to Utah Transit as VTA may reasonably request in order to establish the consummation of the transactions contemplated by this UT Sublease, the taking of all agency proceedings in connection therewith and compliance with the conditions herein set forth.

(iv) On the UT Sublease Closing Date, and on each subsequent Delivery Date for such Item of UT Equipment:

(A) the representations and warranties of Utah Transit contained herein shall be true and accurate on and as of such date as though made on and as of such date except to

the extent that such representations and warranties relate solely to an earlier date (in which case such representations and warranties shall be true and accurate on and as of such earlier date); and

(B) no event shall have occurred and be continuing, or would result from the sublease of the UT Equipment by VTA to Utah Transit, which constitutes a UT Event of Default, a UT Event of Loss or an event which with notice or lapse of time or both would become such a UT Event of Default or UT Event of Loss.

(v) VTA shall have received favorable opinions dated the UT Sublease Closing Date and addressed to it from Chapman and Cutler LLP, special counsel to Utah Transit, and Kathryn H.S. Pett, General Counsel to Utah Transit, in form and substance reasonably satisfactory to it, covering such matters incident to the transactions contemplated by this UT Sublease as it may reasonably request.

(vi) On or before the UT Sublease Closing Date, all actions required to have been taken on or prior to the UT Sublease Closing Date in connection with the transactions contemplated by this UT Sublease shall have been taken by any governmental or political agency, subdivision or instrumentality of the United States (including the Federal Transit Administration), or the State of Utah, as the case may be, and all orders, permits, waivers, exemptions, authorizations, approvals, consents, registrations and filings of or with such entities required to be in effect on or prior to the UT Sublease Closing Date in connection with the transactions contemplated by this UT Sublease shall have been issued or made, and all such orders, permits, waivers, exemptions, authorizations, approvals, consents, registrations and filings shall be in full force and effect, on the UT Sublease Closing Date.

(vii) On the UT Sublease Closing Date, and on each subsequent Delivery Date for such Item of UT Equipment, no action or proceeding shall have been instituted nor shall any action or proceeding be threatened before any court or governmental agency, nor shall any order, judgment or decree have been issued by any court or governmental agency at the time of the UT Sublease Closing Date or any subsequent Delivery Date, to set aside, restrain, enjoin or prevent the completion and consummation of this UT Sublease or the transactions contemplated hereby.

(viii) On or before the UT Sublease Closing Date, VTA shall have received a report from Utah Transit's insurance broker describing the insurance then carried and maintained on and in respect of the UT Equipment and a certificate that such insurance meets the coverage required pursuant to Section 12 of the UT Sublease.

(ix) On or before the UT Sublease Closing Date, the UT Sublease Indemnification Agreement shall have been duly authorized, executed and delivered to VTA by the Trustee, the Equity Investor and the Lender.

(x) On the UT Sublease Closing Date, and on each subsequent Delivery Date for such Item of UT Equipment, VTA shall have received evidence of the filing of the UT Sublease and, as applicable, the related UT Sublease Supplement (or memoranda with respect to such documents), or of plans to file such documents, with the Surface Transportation Board pursuant to Section 11301(a) of Title 49 of the United States Code Annotated.

(d) Conditions Precedent to Obligations of Utah Transit. Utah Transit's obligations to sublease each Item of UT Equipment from VTA hereunder are subject to the fulfillment to the satisfaction of Utah Transit of the following conditions precedent:

(i) On the UT Sublease Closing Date, and on each subsequent Delivery Date for such Item of UT Equipment, no change shall have occurred in Applicable Law that, in the opinion of Utah Transit or its counsel, would make it illegal for Utah Transit to execute and deliver this UT Sublease or an applicable UT Sublease Supplement or to enter into any transaction contemplated hereunder or thereunder.

(ii) On or before the UT Sublease Closing Date, this UT Sublease and the Parts Distribution Agreement shall have been duly authorized, executed and delivered to Utah Transit by the parties thereto, shall be in form and substance satisfactory to Utah Transit and shall be in full force and effect.

(iii) On or before the UT Sublease Closing Date, Utah Transit shall have received the following, dated as of the UT Sublease Closing Date, in form and substance satisfactory to it:

(A) incumbency certificates of VTA regarding the officers authorized to execute and deliver this UT Sublease and any other documents delivered in connection herewith;

(B) certified copies of all documents evidencing agency actions of VTA, including resolutions of the boards of directors or delegations of authority of VTA duly authorizing the execution, delivery and performance by VTA of this UT Sublease and the transactions contemplated thereby;

(C) certified copies of the bylaws (or administrative regulations) of VTA; and

(D) such other documents and evidence with respect to VTA as Utah Transit may reasonably request in order to establish the consummation of the transactions contemplated by this UT Sublease, the taking of all agency proceedings in connection herewith and compliance with the conditions herein set forth.

(iv) On the UT Sublease Closing Date, and on each subsequent Delivery Date for such Item of UT Equipment:

(A) the representations and warranties of VTA contained herein shall be true and accurate on and as of such date as though made on and as of such date except to the extent that such representations and warranties relate solely to an earlier date (in which case such representations and warranties shall be true and accurate on and as of such earlier date); and

(B) no event shall have occurred and be continuing, or would result from the sublease of the UT Equipment by VTA to Utah Transit, which constitutes an Event of Default, an Event of Loss, a Burdensome Event, a Loan Event of Default, or an event of default under any Existing Lease Document or Operative Document or an event which with notice or lapse of time or both would become such an Event of Default, an Event of Loss, a

Burdensome Event, a Loan Event of Default or an event of default under any Existing Lease Document or Operative Document.

(v) Utah Transit shall have received favorable opinions dated the UT Sublease Closing Date and addressed to it from Orrick, Herrington & Sutcliffe LLP, special counsel to VTA, and Suzanne C. Gifford, Esq., General Counsel to VTA, in form and substance reasonably satisfactory to it, covering such matters incident to the transactions contemplated by this UT Sublease as it may reasonably request.

(vi) On or before the UT Sublease Closing Date, all actions required to have been taken on or prior to the UT Sublease Closing Date in connection with the transactions contemplated by this UT Sublease shall have been taken by any Person that is party to any Existing Lease Document or Operative Document and any governmental or political agency, subdivision or instrumentality of the United States (including the Federal Transit Administration), the State of California or the State of Utah, as the case may be, and all orders, permits, waivers, exemptions, authorizations, approvals, consents, registrations and filings of or with such Persons or entities required to be in effect on or prior to the UT Sublease Closing Date in connection with the transactions contemplated by this UT Sublease shall have been issued or made, and all such orders, permits, waivers, exemptions, authorizations, approvals, consents, registrations and filings shall be in full force and effect, on the UT Sublease Closing Date.

(vii) On the UT Sublease Closing Date, and on each subsequent Delivery Date for such Item of UT Equipment, no action or proceeding shall have been instituted nor shall any action or proceeding be threatened before any court or governmental agency, nor shall any order, judgment or decree have been issued by any court or governmental agency at the time of the UT Sublease Closing Date or any subsequent Delivery Date, to set aside, restrain, enjoin or prevent the completion and consummation of this UT Sublease or the transactions contemplated hereby.

SECTION 3. UT Sublease Term, Rent and Other Payments.

(a) UT Sublease Term. Unless earlier terminated in accordance with the express provisions hereof, the UT Equipment in each UT Equipment Lot shall be subleased to Utah Transit for the UT Sublease Term for such UT Equipment Lot, which shall be comprised of the Basic UT Sublease Term and, in the event VTA shall elect the UT Sublease Renewal Option in accordance with Section 16(b) or is deemed to have elected the UT Sublease Renewal Option in accordance with Section 16(c) and all requirements of Section 16(d)(i) have been satisfied, the UT Sublease Renewal Term with respect to such UT Equipment Lot.

(b) UT Sublease Rent. Utah Transit shall pay UT Sublease Rent in Dollars during the Basic UT Sublease Term for each Item of UT Equipment on the Delivery Date for such Item of UT Equipment. If the UT Sublease Renewal Term is entered into pursuant to Section 16, Utah Transit shall pay UT Sublease Rent in Dollars in accordance with the terms of Section 16(d)(i)(E)(1).

(c) UT Supplemental Rent. Utah Transit shall also pay to VTA, or to the Person entitled thereto, all UT Supplemental Rent promptly as the same shall become due, and in the event of any failure on the part of Utah Transit to pay any UT Supplemental Rent when due and owing in accordance with the provisions of this UT Sublease, VTA or the Person entitled thereto, as the case may be, shall have all rights, powers and remedies provided for in this UT Sublease or by law or

equity in the case of nonpayment of UT Sublease Rent. Utah Transit shall also pay as UT Supplemental Rent interest at the Overdue Rate on any UT Sublease Rent or UT Supplemental Rent not paid when due for any period for which the same shall be overdue.

(d) Purchase and Distribution of UT Parts. In connection with this UT Sublease, VTA agrees to sell to Utah Transit, and Utah Transit agrees to purchase from VTA, the UT Parts, subject to the terms and conditions of the Parts Distribution Agreement.

(e) Manner of Payment. Utah Transit shall pay all UT Sublease Rent to VTA at its principal office as set forth in Schedule I to this UT Sublease, or to such other address as VTA shall specify, in immediately available funds, so that VTA receives the full amount of such payment no later than 1:00 p.m. (California time) on the due dates thereof. Utah Transit shall pay all UT Supplemental Rent due to VTA at such principal office or other address or due to any other Person entitled thereto at such location as directed by such Person. If any UT Sublease Rent or UT Supplemental Rent is due on a day which is not a Business Day, such UT Sublease Rent or UT Supplemental Rent shall be paid on the next succeeding Business Day with the same effect as if paid on the date when due and without additional interest. All obligations of Utah Transit in this UT Sublease shall be done, performed or complied with at Utah Transit's sole cost and expense unless otherwise expressly provided herein.

SECTION 4. Net Lease, Etc. This UT Sublease is a net lease. VTA shall have no obligation, liability or responsibility to Utah Transit with respect to operation, maintenance, repairs, alterations, modifications, improvements, correction of faults or defects (whether or not required by Applicable Law), insurance, or payment of Taxes with respect to the UT Equipment or any part or component thereof during this UT Sublease Term, all of which matters shall be, as between VTA and Utah Transit, the sole responsibility of Utah Transit regardless of upon whom such responsibilities may nominally fall under Applicable Law or otherwise, and the UT Sublease Rent has been computed in reliance upon Utah Transit's sole responsibility for all such matters and things. Utah Transit acknowledges and agrees that its obligations to pay all UT Sublease Rent and UT Supplemental Rent due and owing in accordance with the terms hereof shall be absolute and unconditional and shall not be released, discharged or otherwise affected by any circumstance whatsoever. Such UT Sublease Rent and UT Supplemental Rent shall not be subject to any abatement, and the payments thereof shall not be subject to any setoff, suspension, determent, diminution or reduction for any reason whatsoever, including any present or future claims of Utah Transit against VTA or any other Person under this UT Sublease or otherwise.

Nothing in this UT Sublease (including this Section 4) shall obligate Utah Transit to levy or otherwise impose any tax for the purpose of paying UT Sublease Rent or UT Supplemental Rent. If for any reason whatsoever this UT Sublease shall be terminated in whole or in part by operation of law or otherwise except as specifically provided herein or in the Operative Documents, Utah Transit nonetheless agrees to pay to VTA an amount equal to each UT Sublease Rent payment and UT Supplemental Rent payment at the time such payment would have become due and payable in accordance with the terms hereof had this UT Sublease not been terminated in whole or in part.

Utah Transit hereby waives, to the extent permitted by Applicable Law, any and all rights which may have been conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender this UT Sublease except in accordance with the express terms hereof. Notwithstanding any other provision of this Section 4 to the contrary, Utah Transit shall not be impaired in the

exercise of any right it may have to assert and sue upon any claim it may have against VTA or any other Person in a separate action.

Nothing in this Section 4 shall be deemed to require any payment on account of Taxes that are excluded under clauses (A) through (M) of Section 21(c)(ii).

SECTION 5. Covenants, Representations, Warranties and Agreements Regarding the UT Equipment.

(a) VTA covenants that, notwithstanding anything to the contrary in this Section 5, it will deliver each Item of UT Equipment to Utah Transit on the applicable Delivery Date in substantially similar condition (ordinary wear and tear excepted) as described for such Item of UT Equipment in the Inspection Report.

(b) VTA SUBLEASES AND UTAH TRANSIT TAKES THE UT EQUIPMENT AND EACH UT PART THEREOF "AS-IS" AND "WHERE-IS," AND, EXCEPT AS SET FORTH IN SECTIONS 5(a) and 6, VTA NEITHER MAKES NOR 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 UT EQUIPMENT OR ANY UT PART THEREOF, AS TO THE ABSENCE OF LATENT OR OTHER DEFECTS, WHETHER OR NOT DISCOVERABLE, AS TO THE ABSENCE OF ANY INFRINGEMENT OF ANY PATENT, TRADEMARK OR COPYRIGHT, AS TO THE ABSENCE OF OBLIGATIONS BASED ON STRICT LIABILITY IN TORT, OR AS TO THE QUALITY OF THE MATERIAL OR WORKMANSHIP OF THE UT EQUIPMENT OR ANY UT PART THEREOF OR ANY OTHER REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE UT EQUIPMENT OR ANY UT PART THEREOF.

(c) VTA covenants that, subject to Section 22 of this UT Sublease, during the UT Sublease Term, so long as no UT Event of Default shall have occurred and be continuing, Utah Transit's rights under this UT Sublease, including the possession, use and quiet enjoyment of each Item of UT Equipment, shall not be interrupted by VTA or any Person claiming any interest in such Item of UT Equipment by, through or under VTA.

(d) VTA covenants and agrees that it shall perform its obligations under each of the Operative Documents and the Existing Lease Documents in accordance with their respective terms, *provided* that VTA shall have no liability to Utah Transit for any failure to perform such obligations in circumstances where Utah Transit shall have failed to perform its corresponding obligations under this UT Sublease.

(e) VTA covenants and agrees (i) to provide Utah Transit with prior written notice of any proposed amendment to the Operative Documents or the Existing Lease Documents and (ii) that it shall not amend, or enter into any agreement to amend, the Operative Documents or the Existing Lease Documents in such a way that could reasonably be expected to have a material adverse effect on Utah Transit's rights or obligations under this UT Sublease without the prior written consent of Utah Transit (such consent not to be unreasonably withheld or delayed). VTA further covenants

and agrees to pay or cause to be paid all costs, fees and expenses (including reasonable attorneys' fees) incurred by Utah Transit in connection with any amendment (or consent to such amendment) that is not required by or deemed reasonably necessary to carry out the intent of the transactions contemplated by the Operative Documents or the Existing Lease Documents.

(f) VTA covenants and agrees to deliver promptly to Utah Transit copies of all notices and reports that VTA receives from any party to the Operative Documents or the Existing Lease Documents.

SECTION 6. Representations and Warranties of VTA. VTA hereby represents and warrants that on the UT Sublease Closing Date and each subsequent Delivery Date:

(a) VTA is a special district duly organized and established pursuant to the Enabling Act and the laws of the State of California and has the full power, authority and legal right to conduct its business as presently conducted, to own or hold under lease the property it purports to own or hold under lease and to enter into and perform its obligations under this UT Sublease, the UT Sublease Indemnification Agreement, the Parts Distribution Agreement, the Existing Lease Documents and each of the Operative Documents to which it is a party, including, but not limited to, the full power, authority and legal right to sublease to Utah Transit the UT Equipment.

(b) The execution, delivery and performance of this UT Sublease, the UT Sublease Indemnification Agreement, the Parts Distribution Agreement, the Existing Lease Documents and each of the Operative Documents to which it is a party have been duly authorized by all necessary action on the part of VTA and do not and will not violate its administrative code, its rules of procedure or the Enabling Act. This UT Sublease, the UT Sublease Indemnification Agreement, the Parts Distribution Agreement, the Existing Lease Documents and each of the Operative Documents to which it is a party have been duly and validly executed and delivered by VTA and neither the execution, delivery and performance of this UT Sublease, the UT Sublease Indemnification Agreement or the Parts Distribution Agreement nor the consummation of the transactions contemplated thereby nor compliance by VTA with any of the terms and conditions thereof:

(i) require VTA to obtain any consent or approval of, or to give notice to, or to take any other action in respect of, any Person that is a party to an Existing Lease Document or Operative Document, any governmental authority or agency or any trustee or holder of any indebtedness or obligations of VTA other than (A) notice of the type described in Section 6(a) of the Sublease as it relates to this UT Sublease, (B) the UT Sublease Indemnification Agreement, (C) the consent of the Federal Transit Administration, which has been obtained, (D) delivery to the ETC Trustee of the ETC Indenture Opinion, (E) delivery to the ETC Lessor of the ETC Lease Opinion and (F) delivery to the Sublessor and the Lender of the Utah Opinion;

(ii) do or will contravene the Enabling Act, its constituent documents, its administrative code, its rules and procedures or any Applicable Law binding on it or its property or contravene the provisions of, or constitute a default under, or result in the creation of any Lien (other than Permitted Liens) upon the property of VTA under any agreement or instrument to which VTA is a party or by which VTA or its properties are bound or affected where the effect thereof would be to adversely affect the ability of VTA to perform its obligations under this UT Sublease, the UT Sublease Indemnification Agreement, the Parts Distribution Agreement, the Existing Lease Documents and each of the Operative Documents to which it is a party.

(c) Assuming due authorization, execution and delivery by each of the other parties to this UT Sublease, the UT Sublease Indemnification Agreement, the Parts Distribution Agreement, the Existing Lease Documents and the Operative Documents and that each of this UT Sublease, the UT Sublease Indemnification Agreement, the Parts Distribution Agreement, the Existing Lease Documents and the Operative Documents is the legal, valid, binding and enforceable obligation of such other parties, each of this UT Sublease, the UT Sublease Indemnification Agreement, the Parts Distribution Agreement, the Existing Lease Documents and the Operative Documents to which VTA is or will be a party constitutes (or when executed and delivered will constitute) a legal, valid and binding obligation of VTA enforceable against it in accordance with the terms hereof and thereof.

(d) There are no pending or, to its knowledge, threatened claims, actions, litigation, suits, or proceedings (whether or not purportedly on behalf of VTA) against or affecting VTA or any of its properties by or before any court or governmental or administrative agency in respect of any of this UT Sublease, the UT Sublease Indemnification Agreement, the Parts Distribution Agreement, the Existing Lease Documents or the Operative Documents to which it is a party or any of the transactions contemplated thereby or, in each case, which will or is reasonably likely, either individually or in the aggregate, to materially or adversely affect the financial condition, business or operations of VTA, or adversely affect the ability of VTA to perform its obligations under this UT Sublease, the UT Sublease Indemnification Agreement, the Parts Distribution Agreement, the Existing Lease Documents or the Operative Documents to which it is a party or the value, utility or use of the UT Equipment.

(e) VTA possesses all certificates, franchises, licenses, permits, authorizations, rights and concessions and consents of or from all governmental authorities and agencies and all other applicable authorities and agencies, which are required for the subleasing of the UT Equipment; and

(i) all such certificates, franchises, licenses, permits, authorizations, rights and concessions and consents are in full force and effect and VTA is in material compliance with all the terms and conditions thereof; and

(ii) no additional certificates, franchises, licenses, permits, authorizations, rights, concessions or consents nor changes to any of the foregoing are required as a result of the transaction contemplated by this UT Sublease.

(f) It is not necessary in the State of California to ensure the legality, validity, enforceability or admissibility in evidence of this UT Sublease, the UT Sublease Indemnification Agreement or the Parts Distribution Agreement that any of them or any other instrument be filed, recorded, registered or enrolled in any court or public office or elsewhere in the State of California or that any stamp, registration or similar Tax be paid in the State of California on or in relation to this UT Sublease, the UT Sublease Indemnification Agreement or the Parts Distribution Agreement.

(g) No condition or event exists which constitutes a Default or an Event of Default, an Event of Loss, a Burdensome Event or a Head Lessor Event of Default or a default or an event of default by VTA under any Existing Lease Document.

(h) Subsequent to the date of the Inspection Report, VTA has not materially altered its procedures or practices for maintaining, inspecting, repairing and servicing the UT Equipment as set

forth in the Inspection Report, and as of the Delivery Date for any Item of UT Equipment, such Item of UT Equipment is in substantially similar condition as described for such Item of UT Equipment in the Inspection Report.

(i) The copies of the Operative Documents and the Existing Lease Documents provided to Utah Transit are true and accurate copies of the originals thereof and constitute all of the agreements or understandings between or among the parties thereto with respect to the transactions effected or contemplated thereby.

(j) VTA is not in default under any mortgage, deed of trust, indenture or other instrument or agreement to which VTA is a party or by which it or any of its properties or assets may be bound, or in violation of any Applicable Law, which default or violation could have a material adverse effect on VTA's ability to perform any of its obligations under this UT Sublease, the UT Sublease Indemnification Agreement, the Parts Distribution Agreement, the Existing Lease Documents or the Operative Documents to which it is or will be a party.

(k) After giving effect to the transactions contemplated by this UT Sublease VTA will not be in default under any Existing Lease Document or any other agreement, document or instrument related thereto.

(l) Pursuant to the terms of the ETC Lease Documents, VTA has, subject to the terms of the Head Lease and Sublease, the right to possess, use, operate and transfer possession of each Item of Equipment covered thereby.

(m) VTA has not (i) taken any action to repudiate, rescind or terminate any or all of its rights or its obligations under any of the Existing Lease Documents; (ii) waived, discharged or released any Person in relation to VTA's rights under any of any of the Existing Lease Documents; or (iii) assigned any of its interest in the UT Equipment or in its rights under the Existing Lease Documents other than as set forth in the Existing Lease Documents, the Operative Documents and this UT Sublease.

(n) All of the Items of UT Equipment are subject to the ETC Lease.

(o) The ETC Lessor is legally obligated to transfer all rights, title and interest in the UT Equipment to VTA at the end of (including upon any early termination) the ETC Lease and VTA is legally obligated to purchase the UT Equipment for \$1.00 from the ETC Lessor at the end of the ETC Lease.

(p) The TBT Leases provide that upon the expiration of the term of such TBT Leases (including upon any early termination) all right, title and interest of the applicable TBT Lessor in the UT Equipment subject to the TBT Leases shall automatically transfer to VTA without any act or deed by any Person.

(q) Regardless of whether any default exists or occurs under any of the ETC Lease Documents or any other agreement, document or instrument related thereto, the ETC Lease (and VTA's possessory and beneficial interest thereunder) shall continue in full force and effect until the principal of and interest on the Certificates (as defined in the ETC Lease) have been fully paid (or provision for their payment has been made in accordance with the ETC Lease), together with all sums to which the ETC Lessor is entitled in accordance with the ETC Lease; upon payment of all

such sums, the ETC Lease shall terminate and upon such termination, VTA shall, upon execution and delivery by the ETC Lessor of a good and sufficient bill of sale, be vested with good and marketable legal title to and beneficial ownership of the UT Equipment.

(r) Under the terms of the ETC Lease Documents and any agreement, document or instrument related thereto, none of the ETC Lessor nor any other party to any ETC Lease Document or any agreement, document or instrument related thereto has any right to foreclose upon, take possession of or otherwise proceed against the UT Equipment or disturb VTA's, the Head Lessee's or Utah Transit's quiet enjoyment of possessory rights to the UT Equipment for any reason, including without limitation, on account of VTA's non-payment of Rent (as defined in the ETC Lease) or any other amount under any ETC Lease Document or any agreement, document or instrument related thereto, including with respect to the certificates issued under the ETC Indenture, VTA's failure to perform any other obligation under any of the ETC Lease Documents or any agreement, document or instrument related thereto or the breach by VTA of any representation or covenant thereunder.

(s) Regardless of whether any default exists under either of the TBT Leases, VTA's possessory, legal and beneficial interest in the UT Equipment subject to the TBT Leases for all purposes other than federal income tax purposes shall continue in full force and effect; upon payment of all sums due under a TBT Lease, such TBT Lease shall terminate and upon such termination, VTA shall automatically (i.e., without further act) and immediately be vested with good and marketable legal title to and beneficial ownership of the Equipment for all purposes (including for federal income tax purposes).

(t) Pursuant to each TBT Lease, the TBT Lessor does not have any right to foreclose upon, take possession of or otherwise proceed against the UT Equipment subject to such TBT Lease or disturb VTA's, the Head Lessee's or Utah Transit's quiet enjoyment of possessory rights to the such UT Equipment for any reason, including, without limitation, on account of VTA's non-payment of any amounts due thereunder, VTA's failure to perform any other obligation under such TBT Lease or the breach by VTA of any representation or covenant thereunder.

(u) VTA is neither insolvent nor the subject of any bankruptcy, insolvency or similar proceeding.

SECTION 7. Representations and Warranties of Utah Transit. Utah Transit hereby represents and warrants that on the UT Sublease Closing Date and each subsequent Delivery Date:

(a) Utah Transit is a public transit district duly organized and established pursuant to the UT Enabling Act and the laws of the State of Utah and has the full power, authority and legal right to conduct its business as presently conducted, to own or hold under lease the property it purports to own or hold under lease and to enter into and perform its obligations under this UT Sublease, including, but not limited to, the full power, authority and legal right to sublease from VTA the UT Equipment.

(b) The execution, delivery and performance of this UT Sublease and the Parts Distribution Agreement have been duly authorized by all necessary action on the part of Utah Transit and do not and will not violate its administrative code, its rules of procedure or the UT Enabling Act. Neither the execution, delivery and performance of this UT Sublease and the Parts Distribution Agreement

nor the consummation of the transactions contemplated hereby or thereby nor compliance by Utah Transit with any of the terms and conditions hereof or thereof:

(i) require Utah Transit to obtain any consent or approval of, or to give notice to, or to take any other action in respect of, any governmental authority or agency (other than the consent of the Federal Transit Administration, which has been obtained) or any trustee or holder of any indebtedness or obligations of Utah Transit; and

(ii) do or will contravene the UT Enabling Act, its constituent documents, its administrative code, its rules of procedures or any Applicable Law binding on it or its property or contravene the provisions of, or constitute a default under, or result in the creation of any Lien (other than UT Permitted Liens) upon the property of Utah Transit under any agreement or instrument to which Utah Transit is a party or by which Utah Transit or its properties are bound or affected where the effect thereof would be to adversely affect the ability of Utah Transit to perform its obligations under this UT Sublease.

(c) Assuming due authorization, execution and delivery by each of the other parties to this UT Sublease and the Parts Distribution Agreement and that each of this UT Sublease and the Parts Distribution Agreement is the legal, valid, binding and enforceable obligations of such other parties, this UT Sublease and the Parts Distribution Agreement constitute (or when executed and delivered will constitute) legal, valid and binding obligations of Utah Transit enforceable against it in accordance with the terms hereof and thereof.

(d) There are no pending or, to its knowledge, threatened claims, actions, litigation, suits, or proceedings (whether or not purportedly on behalf of Utah Transit) against or affecting Utah Transit or any of its properties by or before any court or governmental or administrative agency in respect of this UT Sublease or the transactions contemplated hereby which will or are reasonably likely, either individually or in the aggregate, to materially or adversely affect the financial condition, business or operations of Utah Transit, or adversely affect the ability of Utah Transit to perform its obligations under this UT Sublease or the value, utility or use of the UT Equipment.

(e) It is not necessary in the State of Utah] to ensure the legality, validity, enforceability or admissibility in evidence of this UT Sublease or the Parts Distribution Agreement that any of them or any other instrument be filed, recorded, registered or enrolled in any court or public office or elsewhere in the State of Utah or that any stamp, registration or similar Tax be paid in the State of Utah on or in relation to this UT Sublease or the Parts Distribution Agreement

(f) The indemnity, rental payment and other obligations that Utah Transit agrees to perform in accordance with this UT Sublease and the Parts Distribution Agreement are "contractual obligations" within the meaning of the Utah Governmental Immunity Act (Utah Code Annotated § 63-30-5), regardless of the underlying occurrence, liability or claim giving rise to Utah Transit's duty to perform any such obligation (whether to indemnify or otherwise) under this UT Sublease or the Parts Distribution Agreement. Accordingly, immunity and limitation of judgments provided under the Utah Governmental Immunity Act shall not apply to the indemnity, rental payment and other obligations to be performed by Utah Transit under this Utah Sublease and the Parts Distribution Agreement. Notwithstanding anything contained in this UT Sublease or the Parts Distribution Agreement or otherwise to the contrary, in no event shall any provision of this UT Sublease or the Parts Distribution Agreement be construed to create a "contractual obligation" within the meaning

of the Utah Governmental Immunity Act with respect to any person or entity not specifically designated as an obligee or an indemnitee under this UT Sublease. Utah Transit is subject to service of process in the State of Utah, and legal proceedings may be commenced and maintained against Utah Transit in the State of Utah for enforcement and collection in respect of any of Utah Transit's obligations under this UT Sublease or the Parts Distribution Agreement.

(g) Utah Transit possesses (y) all certificates, franchises, licenses, permits, authorizations, rights, and concessions and consents of or from all governmental authorities and agencies and all other applicable authorities and agencies, which are required for the sublease of the UT Equipment and (z) all material certificates, franchises, licenses, permits, authorizations, rights, and concessions and consents of or from all governmental authorities and agencies and all other applicable authorities and agencies, which are required for the operation of the UT Equipment and the conduct of its business as it is now being conducted; and

(i) all such certificates, franchises, licenses, permits, authorizations, rights and concessions and consents are in full force and effect and Utah Transit is in material compliance with all the terms and conditions thereof; and

(ii) no additional certificates, franchises, licenses, permits, authorizations, rights, concessions or consents nor changes to any of the foregoing are required as a result of this transaction.

(h) Utah Transit is neither insolvent nor the subject of any bankruptcy, insolvency or similar proceeding.

(i) Utah Transit is not in default under any mortgage, deed of trust, indenture or other instrument or agreement to which Utah Transit is a party or by which it or any of its properties or assets may be bound, or in violation of any Applicable Law, which default or violation could have a material adverse effect on Utah Transit's financial condition or an adverse effect on its ability to perform any of its obligations under this UT Sublease.

SECTION 8. Possession, Operation and Use; Maintenance and Identification; Certain Covenants of Utah Transit.

(a) Possession and Sub-subleasing; Assignment. Utah Transit shall not sub-sublease or otherwise in any manner deliver, relinquish or transfer possession of, or permit any other Person to deliver, relinquish or transfer possession of any Item of UT Equipment to any other Person during the UT Sublease Term; *provided, however,* that Utah Transit may, without the prior written consent of VTA, so long as no UT Event of Default shall have occurred and be continuing, deliver temporary possession of any Item of UT Equipment or UT Part for testing, service, repair, maintenance or overhaul work on such Item of UT Equipment or UT Part or for alterations or modifications in or additions to such Item of UT Equipment or UT Part to the extent required or permitted by the terms of this UT Sublease; and, *provided further,* that Utah Transit may deliver, relinquish or transfer possession of any Item of UT Equipment to any Person during the UT Sublease Term if required to do so under the Operative Documents or any Existing Lease Document. Notwithstanding anything to the contrary in the foregoing sentence, Utah Transit shall be permitted to assign its rights and obligations under this UT Sublease to all (but not less than all) Items of UT Equipment in any UT Equipment Lot, subject to the prior written consent of VTA to such assignment.

(b) Operation and Use. Utah Transit shall use the UT Equipment in providing passenger light rail service. Utah Transit shall not use or operate or suffer or permit any Item of UT Equipment to be used or operated in material violation of any Applicable Law or in material violation of any license or registration relating to such Item of UT Equipment issued by any competent governmental authority (it being agreed that any such violation of any Applicable Law, license or registration shall be deemed material if it adversely affects VTA's or any Participant's interest in the UT Equipment or the Head Lease Rights or the existence or priority of the Lien of the Loan Agreement or involves any risk of the imposition of criminal liability or unindemnified civil liability on VTA or any Participant or any risk of the sale, forfeiture or loss of any Item of UT Equipment). Utah Transit shall not operate, use or locate any Item of UT Equipment or suffer or permit any Item of UT Equipment to be operated, used or located in any geographic area excluded from coverage by any insurance required by the terms of Section 12 or in any geographic area outside the continental United States.

(c) Maintenance. Utah Transit, at its sole cost and expense, shall cause the UT Equipment to be serviced, repaired, maintained, overhauled and tested during the UT Sublease Term (i) with at least the same standard of care that Utah Transit exercises in servicing, repairing, maintaining, overhauling and testing similar equipment owned, operated or subleased by it or its Affiliates and in compliance with all manufacturer's recommendations applicable to the UT Equipment, (ii) in compliance with all Applicable Laws, (iii) in compliance with all insurance policies required hereunder to be maintained with respect to the UT Equipment and (iv) so as to keep each Item of UT Equipment in good operating order, repair and condition and in the same condition as when delivered to Utah Transit, ordinary wear and tear excepted; *provided*, that Utah Transit may, at its own expense in good faith contest the validity or application of any such Applicable Law in any reasonable manner that does not adversely affect VTA's or any Participant's interest in the UT Equipment or the Head Lease Rights or the existence or priority of the Lien of the Loan Agreement and does not involve any risk of the imposition of criminal liability or unindemnified civil liability on VTA or any Participant or any risk of the sale, forfeiture or loss of any Item of UT Equipment. Utah Transit shall maintain or cause to be maintained all records, logs and other materials required to be maintained by any applicable governmental authority or by good industry practice in respect of the UT Equipment. Utah Transit, at its sole cost and expense, shall also perform or cause to be performed customary and prudent mid-life overhaul of each Item of UT Equipment; *provided*, that such mid-life overhaul does not (i) diminish the value, utility or remaining useful life of such Item of UT Equipment or (ii) cause any Item of UT Equipment to constitute "limited use property" within the meaning of Revenue Procedures 2001-28, 2001-19 I.R.B. 1156, as amended.

(d) Reports on UT Equipment. Utah Transit shall furnish to VTA whenever required by VTA, and at least once on or before the 15th day of March in every year, during the continuance of the ETC Lease, a certificate signed by an executive officer of Utah Transit, stating, as of the preceding March 1, the amount, description and numbers of the UT Equipment, and the amount, description and numbers of all UT Equipment that may have suffered a UT Event of Loss during the one-year period ended on such March 1, and the number of Items of UT Equipment repaired during such period of one year, and the number of such Items of UT Equipment then undergoing repairs and in the shops for repairs. Together with such statement, Utah Transit shall also furnish to VTA a certificate signed by an executive officer of Utah Transit, stating that, in the case of all of the UT Equipment repainted during such period of one year, the plates or marking required by Section 1.08 of the ETC Lease have been preserved, or that the UT Equipment so repainted has been again plated or marked as required by such Section.

(e) Covenants Regarding TBT Leases.

(i) Consistent with the intent of this UT Sublease, Utah Transit agrees, for the benefit of each TBT Lessor, that until the first to occur of (y) December 31, 2012 or (z) the expiration or earlier termination of the TBT Leases, it shall not claim ownership of the UT Equipment subject to the related TBT Lease for United States federal income tax purposes.

(ii) Utah Transit agrees, for the benefit of each TBT Lessor, that until the first to occur of (y) December 31, 2012 or (z) the expiration or earlier termination of the TBT Leases, Utah Transit shall cooperate with VTA, upon written request from VTA to Utah Transit, in making any filings required in the future by Section 5c.168(f)(8)-2(a)(5) of the Regulations (or any successor regulation thereto) at the time, in the manner and to the extent therein required.

(iii) Utah Transit acknowledges its obligations to VTA under Section 21 of this UT Sublease in respect of Utah Transit's compliance or non-compliance with the agreements set forth in this subsection.

SECTION 9. Inspection. The Trustee, the Lender, the Equity Investor and VTA or their authorized representatives may on reasonable notice inspect the UT Equipment and the books and records of Utah Transit relating thereto and may make copies of those parts of such books as the Trustee, the Lender, the Equity Investor and VTA may reasonably request; *provided*, that unless a UT Event of Default shall have occurred and be continuing, inspections shall occur only once in any twelve-month period. All such inspections of the UT Equipment shall be visual, walk-around inspections and shall not, unless a UT Event of Default shall have occurred and be continuing, include opening any panels or bays and, in any event, shall be conducted, so long as there is no UT Event of Default which is continuing, so as not to unreasonably interfere with the normal conduct of Utah Transit's business or the operation and maintenance of the UT Equipment. Unless a UT Event of Default shall have occurred and be continuing, any inspection or observation made pursuant to this Section 9 shall be at the sole expense and risk of the Trustee, the Lender, the Equity Investor or VTA, as applicable. Neither the Trustee, the Lender, the Equity Investor nor VTA shall have any duty to make any such inspection or incur any liability or obligation by reason of not making any such inspection.

SECTION 10. Replacement and Ownership of UT Parts; Alterations, Modifications, Additions and Substitutions.

(a) Replacement of UT Parts. Utah Transit, at its sole cost and expense, shall, during the UT Sublease Term, promptly replace all UT Parts that may, from time to time become worn out, obsolete, lost, stolen, destroyed, seized, confiscated, damaged beyond repair or permanently rendered unfit for use for any reason whatsoever. In addition, in the course of maintenance, service, repair, overhaul or testing, Utah Transit, at its sole cost and expense, may remove any UT Part, whether or not worn out, obsolete, lost, stolen, destroyed, seized, confiscated, damaged beyond repair or permanently rendered unfit for use; *provided*, that Utah Transit, at its sole cost and expense, shall replace such UT Parts as promptly as practicable with replacement UT Parts or temporary replacement parts as provided in Section 10(c). All replacement UT Parts shall be free and clear of all Liens except UT Permitted Liens and shall be in as good operating condition as, and shall have a value, utility and remaining useful life at least equal to the UT Parts replaced, assuming such replaced UT Parts were in the condition and repair required by the terms hereof.

(b) Ownership of UT Parts. Any UT Part (except for a temporary replacement UT Part) at any time removed from any Item of UT Equipment shall remain the property of the Head Lessor and subject to the related Head Lease and Sublease and this UT Sublease, no matter where located, until such time as such UT Part shall be replaced by a part or parts that have been incorporated or installed in or attached to such Item of UT Equipment and that meets the requirements for replacement UT Parts specified in Section 10(a). Immediately upon any replacement UT Part (except for a temporary replacement UT Part) becoming incorporated or installed in or attached to an Item of UT Equipment as provided in Section 10(a), without further act, (i) ownership of the replaced part shall thereupon vest in Utah Transit or its designee, free and clear of all rights of the Head Lessor, the Trustee and the Lender and shall no longer be deemed a UT Part hereunder; (ii) ownership of such replacement UT Part shall thereupon vest in the Head Lessor; and (iii) such replacement UT Part shall become subject to the related Head Lease and Sublease and this UT Sublease and be deemed part of such Item of UT Equipment for all purposes hereof to the same extent as the UT Parts originally incorporated or installed in or attached to such Item of UT Equipment.

(c) Alterations, Modifications and Additions. Utah Transit, at its sole cost and expense, shall make or cause to be made such alterations and modifications in and additions to each Item of UT Equipment as may be required from time to time by Applicable Law; *provided*, that Utah Transit may in good faith contest the validity or application of any such requirements in any reasonable manner which does not adversely affect the Trustee's Head Lease Rights in the UT Equipment or the existence or priority of the Lien of the Loan Agreement and does not involve any risk of the imposition of criminal liability or unindemnified civil liability on VTA or any Participant or any risk of the sale, forfeiture or loss of any Item of UT Equipment. In addition, Utah Transit, at its sole cost and expense, may from time to time make such alterations and modifications in, and additions to, each Item of UT Equipment as Utah Transit reasonably may deem desirable, including removal (without replacement) of UT Parts Utah Transit deems obsolete or no longer appropriate or suitable for use in such Item of UT Equipment; *provided*, that such alterations, modifications, additions or removals do not (i) diminish the value, utility or remaining useful life of such Item of UT Equipment or (ii) cause any Item of UT Equipment to constitute "limited use property" within the meaning of Revenue Procedures 2001-28, 2001-19 I.R.B. 1156, as amended. Title to any severable UT Part not required by Applicable Law to be incorporated or installed in, or attached or added to, any Item of UT Equipment as the result of such alteration, modification, removal or addition shall remain in Utah Transit and may be removed at any time during the UT Sublease Term; *provided*, that (i) such UT Part is in addition to, and not in replacement of or substitution for, any UT Part originally incorporated or installed in or attached or added to such Item of UT Equipment at the time of the delivery thereof hereunder or any UT Part in replacement of, or substitution for, any such UT Part, (ii) such UT Part is not otherwise required to be incorporated or installed in or attached to such Item of UT Equipment pursuant to the terms hereof, (iii) such UT Part can be removed from such Item of UT Equipment without damage and without diminishing the value, utility or remaining useful life of such Item of UT Equipment which such Item of UT Equipment would have had at such time had such alteration, modification, removal or addition not occurred, assuming such Item of UT Equipment was maintained in the condition required by the terms of this UT Sublease, (iv) no UT Event of Default shall have occurred and be continuing, and (v) the cost of such UT Part was not paid or financed by VTA, the Trustee or the Equity Investor (a "Severable UT Part"). Title to all other such UT Parts shall, without further act or payment, vest in the Head Lessor and shall be subject to the related Head Lease and Sublease and this UT Sublease. Upon termination of this UT Sublease in circumstances where the UT Equipment is returned to VTA,

VTA or the Trustee shall have the right to purchase for its then fair market value any such Severable UT Part not removed prior to the return to VTA (including return pursuant to the exercise of remedies under Section 18) of the UT Equipment or such Item of UT Equipment including such UT Part. If neither VTA nor the Trustee elects to purchase a Severable UT Part, Utah Transit may at its option either remove such UT Part or return the Item of UT Equipment with such UT Part intact (and in the case of such a return, title to such UT Part shall, without further act or payment, vest in VTA and be subject to the related Head Lease and Sublease).

Notwithstanding anything contained in this Section 10(c) to the contrary, Utah Transit, at its sole cost and expense, shall make or cause to be made all alterations, modifications, additions and improvements, (including, without limitation, installation of railroad headlamps, ADA improvements, painting with appropriate colors and designs, installation of head and side destination signs and similar improvements and alterations) to conform each Item of UT Equipment to Utah Transit's then existing standards with respect to operation and use of light rail equipment; provided, however, that such alterations, modifications, additions or improvements shall not in any case conflict with the requirements of this UT Sublease, the Operative Documents or the Existing Lease Documents.

SECTION 11. UT Event of Loss

(a) UT Event of Loss.

Upon the occurrence of a UT Event of Loss, Utah Transit shall notify VTA within 30 days thereof (such notice to identify the Item(s) of UT Equipment suffering the UT Event of Loss), and by written notice to VTA given within 45 days after the occurrence of such UT Event of Loss (the "UT Election Notice") elect one of the following two alternatives (provided that if Utah Transit shall fail to give such notice, Utah Transit shall be deemed to have elected alternative (i)):

(i) Utah Transit shall pay to VTA on the first UT Stipulated Loss Value Determination Date occurring after Utah Transit delivers (or is required to deliver) the UT Election Notice (or the first UT Stipulated Loss Value Determination Date occurring after clause (iii) of this Section 11(a) becomes applicable) (the "UT Loss Payment Date"): (A) the UT Net Stipulated Loss Value for the UT Loss Payment Date (or if such UT Event of Loss is attributable to an act of the State of California (or any political subdivision thereof, other than VTA, in the case of the events described in clauses (iii) and (iv) of the definition of UT Event of Loss), the higher of such UT Net Stipulated Loss Value and the fair market sales value of the Head Lease Rights on the UT Loss Payment Date) with respect to each Item of UT Equipment suffering the UT Event of Loss, plus (B) any overdue UT Sublease Rent that was due and payable prior to such UT Loss Payment Date remaining unpaid, together with interest at the Overdue Rate for the period from the due date thereof to the date of payment, plus (C) UT Supplemental Rent, due and owing, to the extent susceptible to quantification, on or before the UT Loss Payment Date by Utah Transit to VTA or any other Person under this UT Sublease; or

(ii) provided no UT Sublease Event of Default shall have occurred and be continuing at the time of the replacement, Utah Transit shall substitute for any Item of UT Equipment suffering a UT Event of Loss, a Replacement Item of UT Equipment within 170 days of the giving of the UT Election Notice (or such longer period of time as may be permitted pursuant to clause (iii) below), in which case, immediately upon the effectiveness of such substitution and

without further act, such Replacement Item of UT Equipment shall become subject to this UT Sublease and shall be deemed an Item of UT Equipment for all purposes hereof to the same extent as the Item of UT Equipment originally subleased hereunder.

In order to effect any such substitution pursuant to alternative (ii) of this Section 11(a), the following documents shall be duly authorized, executed and delivered by the respective party or parties thereto (and recorded, if appropriate):

(A) a UT Sublease Supplement covering the Replacement Item of UT Equipment (it being understood for purposes of this UT Sublease that the UT Equipment Value for any Replacement Item of UT Equipment shall be deemed equal to the UT Equipment Value for the Item of UT Equipment for which it is substituted);

(B) such evidence of compliance with the insurance provisions of Section 12 with respect to the Replacement Item of UT Equipment as VTA may reasonably request;

(C) such certificates and opinions of counsel as to such matters as VTA may reasonably request;

(D) to the extent necessary for delivery of the opinion referred to in clause (E) below, receipt of an appraisal or other evidence reasonably satisfactory to the Equity Investor to the effect that the Replacement Item of UT Equipment has a value, utility and remaining useful life at least equal to the Item of Equipment being replaced; and

(E) (1) an opinion of nationally recognized independent tax counsel selected by the Equity Investor and reasonably acceptable to Utah Transit to the effect that the Equity Investor will not suffer any material adverse tax consequences as a result of such replacement and (2) an agreement by Utah Transit, in form and substance satisfactory to the Equity Investor, to indemnify the Equity Investor for any adverse tax consequences.

(iii) If Utah Transit has not fully performed alternative (ii) of this Section 11(a) within 170 days following the delivery of a UT Election Notice electing to replace the affected Item of UT Equipment, Utah Transit shall be deemed to have elected alternative (i) and shall fully perform the same in accordance with the terms hereof, provided, however, that in the event that (x) VTA shall hold insurance proceeds (or other amounts specifically provided therefor) equal to the amounts Utah Transit would be required to pay if it had elected such alternative (i), and (y) within such 170 day period Utah Transit has entered into a contract for the acquisition of a Replacement Item of UT Equipment meeting the above requirements and providing for the delivery of such Item of UT Equipment within two years following the UT Event of Loss and has provided a copy of such contract to VTA, Utah Transit shall not be deemed to have elected alternative (i) for a period not longer than the date of delivery of such Replacement Item of UT Equipment under such contract (such period in no event to exceed two years following the occurrence of the UT Event of Loss). In the event Utah Transit has extended the 170 day period for replacing an Item of Equipment pursuant to the proviso in the preceding sentence but is not able to fully perform alternative (ii) within the two year period referred to above, Utah Transit shall be required to perform alternative (i) on or before the date that is two years following the occurrence of the UT Event of Loss.

Upon payment in full of all amounts payable pursuant to alternative (i) of this Section 11(a), (1) the obligation of Utah Transit to pay any UT Sublease Rent and UT Supplemental Rent with respect to the applicable Items of UT Equipment shall terminate as of the UT Loss Payment Date, (2) the UT Sublease Term with respect to such Items of UT Equipment shall end and (3) VTA will be deemed to have transferred to Utah Transit, "as-is, where-is" without recourse or warranty (except as to the absence of VTA Liens, Sublessor's Liens and all other Liens created under the Operative Documents and the Existing Lease Documents), good and marketable title in and to such Items of UT Equipment. Upon such transfer, VTA shall request the Lender to execute and deliver to Utah Transit an appropriate instrument releasing such Items of UT Equipment from the Lien of the Loan Agreement, and VTA shall execute and deliver, or cause to be executed and delivered, such other documents evidencing such transfer and take such further action as may reasonably be required to effect such transfer. A substitution effected pursuant to alternative (ii) of this Section 11(a) shall not result in any adjustment to UT Sublease Rent and shall not result in any change in UT Stipulated Loss Values or the Agreed UT Purchase Option Price. Utah Transit shall pay the reasonable costs and expenses of VTA incurred in connection with any such substitution, including the costs and expenses incurred in performing VTA's obligations under any of the Operative Documents.

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

As between VTA and Utah Transit, any payments on account of a UT Event of Loss (other than proceeds of insurance which shall be applied as required by Sections 12(e) and (g)) with respect to any Item of UT Equipment received at any time by any Person from any governmental authority or other Person will be applied as follows:

(i) if Utah Transit has elected alternative (i) in Section 11(a), so much of such payments as shall not exceed the amounts required to be paid by Utah Transit pursuant to such Section 11(a) shall be paid to VTA and applied in reduction of Utah Transit's obligations to pay such amounts required to be paid by Utah Transit if not previously paid (net of any and all costs, losses and expenses incurred by VTA in connection therewith) and the balance, or if all amounts required to be paid by Section 11(a) have been paid by Utah Transit, all such payments, shall be paid to Utah Transit; and

(ii) if Utah Transit has elected alternative (ii) in Section 11(a), all such payments shall be paid over to, or retained by, VTA as security for Utah Transit's obligations hereunder until Utah Transit shall have fully performed its obligations under such alternative (ii), at which time such payments shall be paid over to Utah Transit or its designee.

(c) Requisition for Use with Respect to Items of UT Equipment.

(i) If an Item of UT Equipment is requisitioned for use by any government or any agency or instrumentality thereof (for so long as such requisition does not constitute a UT Event of Loss, at which time Section 11(a) will govern), all of Utah Transit's obligations under this UT Sublease with respect to such Item of UT Equipment shall continue to the same extent as if such requisition had not occurred.

(ii) All payments received by any Person in connection with any such requisition for use during the UT Sublease Term (other than any such requisition which constitutes a UT Event of Loss, as to which the provisions of Section 11(a) shall govern) from any government or any

agency or instrumentality thereof for the use of such Item of UT Equipment during the UT Sublease Term shall be paid over to, or retained by, Utah Transit. All payments received by any Person from any government or any agency or instrumentality thereof for the use of such Item of UT Equipment after the UT Sublease Term shall be paid over to, or retained by, VTA (unless Utah Transit shall have exercised the UT Purchase Option, in which case all such payments shall be paid over to, or retained by, Utah Transit).

(iii) If a UT Event of Loss shall exist, or be deemed to exist, on the last day of the UT Sublease Term (and Utah Transit shall not have exercised the UT Purchase Option), Utah Transit shall make the payments required to be made by it under alternative (i) of Section 11(a) with respect to such UT Event of Loss on such date.

(d) Application of Payments During Existence of Defaults.

Any amount referred to in this Section 11 or in Section 12 which is payable to Utah Transit shall not be paid to Utah Transit, or, if it has been previously paid directly to Utah Transit, shall not be retained by Utah Transit, if at the time of such payment a UT Event of Default shall have occurred and be continuing, but shall be paid to and held by VTA as security for the payment of UT Sublease Obligations, and shall be applied towards payment of such UT Sublease Obligations, and at such time as there shall not be continuing any such UT Event of Default such amount (to the extent not so applied) shall be paid over to Utah Transit or its designee.

SECTION 12. Insurance.

(a) Insurance Requirements. Utah Transit shall provide and maintain at all times during the UT Sublease Term, at Utah Transit's sole expense, insurance coverage (including property damage and liability insurance) with respect to the UT Equipment in amounts at least equal to, with such deductibles and retentions, and on terms no less favorable than, insurance carried by Utah Transit with respect to other passenger light rail equipment owned, leased or operated by Utah Transit similar to the UT Equipment with insurers of recognized standing and substantial financial capacity; *provided*, that Utah Transit shall at all times maintain (x) all-risk property insurance on each Item of UT Equipment in an amount equal to or greater than such Item's replacement value at any point in time with an aggregate limit of \$20 million per year which shall designate VTA, the Lender and the Sublessor as loss payees and (y) comprehensive third party liability insurance ("liability insurance") in amounts at least equal to \$15 million per occurrence insuring all liability relating to the ownership, operation, maintenance, condition or use of the UT Equipment.

Each policy of insurance carried in accordance with this Section 12(a) shall:

(i) as to liability insurance name VTA, the Sublessor, the Trust Company, the Equity Investor, the Strip Surety Provider and the Lender as additional insureds (the "Additional Insureds") for their respective interests;

(ii) as to liability insurance expressly provide that all of the provisions thereof, except the limits of liability, shall operate in the same manner as if there were a separate policy covering each insured;

(iii) contain as its minimum geographical limits, if any, all areas within which the UT Equipment will be operated;

(iv) contain an agreement by the insurer that notwithstanding the lapse of any such policy (except by reason of expiration in accordance with its terms) or any right of cancellation by the insurer or any cancellation by Utah Transit, whether voluntary or involuntary, each such policy shall continue in force for the benefit of each Additional Insured for at least 10 days, with respect to cancellation for nonpayment of premiums, and otherwise thirty days after written notice of such cancellation shall have been sent to each Additional Insured, except upon written approval of each Additional Insured;

(v) insure each Additional Insured's interests up to the limits of such policy and shall not be invalidated by any action or inaction on the part of Utah Transit or any other Person and shall insure the Additional Insureds regardless of any misdescription, breach or violation by Utah Transit or any other Person of any warranties, declarations or conditions contained in such policies;

(vi) waive any right of the insurers to any set-off or counterclaim or any other deduction and waive any right of subrogation against any Additional Insured, except for claims that may arise from the willful misconduct or gross negligence of any Additional Insured (such denial of waiver of subrogation to apply only to the Additional Insured whose misconduct or gross negligence led to the claim);

(vii) provide that no Additional Insured shall have any obligation or liability for premiums in connection with such insurance or any call, commission or assessment with respect thereto; and

(viii) shall be primary without right of contribution from any other insurance that is carried by any other Person.

(b) Compliance with Policies. Utah Transit will not do any act or voluntarily suffer any act to be done whereby any insurance required under this Section shall or may be suspended, impaired or defeated. Utah Transit in no circumstance will suffer or permit the UT Equipment to be used or operated during any period when any Additional Insured may be at risk for the risks protected against by such insurance without such insurance being fully in effect.

(c) Alternative Insurance; Failure to Insure.

(i) In the event that Utah Transit should for any reason fail to renew or replace any policy or contract of insurance under Section 12(a) or fail to keep any such policy in full force and effect, VTA shall have the option to pay the premiums on any such policy or contract of insurance or to take out new insurance in amount, type, coverage and terms reasonably satisfactory to VTA; *provided*, that VTA shall (to the extent reasonably practicable) give Utah Transit not less than two Business Days' prior written notice before taking any such action.

(ii) Any sum so paid by VTA pursuant to clause (i) above shall be immediately due and payable to VTA by Utah Transit, together with interest at the Overdue Rate from the date upon which VTA incurs the expense; *provided*, that no exercise by VTA of the option set forth in clause (i) above shall in any way affect the provisions of this UT Sublease, including the provisions that failure by Utah Transit to maintain the prescribed insurance shall constitute a UT Event of Default under Section 17(i).

(d) Notification of Claim. Utah Transit shall notify VTA, as soon as possible under the circumstances, of any claim under any insurance policy required to be maintained hereunder with respect to the UT Equipment in excess of \$500,000 or of the occurrence of any event which may be reasonably expected to give rise to any such claim.

(e) Application of Insurance Proceeds. Any insurance payments received under policies that Utah Transit is required to maintain pursuant to Section 12(a) shall be applied as follows:

(i) if such payments are received with respect to loss or damage not constituting a UT Event of Loss, such payments shall be applied in payment for repairs or for replacement property in accordance with the terms of Sections 8 and 10, if not already paid for by Utah Transit (or to reimburse Utah Transit for such repairs or replacements already paid for by Utah Transit), and any balance remaining after compliance with such Sections with respect to such loss shall be paid to Utah Transit;

(ii) if such payments are received with respect to a UT Event of Loss and Utah Transit has elected alternative (i) in Section 11(a), so much of such payments remaining as shall not exceed the amounts required to be paid by Utah Transit pursuant to such alternative (i) shall be applied in reduction of Utah Transit's obligation to pay such amounts if not already paid by Utah Transit, and to reimburse Utah Transit if such amounts shall have been paid, and the balance, if any, of such payments shall be promptly paid over to, or retained by, Utah Transit; or

(iii) if such payments are received with respect to a UT Event of Loss and Utah Transit has elected alternative (ii) in Section 11(a), such payments shall be paid over to, or retained by, VTA as security for the performance of Utah Transit's obligations under such alternative (ii) with respect to such UT Event of Loss, until Utah Transit shall have fully performed its obligations under Section 11(a)(ii) with respect to the Items of UT Equipment suffering such UT Event of Loss, at which time such payment shall be paid over to Utah Transit.

Any proceeds received by any Person from any insurance policy maintained by such Person that is not required to be maintained hereunder, shall be paid to, and retained by, the Person maintaining such policy.

(f) Certificates. During the UT Sublease Term and concurrently with the renewal of each insurance policy (but in no event less frequently than (x) once each calendar year in the first quarter of such year beginning in 2004 and (y) within 21 days of renewal of any policy), Utah Transit shall cause to be furnished to VTA a certificate of a firm of insurance brokers or of an authorized representative of the insurers evidencing each policy of insurance carried in accordance with this Section 12.

(g) Copies and Descriptions of Policies; Other Insurance. If requested by VTA, Utah Transit will arrange to be delivered to VTA copies of any insurance policies carried on the UT Equipment. If requested by VTA, Utah Transit shall promptly furnish to VTA an Officer's Certificate setting forth all insurance maintained by Utah Transit pursuant to this Section 12 and describing such policies, if any, including the amounts of coverage, any deductible amounts, the names of the insurance providers and a general description of each such policy's terms and the status of any self-insurance. VTA shall have the right to carry insurance on the UT Equipment for its own benefit and at its own expense if the carrying of such insurance does not adversely affect

Utah Transit's ability to carry insurance as described herein, Utah Transit's cost thereof or the amounts payable thereunder. Any proceeds received by VTA from any other insurance policy so maintained, shall be paid to, and retained by, VTA.

SECTION 13. Liens. Utah Transit shall not directly or indirectly create, incur, assume or suffer to exist any Lien on or with respect to the UT Equipment or title thereto or any interest therein or in this UT Sublease except the following (the "UT Permitted Liens") (a) VTA Liens and Sublessor's Liens; (b) with respect to the Items of UT Equipment subject to the Existing Lease Documents, the respective rights of the ETC Lessor and TBT Lessors under the Existing Lease Documents as in effect on the UT Sublease Closing Date; (c) the respective rights of the Head Lessor, the Sublessor, the Equity Investor, the Sublessee, the Lender and every other Person who is a party to any of the Operative Documents; (d) Liens for Taxes payable by Utah Transit either not yet due or being contested in good faith by appropriate proceedings diligently conducted so long as such proceedings do not involve any danger of the sale, forfeiture or loss of the UT Equipment or any interest therein and do not involve the risk of a criminal or unindemnified civil liability being imposed on any Participant (and for the payment of which adequate reserves have been provided pursuant to generally accepted accounting principles); (e) suppliers', mechanics', workers', repairers', employees' or other like Liens arising in the ordinary course of business and for amounts the payment of which is either not yet delinquent or is being contested in good faith by appropriate proceedings, so long as such proceedings do not involve a material danger of the sale, forfeiture or loss of the UT Equipment or any interest therein and do not involve the risk of a criminal or unindemnified civil liability being imposed on any Participant (and for the payment of which adequate reserves have been provided pursuant to generally accepted accounting principles); (f) Liens arising out of judgments or awards against Utah Transit with respect to which at the time an appeal or proceeding for review is being prosecuted in good faith by appropriate proceedings and with respect to which there shall have been secured a stay of execution pending such proceeding (and for the payment of which adequate reserves have been provided pursuant to generally accepted accounting principles); (g) customary salvage and similar rights of insurers under policies of insurance maintained with respect to the UT Equipment; (h) Liens related to any temporary replacement UT Parts so long as Utah Transit is diligently pursuing substitution of permanent replacement UT Parts therefor; (i) purchase money security interests incurred in connection with the acquisition of Severable UT Parts, which security interests cover only the UT Severable Parts acquired; and (j) any other immaterial, nonconsensual liens and encumbrances which do not affect the use of the UT Equipment or impair the Lien of the Loan Agreement or adversely affect the rights of VTA, the Trustee, the Equity Investor or the Lender under the Operative Documents. Utah Transit shall promptly, at its own expense, take or cause to be taken such action as may be necessary to duly discharge any Lien other than a UT Permitted Lien arising at any time.

SECTION 14. Further Assurances. Utah Transit shall, at its own expense, promptly and duly execute and deliver to VTA such further documents and assurances and take such further action as VTA may from time to time reasonably request in order more effectively to carry out the intent and purpose of this UT Sublease and to establish and protect the rights and remedies created or intended to be created in favor of VTA hereunder, including, if requested by VTA, the execution and delivery of supplements or amendments hereto, in recordable form, subjecting any replacement or substituted Item of UT Equipment to this UT Sublease and the recording or filing of counterparts hereof or of financing statements or continuation statements with respect hereto.

SECTION 15. Return of the UT Equipment. With respect to each UT Equipment Lot, unless Utah Transit shall purchase all of the UT Equipment in such UT Equipment Lot pursuant to the UT Purchase Option, Utah Transit will, on the Basic UT Sublease Term Expiration Date, or in the event that this UT Sublease is renewed with respect thereto for the UT Sublease Renewal Term, Utah Transit will, on the UT Sublease Expiration Date with respect thereto (or, if required, upon earlier termination of this UT Sublease pursuant to the terms hereof) return, at Utah Transit's sole risk and expense, all of the UT Equipment in such UT Equipment Lot (except any Item of UT Equipment deemed to have suffered a UT Event of Loss), free and clear of any Liens (other than UT Permitted Liens), by delivering the same to San Jose, California, or such other location in the continental United States as VTA shall designate, together with all plans, specifications, operating manuals, warranties and other documents furnished by the manufacturer of the UT Equipment and all records, logs and other materials, in each case, in the possession of Utah Transit, or its agents that (x) are required to be maintained in respect to such Item of UT Equipment by any applicable governmental authority having jurisdiction or (y) are necessary or useful to the ownership, use, operation, or maintenance of such Item of UT Equipment. Each Item of UT Equipment when so delivered, if Utah Transit has not exercised the UT Purchase Option pursuant to Section 16 for a UT Equipment Lot of which such Item of UT Equipment is a part, shall be (i) in the condition required by Section 8(c) with all UT Parts fully functional and able to perform their intended functions as when delivered to Utah Transit hereunder; (ii) in compliance with all safety directives issued by any governmental authority having an effective date for compliance prior to such delivery; and (iii) refurbished, which at a minimum shall include the removal of all operator identification (e.g., name and logo) in a workmanlike manner, replacement of seating, wall, floor and ceiling coverings, lighting and other internal fittings, and underfloor mechanical rebuild which may include bogie replacement and brake and traction equipment overhaul; *provided*, that where such refurbishment has been undertaken in the twelve month period preceding and ending on the Basic UT Sublease Term Expiration Date or the UT Sublease Expiration Date, as applicable, similar work shall not be required to be undertaken at the end of the UT Sublease Term; *provided, however*, that any such Item of UT Equipment that has previously been refurbished must be in "like new" condition on the Basic UT Sublease Term Expiration Date or the UT Sublease Expiration Date, as applicable; *provided*, that total expenditures for the refurbishment of all Items of UT Equipment in accordance with the requirements of this clause (iii) shall not exceed 25% of the Aggregate UT Equipment Value of all Items of UT Equipment less an amount equal to any refurbishment expenditure for similar work described in the immediately preceding proviso incurred by Utah Transit in the 12 month period preceding and ending on the Basic UT Sublease Term Expiration Date or the UT Sublease Expiration Date, as applicable. Upon any expiration or termination of this UT Sublease, Utah Transit shall also permit VTA to store beyond such expiration or termination at a suitable storage site designated by Utah Transit, at VTA's sole cost and expense (but without charge for storage), for a period of not more than 90 days, any UT Equipment being returned prior to delivery as aforesaid, and Utah Transit agrees to invoice VTA promptly for any expense paid by Utah Transit directly attributable to such storage. Utah Transit agrees to pay or to reimburse on demand all costs and expenses (other than the costs and expenses described in the immediately preceding sentence) incurred by VTA in connection with any return contemplated by this Section 15.

SECTION 16. UT Purchase Option.

(a) The UT Purchase Option. Subject to paragraphs (b) and (c) of this Section 16, Utah Transit shall have the option, so long as no UT Event of Default shall have occurred and be continuing, to direct VTA to exercise VTA's Purchase Option under Section 14 of the Sublease and

to purchase from VTA on the Basic UT Sublease Term Expiration Date for each UT Equipment Lot all (but not less than all) of VTA's interest in the Items of UT Equipment in such UT Equipment Lot for the Agreed UT Purchase Option Price with respect to such Items of UT Equipment, payable on the dates and in the amounts set forth in Schedule VI to this UT Sublease (the "UT Purchase Option").

(b) VTA's Options. In the event Utah Transit does not elect to exercise the UT Purchase Option with respect to a UT Equipment Lot in accordance with paragraph (c) of this Section 16, VTA shall have the right, with respect to such UT Equipment Lot, to elect either (i) to cause this UT Sublease to be extended for the UT Sublease Renewal Term with respect thereto in accordance with the provisions of paragraph (d)(i) of this Section 16 (the "UT Sublease Renewal Option"), or (ii) to cause Utah Transit to return all of the UT Equipment in such Equipment Lot on the Basic UT Sublease Term Expiration Date in accordance with the provisions of paragraph (d)(ii) of this Section 16 (the "UT Return Option").

(c) Notices.

(i) Utah Transit may elect the UT Purchase Option by delivering an irrevocable written notice (the "UT Purchase Option Notice") to VTA not more than 720 days nor less than 365 days prior to the UT Basic Sublease Term Expiration Date for each UT Equipment Lot; provided, however, that VTA shall have given Utah Transit a reminder notice (both by registered mail and telecopy) at least 450 days but not more than 730 days prior to the Basic UT Sublease Term Expiration Date of Utah Transit's right to exercise the UT Purchase Option; provided further, however, that failure to give such notice shall not alter the rights or obligations of the parties or give rise to any liability on the part of VTA, except that if VTA shall fail to give such notice, and Utah Transit shall not have exercised its UT Purchase Option within the above referenced time, Utah Transit's right to exercise its UT Purchase Option shall not expire until the earlier of (x) 30 days after the reminder notice shall have been received by Utah Transit and (y) 15 days prior to the last day upon which VTA is permitted to deliver its notice of election of its Purchase Option under the Sublease (without regard to whether such notice is given). Utah Transit and VTA agree that VTA shall not exercise its Purchase Option under the Sublease unless Utah Transit has furnished to VTA the UT Purchase Option Notice in accordance with this Section 16(c)(i), or unless Utah Transit shall instruct VTA to exercise the Purchase Option in accordance with Section 16(d)(i)(C).

(ii) If Utah Transit has not elected (or due to the existence of a UT Event of Default is not permitted to exercise) the UT Purchase Option by the 365th day prior to the Basic UT Sublease Term Expiration Date (or such other time frame as set forth in the proviso contained in clause (i) immediately above), Utah Transit shall not have the right to exercise the UT Purchase Option and VTA may elect either the UT Sublease Renewal Option or the UT Return Option by delivering a written notice to Utah Transit not less than 90 days, nor more than 180 days, prior to the Basic UT Sublease Term Expiration Date. In the event VTA does not elect one of such options by the 90th day prior to the Basic UT Sublease Term Expiration Date, it shall be deemed to have elected the UT Sublease Renewal Option.

(d) Exercise of VTA's Options.

(i) UT Sublease Renewal Option. If VTA shall have elected, or shall have been deemed to have elected pursuant to paragraph (c) above, the UT Sublease Renewal Option with respect to any UT Equipment Lot, the following provisions shall apply:

(A) Utah Transit shall arrange for a Loan Extension with respect to such UT Equipment Lot. If necessary to satisfy such obligation, Utah Transit agrees to purchase from VTA, at par, up to 49% of the principal amount of the Loan Certificates then outstanding under the Loan Agreement with respect to such UT Equipment Lot in the event that VTA has purchased such Loan Certificates from the Lender in accordance with Section 2.11 of the Loan Agreement. Utah Transit shall exercise reasonable efforts to arrange for such Loan Extension from third parties and such Loan Certificates purchased by Utah Transit must be secured on a pari passu basis with all other outstanding Loan Certificates and the third party lenders shall have exclusive control of the exercise of remedies under the Loan Agreement;

(B) Utah Transit shall, at its own cost and expense, perform each of the obligations required of VTA under Sections 21(a), (d) and (e) of the Participation Agreement in the event that the Sublessor elects the Sublease Renewal Option under the Sublease, such obligations being incorporated herein by reference;

(C) if on the Basic UT Sublease Term Expiration Date, Utah Transit has been unable to arrange for a Loan Extension with respect to such UT Equipment Lot with unrelated third parties for at least 51% of the principal amount of the Loan Certificates then outstanding under the Loan Agreement with respect to such UT Equipment Lot in accordance with clause (A) above, Utah Transit may exercise the UT Purchase Option and may instruct VTA to exercise VTA's Purchase Option in accordance with the Sublease with respect to such UT Equipment Lot, in which case VTA shall transfer to Utah Transit good and marketable title to the Items of UT Equipment in such UT Equipment Lot in accordance with Section 16(f) of this UT Sublease;

(D) Utah Transit shall pay or reimburse, on demand, all costs and expenses (including reasonable legal fees and expenses) incurred by VTA in connection with its exercise of the UT Sublease Renewal Option and the Sublessor's exercise of the Sublease Renewal Option under the Sublease, including without limitation any costs and expenses in connection with the Loan Extension, whether or not any of such transactions are consummated; and

(E) the UT Sublease Renewal Term shall commence on the day after the Basic UT Sublease Term Expiration Date and, subject to any earlier termination, end on the UT Sublease Expiration Date for such UT Equipment Lot; all of the terms of this UT Sublease shall apply during the UT Sublease Renewal Term provided that:

(1) Utah Transit shall pay UT Sublease Rent for the UT Equipment in such UT Equipment Lot in such amounts equal, on a dollar-for-dollar basis, to the Sublease Renewal Current Rent and the Sublease Renewal Deferred Rent which VTA is obligated to pay to the Sublessor during the Sublease Renewal Term. Such UT Sublease Rent shall be due and payable on the same dates that the corresponding payment of Sublease Renewal Current Rent and the Sublease Renewal Deferred Rent

is due and payable by VTA to the Sublessor during the Sublease Renewal Term; provided, however, that the amount of UT Sublease Rent payable by Utah Transit under this paragraph shall be offset, on a dollar-for-dollar basis, by an amount equal to the sum of (x) the amount of the Account Collateral liquidated and transferred to the Sublessor in satisfaction of the Equity Portion of Sublease Renewal Current Rent and the Sublease Renewal Deferred Rent as set forth in Section 5.1(d) of the related Equity Deposit Agreement, plus (y) the amount of any payment made by the Debt Payment Undertaker to the Sublessor pursuant to Section 3.01 of Debt Payment Undertaking Agreement;

(2) UT Stipulated Loss Values with respect to the UT Equipment in such UT Equipment Lot during the UT Sublease Renewal Term shall be in the amounts set forth in Schedule V to this UT Sublease with respect to such UT Sublease Renewal Term and shall in no event be less than the principal amount of the Loan Certificates at the time scheduled to be outstanding, together with all interest thereon scheduled to be due at such time;

(3) during the UT Sublease Renewal Term with respect to such UT Equipment Lot, all references in this UT Sublease to Basic UT Sublease Term Expiration Date, UT Sublease Rent and Basic UT Sublease Term shall be deemed to be references to UT Sublease Expiration Date, UT Sublease Rent payable during the UT Sublease Renewal Term and the UT Sublease Renewal Term respectively; and

(4) Utah Transit shall return the UT Equipment in such UT Equipment Lot on the UT Sublease Term Expiration Date for such UT Equipment Lot in accordance with the return conditions of Section 15 (and VTA shall return such UT Equipment to the Head Lessee in accordance with the terms of the Operative Documents) and shall pay (x) any UT Sublease Rent that was due and payable prior to the UT Sublease Term Expiration Date remaining unpaid, together with interest at the Overdue Rate for the period from the due date thereof to the date of payment, plus (y) all UT Supplemental Rent due and owing on or before (or after, to the extent susceptible to quantification on or before) the UT Sublease Term Expiration Date by Utah Transit to VTA under this UT Sublease.

(ii) UT Return Option. If VTA shall have elected the UT Return Option for a UT Equipment Lot, the following provisions shall apply:

(A) Utah Transit shall return the UT Equipment in such UT Equipment Lot on the Basic UT Sublease Term Expiration Date for such UT Equipment Lot in accordance with the return conditions of Section 15 and shall pay (x) any UT Sublease Rent that was due and payable prior to the Basic UT Sublease Term Expiration Date remaining unpaid, together with interest at the Overdue Rate for the period from the due date thereof to the date of payment, plus (y) all UT Supplemental Rent due and owing on or before (or after, to the extent susceptible to quantification on or before) the Basic UT Sublease Term Expiration Date by Utah Transit to VTA under this UT Sublease;

(B) If VTA shall have elected the UT Return Option in connection with the Sublessor's election of the Successor Sublease Option under Section 14 of the Sublease,

then Utah Transit agrees to purchase from VTA, at par, any Loan Certificates that VTA has been required to purchase from the Lender, as set forth in Section 14(d)(ii)(B) of the Sublease.

(C) Provided no UT Event of Default shall have occurred and be continuing, VTA shall transfer to Utah Transit, without recourse or warranty of any kind, any Net Account Collateral Proceeds (if any) remaining after VTA has fulfilled its obligations to the Sublessor, the Lender and the Equity Investor under the Sublease in connection with the Sublessor's exercise, as applicable, of the Successor Sublease Option or the Return Option.

(iii) Effect of Delivery. Upon Utah Transit's return of the UT Equipment in such UT Equipment Lot pursuant to clause (i)(E)(4) or clause (ii)(A) above and payment of all amounts required thereunder, the UT Sublease Term with respect to such UT Equipment Lot shall end except for the obligation of Utah Transit to pay any UT Supplemental Rent (x) surviving pursuant to Section 21 of this UT Sublease or (y) in respect of liabilities and obligations of Utah Transit which have accrued but not been paid or which are in dispute as of the date of such transfer.

(e) UT Burdensome Event. If a UT Burdensome Event shall have occurred and be continuing, Utah Transit shall have the right, by irrevocable written notice (the "UT Burdensome Buyout Notice") delivered to VTA, to direct VTA to elect to purchase the Head Lease Rights in all (but not less than all) of the Items of UT Equipment in accordance with the terms of Section 14(e) of the Sublease; *provided, however,* that if Utah Transit so directs VTA to elect to purchase the Head Lease Rights, then Utah Transit agrees to purchase from VTA, and VTA agrees to sell to Utah Transit, the UT Equipment for an amount (such amount, the "UT Burdensome Buyout Amount") equal to (i) the purchase price paid by VTA under Section 14(e), *less* (ii) any Equity Defeasance Value, *plus* (iii) VTA's costs and expenses (including reasonable legal fees) in connection with the foregoing.

(f) Exercise of UT Purchase Option. If Utah Transit elects to purchase all of the Items of UT Equipment in a UT Equipment Lot pursuant to Section 16(a), Section 16(d)(i)(C) or Section 16(e) and has delivered to VTA the UT Purchase Option Notice within the timeframe required by Section 16(c) or the UT Burdensome Buyout Notice, as applicable, VTA shall take such action as is required under the Sublease to purchase the Head Lease Rights with respect to the Items of UT Equipment in the UT Equipment Lot(s) specified in the UT Purchase Option Notice or the UT Burdensome Buyout Notice (including delivering to the Sublessor the notice required under Section 14(c) or Section 14(e) of the Sublease), and upon payment to VTA of (A) an amount equal to the Agreed UT Purchase Option Price on the dates set forth in Schedule VI to this UT Sublease or the UT Burdensome Buyout Amount, as applicable, plus (B) any overdue UT Sublease Rent remaining unpaid, together with interest at the Overdue Rate for the period from the due date thereof to the date of payment, plus (C) all other amounts, whether UT Supplemental Rent or otherwise, due and owing, VTA shall transfer to Utah Transit, "as-is, where-is" without recourse or warranty of any kind (except with respect to the absence of VTA Liens, Sublessor's Liens and all other Liens created under the Operative Documents and the Existing Lease Documents) good and marketable title in and to the Items of UT Equipment in such UT Equipment Lot. In connection with such transfer of the Items of UT Equipment, Utah Transit shall prepare and VTA shall execute, as the case may be, a termination of the UT Sublease and a bill of sale in the form attached hereto as Exhibit B with respect to such Items of UT Equipment and such other documents and opinions as Utah Transit

may reasonably request, all at the expense of Utah Transit. Upon compliance by Utah Transit with the provisions of this Section 16, this UT Sublease shall terminate with respect to the Items of UT Equipment in the related UT Equipment Lot(s) except for the obligations of Utah Transit to pay any UT Supplemental Rent (x) surviving pursuant to Section 21 hereof or (y) in respect of liabilities and obligations of Utah Transit which have accrued but not been paid or which are in dispute as of the date of such transfer.

(g) Utah Transit's Right to Specific Performance. VTA acknowledges and agrees that monetary damages may not be adequate to compensate Utah Transit for losses incurred as a result of VTA's failure to comply with the terms of Section 16(f) and that Utah Transit shall be entitled to specific performance or such other form of injunctive relief as deemed necessary by a court of competent jurisdiction to provide Utah Transit with the benefit of its bargain under this UT Sublease.

(h) Utah Transit's Option to Purchase VTA's Residual Interest in the UT Equipment. In the event that UT Transit shall not have elected (or be deemed to have elected) the UT Purchase Option in accordance with the terms of this Section 16, then Utah Transit shall have the option (the "Residual Interest Purchase Option") to purchase from VTA, on the Head Lease Expiration Date, VTA's residual interest (if any) in all, but not less than all, of the Items of UT Equipment in any UT Equipment Lot for an amount (such amount, the "Residual Interest Purchase Price") equal to \$1.00 per UT Equipment Lot by delivery to VTA of an irrevocable written notice not more than 365 days but not less than 180 days prior to the Head Lease Expiration Date. Upon receipt by VTA of (i) Utah Transit's notice of election of the Residual Interest Purchase Option and (ii) the Residual Interest Purchase Price with respect to the Items of UT Equipment in a UT Equipment Lot, VTA shall transfer to Utah Transit, on the Head Lease Expiration Date, "as-is, where-is" without recourse or warranty of any kind, all of VTA's right, title and interest (if any) in and to such Items of UT Equipment.

SECTION 17. UT Events of Default. The following events shall constitute UT Events of Default (whether any such event shall be voluntary or involuntary or come about or be effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) Utah Transit shall fail to make any payment of UT Sublease Rent or UT Net Stipulated Loss Value when due and such failure shall continue for a period of five Business Days after written notice of nonpayment from VTA; or Utah Transit shall fail to make any other payment of UT Supplemental Rent and such failure shall continue unremedied for a period of 30 days after receipt by Utah Transit of a written notice of nonpayment from VTA; or

(b) Utah Transit shall fail, in any material respect, to perform or observe any other covenant or condition to be performed or observed by it hereunder (other than a covenant or condition referred to in clauses (a), (d), (e), (f), (g), (i), or (j) of this Section 17) and such failure shall not have been cured within a period of 30 days after receipt by Utah Transit of a written notice thereof from VTA; provided that if such failure is capable of cure but cannot be cured during such 30-day period, no UT Event of Default shall occur so long as Utah Transit is diligently attempting to cure and does so within 120 days of such receipt; or

(c) any representation or warranty made by Utah Transit herein shall prove to be untrue, inaccurate or misleading in any material respect and, if capable of cure, shall not have been cured within 45 days of receipt by Utah Transit of written notice thereof from VTA; or

(d) Utah Transit 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 Utah Transit in any such proceeding, or Utah Transit 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 other entities or for an agreement, composition, extension or adjustment with its creditors; or shall adopt a resolution of liquidation; or

(e) an order, judgment or decree shall be entered in any proceeding by any court of competent jurisdiction appointing, without the consent of Utah Transit, a receiver, trustee, assignee or liquidator or similar official of Utah Transit, or of any substantial part of its property, or sequestering any substantial part of the property of Utah Transit, 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) a petition against Utah Transit 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 Utah Transit, any court of competent jurisdiction shall assume jurisdiction, custody or control of Utah Transit 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

(g) any additional proceeding similar to those referred to in Section 17(d), (e) or (f) above for the relief of financially distressed debtors under the laws of any jurisdiction is entered into by Utah Transit voluntarily; or any additional proceeding similar to those referred to in Section 17(d), (e) or (f) above for the relief of financially distressed debtors under the laws of any jurisdiction is entered into by or with respect to Utah Transit involuntarily and shall remain in force undismissed, unstayed or unvacated for a period of 90 days; or

(h) [Reserved]; or

(i) at any point in time Utah Transit shall fail to maintain the insurance required by Section 12 or to return the UT Equipment as required by Section 15; or

(j) if Utah Transit shall dissolve or initiate, or have initiated with respect to it, dissolution proceedings, except in connection with a governmental reorganization to a successor public body in accordance with Applicable Law.

SECTION 18. Remedies. Upon the occurrence of any UT Event of Default and at any time thereafter so long as the same shall be continuing, VTA may, at its option and sole discretion, declare this UT Sublease to be in default by a notice to Utah Transit (except that upon occurrence of a UT Event of Default described in Section 17(d), (e), (f) or (g), this UT Sublease shall automatically be deemed to be in default); and at any time after this UT Sublease shall be declared in default or be

deemed to be in default pursuant to this sentence, unless such declaration shall have been rescinded, VTA may in its sole discretion do, and Utah Transit shall comply with, one or more of the following with respect to the UT Equipment, as VTA 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 Utah Transit, upon the written demand of VTA and at Utah Transit's expense, to, and Utah Transit shall, promptly return any Items of UT Equipment as VTA may demand to VTA or its order in the manner and condition required by, and otherwise in accordance with all of the provisions of, Section 15 as if such Items of UT Equipment were being returned at the end of the UT Sublease Term; or VTA, at its option, may cause, pursuant to Applicable Law, an appropriate officer of the law to enter upon the premises where any Items of UT Equipment are located and take immediate possession of and remove the same by summary proceedings or otherwise, and Utah Transit shall promptly execute and deliver to VTA such instruments or other documents as VTA may deem necessary or advisable to enable VTA or its agent to obtain (by action of an appropriate officer of the law) possession of such Items of UT Equipment, all without liability to VTA for or by reason of such entry or taking possession, whether for the restoration of damage to property caused by such entry and taking or otherwise; *provided*, that if Utah Transit shall for any reason fail to execute and deliver such instruments and documents after such request, VTA shall be entitled, in a proceeding to which Utah Transit shall be a necessary party, to a judgment for specific performance, conferring the right to immediate possession (which possession shall be secured only by an appropriate officer of the law and not through the exercise of any self-help or similar remedy available under Applicable Law) upon VTA and requiring Utah Transit to execute and deliver such instruments and documents to VTA;

(b) whether or not VTA shall have exercised, or shall thereafter at any time exercise, any of its rights under paragraph (a) above with respect to any Items of UT Equipment, VTA, by written notice to Utah Transit not earlier than 10 days from the date of such notice as the payment date, may cause Utah Transit to pay to VTA, and Utah Transit shall pay to VTA, on the payment date specified in such notice, any installment of overdue UT Sublease Rent due with respect to such Items of UT Equipment prior to such payment date and all UT Supplemental Rent due on or before (or after, to the extent susceptible to quantification on or before) such payment date, plus interest, to the extent permitted by Applicable Law, at the Overdue Rate on the amounts of such overdue UT Sublease Rent and UT Supplemental Rent from such payment date to the date of actual payment of such amounts;

(c) so long as an Event of Default under the Sublease has been declared and is continuing, with respect to any Item of UT Equipment, by written notice to Utah Transit specifying a UT Stipulated Loss Value Determination Date which shall not be earlier than 10 days from the date of such notice, cause Utah Transit to pay VTA and Utah Transit shall pay to VTA, on the payment date specified in such notice, any UT Sublease Rent due on or prior to such date plus, as liquidated damages for loss of a bargain and not as a penalty (in lieu of the UT Sublease Rent payable with respect to such Items of Equipment after such payment date) an amount equal to the UT Stipulated Loss Value for such Item of UT Equipment (less an amount equal to the proceeds from any Account Collateral that would have been liquidated on the payment date described in this clause (c) by the Pledgee (or the Custodian acting under instruction from the Pledgee) if such payment date were treated as an event under Section 5.1(b) of the applicable Equity Deposit Agreement pursuant to which the Pledgee would cause the liquidation of the Account Collateral thereunder); and upon such payment of such liquidated damages and the payment of all overdue UT Sublease Rent and all

other UT Supplemental Rent then due and payable by Utah Transit hereunder, VTA shall request the Lender to execute and deliver to Utah Transit an appropriate instrument discharging the Lien of the Loan Agreement pursuant to Section 7.01 of the Loan Agreement with respect to such Item of UT Equipment, VTA shall transfer to Utah Transit, "as-is, where-is" without recourse or warranty of any kind (except as to the absence of VTA Liens), all of VTA's interest in such Item of UT Equipment and VTA shall execute and deliver, or cause to be executed and delivered, such documents evidencing such transfer and take such further action as may be required to effect such transfer; and

(d) terminate this UT Sublease as to all of the UT Equipment or any Item of UT 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.

In addition, Utah Transit shall be liable for any UT Supplemental Rent due hereunder before or after any termination hereof and all costs and expenses (including reasonable attorney's fees and disbursements) incurred by reason of the occurrence of any UT Event of Default or the exercise of VTA's remedies with respect thereto, including all costs and expenses incurred in connection with the retaking or return of any Item of UT Equipment (or any damages suffered as a result thereof) in accordance with the terms of Section 15 or in storing or maintaining any Item of UT Equipment or any UT Part thereof or placing the same in the condition required by Section 15 or any appraisal of any Item of UT Equipment. Except as otherwise expressly provided above, no remedy referred to in this Section 18 is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to above or otherwise available to VTA at law or in equity; and the exercise or beginning of exercise by VTA of any one or more of such remedies shall not preclude the simultaneous or later exercise by VTA of any or all such other remedies. No express or implied waiver by VTA of any UT Event of Default hereunder shall in any way be, or construed to be, a waiver of any future or subsequent UT Event of Default.

SECTION 19. VTA's Right to Perform for Utah Transit. If Utah Transit fails to make any payment of UT Sublease Rent or UT Supplemental Rent required to be made by it hereunder or fails to perform or comply with any of its agreements contained herein, VTA may (but shall not be obligated to) make such payment or perform or comply with such agreement. The amount of such payment by VTA and the amount of the reasonable expenses of VTA incurred in connection with such payment or the performance of or compliance by VTA with such agreement, as the case may be, together with interest thereon at the Overdue Rate, shall be deemed UT Supplemental Rent, payable by Utah Transit upon demand of VTA. No such payment or performance by VTA shall be deemed to waive any UT Default or UT Event of Default or relieve Utah Transit of its obligations hereunder.

SECTION 20. Assignment. Subject to Section 8(a) of this UT Sublease, and except in connection with a governmental reorganization to a successor public body permitted under Applicable Law, Utah Transit will not, without the prior written consent of VTA, assign any of its rights or delegate any of its obligations hereunder or permit its rights or obligations hereunder to be assigned or delegated. VTA will not, without the prior written consent of Utah Transit, assign or delegate any of its rights or obligations hereunder except in accordance with the Operative Documents.

SECTION 21. Indemnification.

(a) General Indemnity. Utah Transit hereby agrees to assume, and does hereby assume, liability for, and hereby agrees to indemnify, and does hereby indemnify, and hereby agrees to protect, defend, save and keep harmless on an After-Tax Basis each Indemnitee (which term shall mean VTA and its Affiliates, agent, directors, officers and employees) from and against any and all liabilities, obligations, losses, damages, penalties, settlements, claims, actions, suits or proceedings of any kind and nature, costs, expenses (including reasonable attorneys' fees and disbursements) and disbursements of any kind and nature whatsoever (including without limitation any of the same asserted against any Indemnitee under the Operative Documents (other than any such assertion against an Indemnitee by any party to the Operative Documents relating to costs or expenses incurred in connection with such party's initial review, consent or approval of the transactions contemplated by this UT Sublease (for the avoidance of doubt, it being understood and agreed that all costs and expenses relating to such initial review, consent or approval shall, as between VTA and Utah Transit, be the sole obligation of VTA without any right to reimbursement by Utah Transit)) which may be imposed on, incurred by or asserted against any Indemnitee:

(i) in any way relating to or arising solely out of this UT Sublease or the Parts Distribution Agreement or the enforcement of any of the rights, remedies or terms hereof or thereof,

(ii) in any way arising out of or related to the delivery, sublease, assignment, possession, use, non-use, control, operation, maintenance, insurance, testing, condition, repair, overhaul, storage, substitution, replacement, servicing, return or other disposition of any Item of UT Equipment or of any UT Part thereof during the UT Sublease Term (regardless of whether a claim is made or incurred during or after the UT Sublease Term) including any claim related to the foregoing and based on theories of negligence, warranty, absolute liability, latent or other defects, strict liability, statutory liability or tort or injury, environmental control, noise pollution and any Liens, or

(iii) in any way relating to or arising out of any failure by Utah Transit to perform or observe any covenant, condition or agreement in or the falsity of any representation or warranty of Utah Transit made in or pursuant to this UT Sublease or the Parts Distribution Agreement,

(all of the foregoing, "Costs or Expenses"); provided, that Utah Transit shall not be obligated to pay and shall have no indemnity liability for any Costs and Expenses:

(A) imposed on or against any Indemnitee to the extent that such Costs or Expenses are caused by (x) the gross negligence or willful misconduct of such Indemnitee or (y) the inaccuracy or breach of a representation, warranty, covenant or any undertaking by such Indemnitee contained in this UT Sublease, the Parts Distribution Agreement, any Existing Lease Document or any Operative Document, unless caused by an inaccuracy or breach by Utah Transit of any of its representations, warranties, covenant or undertakings contained in this UT Sublease;

(B) to the extent imposed with respect to any claim based on events occurring after the earlier of: (x) the expiration or earlier termination of the UT Sublease Term in circumstances not requiring the return of the UT Equipment and (y) the satisfaction by Utah Transit of all its obligations under Section 15 of this UT Sublease (except, in each

case, during the exercise of remedies pursuant to Section 18 of this UT Sublease following the occurrence and continuance of a UT Event of Default);

(C) to the extent that such Costs or Expenses are Taxes (or a loss of tax benefits) or Costs or Expenses of contesting such Taxes (or a loss of tax benefits) whether or not such Taxes or Costs or Expenses (or a loss of tax benefits) are indemnified for under any provision of this UT Sublease except to the extent necessary to make any required payment on an After-Tax Basis;

(D) to the extent that such Costs or Expenses arise from an Event of Default, a Head Lessor Event of Default, a Loan Event of Default attributable to such Indemnitee or a default or an event of default under any Existing Lease Document or any Operative Document and, in each case, that does not arise out of or is not based upon a UT Event of Default;

(E) to the extent that such Costs or Expenses arise from a Sublessor's Lien or a VTA Lien (including the discharge thereof) or constitute principal or interest on any Loan Certificate;

(F) incurred by VTA that constitute an ordinary and usual operating or overhead expense (other than expenses incurred in connection with a UT Event of Default);

(G) to the extent such Costs or Expenses result from a voluntary or mandatory replacement of the Debt Payment Undertaking Agreement, any Acceptable Substitute Credit Protection or any Strip Surety Policy permitted or required by the Participation Agreement; or

(H) any Costs or Expense payable by VTA pursuant to any provision of this UT Sublease expressly without any right of reimbursement from Utah Transit, or any Cost or Expense incurred in connection with insurance policies maintained by VTA (unless such insurance coverage is being so maintained because of a violation of Utah Transit's obligation in Section 12).

Payments due under this Section 21(a) shall be made directly to the applicable Indemnitee within 30 days after demand made by such Indemnitee and accompanied by a written statement describing in reasonable detail the Costs or Expenses that are the subject of and basis for such indemnity and the computation of the amount so payable. If Utah Transit has knowledge of any claim or liability indemnified against under this Section 21(a), it shall give prompt written notice thereof to the applicable Indemnitees, and if any Indemnitee shall have any such knowledge, it shall give prompt written notice thereof to Utah Transit but in any event within 15 Business Days of obtaining such knowledge (provided, that failure of such Indemnitee to give such notice shall not affect Utah Transit's indemnity obligations hereunder except to the extent the failure to give notice within such period precludes Utah Transit from contesting a claim). In case any action, suit or proceeding shall be brought against any Indemnitee for which indemnity may be sought under this Section 21(a), such Indemnitee shall notify Utah Transit in writing of the commencement thereof (provided, that failure to give such notice shall not affect Utah Transit's obligations hereunder except to the extent the failure to give notice within such period precludes Utah Transit from contesting a claim) and Utah Transit may, at its expense, participate in and may assume (such

assumption constituting Utah Transit's acknowledgment of such Indemnitee's right to indemnification with respect to such claim), and, to the extent that such Indemnitee shall require, Utah Transit shall assume (subject to the following provisions of this paragraph), in each case in good faith and in a commercially reasonable manner, the defense thereof; provided, that Utah Transit shall not admit liability on such Indemnitee's part or settle such action without the consent of such Indemnitee, which consent shall not be unreasonably withheld. In the event that in the course of the investigation or defense of a claim, Utah Transit shall in good faith reasonably determine that it is not liable for indemnification with respect thereto under this Section 21(a), it may give notice to the applicable Indemnitee of such fact; and, in such case, any acknowledgment, theretofore made by Utah Transit of its liability with respect to such claim under this Section 21(a) shall be deemed revoked, and Utah Transit may thereupon cease to defend such claim, provided that (i) Utah Transit shall have given such Indemnitee reasonable prior notice of its intention to renounce such acknowledgment, (ii) Utah Transit's conduct regarding the defense of such claim or any decision to withdraw from such defense shall not prejudice or have prejudiced such Indemnitee's ability to contest such claim (taking into account, among other things, the timing of Utah Transit's withdrawal and the theory or theories upon which Utah Transit shall have based its defense), and (iii) Utah Transit shall have given such Indemnitee all materials, documents and records relating to its defense of such claim as such Indemnitee shall have reasonably requested in connection with the assumption by such Indemnitee of the defense of such claim at the cost and expense of Utah Transit. In the event that Utah Transit shall cease to defend any claim pursuant to the preceding sentence, Utah Transit shall indemnify the applicable Indemnitee, without regard to any exclusion that might otherwise apply hereunder, to the extent that the actions of Utah Transit in defending such claim or the manner or time of Utah Transit's election to withdraw from the defense of such claim shall have caused such Indemnitee to incur any loss, cost, liability or expense which such Indemnitee would not have incurred had Utah Transit not ceased to defend such claim in such manner or such time. If Utah Transit assumes the defense of such action, suit or proceeding, such Indemnitee shall cooperate, at Utah Transit's expense, with all reasonable requests of Utah Transit in connection therewith and provide Utah Transit with all pertinent information not reasonably available to Utah Transit as is reasonably available to such Indemnitee; and such Indemnitee may participate in such defense at such Indemnitee's expense. Notwithstanding the foregoing, if (1) an actual or potential material conflict of interest exists where it is advisable for any Indemnitee to be represented by separate counsel, (2) such action, suit or proceeding involves the potential imposition of criminal liability on such Indemnitee, or (3) such proceedings could involve a material risk of the sale, forfeiture or loss of VTA's rights in and to any Item of UT Equipment or, in each case, any material portion thereof or interest therein, and such Indemnitee informs Utah Transit that such Indemnitee desires to be represented by separate counsel, or (4) a UT Event of Default shall have occurred and be continuing, such Indemnitee shall have the right to control its own defense of such claim and the Costs or Expenses in connection therewith (including the fees and expenses of such Indemnitee's counsel) shall be borne by Utah Transit. With respect to any amount which Utah Transit is requested by any Indemnitee to pay by reason of this Section 21(a), such Indemnitee shall, if requested by Utah Transit and prior to any payment, submit such additional information to Utah Transit as Utah Transit may reasonably request to substantiate the requested payment.

Each Indemnitee agrees that if an event, condition or circumstance exists, occurs or is anticipated to occur that could reasonably be expected to result in a claim for indemnification hereunder, such Indemnitee will use its reasonable best efforts, at Utah Transit's expense, to comply with any reasonable proposal by Utah Transit the effect of which is intended either to eliminate the need to make such claim or to mitigate such indemnity, or both.

VTA and Utah Transit shall promptly advise the other of any claims or threatened litigation involving any liabilities, obligations, losses, damages, penalties, settlements, claims, actions, suits or proceedings of any kind and nature, costs, expenses that are not Costs and Expenses described above (any such claim, a "Joint Defense Claim") (it being understood that any Costs or Expense that Utah Transit shall not be obligated to pay and has no indemnity liability pursuant to clauses (A) through (H) of this Section 21(a) shall not constitute "Joint Defense Claims" for purposes of this paragraph). They shall confer in a timely manner to consider the substances of the allegations, appropriate legal and other strategies, and the applicability of a joint defense, if necessary, with respect to such Joint Defense Claim. If litigation is initiated by third parties with respect to such Joint Defense Claim, VTA and Utah Transit will make reasonable efforts to pursue a coordinated, consistent legal position and a coordinated defense utilizing a single counsel representing both parties for such purposes. In such event, VTA and Utah Transit will share in the cost of defense on an equitably allocated basis. Notwithstanding the foregoing, if either party concludes that it should be separately and independently represented due to material conflicts of interest or because joint representation would be inappropriate under applicable state bar rules or canons of ethics, then each party will engage separate counsel and be responsible for its own costs of defense.

(b) Survival of Indemnities; Effect of Other Indemnities; Subrogation. The representations, warranties, indemnities and agreements of each of the parties provided for in this UT Sublease, and each party's obligations under any and all thereof, shall survive the payment of all amounts of UT Sublease Rent, the delivery and sublease of the UT Equipment under this UT Sublease and the expiration or other termination of this UT Sublease.

Utah Transit's obligations under the indemnities provided for in this UT Sublease shall be those of a primary obligor whether or not any Indemnitee shall also be indemnified with respect to the same matter under the terms of any other agreement, and such Indemnitee may proceed directly against Utah Transit without first seeking to enforce any other right of indemnification from any other Person. Upon the payment in full by Utah Transit of any indemnity provided for under this UT Sublease, Utah Transit shall be, to the extent permitted by law, subrogated to any right and remedy of the Person indemnified, other than with respect to any of such Person's insurance policies. If any Indemnitee receives any refund, reimbursement or other payment, in whole or in part, with respect to any Cost or Expense paid or reimbursed by Utah Transit hereunder, it shall (unless a UT Event of Default shall have occurred and be continuing in which case such Indemnitee may apply such refund, reimbursement or other payment to the amounts then owing by Utah Transit pursuant to this UT Sublease or hold the same as security therefor) promptly pay over to Utah Transit the amount so received (but not an amount in excess of the amount Utah Transit, or any of its insurers, has paid in respect of such Cost or Expense).

(c) General Tax Indemnity.

(i) [reserved]

(ii) Utah Transit agrees to pay punctually as and when due and payable, and to indemnify, protect, defend and hold harmless VTA on an After-Tax Basis from (x) any Taxes which VTA is required to indemnify for under the Existing Lease Documents or the Operative Documents (including any amounts VTA is required to pay in order to pay such indemnity on an After-Tax Basis) and (y) any Taxes imposed on VTA by any foreign or any United States federal, state or local

government or, in each case, any political subdivision, territory, possession or taxing authority thereof or therein or any international taxing authority upon or with respect to:

(1) the UT Equipment, any Item of UT Equipment or any part thereof or interest therein;

(2) the manufacture, servicing, maintenance, modification, repair, replacement, insuring, improvement, transfer of title, assignment, purchase, erection, installation, de-installation, testing, acceptance or rejection, ownership, delivery, non-delivery, sublease, transportation, storage, possession, use, non-use, location, operation, alteration, substitution, registration, licensing, redelivery, condition, sale, abandonment, return or other disposition thereof;

(3) this UT Sublease, the Existing Lease Documents and the Operative Documents, as supplemented, modified or amended;

(4) the rentals, receipts or earnings arising under the Existing Lease Documents and the Operative Documents;

(5) any contract relating to the manufacture, leasing, subleasing, sub-subleasing, construction, acquisition or delivery of the UT Equipment or an Item of UT Equipment in each case, as supplemented, modified or amended;

provided, however, that Utah Transit shall not be obligated to pay and shall have no indemnity liability pursuant to this Section 21(c) for:

(A) any Taxes which VTA is required to indemnify for under the Existing Lease Documents or the Operative Documents (plus any additional amount VTA is required to pay in order to pay such indemnity on an After-Tax Basis) to the extent that such indemnity obligation would have arisen if (i) the UT Sublease had not been entered into, (ii) the transactions contemplated by the UT Sublease had not occurred and (iii) VTA had throughout the term of the Sublease continued to operate the UT Equipment in Santa Clara County, California in the provision of public transit services in a manner consistent with the Sublease;

(B) any Taxes for which VTA is required to indemnify under the Tax Indemnification Agreements (plus any additional amount VTA is required to pay in order to pay such indemnity on an After-Tax Basis) to the extent that such indemnity obligation arises as a result of (i) the execution and delivery of the UT Sublease, (ii) any act by Utah Transit expressly permitted or required under the UT Sublease, (iii) any failure to act by UT if such act is required by the UT Sublease, (iv) any act or failure to act by UT that is taken at the express request of VTA (other than while an Event of Default under the UT Sublease has occurred and is continuing), or (v) any act, failure to act, or event occurring prior to the UT Sublease Closing Date;

(C) With respect to any Item of UT Equipment, Taxes imposed on VTA to the extent resulting from an event occurring after the expiration or earlier termination of this UT Sublease and the payment by Utah Transit of all amounts due under this UT Sublease (in either case provided that the use and possession over each Item of UT Equipment has been

returned in accordance with the requirements of this UT Sublease and the obligations of Utah Transit have been fulfilled in full) other than pursuant to the exercise of remedies in connection with a UT Event of Default; provided, that the exclusion in this clause (C) shall not apply to the extent such Taxes (i) relate to or arise from events occurring or matters arising prior to, or simultaneously with, the expiration or earlier termination of this UT Sublease, (ii) are imposed with respect to any payments due under this UT Sublease after such expiration or earlier termination, or (iii) result from any act or omission of Utah Transit or its Affiliates that is not expressly required or expressly permitted under this UT Sublease, any breach of any representation, warranty or covenant of Utah Transit or the gross negligence or willful misconduct of Utah Transit or any of its Affiliates;

(D) Taxes (other than Taxes that are, or are in the nature of, sales, use, property, ad valorem, rental, stamp, transfer, value added, excise, license or withholding Taxes or Taxes imposed under Section 4975 of the Code) imposed on, based on or measured by gross or net income, gross or net receipts, capital or net worth and Taxes in the nature of capital gains, accumulated earnings, personal holding company, excess profits, succession or estate, minimum, alternative minimum, preference, franchise, conduct of business or other similar tax imposed by (i) the United States federal government (ii) the State of California or any local jurisdiction therein, or (iii) any foreign government or foreign taxing authority, or any state or local government or state or local taxing authority in the United States, in each case, other than Taxes that would not have been imposed but for (a) the use, location, operation or registration of any Item of UT Equipment or UT Part thereof in the jurisdiction imposing such Tax, (b) the execution or delivery of this UT Sublease in such jurisdiction, (c) the identity, organization, activities, business, place of residence, status, domicile or presence of Utah Transit in such jurisdiction, or (d) the making of any payment under this UT Sublease by Utah Transit (or any of its successors or assigns as permitted under Section 8(a) hereof) in such jurisdiction; provided, that there shall not be excluded under this clause (D) any amounts necessary to make any payment required to be made under this UT Sublease on an After-Tax Basis;

(E) Taxes imposed on VTA resulting from any gross negligence or willful misconduct of VTA or any Affiliate thereof or to the extent such Tax would not have been imposed but for the commission of any act by VTA prohibited by this UT Sublease or as a result of the inaccuracy or breach of any representation or covenant of VTA in this UT Sublease;

(F) Taxes imposed on VTA by a taxing authority in a jurisdiction but only where the jurisdictional basis for such Tax exists as a result of the activities of VTA in such jurisdiction unrelated to the transactions contemplated by this UT Sublease;

(G) Taxes that are being contested in accordance with the provisions of Section 21(c)(iii)(x) or 21(c)(iii)(y) during the pendency of such contest and Taxes imposed on VTA or for which VTA is required to indemnify under the Existing Lease Documents or the Operative Documents resulting from VTA's failure to comply with the provisions of Section 21(c)(iii)(x) or 21(c)(iii)(y) hereof;

(H) Sales or other transfer Taxes imposed on VTA, the UT Equipment or this UT Sublease or any interest in or arising under any of the foregoing, in each case, that

result from (i) any voluntary sale, assignment, transfer or other disposition by VTA of any interest in the UT Equipment or any UT Part thereof or any interest therein, any interest or obligation arising under this UT Sublease, (ii) any involuntary sale, assignment, transfer or other disposition of any of the foregoing interests resulting from any bankruptcy or other proceeding for the relief of debtors in which VTA is a debtor or (iii) any foreclosure by a creditor of VTA; provided, however, this clause (H) shall not apply to any such sale, assignment, transfer, foreclosure or other disposition occurring while a UT Event of Default has occurred and is continuing or to any loss, damage, destruction, casualty, requisition, seizure or condemnation of all or any part of the UT Equipment or to any sale, assignment, transfer or other disposition resulting from the exercise of any of Utah Transit's rights or obligations under this UT Sublease, including, without limitation, any substitution, replacement, sublease or removal of any Item of UT Equipment or the exercise of the UT Purchase Option;

(I) Any interest, penalties, fines or additions to Tax imposed directly on VTA resulting from activities of VTA unrelated to the transactions contemplated by this UT Sublease or from the failure of VTA, after timely written request of Utah Transit, to file when due any report or return required by a taxing authority or remit any Tax timely and in the form prescribed by law, unless such failure results from a failure of Utah Transit to satisfy its obligations under Section 21(c)(vi);

(J) Taxes imposed on VTA resulting from any amendment, modification, supplement, consent or waiver of any Existing Lease Document or Operative Document by VTA if Utah Transit or any Affiliate thereof is not a party to or has neither consented to nor requested such amendment, modification, supplement, consent or waiver;

(K) Taxes imposed on VTA that would not have been imposed upon VTA but for any failure of VTA, after receipt by VTA of written notice from Utah Transit of such requirement within a reasonable period prior to the required date of compliance, to comply with any certification, information, documentation, reporting or other similar requirements concerning the nationality, residence, identity or connection with the jurisdiction imposing such Taxes, if such compliance is required by statute or regulation of the jurisdiction imposing such Tax as a precondition to relief or exemption from or reduction in such Taxes and Utah Transit has agreed to pay all reasonable costs and expenses fairly attributable to such compliance;

(L) Taxes payable by a transferee of VTA to the extent of the excess of such Taxes over the amount of such Taxes which would have been imposed on VTA had there not been a transfer by VTA from which such transferee derives its interest; provided, that this clause (L) shall not apply (i) with respect to any transfer occurring while a UT Event of Default has occurred and is continuing or (ii) to any amounts necessary to make any payment required to be made under this UT Sublease on an After-Tax Basis; and

(M) Any Tax that is enacted or adopted after the UT Sublease Closing Date by its express terms as a direct substitute for or directly in lieu of any Tax that would have been imposed on VTA and would be expressly excluded from Utah Transit's indemnification obligations under this Section 21(c)(ii);

VTA, at the sole cost and expense of Utah Transit (including but not limited to VTA's internal costs for use of its personnel and resources), will use its reasonable efforts to minimize Taxes indemnifiable by Utah Transit under this Section 21(c), including by complying with reasonable requests by Utah Transit to do or to refrain from doing any act (including the execution of any certificates or similar documents required to establish an exemption or relief from any Tax), if such efforts or any such compliance is, in the good faith discretion of VTA, of a purely ministerial nature and has no adverse impact on VTA or on the business or operations of VTA (unless such adverse impact is one of a nature and quality such that it is subject to indemnification and Utah Transit has indemnified VTA against such adverse impact in a manner satisfactory to VTA). Utah Transit shall indemnify VTA for any Taxes that may be imposed on it as a consequence of such compliance, whether or not an exclusion pursuant to this Section 21(c)(ii) would otherwise apply.

(iii) (x) Section 21(c)(ii)(x) Taxes Contest. The following provisions apply to Taxes described in Section 21(c)(ii)(x):

(A) Initiation. If a written claim is made against VTA for indemnification for any Taxes described in Section 21(c)(ii)(x) with respect to which Utah Transit would be liable for payment or indemnity under this Section 21(c), VTA shall promptly notify Utah Transit in writing and shall not take any action with respect to such indemnification claim without the written consent of Utah Transit for 25 days after the receipt of such notice by Utah Transit; provided, however, that, in the case of any such indemnification claim, if the indemnified party shall be required by law or regulation to take action prior to the end of such 25-day period, VTA shall, in such notice to Utah Transit, so inform Utah Transit, and VTA shall not consent to any action by the indemnified party with respect to such indemnified Tax without the written consent of Utah Transit before 5 days prior to the date on which the indemnified party shall be required by law or regulation to take action.

(B) Control. If requested by Utah Transit in writing within 25 days (or such shorter period as provided for in clause (A) of this Section 21(c)(iii)(x)) of receipt of a notice described in clause (A) of this Section 21(c)(iii)(x), subject to any limitations with respect to control of any such contest in the Lease Documents or the Operative Documents, either (I) if VTA is permitted by the terms of the relevant provisions of the Lease Documents or the Operative Documents, whichever is applicable, to conduct or continue to conduct such contest of the indemnified Tax, VTA shall permit Utah Transit to direct in its good faith discretion VTA's conduct of the contest of such indemnified Tax or (II) if VTA is not permitted by the terms of the relevant provision of the Lease Documents or the Operative Documents, whichever is applicable, to conduct or continue to conduct such contest of the indemnified Tax, VTA shall direct the indemnified party under the relevant provisions of the Lease Documents or the Operative Documents, whichever is applicable, to conduct or continue to conduct such contest and VTA shall allow Utah Transit to direct VTA's exercise of any of VTA's rights under the applicable contest provisions; provided, however, that in no event shall such contest be required or permitted unless:

(1) the contest is permissible under the terms of the relevant provisions of the Lease Documents or the Operative Documents, whichever is applicable;

(2) prior to taking such action, Utah Transit shall have agreed in writing to pay VTA, and shall pay on demand, all reasonable costs and expenses (other than internal overhead allocation expenses) that VTA shall incur, or be required to reimburse under the terms of the Lease Documents or the Operative Documents, whichever is applicable, in connection with contesting such claim (including, without limitation, all legal, investigatory and accounting fees and disbursements);

(3) no UT Event of Default shall have occurred and be continuing;

(4) if such contest is to be initiated by the payment of, and the claiming of a refund for, such Taxes, Utah Transit shall advance, on behalf of VTA, to the indemnified party under the Lease Documents or Operative Documents, whichever is applicable, the amount thereof plus interest, penalties and additions to Tax with respect thereto on an interest-free basis and shall reimburse VTA for any indemnification obligation VTA may have under the Lease Documents or the Operative Documents, whichever is applicable, arising from such advances;

(5) nationally recognized independent tax counsel selected by Utah Transit and reasonably acceptable to VTA and the indemnified party under the Lease Documents or the Operative Documents, whichever is applicable, shall have furnished to VTA and the indemnified party with an opinion, prepared at Utah Transit's expense, to the effect that there is a Reasonable Basis to contest such claim (or, in the case of an appeal of an adverse judicial decision and the indemnified Tax arises under a Tax Indemnification Agreement, such opinion shall be to the effect that it is more likely than not that such determination will be reversed or substantially modified upon appeal in a manner favorable to the indemnified party); and

(6) if VTA is required, as a precondition to contest of the indemnified Tax, to acknowledge its obligation to indemnify the indemnified party under the provisions of the Lease Documents or the Operative Documents, whichever is applicable, Utah Transit shall have acknowledged in writing its obligation to indemnify VTA in respect of such contested Tax in the event such contest is unsuccessful; provided, that Utah Transit shall not be bound by such acknowledgment if and to the extent that there is a final resolution of the contest which clearly demonstrates that it is not liable hereunder for such Tax.

Notwithstanding anything contained herein to the contrary, (a) VTA will not be required to contest (and Utah Transit shall not be permitted to contest) a claim with respect to the imposition of any Tax if VTA shall waive its right to indemnification under this Section with respect to such claim and shall pay to Utah Transit any amounts advanced to, or on behalf of, VTA, pursuant to clause (4) of the preceding paragraph, by Utah Transit with respect to such claim and (b) VTA shall not be required to contest any claim if the subject matter thereof shall be of a continuing nature and the relevant legal issue shall have previously been decided adversely pursuant to Section 21(c)(iii)(x) hereof unless Utah Transit shall have delivered an opinion of tax counsel selected by VTA and reasonably acceptable to Utah Transit that based on a change in law after such previous decision, and taking into account such previous decision, it is more likely than not that VTA will prevail on such claim.

(iii) (y) Section 21(c)(ii)(y) Taxes Contest. The following provisions apply to Taxes described in Section 21(c)(ii)(y):

(A) Initiation. If a written claim is made against VTA or if any proceeding shall be commenced against VTA (provided, that VTA shall have received written notice of such proceeding) for any Taxes with respect to which Utah Transit would be liable for payment or indemnity under this Section 21(c), VTA shall promptly notify Utah Transit in writing and shall not take any action with respect to such claim, proceeding or Tax without the written consent of Utah Transit for 30 days after the receipt of such notice by Utah Transit; provided, however, that, in the case of any such claim or proceeding, if VTA shall be required by law or regulation to take action prior to the end of such 30-day period, VTA shall, in such notice to Utah Transit, so inform Utah Transit, and VTA shall not take any action with respect to such claim, proceeding or Tax without the written consent of Utah Transit before the date on which VTA shall be required by law or regulation to take action.

(B) Control. If requested by Utah Transit in writing within 30 days (or such shorter period as provided for in clause (A) of this Section 21(c)(iii)) of receipt of a notice described in clause (A) of this Section 21(c)(iii), VTA either (I) in the case of any Tax that may be procedurally segregated and contested independently from any Tax that is not subject to indemnification by Utah Transit, unless an adverse determination of such contest would, in VTA's good faith judgment, have an adverse effect on VTA's tax liability arising out of transactions unrelated to this UT Sublease, shall permit Utah Transit to contest (such contest to be conducted in the name of Utah Transit, if permitted by law, or, otherwise, in the name of VTA, provided, that, if VTA determines at any time, in its good faith discretion, that permitting Utah Transit to conduct or continue to conduct such contest could have adverse business or other consequences to VTA, VTA shall have the right to control (or reassert control over) such contest) or (II) in the case of a Tax which cannot be procedurally segregated and contested independently from Taxes not subject to indemnification by Utah Transit, shall itself, contest (or shall request Utah Transit to contest) in good faith (including, without limitation, by pursuit of judicial appeals and administrative procedures), the validity, applicability or amount of such Taxes by (A) resisting payment thereof, (B) not paying the same except under protest if protest shall be necessary and proper or (C) if payment shall be made, seeking a refund thereof in appropriate administrative and/or judicial proceedings; provided, however, that in no event shall such contest be required or permitted unless:

(1) the amount at issue (taking into account all similar and logically related issues) exceeds \$50,000;

(2) prior to taking such action, Utah Transit shall have agreed in writing to pay VTA, and shall pay on demand, all reasonable costs and expenses (other than internal overhead allocation expenses) that VTA shall incur in connection with contesting such claim (including, without limitation, all legal, investigatory and accounting fees and disbursements);

(3) the action to be taken will not result in any material danger of sale, forfeiture or loss of the UT Equipment or any Item of UT Equipment or any UT Part or interest therein or the creation of any Lien (except for UT Permitted Liens) on any Item of UT Equipment or any UT Part or interest therein;

(4) there is no risk of criminal liability that may be imposed with respect to VTA;

(5) no UT Event of Default shall have occurred and be continuing;

(6) if such contest is to be initiated by the payment of, and the claiming of a refund for, such Taxes, Utah Transit shall advance the amount thereof plus interest, penalties and additions to Tax with respect thereto to VTA on an interest-free basis with no additional net after-tax cost to VTA to make such payment and shall indemnify VTA against any adverse tax consequences arising from such advance;

(7) tax counsel selected by Utah Transit and reasonably acceptable to VTA shall have furnished VTA, upon the request of VTA, with an opinion, prepared at Utah Transit's expense, to the effect that there is a Reasonable Basis to contest such claim;

(8) in the case of a contest controlled by Utah Transit, Utah Transit shall have acknowledged in writing its obligation to indemnify VTA in respect of such contested Tax in the event such contest is unsuccessful; provided, that Utah Transit shall not be bound by such acknowledgment of and to the extent that there is a final resolution of the contest which clearly demonstrates that it is not liable hereunder for such Tax; and

(9) in no event shall VTA be required, or Utah Transit permitted, to appeal an adverse judicial determination to the United States Supreme Court.

Notwithstanding anything contained herein to the contrary, (a) VTA will not be required to contest (and Utah Transit shall not be permitted to contest) a claim with respect to the imposition of any Tax if VTA shall waive its right to indemnification under this Section with respect to such claim and shall pay Utah Transit any amounts advanced to, or on behalf of, VTA, pursuant to clause (6) of the preceding paragraph, by Utah Transit with respect to such claim and (b) VTA shall not be required to contest any claim if the subject matter thereof shall be of a continuing nature and the relevant legal issue shall have previously been decided adversely pursuant to Section 21(c)(iii)(y) hereof unless Utah Transit shall have delivered an opinion of tax counsel selected by VTA and reasonably acceptable to Utah Transit that based on a change in law after such previous decision, and taking into account such previous decision, it is more likely than not that VTA will prevail on such claim.

(C) Conduct. The party conducting the contest ("Controlling Party") shall consult in good faith with the other party ("Noncontrolling Party") and its counsel with respect to the contest of such claim for Taxes (or claim for refund) and shall provide copies of all material documents (or the relevant excerpts thereof) or notices received from the relevant taxing authority to the extent relating to the context of a claim hereunder, but the decisions regarding any actions to be taken shall be made by the Controlling Party in its good faith judgment. The Noncontrolling Party shall be permitted, to the extent practicable, to review and comment on any material written submissions made by the Controlling Party,

but solely to the extent relating to such claim for Taxes. The Controlling Party shall have the right to select counsel to conduct the contest.

(iv) Tax Savings. If VTA shall realize any tax savings as a result of any Tax paid or indemnified against by Utah Transit under this Section 21(c), whether by way of deduction, credit, offset, allocation or otherwise, or would have received such a refund or credit but for a counterclaim by the relevant taxing authority unrelated to the transactions contemplated by this UT Sublease and not indemnified by Utah Transit hereunder (including for this purpose any payment received by VTA under any comparable provisions in the Lease Documents or the Operative Documents) (a "Tax Savings"), and such Tax Savings is not taken into account in computing the amount of the indemnity required to be paid by Utah Transit hereunder, VTA shall pay to Utah Transit, within 30 days immediately following such realization, the amount of such Tax Savings plus any Tax Savings realized by VTA as a result of a payment pursuant to this sentence. If VTA shall obtain a refund (including by way of credit) of all or any part of any Tax which Utah Transit shall have paid for VTA or reimbursed VTA for (including for this purpose any payment received by VTA under any comparable provisions in the Lease Documents or the Operative Documents), then VTA shall so long as no UT Event of Default shall have occurred and be continuing, pay to Utah Transit any such refund (including any applicable interest received with respect to such refund, as well as any net tax benefits or credits realized by VTA by reason of its receipt of such refund and such payment to Utah Transit). VTA shall not be obligated pursuant to this Section 21(c)(iv) to make a payment (A) before such time as Utah Transit shall have made all payments then due under this UT Sublease and any UT Event of Default that shall have occurred shall no longer be continuing or (B) in excess of the amounts paid by Utah Transit to VTA pursuant to this Section 21(c) in respect of the Taxes giving rise to such Tax Savings (minus any amounts previously paid to Utah Transit by VTA pursuant to this clause (iv) in respect of the Taxes giving rise to such Tax Savings or refund), provided, that any such amounts not paid to Utah Transit pursuant to the limitation contained in clause (B) of this sentence shall be carried forward to reduce, pro tanto, any future amounts that Utah Transit may be obligated to pay to VTA pursuant to this Section 21(c) in respect of the Taxes giving rise to such Tax Savings or refund. The disallowance, loss, recapture or reduction of any credit, refund or other Tax Savings (including for this purpose any repayment of any Tax Savings or refund payment received by VTA under any comparable provisions in the Lease Documents or the Operative Documents) with respect to which VTA has made a payment to Utah Transit under this clause (iv) shall be treated as a Tax for which Utah Transit is obligated to indemnify VTA hereunder, without regard to the exclusions set forth in Section 21(c)(ii).

(v) Payment. Utah Transit shall pay any Taxes for which it is liable pursuant to this Section 21(c) directly to the appropriate taxing authority (if direct payment is practicable and permitted), or otherwise upon written demand of VTA which shall describe in reasonable detail the nature and amount of such Tax and the basis pursuant to this Section 21(c) for payment by Utah Transit, to VTA, within 30 days of such demand, but in no event prior to the date which is 5 days prior to the date such Tax is due or in the case of amounts that are being contested, when there is no further obligation to contest such Taxes hereunder, or ten days following verification of such amounts, if requested pursuant to Section 15(c) (viii). Any payment which Utah Transit shall be required to make to or for the account of VTA with respect to any Taxes subject to indemnification under this Section 21(c) shall be made on an After-Tax Basis. Any payments pursuant to this Section 21(c) to be made to VTA or Utah Transit shall be made within the time periods specified in this Section 21(c) directly to the person entitled thereto in immediately available funds at such bank or to such account as specified by the payee in written directions to the payor or, if no such

directions shall have been given, by check of the payor, payable to the order of the payee by certified mail, return receipt requested, postage prepaid at its address as set forth in Schedule I hereto. Interest at the Overdue Rate shall be paid, on demand, on any amount or indemnity not paid when due pursuant to Section 21 until the same shall be paid. Such interest shall be paid in the same manner as the unpaid amount in respect of which such interest is due.

(vi) Reports. If required or permitted by Applicable Law, Utah Transit shall prepare and file all reports or returns required with respect to any Tax with respect to which Utah Transit is required to indemnify hereunder, unless VTA has notified Utah Transit in writing that VTA intends to file such report or return. If, pursuant to the preceding sentence, Utah Transit shall not be required to file any such reports or returns, Utah Transit shall, to the extent practicable, prepare any such reports or returns for signature by VTA and on a timely basis forward the same, together with the amount of any Tax payable in connection therewith to VTA. If such report, return or statement is required to reflect items in addition to Taxes imposed on or indemnified against under this Section 21(c) as determined by VTA, Utah Transit shall provide VTA with information within a reasonable time (but in no event later than fifteen Business Days prior to the due date thereof) sufficient to permit such report, return or statement to be properly made. If it is not practicable for Utah Transit to prepare any such reports or returns or determine the amount of Tax payable, Utah Transit shall so notify VTA and Utah Transit and VTA shall cooperate in good faith to ensure that all reporting and payment obligations are satisfied. Any statements for Taxes referred to in this Section 21(c) received by VTA shall be promptly forwarded to Utah Transit by VTA. Utah Transit shall furnish to VTA within 30 days after the date any Taxes referred to in this Section 21(c) that are payable by Utah Transit, official receipts, to the extent available, of the appropriate taxing authority or other proof satisfactory to VTA of the payment of such Taxes.

(vii) Information. Utah Transit shall provide such information to VTA not within the control of VTA as is in Utah Transit's control or is reasonably available to Utah Transit, which VTA may reasonably require to enable it to fulfill its indemnification obligations under the Existing Lease Documents or the Operative Documents or to fulfill its tax filing obligations, including but not limited to its United States federal, state and local tax filing obligations. VTA shall provide such information not within the control of Utah Transit as is in VTA's control or is reasonably available to VTA, which Utah Transit may reasonably require to enable it to fulfill its tax filing obligations, including but not limited to its United States federal, state and local tax filing obligations.

(viii) Verification. At Utah Transit's request, the amount of any indemnity payment by Utah Transit pursuant to this Section 21(c) shall be verified by an independent United States public accounting firm mutually acceptable to Utah Transit and VTA who shall be asked to verify whether VTA's computations are correct and to report its conclusions simultaneously to both Utah Transit and VTA. VTA and Utah Transit hereby agree to provide such firm with all information and materials as shall be reasonably necessary or desirable in connection therewith; provided, that in no event will such public accounting firm or any other Person have any right to examine the tax returns or the books and records of VTA. The fee of such firm shall be paid by Utah Transit provided VTA shall pay such fee if such verification results in an adjustment in Utah Transit's favor of 5% or more of the amount originally determined to be due by VTA. Any information provided to such firm by any Person shall be and remain the exclusive property of such Person and shall be deemed by the parties to be (and such firm will confirm in writing that they will treat such information as) the private, proprietary and confidential property of such Person, and no Person other than such Person and such firm shall be entitled thereto, and all such materials shall be

returned to such Person. Such firm shall make its determination within 30 days. If such firm shall determine that such computations are incorrect, then such firm shall determine what it believes to be the correct computations. The computations of the public accounting firm shall be (absent manifest error) final, binding and conclusive upon Utah Transit and VTA. Notwithstanding anything herein to the contrary, the sole responsibility of the public accounting firm shall be to verify the computations of the amount payable and interpretations of this UT Sublease are not within the scope of such public accounting firm's responsibilities. Notwithstanding anything herein to the contrary, the time for making an indemnity payment as to which Utah Transit requests verification shall be extended until the amount of the payment has been verified, but in no event later than 60 days after such request for verification shall have been made.

VTA shall have sole control over the positions taken with respect to its tax returns and filings and shall determine in its sole judgment the allocation of any tax benefit, saving, deduction, credit or detriment with respect to its tax returns and filings for purposes of calculations made under this Section 21.

(ix) After-Tax Basis. Utah Transit agrees that, with respect to any indemnity to VTA under this Section 21(c), Utah Transit's indemnity obligation shall include an amount necessary to hold VTA harmless on an After-Tax Basis from and against any Taxes required to be paid or accrued by VTA with respect to the receipt or accrual of such indemnity (including any amounts received or accrued under this Section 21(c)).

(x) Forms. VTA agrees to furnish from time to time to Utah Transit or to such other person as Utah Transit may designate, at Utah Transit's written request and expense, such duly executed and properly completed forms as may be considered necessary or appropriate in order to claim any reduction of or exemption from withholding or other Tax which Utah Transit may be required to indemnify against hereunder (but only if and to the extent that VTA is legally entitled to furnish such forms and that such forms may be executed by VTA without exposing VTA to any adverse consequences or to any increased risk in respect thereof (as determined in the sole discretion of VTA) (whether or not indemnified against by Utah Transit).

(d) Further Assurances. Utah Transit, at the sole cost and expense of VTA (including but not limited to Utah Transit's internal costs for use of its personnel and resources), will use its reasonable efforts to minimize Taxes indemnifiable by VTA under the Existing Lease Documents and the Operative Documents, including by complying with reasonable requests by VTA to do or to refrain from doing any act (including the execution of any certificates or similar documents required to establish an exemption or relief from any Tax), if such efforts or any such compliance is, in the good faith discretion of Utah Transit, of a purely ministerial nature and has no adverse impact on Utah Transit or on the business or operations of Utah Transit (unless such adverse impact is one of a nature and quality such that it is subject to indemnification and VTA has indemnified Utah Transit against such adverse impact in a manner satisfactory to Utah Transit). VTA shall indemnify Utah Transit for any Taxes that may be imposed on it as a consequence of such compliance.

(e) VTA Indemnity of Utah Transit and its Affiliates for Certain Taxes. VTA agrees to pay punctually as and when due and payable, and to indemnify, protect, defend and hold harmless each UT Indemnitee (which term shall mean Utah Transit and its Affiliates, agents, directors, officers and employees) on an After-Tax Basis from, any and all liabilities, obligations, losses, damages, penalties, settlements, claims, actions, suits or proceedings of any kind and nature, costs, expenses (including

reasonable attorneys' fees and expenses) and disbursements of any kind and nature whatsoever that may be imposed on, incurred by or asserted against Utah Transit in any way relating to or arising out of any Taxes imposed, incurred or asserted to be due under the circumstances provided in Section 21(c)(ii)(x) with respect to which Utah Transit is not liable for payment or indemnity under exclusions (A) through (M) of Section 21(c)(ii). Any Taxes for which VTA is liable to a taxing authority or a UT Indemnitee as provided in this subsection (e) shall be paid by VTA to the appropriate taxing authority or such UT Indemnitee in the same manner in which Utah Transit is obligated to pay the appropriate taxing authority or VTA pursuant to Section 21(c)(v). VTA shall be entitled to such notice from Utah Transit and may contest such Taxes for which VTA may be liable to a taxing authority or a UT Indemnitee under this subsection (e) in the same manner and to the same extent as Utah Transit is entitled to notice and to contest Taxes pursuant to Section 21(c)(iii).

SECTION 22. Acknowledgment of Sublease; Certain Agreements of Utah Transit.

VTA has subleased from the Trustee, and the Trustee has subleased to VTA, the Equipment (including the UT Equipment) pursuant to, and Utah Transit hereby acknowledges, the terms of the Sublease. Utah Transit expressly acknowledges and agrees that its rights under this UT Sublease are subject and subordinate to all the terms of the Sublease and the other Operative Documents and, as applicable, subject to the terms of the Existing Lease Documents.

SECTION 23. Miscellaneous.

(a) Notices. Unless otherwise specifically provided herein, all notices required or permitted by the terms hereof shall be in writing. Any written notice shall become effective when received. Any written notice shall either be mailed, certified or registered mail (airmail, if international), return receipt requested with proper first class (airmail, if international) postage prepaid, or sent by facsimile transmission, or by overnight delivery service or delivered by hand. Any notice sent by facsimile transmission shall become effective on the date such facsimile is sent, as established by evidence of such transmission. Any notice delivered by overnight delivery service or by hand shall be effective on the date of receipt (as may be established by evidence of delivery by such service or messenger). Any written notice shall be directed to the parties to the respective addresses set forth in Schedule I attached hereto, or to such other address or telex or telecopy number as such party may designate by notice given to the other party.

(b) Counterparts. This UT Sublease may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall, subject to the next sentence and the legends appearing on the cover and signature page hereof, be an original, but all such counterparts shall together constitute but one and the same instrument.

(c) Amendments. Neither this UT Sublease 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 of Sublease. This UT Sublease shall constitute an agreement of sublease, and nothing contained herein shall be construed as conveying to Utah Transit any right, title to or interest in the UT Equipment except as a sublessee only.

(e) Governing Law. THIS UT SUBLEASE SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE

STATE OF CALIFORNIA, EXCEPT THAT THE LAWS OF THE STATE OF UTAH SHALL GOVERN ALL MATTERS RELATING TO THE POWER AND AUTHORITY OF UTAH TRANSIT.

(f) Benefit and Binding Effect. The terms and provisions of this UT Sublease shall inure to the benefit of and be binding on VTA and Utah Transit and their respective successors and permitted assigns.

(g) Service of Process and Jurisdiction; Waiver of Immunity. Any suit, action or proceeding against Utah Transit or VTA (both individually a "Party" and collectively, the "Parties") with respect to this UT Sublease or any judgment entered by any court in respect of any thereof may be brought in the Superior Court of the State California, County of Santa Clara or the United States District Court for the Northern District of California (*provided* that such jurisdiction shall be non exclusive) and both Parties hereby submit to jurisdiction in such courts.

Both Parties hereby irrevocably consent to the service of process in any suit, action or proceeding in said courts by the giving of notice thereof to either Party in accordance with Section 23(a) at its address specified in Schedule I hereto. Both Parties hereby irrevocably waive, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this UT Sublease or any judgment entered by any court in respect of any thereof brought in any of the aforesaid courts and hereby further irrevocably waives any claim that any such suit, action or proceeding has been brought in an inconvenient forum. BOTH PARTIES HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW THEIR RIGHT TO A JURY TRIAL OF ANY SUCH SUIT, ACTION OR PROCEEDING ARISING AS A RESULT OF OR RELATING TO THE TRANSACTIONS CONTEMPLATED BY THIS UT SUBLEASE.

To the extent that either Party or any of their respective assets may have, or may hereafter become entitled to or have attributed to them (whether or not claimed), any right of immunity, on the grounds of sovereignty or otherwise, from any action, suit or proceeding, from setoff or counterclaim, from the jurisdiction of any court, from service of process upon them or any agent, from attachment prior to judgment, from attachment upon or in aid of execution of judgment or from execution of judgment or other legal process or proceeding for the giving of any relief or for the enforcement of judgments, in any jurisdiction, both Parties hereby irrevocably and unconditionally, to the fullest extent permitted by law, waive and agree not to plead or claim any such immunity for themselves or any of their property, assets or revenues wherever located with respect to their obligations, liabilities or any other matter under or arising out of or in connection with this UT Sublease or the UT Equipment, or any document delivered pursuant to this UT Sublease, in each case for the benefit of the other Party and their respective permitted successors and assigns, it being intended that the foregoing waiver and agreement shall be effective, irrevocable and not subject to withdrawal in any and all jurisdictions.

(h) Severability. Any provision of this UT Sublease that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

(i) Entire Agreement. This UT Sublease, 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.

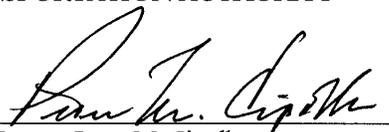
(j) Currency. All UT Sublease Rent and UT Supplemental Rent are to be paid in Dollars.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, VTA and Utah Transit have each caused this UT Sublease to be duly executed by its authorized officer as of the day and year first above written.

VTA:

SANTA CLARA VALLEY
TRANSPORTATION AUTHORITY

By: 
Name: Peter M. Cipolla
Title: General Manager

UTAH TRANSIT:

UTAH TRANSIT AUTHORITY:

By: _____
Name: John M. English
Title: General Manager

By: _____
Name: Kenneth D. Montague, Jr.
Title: Treasurer

APPROVED AS TO FORM:

By: _____
Legal Counsel

State of California)
) ss:
County of Santa Clara)

On this 8th day of January, 2004, before me personally appeared Peter M. Cipolla, to me personally known, who being by me duly sworn, says that he is the General Manager of the Santa Clara Valley Transportation Authority ("SCVTA"), that the foregoing instrument was signed on behalf of SCVTA by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act of the said SCVTA.

Sandra Weymouth
Notary Public

My Commission Expires: 09.15.04



IN WITNESS WHEREOF, VTA and Utah Transit have each caused this UT Sublease to be duly executed by its authorized officer as of the day and year first above written.

VTA:

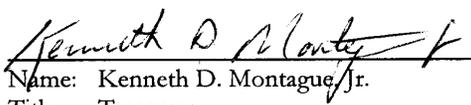
SANTA CLARA VALLEY
TRANSPORTATION AUTHORITY

By: _____
Name: Peter M. Cipolla
Title: General Manager

UTAH TRANSIT:

UTAH TRANSIT AUTHORITY:

By:  _____
Name: John M. English
Title: General Manager

By:  _____
Name: Kenneth D. Montague, Jr.
Title: Treasurer

APPROVED AS TO FORM:

By:  _____
Legal Counsel

APPENDIX A

[INSERT DEFINITIONS SECTION HERE]

SANTA CLARA VALLEY TRANSPORTATION AUTHORITY
Sublease of Light Rail Vehicles

DEFINITIONS AND RULES OF USAGE
RELATING TO THE UT SUBLEASE

Rules of Usage. The following rules of usage shall apply to this Appendix A and the UT Sublease unless otherwise required by the context:

I. Singular words shall connote the plural as well as the singular, and vice versa (except as indicated), as may be appropriate.

II. Unless otherwise indicated, references within any document to appendices, articles, schedules, sections, paragraphs, clauses or exhibits are references to appendices, articles, schedules, sections, paragraphs, clauses or exhibits in or to such document.

III. The headings, subheadings and table of contents are solely for convenience of reference and shall not constitute a part of any such document nor shall they affect the meaning, construction or effect of any provision thereof.

IV. References to any Person shall include such Person, its successors and permitted assigns and transferees.

V. Except as otherwise expressly provided, reference to any agreement means such agreement as amended, modified or supplemented from time to time in accordance with the applicable provisions thereof.

VI. References to “including” shall mean including without limiting the generality of any description preceding such term and for purposes hereof the rule of *ejusdem generis* shall not be applicable to limit a general statement, followed by or referable to an enumeration of specific matters, to matters similar to those specifically mentioned.

Definitions. The following terms shall have the following meanings in the UT Sublease unless otherwise required by the context:

“Acceptable Substitute Credit Protection” has the meaning given such term in Appendix A to the Participation Agreement.

“Account Collateral” has the meaning given such term in the Equity Deposit Agreements.

“Account Collateral Proceeds” means, with respect to each Equipment Lot, the Account Collateral and any proceeds thereof released from the Lien of the related Equity Deposit Agreement in connection with the termination of the Sublease Term for such Equipment Lot and VTA’s delivery of the Equipment in such Equipment Lot in accordance with Sections 14(d)(ii) or 14(d)(iii) of the Sublease.

“Affiliate”, means (i) with respect to a specified Person, other than VTA or Utah Transit, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such Person, (ii) with respect to VTA, at any time and from time to time, (A) the State of California if, other than by virtue of the existence of the Enabling Act, it is directly or indirectly directing the policies, operations or activities of VTA at such time, (B) any Governmental Authority, other than the State of California, if it is directly or indirectly directing the policies, operations or activities of VTA at such time or if VTA is directly or indirectly directing the policies, operations or activities of such Governmental Authority at such time and (C) any other Person (other than the State of California or any Governmental Authority) directly or indirectly controlling VTA, or controlled by or under direct or indirect common control with VTA, and (iii) with respect to Utah Transit, at any time and from time to time, (X) the State of Utah if, other than by virtue of the existence of the UT Enabling Act, it is directly or indirectly directing the policies, operations or activities of Utah Transit at such time, (Y) any Governmental Authority, other than the State of Utah, if it is directly or indirectly directing the policies, operations or activities of Utah Transit at such time or if Utah Transit is directly or indirectly directing the policies, operations or activities of such Governmental Authority at such time and (Z) any other Person (other than the State of Utah or any Governmental Authority) directly or indirectly controlling Utah Transit, or controlled by or under direct or indirect common control with Utah Transit. For the purposes of this definition, “control”, when used with respect to any specified Person, means the possession, directly or indirectly through others, of either of the following discretionary and non-ministerial rights or powers over another Person: (i) to approve and to remove without cause a controlling portion of the governing body of such Person; or (ii) to require the use of funds or assets of such Person for any purposes.

“After-Tax Basis” means, with respect to any payment received or deemed to have been received by any Person, the amount of such payment (the base payment) supplemented by a further payment (the additional payment) to that Person so that the sum of the base payment plus the additional payment shall, after deduction of the amount of all Taxes required to be paid by such Person in respect of the receipt or accrual of the base payment and the additional payment (taking into account any current credits or deductions arising therefrom and the timing thereof), be equal to the amount required to be received. Such calculations shall be made on the basis of the amounts of Taxes actually required to be paid by or on behalf of the recipient.

“Aggregate UT Equipment Value” means, with respect to the UT Equipment, the aggregate amount of the UT Equipment Value with respect to all Items of UT Equipment; provided, however, that with respect to any time after the UT Sublease Closing Date “Aggregate UT Equipment Value” in respect of the UT Equipment will relate solely to the Items of UT Equipment that are subject to the UT Sublease at such time. The Aggregate UT Equipment Value as of the UT Sublease Closing Date is as set forth on Schedule IV to the UT Sublease.

“Agreed UT Purchase Option Price” means, with respect to each Item of UT Equipment, the Agreed UT Purchase Option Price for such Item of UT Equipment as is set forth in Schedule VI to the UT Sublease.

“Applicable Law” means with reference to any Person, all laws, statutes, ordinances and treaties and all judgments, decrees, injunctions, writs and orders of any court, arbitrator or governmental body, instrumentality, agency or authority, and all rules, regulations, orders, interpretations, directives, licenses and permits of any governmental body, instrumentality, agency or other regulatory authority applicable to such Person or its property or in respect of its operations.

“Base Rate” means at any time for the determination thereof, the then current yield, based on the rate published by the Federal Reserve Board in the Federal Reserve Board Statistical Release: Selected Interest Rates H.R. (519) (or any successor publication) for 7-year Treasury constant maturities.

“Basic UT Sublease Term” means, with respect to each UT Equipment Lot, the period of time under the UT Sublease commencing on the UT Sublease Closing Date and ending on 11:59 p.m. (New York City time) on the Basic UT Sublease Term Expiration Date, unless the UT Sublease is earlier terminated in accordance with its terms.

“Basic UT Sublease Term Expiration Date” means, with respect to each UT Equipment Lot, the related Basic UT Sublease Term Expiration Date as specified on Schedule III to the UT Sublease.

“Burdensome Event” has the meaning given such term in Appendix A to the Participation Agreement.

“Business Day” means any day other than a Saturday, a Sunday or a day on which commercial banking institutions in New York, New York, Honolulu, Hawaii, San Jose, California, Los Angeles, California or Salt Lake City, Utah, or the city in which the principal office of the Trustee is located, are authorized or required by law to be closed.

“Code” means the United States Internal Revenue Code of 1986, as amended from time to time.

“Costs or Expenses” has the meaning given such term in Section 21(a) of the UT Sublease.

“Custodian” means State Street Bank and Trust Company of California, N.A., as Custodian under the Equity Deposit Agreements.

“Debt Payment Undertaker” means AIG-FP Special Finance (Cayman) Limited, a Cayman Islands limited liability company.

“Debt Payment Undertaker Guaranty” has the meaning given such term in Appendix A to the Participation Agreement.

“Debt Payment Undertaking Agreement” means that certain Debt Payment Undertaking Agreement (VTA 1998-FH) dated as of September 24, 1998, among the Debt Payment Undertaker, VTA and the Trustee.

“Default” means any event or condition that with the giving of notice or lapse of time or both would become an Event of Default.

“Delivery Date” has the meaning given such term in Section 2(b) of the UT Sublease.

“Dollars” or “\$” means U.S. dollars.

“Enabling Act” means the Santa Clara County Transit District Act, Cal. Public Utility Code §100000 *et seq.*, as amended.

“Enforcement Event” has the meaning given such term in the Equity Deposit Agreements.

“Equipment” means, collectively, all Items of Equipment leased under the Head Lease and subleased under the Sublease.

“Equipment Lot” has the meaning given such term in Appendix A to the Participation Agreement.

“Equity Defeasance Value”, with respect to any Item of Equipment, means the proceeds from any Account Collateral liquidated by the Pledgee (or the Custodian acting under instructions from the Pledgee) pursuant to the applicable Equity Deposit Agreement which are applied in payment of VTA’s obligations to pay Stipulated Loss Value, Termination Value or Fair Market Sales Value under the Operative Documents.

“Equity Deposit Agreement” means, as the context requires, either Equity Deposit Agreement No. 1 or Equity Deposit Agreement No. 2. All references to the “Equity Deposit Agreements” shall mean, collectively, Equity Deposit Agreement No. 1 and Equity Deposit Agreement No. 2.

“Equity Deposit Agreement No. 1” means that certain Equity Deposit Agreement No. 1 (VTA 1998-FH), dated as of September 24, 1998, among VTA, the Pledgee and the Custodian.

“Equity Deposit Agreement No. 2” means that certain Equity Deposit Agreement No. 2 (VTA 1998-FH), dated as of September 24, 1998, among VTA, the Pledgee and the Custodian.

“Equity Investor” means First Hawaiian.

“Equity Investor Guaranty” has the meaning given such term in Appendix A to the Participation Agreement.

“Equity Portion” has the meaning given such term in Appendix A to the Participation Agreement.

“ETC Indenture” means that certain Amended and Restated Equipment Trust Indenture, dated as of December 1, 1998, by and between VTA, as issuer and the ETC Trustee.

“ETC Indenture Opinion” means the opinion of tax counsel required to qualify any sublease of the UT Equipment subject to the ETC Indenture as a “Permitted Encumbrance” (as defined in the ETC Indenture).

“ETC Lease Documents” means, collectively, the ETC Lease and the ETC Indenture.

“ETC Lease” means that certain Amended and Restated Lease Agreement, dated as of December 1, 1998, by and between the ETC Trustee, as lessor, and VTA, as lessee.

“ETC Lease Opinion” means the opinion of counsel required by Section 5.01 of the ETC Lease with respect to the removal of any UT Equipment subject to the ETC Lease outside of Santa Clara County, California.

“ETC Trustee” means U.S. Bank Trust National Association, as trustee under the ETC Indenture.

“Event of Default” means any of the events described in Section 16 of the Sublease.

“Event of Loss” has the meaning given such term in Appendix A to the Participation Agreement.

“Existing Lease Documents” means, collectively, the ETC Lease Documents and the TBT Leases.

“Fair Market Sales Value” has the meaning given such term in Appendix A to the Participation Agreement.

“Federal Transit Administration” means the Federal Transit Administration, formerly the Urban Mass Transportation Administration, created by the Federal Transit Act Amendments of 1991, P.L. 102-240 (1991).

“First Hawaiian” means First Hawaiian Leasing, Inc., a Hawaii corporation.

“First TBT Lease” means the Tax Benefit Transfer Agreement dated December 31, 1987 by and between the First TBT Lessor, as Lessor, and VTA, as User.

“First TBT Lessor” means ARCO Transport, Inc.

“FSA” means Financial Security Assurance Inc., a New York stock insurance company.

“Governmental Authority” means (A) any national, state or sovereign government, wherever located, and (B) any federal, regional, state, provincial, municipal, local, city government or other political subdivision, legislative body, administrative agency or governmental or quasi-governmental body or agency (including their respective successors) or any political subdivision thereof exercising executive, legislative, judicial, regulatory or administrative functions.

“Head Lease” means that certain Head Lease Agreement (VTA 1998-FH) dated as of September 24, 1998, between the Head Lessor and the Trustee.

“Head Lease Rights” means the leasehold interest of the Trustee in the Equipment (or an Item of Equipment, if applicable) demised to the Trustee pursuant to the Head Lease and all other rights and obligations of the Trustee thereunder.

“Head Lease Supplement” has the meaning given such term in Appendix A to the Participation Agreement.

“Head Lessee” means the Trustee.

“Head Lessor” means VTA.

“Head Lessor Event of Default” has the meaning given such term in Appendix A to the Participation Agreement.

“Holder” or “Certificate Holder” means any registered holder from time to time of one or more of the Loan Certificates.

“Indemnitee” has the meaning given such term in Section 21(a) of the UT Sublease.

“Inspection Report” means that certain vehicle inspection and rating report dated April, 2002 prepared by Parsons Brinkerhoff Quade & Douglas with respect to the Equipment.

“Insurance and Indemnity Agreement” means the Insurance and Indemnity Agreement (VTA 1998-FH), dated as of September 24, 1998 between VTA and FSA.

“Item of Equipment” means each of the items of rail equipment, which includes each Item of UT Equipment, leased to the Head Lessee under the Head Lease, as described and identified on Schedule A to the related Head Lease Supplement, including (i) any and all Parts and (ii) any replacement Items of Equipment and any and all Parts relating thereto. All references to “Items of Equipment” shall mean all Items of Equipment then leased under the Head Lease.

“Item of UT Equipment” means each of the items of rail equipment subleased to Utah Transit under the UT Sublease, as described and identified on Schedule II to the UT Sublease, including (i) any and all UT Parts and (ii) any Replacement Item of UT Equipment and any and all UT Parts relating thereto. All references to “Items of UT Equipment” shall mean all Items of UT Equipment then subleased under the UT Sublease.

“Joint Defense Claim” has the meaning given such term in Section 21(a) of the UT Sublease.

“Lender” means AIG-FP Funding (Cayman) Limited, a Cayman Islands limited liability company, and, unless the context otherwise requires, any subsequent Holder.

“Lien” means any mortgage, pledge, lien, charge, encumbrance, lease, adverse possession, exercise of rights, security interest, charge, easement, servitude or claim of any kind, including any arising under any conditional sale or other title retention agreement.

“Loan Agreement” means that certain Loan and Security Agreement (VTA 1998-FH) dated as of September 24, 1998, between the Trustee and the Lender.

“Loan Certificate” means any loan certificate substantially in the form of Exhibit A to the Loan Agreement, delivered by the Trustee pursuant thereto and from time to time outstanding thereunder, and shall include any loan certificate delivered in exchange thereof or in replacement thereof pursuant to the Loan Agreement.

“Loan Event of Default” has the meaning set forth in Section 4.01 of the Loan Agreement.

“Loan Extension” has the meaning given to that term in Appendix A to the Participation Agreement.

“Net Account Collateral Proceeds” means, with respect to each Equipment Lot, the total Account Collateral Proceeds for such Equipment Lot less the Transaction Costs incurred or payable by VTA in connection with the Sublessor’s exercise of the Successor Sublease Option or the Return Option under the Sublease, as applicable, for such Equipment Lot.

“Operative Documents” means, collectively, the Participation Agreement, each Loan Certificate, the Loan Agreement, each Loan Agreement Supplement, the Head Lease, each Head Lease Supplement, the Sublease, each Sublease Supplement, the Trust Agreement, the Trustee Transfer Agreement, the Equity Investor Guaranty, each Transferee Guaranty, any Successor Sublease, the Debt Payment Undertaking Agreement, the Debt Payment Undertaker Guaranty, the Tax Indemnification Agreement, the Strip Surety Policy, the Insurance and Indemnity Agreement, and the Equity Deposit Agreements.

“Overdue Rate” means 2% above the Base Rate, determined as of the date the amount to which the Overdue Rate is being applied becomes due or is demanded or is paid, as the case may be, but in no event greater than the maximum rate of interest permitted under Applicable Law.

“Participant” means each of the Lender and the Equity Investor.

“Participation Agreement” means that certain Participation Agreement (VTA 1998-FH) dated as of September 24, 1998, among VTA, as Head Lessor and Sublessee, the Equity Investor, the Lender, the Debt Payment Undertaker, the Trustee and the Trust Company.

“Parts” means any and all appliances, parts, instruments, appurtenances, accessories, furnishings and other equipment or property of whatever nature (other than temporary replacement parts as provided in Section 8 of the Sublease) which may from time to time be incorporated or installed in or attached to any Item of Equipment.

“Parts Distribution Agreement” means that certain Master Distribution Agreement, dated as of December 12, 2003, by and among VTA, Sacramento Regional Transit District and Utah Transit.

“Permitted Liens” has the meaning given such term in Section 11 of the Sublease.

“Person” means an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority or any other entity of whatever nature.

“Pledgee” means State Street Bank and Trust Company of California, N.A., in its capacity as Pledgee under the Equity Deposit Agreements.

“Purchase Option” has the meaning given such term in Section 14(a) of the Sublease.

“Reasonable Basis” means a reasonable basis within the meaning of Section 6662(d)(2)(B)(ii)(II) of the Code or any Regulations thereunder.

“Regulations” means the Treasury Regulations, including proposed or temporary regulations, as amended from time to time, promulgated under the Code by the United States Treasury Department.

“Replacement Item of UT Equipment” means an item of equipment permitted to be substituted for an Item of UT Equipment in accordance with Section 11(a)(ii) of the UT Sublease of the same nature and with a value, utility and remaining useful life at least equal to, and in as good operating condition as, the Item of UT Equipment that is being replaced (assuming such Item of UT Equipment has not suffered a UT Event of Loss and was in the condition and repair required by the terms of the UT Sublease) free and clear of all Liens whatsoever (other than UT Permitted Liens).

“Return Option” has the meaning given such term in Section 14(b)(iii) of the Sublease.

“Second TBT Lease” means the Section 168 Lease Agreement and Election dated December 31, 1987 by and between the Second TBT Lessor, as Lessor, and VTA, as Lessee.

“Second TBT Lessor” means FPL Investments Inc.

“Severable UT Part” has the meaning given such term in Section 10(c) of the UT Sublease.

“Stipulated Loss Value” has the meaning given such term in Appendix A to the Participation Agreement.

“Strip Surety Policy” has the meaning given such term in Appendix A to the Participation Agreement.

“Strip Surety Provider” has the meaning given such term in Appendix A to the Participation Agreement.

“Sublease” means that certain Sublease Agreement (VTA 1998-FH) dated as of September 24, 1998, between the Trustee, as Sublessor, and VTA, as Sublessee.

“Sublease Renewal Current Rent” has the meaning given such term in Section 14(d)(i)(D)(1)(a) of the Sublease.

“Sublease Renewal Deferred Rent” has the meaning given such term in Section 14(d)(i)(D)(1)(b) of the Sublease.

“Sublease Renewal Option” has the meaning given such term in Section 14(b)(i) of the Sublease.

“Sublease Supplement” has the meaning given such term in Appendix A to the Participation Agreement.

“Sublessee” means VTA.

“Sublessor” means the Trustee.

“Sublessor’s Lien” has the meaning given such term in Appendix A to the Participation Agreement.

“Successor Sublease” has the meaning given such term in Appendix A to the Participation Agreement.

“Successor Sublease Option” has the meaning given such term in Section 14(b)(ii) of the Sublease.

“Tax” or “Taxes” means any and all fees (including license, documentation and registration fees), taxes (including income, gross receipt, sales, rental, use, turnover, value added, property (tangible and intangible), excise and stamp taxes), licenses, levies, imposts, duties, recording charges or fees, charges, assessments or withholdings of any nature whatsoever, together with any and all assessments, penalties, fines, additions and interest thereon.

“Tax Indemnification Agreement” means the Tax Indemnification Agreement (VTA 1998-FH) dated as of September 24, 1998, between the VTA and First Hawaiian.

“Termination Value” has the meaning given such term in Appendix A to the Participation Agreement.

“TBT Leases” means, collectively, the First TBT Lease and the Second TBT Lease.

“TBT Lessors” means collectively the First TBT Lessor and the Second TBT Lessor.

“Transaction Costs” means any and all costs, fees and expenses (including reasonable legal fees and expenses) incurred or payable by VTA in connection with (a) the exercise of the UT Return Option and (b) the performance of its obligations arising under Section 14(d) of the Sublease and relating to the Sublessor’s exercise of, as applicable, the Successor Sublease Option or the Return Option.

“Transferee Guaranty” has the meaning given such term in Appendix A to the Participation Agreement.

“Trust” means the trust established pursuant to the Trust Agreement.

“Trust Agreement” means that certain Trust Agreement (VTA 1998-FH) dated as of September 24, 1998, between First Hawaiian and the Trust Company.

“Trust Company” means State Street Bank and Trust Company of California, N.A, a national banking association, in its individual capacity.

“Trustee” means the Trust Company, not in its individual capacity, but solely in its capacity as Trustee under the Trust Agreement.

“Trustee Transfer Agreement” has the meaning given such term in Appendix A to the Participation Agreement.

“Utah Opinion” means the opinion of counsel required to be delivered to the Sublessor and the Lender pursuant to Section 6 of the Sublease in the event of any sub-sublease of the Equipment resulting in any Item of Equipment being transferred outside of the State of California.

“Utah Transit” means the Utah Transit Authority, or any successor public body formed in connection with a governmental reorganization permitted under Applicable Law.

“UT Burdensome Buyout Amount” has the meaning given such term in Section 16(e) of the UT Sublease.

“UT Burdensome Buyout Notice” has the meaning given such term in Section 16(e) of the UT Sublease.

“UT Burdensome Event” means the occurrence of a Burdensome Event that gives rise to obligations of VTA under the Operative Documents (i) for which Utah Transit has agreed to indemnify VTA under the UT Sublease and (ii) which may be avoided by the option set forth in Section 16(f) of the UT Sublease; *provided, however*, that if Utah Transit does not exercise its option under Section 16(f) of the UT Sublease within 120 days of the occurrence of such

Burdensome Event, then the occurrence of such event shall no longer constitute a “UT Burdensome Event”.

“UT Default” means any event or condition that with the giving of notice or lapse of time or both would become a UT Event of Default.

“UT Enabling Act” means the Utah Public Transit District Act, Part 10, Chapter 2 of Title 17A of the Utah Code Annotated 1953, as amended.

“UT Equipment” means, collectively, all Items of UT Equipment subleased under the UT Sublease.

“UT Equipment Lot” means each of UT Equipment Lot No. 1 and UT Equipment Lot No. 2.

“UT Equipment Lot No. 1” means the UT Equipment delivered and subleased under the UT Sublease and designated on Schedule II to the UT Sublease as “UT Equipment Lot No. 1”.

“UT Equipment Lot No. 2” means the UT Equipment delivered and subleased under the UT Sublease and designated on Schedule II to the UT Sublease as “UT Equipment Lot No. 2”.

“UT Equipment Value” means, with respect to any Item of UT Equipment, the amount specified for such Item of UT Equipment on Schedule IV to the UT Sublease.

“UT Event of Default” means any of the events described in Section 17 of the UT Sublease.

“UT Event of Loss” means any of the following events with respect to any Item of UT Equipment:

(i) the actual or constructive total loss of such Item of UT Equipment or the use thereof due to the destruction thereof or damage thereto which, in Utah Transit’s reasonable opinion, would make repair thereof uneconomical or would render such Item of UT Equipment permanently unfit for normal use for any reason whatsoever;

(ii) the theft or disappearance of such Item of UT Equipment which shall have resulted in the loss of possession thereof by Utah Transit for a period in excess of the lesser of 90 days and the balance of the UT Sublease Term, unless the location of such Item of UT Equipment is known and Utah Transit is diligently pursuing recovery of such Item of UT Equipment but in no event for a period in excess of (x) 180 days or (y) the balance of the UT Sublease Term, whichever is shorter;

(iii) the confiscation, condemnation, requisition, seizure, forfeiture, purchase or other taking for use of such Item of UT Equipment by any governmental or purported governmental authority (other than a taking for use by the State of Utah or any political subdivision thereof not extending beyond the end of the UT Sublease Term) resulting in the loss of possession of such Item

of UT Equipment by Utah Transit and such loss of possession shall have continued beyond the earlier of 360 days and the end of the UT Sublease Term; or

(iv) the confiscation, condemnation, requisition, seizure, forfeiture, purchase or other taking of title resulting in the loss of title to such Item of UT Equipment by the Head Lessor.

The date of occurrence of a UT Event of Loss (a) described in clause (i) shall be the date of such damage or destruction, (b) described in clause (ii) shall be the date of expiration of such 90 days, 180 days or end of UT Sublease Term, as the case may be as provided in such clause (ii), (c) described in clause (iii) shall be expiration of such 360 days or the end of UT Sublease Term, as the case may be as provided in such clause (iii), and (d) described in clause (iv) shall be the date of such loss of title.

“UT Net Stipulated Loss Value”, for any Item of UT Equipment as of any UT Stipulated Loss Value Determination Date, means (i) the UT Stipulated Loss Value with respect to such Item of UT Equipment less (ii) the Equity Defeasance Value with respect to such Item of UT Equipment.

“UT Parts” means any and all appliances, parts, instruments, appurtenances, accessories, furnishings and other equipment or property of whatever nature (other than temporary replacement parts as provided in Section 8 of the UT Sublease) which may from time to time be incorporated or installed in or attached to any Item of UT Equipment.

“UT Permitted Liens” has the meaning given such term in Section 13 of the UT Sublease.

“UT Purchase Option” has the meaning given such term in Section 16(a) of the UT Sublease.

“UT Relevant Percentage” means, with respect to any Item of UT Equipment in the related UT Equipment Lot, the percentage obtained by multiplying by 100 a fraction, the numerator of which is the UT Equipment Value (as of the UT Sublease Closing Date) of such Item of UT Equipment and the denominator of which is the aggregate UT Equipment Value (as of the UT Sublease Closing Date) of all the Items of UT Equipment in the related UT Equipment Lot.

“UT Return Option” has the meaning given such term in Section 16(b)(ii) of the UT Sublease.

“UT Stipulated Loss Value”, for any Item of UT Equipment as of any UT Stipulated Loss Value Determination Date, means the UT Relevant Percentage with respect to such Item of UT Equipment of the amount set forth in Schedule V to the UT Sublease under the column “Equity Portion of Stipulated Loss Value” opposite the date that is the UT Stipulated Loss Value Determination Date for the applicable UT Equipment Lot.

“UT Stipulated Loss Value Determination Date” means each date set forth on Schedule V to the UT Sublease.

“UT Sublease” means the Sublease Agreement dated as of the UT Sublease Closing Date, between VTA and the UT.

“UT Sublease Closing Date” means the date on which the UT Sublease is executed and delivered.

“UT Sublease Expiration Date” means, for each UT Equipment Lot, the UT Sublease Expiration Date as specified on Schedule III to the UT Sublease.

“UT Sublease Indemnification Agreement” means that certain Indemnification Agreement, dated as of the UT Sublease Closing Date, by and among VTA, the Trustee, the Equity Investor and the Lender.

“UT Sublease Major Default” means any event or condition that with the giving of notice or lapse of time or both would become a UT Event of Default under Section 17(a), (d), (e), (f), (g) or (j) of the UT Sublease.

“UT Sublease Obligations” means all the obligations of Utah Transit under the UT Sublease.

“UT Sublease Renewal Option” with respect to each UT Equipment Lot, has the meaning given such term in Section 16(b)(i) of the UT Sublease.

“UT Sublease Renewal Term” means, with respect to each UT Equipment Lot, the period of time under the UT Sublease commencing at the end of the Basic UT Sublease Term and ending at 11:59 p.m. (New York City time) on the UT Sublease Expiration Date, unless the UT Sublease is earlier terminated in accordance with its terms.

“UT Sublease Rent” means, for each Item of UT Equipment, the amount of rent payable on the Delivery Date for such Item of UT Equipment pursuant to Section 3(b) of the UT Sublease and as set forth on Schedule VII to the UT Sublease.

“UT Sublease Rent Payment Date” means each date on which UT Sublease Rent is payable pursuant to Section 3(b) of the UT Sublease.

“UT Sublease Supplement” means each sublease supplement substantially in the form of Exhibit A to the UT Sublease to be entered into between VTA and Utah Transit on the UT Sublease Closing Date and each subsequent Delivery Date for the purpose of subleasing the UT Equipment, and any sublease supplement subsequently entered into by VTA and Utah Transit with respect to the UT Sublease.

“UT Sublease Term” means, with respect to each UT Equipment Lot, the Basic UT Sublease Term together with, if applicable, the UT Sublease Renewal Term.

“UT Supplemental Rent” means all amounts, liabilities and obligations (other than UT Sublease Rent) that UT assumes or agrees to pay under the UT Sublease to VTA or any other Person whether or not designated as UT Supplemental Rent, including without limitation payments

of UT Net Stipulated Loss Value. The parties to this UT Sublease acknowledge that UT Supplemental Rent is a general category and accordingly agree that any provision in the UT Sublease which calls for the payment of UT Supplemental Rent and also calls for the payment of specific items which are included as UT Supplemental Rent is not intended as requiring a double payment.

“VTA” means Santa Clara Valley Transportation Authority, formerly known as Santa Clara County Transit District.

“VTA Lien” means any Lien in respect of any Item of UT Equipment or any of Utah Transit’s rights under the UT Sublease arising as a result of (i) any claim against VTA which is not related to the transactions contemplated by the UT Sublease, (ii) any act or omission of VTA which is not related to the transactions contemplated by the UT Sublease or is in violation of any of the terms of the UT Sublease, (iii) Taxes imposed against VTA which Utah Transit has not agreed to indemnify against pursuant to Section 21 of the UT Sublease, or (iv) any claim against VTA (but excluding claims by Utah Transit while a UT Event of Default shall have occurred and be continuing) arising out of the voluntary transfer of all or any part of its interest in any Item of UT Equipment or the UT Sublease.

EXHIBIT A

[INSERT FORM OF UT SUBLEASE SUPPLEMENT HERE]

EXHIBIT A

UT SUBLEASE SUPPLEMENT No. []

THIS UT SUBLEASE SUPPLEMENT No. [] dated _____, 20__ is between SANTA CLARA VALLEY TRANSPORTATION AUTHORITY (formerly known as Santa Clara County Transit District), a special district organized and existing under and by virtue of the laws of the State of California ("VTA"), and UTAH TRANSIT AUTHORITY, a public transit district organized and existing under and by virtue of the laws of the State of Utah ("Utah Transit").

WHEREAS, VTA and Utah Transit have heretofore entered into the UT Sublease Agreement dated as of January 9, 2004 (the "UT Sublease"), which UT Sublease provides for the execution and delivery of UT Sublease Supplements in substantially the form hereof for the purpose of subleasing the Items of UT Equipment when delivered by VTA to Utah Transit in accordance with the terms thereof. All of the terms and provisions of the UT Sublease are hereby incorporated by reference in this UT Sublease Supplement No. [] 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 UT Sublease, 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 UT Sublease:

Section 1. VTA hereby delivers and subleases to Utah Transit, and Utah Transit hereby accepts and subleases from VTA, under the UT Sublease as herein supplemented, the Item(s) of UT Equipment described by running number and UT Equipment Lot in Schedule A hereto.

Section 2. UT Sublease Rent for such Item(s) of UT Equipment is set forth in Schedule VII to the UT Sublease under the column "UT Sublease Rent" and corresponding to the running number(s) for such Item(s) of UT Equipment.

Section 3. UT Stipulated Loss Values are in the amounts as set forth in Schedule V to the UT Sublease.

IN WITNESS WHEREOF, VTA and Utah Transit have each caused this UT Sublease Supplement No. [] to be duly executed by its authorized officer on the day and year first above written.

VTA:

SANTA CLARA VALLEY
TRANSPORTATION AUTHORITY

By: _____

Name:

Title:

UTAH TRANSIT:

UTAH TRANSIT AUTHORITY

By: _____

Name:

Title:

By: _____

Name:

Title:

APPROVED AS TO FORM:

By: _____

Legal Counsel

State of California)
) ss:
County of Santa Clara)

On this ___ day of _____, 20___, before me personally appeared _____, to me personally known, who being by me duly sworn, says that he/she is the _____ of the Santa Clara Valley Transportation Authority (“SCVTA”), that the foregoing instrument was signed on behalf of SCVTA by authority of its Board of Directors, and he/she acknowledged that the execution of the foregoing instrument was the free act of the said SCVTA.

Notary Public

My Commission Expires: _____

State of Utah)
) ss:
County of Salt Lake)

On this ___ day of _____, 20___, before me personally appeared _____, to me personally known, who being by me duly sworn, says that he/she is the _____ of the Utah Transit Authority (“UTA”), that the foregoing instrument was signed on behalf of UTA by authority of its Board of Trustees, and he/she acknowledged that the execution of the foregoing instrument was the free act of the said UTA.

Notary Public

My Commission Expires: _____

State of Utah)
) ss:
County of Salt Lake)

On this ___ day of _____, 20___, before me personally appeared _____, to me personally known, who being by me duly sworn, says that he/she is the _____ of the Utah Transit Authority (“UTA”), that the foregoing instrument was signed on behalf of UTA by authority of its Board of Trustees, and he/she acknowledged that the execution of the foregoing instrument was the free act of the said UTA.

Notary Public

My Commission Expires: _____

State of Utah)
) ss:
County of Salt Lake)

On this ___ day of _____, 20___, before me personally appeared _____, to me personally known, who being by me duly sworn, says that he/she is the _____ of the Utah Transit Authority (“UTA”), that the foregoing instrument was signed on behalf of UTA by authority of its Board of Trustees, and he/she acknowledged that the execution of the foregoing instrument was the free act of the said UTA.

Notary Public

My Commission Expires: _____

SCHEDULE A TO UT SUBLEASE SUPPLEMENT No. []

ITEMS OF UT EQUIPMENT

Running No.

UT Equipment Lot

EXHIBIT B

[INSERT FORM OF BILL OF SALE HERE]

BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS:

THAT the undersigned, SANTA CLARA VALLEY TRANSPORTATION AUTHORITY, a political subdivision of the State of California, duly organized and established pursuant to the Enabling Act and the laws of the State of California, as seller ("Seller"), is the owner of good and marketable title in and to that certain rail equipment more fully described on Exhibit A hereto (the "Items of UT Equipment");

THAT for and in consideration of the payment by Utah Transit Authority, a public transit district organized and established pursuant to the UT Enabling Act, as buyer (the "Buyer"), of the [UT Purchase Option Price] [UT Burdensome Buyout Amount], together with all other amounts due and owing to the Seller under the UT Sublease Agreement, dated as of December __, 2003 (the "UT Sublease"), by and between the Seller and the Buyer, the Seller does this [__] day of [_____], 20[___] grant, convey, transfer, bargain and sell, deliver and set over all of its right, title to and interest in the Items of UT Equipment and any and all UT Parts incorporated or installed thereon as of the date hereof unto the Buyer and to the Buyer's successors and assigns forever;

THAT THE SELLER hereby conveys to the Buyer "as-is, where-is" without recourse or warranty of any kind (except with respect to the absence of VTA Liens, Sublessor's Liens and all other Liens created under the Operative Documents and the Existing Lease Documents) good and marketable title in and to the Items of UT Equipment; and

THAT capitalized terms used herein shall, unless defined herein, have the respective meanings set forth in Appendix A to the UT Sublease.

THIS BILL OF SALE SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF CALIFORNIA.

IN WITNESS WHEREOF, the undersigned has caused this Bill of Sale to be duly executed and delivered this _____ day of _____, 20__.

SANTA CLARA VALLEY TRANSPORTATION
AUTHORITY

By: _____

Name:

Title:

Exhibit A
to Bill of Sale

UT Equipment Lot No. [1] [2]

Equipment Description

Running No.

SCHEDULE I

Names and Addresses; Payment Information

1. Names and Addresses:

VTA:

Santa Clara Valley Transportation Authority
3331 N. First Street
San Jose, CA 95134-1927

Attn: Office of Board Secretary
Telecopy: (408) 955-0891

With a copy to:

Chief Financial Officer
Santa Clara Valley Transportation Authority
3331 N. First Street
San Jose, CA 95134-1927

Telecopy: (408) 955-9750

Utah Transit:

Utah Transit Authority
613 West 6960 South
Midvale, Utah 84047

Attn: Rail Service General Manager
Telecopy: (801) 352-6605

With a Copy to:

Utah Transit Authority
3600 South 700 West
P.O. Box 30810
Salt Lake City, Utah 84130-0810

Attn: General Counsel's Office (Matter: VTA)
Telecopy: (801) 287-4520

2. Payment Information:

Wire Instructions for VTA:

Union Bank of California, N.A.
ABA # 122000496
Credit to Account # 7020015246
Account Name - VTA

SCHEDULE II

DESCRIPTION OF UT EQUIPMENT BY UT EQUIPMENT LOT

UT Equipment Lot No. 1

Type	Running No.
UTDC Light Rail Vehicle	818
UTDC Light Rail Vehicle	835
UTDC Light Rail Vehicle	837
UTDC Light Rail Vehicle	844
UTDC Light Rail Vehicle	850

UT Equipment Lot No. 2

Type	Running No.
UTDC Light Rail Vehicle	801
UTDC Light Rail Vehicle	816
UTDC Light Rail Vehicle	817
UTDC Light Rail Vehicle	819
UTDC Light Rail Vehicle	822
UTDC Light Rail Vehicle	823
UTDC Light Rail Vehicle	824
UTDC Light Rail Vehicle	825
UTDC Light Rail Vehicle	826
UTDC Light Rail Vehicle	827
UTDC Light Rail Vehicle	828
UTDC Light Rail Vehicle	829
UTDC Light Rail Vehicle	830
UTDC Light Rail Vehicle	834
UTDC Light Rail Vehicle	838
UTDC Light Rail Vehicle	839
UTDC Light Rail Vehicle	840
UTDC Light Rail Vehicle	842
UTDC Light Rail Vehicle	843
UTDC Light Rail Vehicle	845
UTDC Light Rail Vehicle	846
UTDC Light Rail Vehicle	847
UTDC Light Rail Vehicle	848

SCHEDULE III

UT SUBLEASE EXPIRATION DATES

UT Equipment Lot No. 1

Basic UT Sublease Term Expiration Date	January 2, 2017
UT Sublease Expiration Date	December 5, 2025

UT Equipment Lot No. 2

Basic UT Sublease Term Expiration Date	January 2, 2017
UT Sublease Expiration Date	August 10, 2026

SCHEDULE IV
UT EQUIPMENT VALUES

UT Equipment Lot No. 1

Type	Running No.	Appraised Value Per Railcar
UTDC Light Rail Vehicle	818	\$2,070,000
UTDC Light Rail Vehicle	835	\$2,070,000
UTDC Light Rail Vehicle	837	\$2,070,000
UTDC Light Rail Vehicle	844	\$2,070,000
UTDC Light Rail Vehicle	850	\$2,070,000

UT Equipment Lot No. 2

Type	Running No.	Appraised Value Per Railcar
UTDC Light Rail Vehicle	801	\$2,140,000
UTDC Light Rail Vehicle	816	\$2,140,000
UTDC Light Rail Vehicle	817	\$2,140,000
UTDC Light Rail Vehicle	819	\$2,140,000
UTDC Light Rail Vehicle	822	\$2,140,000
UTDC Light Rail Vehicle	823	\$2,140,000
UTDC Light Rail Vehicle	824	\$2,140,000
UTDC Light Rail Vehicle	825	\$2,140,000
UTDC Light Rail Vehicle	826	\$2,140,000
UTDC Light Rail Vehicle	827	\$2,140,000
UTDC Light Rail Vehicle	828	\$2,140,000
UTDC Light Rail Vehicle	829	\$2,140,000
UTDC Light Rail Vehicle	830	\$2,140,000
UTDC Light Rail Vehicle	834	\$2,140,000
UTDC Light Rail Vehicle	838	\$2,140,000
UTDC Light Rail Vehicle	839	\$2,140,000
UTDC Light Rail Vehicle	840	\$2,140,000
UTDC Light Rail Vehicle	842	\$2,140,000
UTDC Light Rail Vehicle	843	\$2,140,000
UTDC Light Rail Vehicle	845	\$2,140,000
UTDC Light Rail Vehicle	846	\$2,140,000
UTDC Light Rail Vehicle	847	\$2,140,000

UTDC Light Rail Vehicle	848	\$2,140,000
UTDC Light Rail Vehicle	849	\$2,140,000

SCHEDULE V
UT STIPULATED LOSS VALUES
[SEE ATTACHED]

Schedule V to the UT Sublease

UT STIPULATED LOSS VALUES

UT Equipment Lot No. 1

UT Stipulated Loss Value Determination Date	Equity Portion of Stipulated Loss Value
Jan 2 2003	3,862,751.81
Feb 2 2003	3,858,244.23
Mar 2 2003	3,864,135.33
Apr 2 2003	3,870,075.53
May 2 2003	3,875,027.06
Jun 2 2003	3,880,019.86
Jul 2 2003	3,884,016.09
Aug 2 2003	3,888,045.62
Sep 2 2003	3,892,108.74
Oct 2 2003	3,895,167.55
Nov 2 2003	3,898,251.84
Dec 2 2003	3,901,361.84
Jan 2 2004	3,903,459.59
Feb 2 2004	3,895,092.13
Mar 2 2004	3,897,091.19
Apr 2 2004	3,899,106.90
May 2 2004	3,901,085.01
Jun 2 2004	3,903,079.59
Jul 2 2004	3,905,036.39
Aug 2 2004	3,907,009.49
Sep 2 2004	3,908,999.03
Oct 2 2004	3,910,950.74
Nov 2 2004	3,912,918.72
Dec 2 2004	3,914,903.09
Jan 2 2005	3,916,849.59
Feb 2 2005	3,908,329.61
Mar 2 2005	3,910,174.89
Apr 2 2005	3,912,035.54
May 2 2005	3,913,836.05
Jun 2 2005	3,915,651.56
Jul 2 2005	3,917,406.55
Aug 2 2005	3,919,176.17
Sep 2 2005	3,920,960.54

Schedule V to the UT Sublease

UT STIPULATED LOSS VALUES

UT Equipment Lot No. 1

	UT Stipulated Loss Value Determination <u>Date</u>	Equity Portion of Stipulated Loss <u>Value</u>
Oct	2 2005	3,922,684.12
Nov	2 2005	3,924,422.07
Dec	2 2005	3,926,174.50
Jan	2 2006	3,927,865.88
Feb	2 2006	3,919,088.67
Mar	2 2006	3,920,674.56
Apr	2 2006	3,922,273.67
May	2 2006	3,923,786.09
Jun	2 2006	3,925,311.12
Jul	2 2006	3,926,748.85
Aug	2 2006	3,928,198.56
Sep	2 2006	3,929,660.35
Oct	2 2006	3,931,034.31
Nov	2 2006	3,932,419.73
Dec	2 2006	3,933,816.69
Jan	2 2007	3,935,125.28
Feb	2 2007	3,925,962.08
Mar	2 2007	3,927,158.77
Apr	2 2007	3,928,365.44
May	2 2007	3,929,642.64
Jun	2 2007	3,930,930.48
Jul	2 2007	3,932,289.53
Aug	2 2007	3,933,659.91
Sep	2 2007	3,935,041.70
Oct	2 2007	3,936,495.49
Nov	2 2007	3,937,961.39
Dec	2 2007	3,939,439.51
Jan	2 2008	3,940,990.42
Feb	2 2008	3,932,071.57
Mar	2 2008	3,933,514.64
Apr	2 2008	3,934,969.73
May	2 2008	3,936,479.68
Jun	2 2008	3,938,002.20
Jul	2 2008	3,939,580.13

Schedule V to the UT Sublease

UT STIPULATED LOSS VALUES

UT Equipment Lot No. 1

	UT Stipulated Loss Value Determination Date	Equity Portion of Stipulated Loss Value
Aug	2 2008	3,941,171.21
Sep	2 2008	3,942,775.55
Oct	2 2008	3,944,435.98
Nov	2 2008	3,946,110.24
Dec	2 2008	3,947,798.46
Jan	2 2009	3,949,543.46
Feb	2 2009	3,940,820.32
Mar	2 2009	3,942,460.73
Apr	2 2009	3,944,114.81
May	2 2009	3,945,805.66
Jun	2 2009	3,947,510.60
Jul	2 2009	3,949,252.73
Aug	2 2009	3,951,009.38
Sep	2 2009	3,952,780.67
Oct	2 2009	3,954,589.71
Nov	2 2009	3,956,413.82
Dec	2 2009	3,958,253.13
Jan	2 2010	3,960,130.75
Feb	2 2010	3,951,541.33
Mar	2 2010	3,953,316.58
Apr	2 2010	3,955,106.62
May	2 2010	3,956,912.12
Jun	2 2010	3,958,732.66
Jul	2 2010	3,960,568.92
Aug	2 2010	3,962,420.48
Sep	2 2010	3,964,287.47
Oct	2 2010	3,966,170.56
Nov	2 2010	3,968,069.34
Dec	2 2010	3,969,983.94
Jan	2 2011	3,971,915.04
Feb	2 2011	3,963,379.53
Mar	2 2011	3,965,209.15
Apr	2 2011	3,967,054.02
May	2 2011	3,968,889.38

Schedule V to the UT Sublease

UT STIPULATED LOSS VALUES

UT Equipment Lot No. 1

UT Stipulated Loss Value Determination Date	Equity Portion of Stipulated Loss Value
Jun 2 2011	3,970,740.04
Jul 2 2011	3,972,581.25
Aug 2 2011	3,974,437.79
Sep 2 2011	3,976,309.81
Oct 2 2011	3,978,172.56
Nov 2 2011	3,980,050.82
Dec 2 2011	3,981,944.74
Jan 2 2012	3,983,829.57
Feb 2 2012	3,975,247.41
Mar 2 2012	3,977,029.98
Apr 2 2012	3,978,827.40
May 2 2012	3,980,586.26
Jun 2 2012	3,982,359.78
Jul 2 2012	3,984,094.52
Aug 2 2012	3,985,843.72
Sep 2 2012	3,987,607.50
Oct 2 2012	3,989,332.43
Nov 2 2012	3,991,071.74
Dec 2 2012	3,992,825.53
Jan 2 2013	3,994,540.40
Feb 2 2013	3,985,786.86
Mar 2 2013	3,987,396.63
Apr 2 2013	3,989,019.81
May 2 2013	3,990,570.73
Jun 2 2013	3,992,134.58
Jul 2 2013	3,993,625.68
Aug 2 2013	3,995,129.20
Sep 2 2013	3,996,645.25
Oct 2 2013	3,998,088.15
Nov 2 2013	3,999,543.07
Dec 2 2013	4,001,010.12
Jan 2 2014	4,002,403.60
Feb 2 2014	3,993,326.01
Mar 2 2014	3,994,609.02

Schedule V to the UT Sublease

UT STIPULATED LOSS VALUES

UT Equipment Lot No. 1

UT Stipulated Loss Value Determination Date	Equity Portion of Stipulated Loss Value
Apr 2 2014	3,995,902.73
May 2 2014	3,997,126.00
Jun 2 2014	3,998,359.47
Jul 2 2014	3,999,522.01
Aug 2 2014	4,000,694.24
Sep 2 2014	4,001,876.24
Oct 2 2014	4,002,986.88
Nov 2 2014	4,004,106.77
Dec 2 2014	4,005,236.00
Jan 2 2015	4,006,293.43
Feb 2 2015	3,996,876.97
Mar 2 2015	3,997,818.30
Apr 2 2015	3,998,767.47
May 2 2015	3,999,681.35
Jun 2 2015	4,000,602.84
Jul 2 2015	4,001,488.81
Aug 2 2015	4,002,382.16
Sep 2 2015	4,003,282.95
Oct 2 2015	4,004,148.05
Nov 2 2015	4,005,020.36
Dec 2 2015	4,005,899.93
Jan 2 2016	4,006,743.63
Feb 2 2016	3,997,111.67
Mar 2 2016	3,997,835.70
Apr 2 2016	3,998,565.75
May 2 2016	3,999,113.63
Jun 2 2016	3,999,666.07
Jul 2 2016	4,000,034.85
Aug 2 2016	4,000,406.71
Sep 2 2016	4,000,781.66
Oct 2 2016	4,000,971.47
Nov 2 2016	4,001,162.86
Dec 2 2016	4,001,355.85
Jan 2 2017	4,001,362.18

Schedule V to the UT Sublease

UT STIPULATED LOSS VALUES

UT Equipment Lot No. 1

UT Stipulated Loss Value Determination Date	Equity Portion of Stipulated Loss Value
Feb 2 2017	4,001,368.57
Mar 2 2017	4,001,375.01
Apr 2 2017	4,001,381.50
May 2 2017	4,002,680.28
Jun 2 2017	4,003,989.88
Jul 2 2017	4,006,602.63
Aug 2 2017	4,009,237.15
Sep 2 2017	4,011,893.63
Oct 2 2017	4,015,864.48
Nov 2 2017	4,019,868.42
Dec 2 2017	4,023,905.72
Jan 2 2018	4,029,268.90
Feb 2 2018	4,034,676.78
Mar 2 2018	4,040,129.72
Apr 2 2018	4,045,628.11
May 2 2018	4,052,368.40
Jun 2 2018	4,059,164.86
Jul 2 2018	4,067,214.06
Aug 2 2018	4,075,330.33
Sep 2 2018	4,083,514.24
Oct 2 2018	4,092,962.43
Nov 2 2018	4,102,489.37
Dec 2 2018	4,112,095.69
Jan 2 2019	4,122,978.16
Feb 2 2019	4,133,951.32
Mar 2 2019	4,145,015.92
Apr 2 2019	4,156,172.72
May 2 2019	4,168,514.17
Jun 2 2019	4,180,958.46
Jul 2 2019	4,194,598.13
Aug 2 2019	4,208,351.46
Sep 2 2019	4,222,219.40
Oct 2 2019	4,237,294.58
Nov 2 2019	4,252,495.38

Schedule V to the UT Sublease

UT STIPULATED LOSS VALUES

UT Equipment Lot No. 1

UT Stipulated Loss Value Determination Date	Equity Portion of Stipulated Loss Value
Dec 2 2019	4,267,822.86
Jan 2 2020	4,284,369.73
Feb 2 2020	4,301,054.50
Mar 2 2020	4,317,878.30
Apr 2 2020	4,334,842.31
May 2 2020	4,352,926.16
Jun 2 2020	4,371,160.71
Jul 2 2020	4,390,525.70
Aug 2 2020	4,410,052.06
Sep 2 2020	4,429,741.14
Oct 2 2020	4,450,572.78
Nov 2 2020	4,471,578.01
Dec 2 2020	4,492,758.29
Jan 2 2021	4,515,093.55
Feb 2 2021	3,685,559.39
Mar 2 2021	3,697,393.07
Apr 2 2021	3,709,325.35
May 2 2021	3,722,488.48
Jun 2 2021	3,735,761.30
Jul 2 2021	3,750,276.12
Aug 2 2021	3,764,911.90
Sep 2 2021	3,779,669.65
Oct 2 2021	3,795,681.78
Nov 2 2021	3,811,827.35
Dec 2 2021	3,828,107.46
Jan 2 2022	3,845,654.64
Feb 2 2022	2,465,568.98
Mar 2 2022	2,465,568.98
Apr 2 2022	2,465,568.98
May 2 2022	2,466,822.01
Jun 2 2022	2,468,085.47
Jul 2 2022	2,470,612.49
Aug 2 2022	2,473,160.57
Sep 2 2022	2,475,729.88

Schedule V to the UT Sublease

UT STIPULATED LOSS VALUES

UT Equipment Lot No. 1

	UT Stipulated Loss Value Determination Date	Equity Portion of Stipulated Loss Value
Oct	2 2022	2,479,573.63
Nov	2 2022	2,483,449.41
Dec	2 2022	2,487,357.48
Jan	2 2023	2,492,551.15
Feb	2 2023	2,084,069.17
Mar	2 2023	2,084,069.17
Apr	2 2023	2,084,069.17
May	2 2023	2,085,177.70
Jun	2 2023	2,086,295.47
Jul	2 2023	2,088,531.08
Aug	2 2023	2,090,785.32
Sep	2 2023	2,093,058.35
Oct	2 2023	2,096,458.85
Nov	2 2023	2,099,887.69
Dec	2 2023	2,103,345.10
Jan	2 2024	2,107,939.85
Feb	2 2024	1,746,562.59
Mar	2 2024	1,746,562.59
Apr	2 2024	1,746,562.59
May	2 2024	1,747,515.53
Jun	2 2024	1,748,476.40
Jul	2 2024	1,750,398.22
Aug	2 2024	1,752,336.05
Sep	2 2024	1,754,290.03
Oct	2 2024	1,757,213.23
Nov	2 2024	1,760,160.78
Dec	2 2024	1,763,132.90
Jan	2 2025	1,767,082.73
Feb	2 2025	1,456,429.23
Mar	2 2025	1,456,429.23
Apr	2 2025	1,456,429.23
May	2 2025	1,457,126.22
Jun	2 2025	1,457,829.01
Jul	2 2025	1,459,234.64

Schedule V to the UT Sublease

UT STIPULATED LOSS VALUES

UT Equipment Lot No. 1

UT Stipulated Loss Value Determination Date	Equity Portion of Stipulated Loss Value
Aug 2 2025	1,460,651.98
Sep 2 2025	1,462,081.14
Oct 2 2025	1,464,219.19
Nov 2 2025	1,466,375.06
Dec 2 2025	1,468,548.89
Dec 5 2025	1,468,548.89

Schedule V to the UT Sublease

UT STIPULATED LOSS VALUES

UT Equipment Lot No. 2

UT Stipulated Loss Value Determination Date	Equity Portion of Stipulated Loss Value
Jan 2 2003	20,317,925.68
Feb 2 2003	20,278,411.15
Mar 2 2003	20,290,355.33
Apr 2 2003	20,302,399.05
May 2 2003	20,313,684.05
Jun 2 2003	20,325,063.08
Jul 2 2003	20,335,677.86
Aug 2 2003	20,346,381.09
Sep 2 2003	20,357,173.52
Oct 2 2003	20,367,196.80
Nov 2 2003	20,377,303.60
Dec 2 2003	20,387,494.63
Jan 2 2004	20,396,911.49
Feb 2 2004	20,354,388.37
Mar 2 2004	20,363,298.89
Apr 2 2004	20,372,283.66
May 2 2004	20,381,095.46
Jun 2 2004	20,389,980.70
Jul 2 2004	20,398,692.13
Aug 2 2004	20,407,476.16
Sep 2 2004	20,416,333.39
Oct 2 2004	20,425,016.58
Nov 2 2004	20,433,772.14
Dec 2 2004	20,442,600.65
Jan 2 2005	20,451,254.90
Feb 2 2005	20,407,962.80
Mar 2 2005	20,416,097.94
Apr 2 2005	20,424,300.86
May 2 2005	20,432,197.27
Jun 2 2005	20,440,159.48
Jul 2 2005	20,447,813.17
Aug 2 2005	20,455,530.63
Sep 2 2005	20,463,312.41

Schedule V to the UT Sublease
 UT STIPULATED LOSS VALUES

UT Equipment Lot No. 2

Stipulated Loss Value Determination <u>Date</u>	Equity Portion of Stipulated Loss <u>Value</u>
Oct 2 2005	20,470,784.16
Nov 2 2005	20,478,318.17
Dec 2 2005	20,485,914.96
Jan 2 2006	20,493,200.19
Feb 2 2006	20,448,527.66
Mar 2 2006	20,455,270.86
Apr 2 2006	20,462,070.26
May 2 2006	20,468,417.15
Jun 2 2006	20,474,816.93
Jul 2 2006	20,480,760.87
Aug 2 2006	20,486,754.34
Sep 2 2006	20,492,797.76
Oct 2 2006	20,498,382.38
Nov 2 2006	20,504,013.53
Dec 2 2006	20,509,691.61
Jan 2 2007	20,514,907.84
Feb 2 2007	20,468,149.07
Mar 2 2007	20,472,788.65
Apr 2 2007	20,477,466.89
May 2 2007	20,481,804.13
Jun 2 2007	20,486,177.50
Jul 2 2007	20,490,207.33
Aug 2 2007	20,494,270.73
Sep 2 2007	20,498,368.00
Oct 2 2007	20,502,119.42
Nov 2 2007	20,505,902.10
Dec 2 2007	20,509,716.30
Jan 2 2008	20,513,182.29
Feb 2 2008	20,464,658.71
Mar 2 2008	20,467,518.76
Apr 2 2008	20,470,402.64
May 2 2008	20,473,548.32
Jun 2 2008	20,476,720.21
Jul 2 2008	20,480,156.30

Schedule V to the UT Sublease

UT STIPULATED LOSS VALUES

UT Equipment Lot No. 2

UT Stipulated Loss Value Determination Date	Equity Portion of Stipulated Loss Value
Aug 2 2008	20,483,621.02
Sep 2 2008	20,487,114.61
Oct 2 2008	20,490,875.08
Nov 2 2008	20,494,666.89
Dec 2 2008	20,498,490.29
Jan 2 2009	20,502,583.32
Feb 2 2009	20,454,692.00
Mar 2 2009	20,458,189.58
Apr 2 2009	20,461,716.31
May 2 2009	20,465,396.04
Jun 2 2009	20,469,106.44
Jul 2 2009	20,472,971.37
Aug 2 2009	20,476,868.51
Sep 2 2009	20,480,798.13
Oct 2 2009	20,484,884.10
Nov 2 2009	20,489,004.13
Dec 2 2009	20,493,158.49
Jan 2 2010	20,497,471.08
Feb 2 2010	20,449,801.16
Mar 2 2010	20,453,521.98
Apr 2 2010	20,457,273.81
May 2 2010	20,461,053.04
Jun 2 2010	20,464,863.76
Jul 2 2010	20,468,702.38
Aug 2 2010	20,472,572.98
Sep 2 2010	20,476,475.84
Oct 2 2010	20,480,407.36
Nov 2 2010	20,484,371.64
Dec 2 2010	20,488,368.96
Jan 2 2011	20,492,395.73
Feb 2 2011	20,444,437.59
Mar 2 2011	20,447,867.80
Apr 2 2011	20,451,326.59
May 2 2011	20,454,666.05

Schedule V to the UT Sublease
 UT STIPULATED LOSS VALUES

UT Equipment Lot No. 2

UT Stipulated Loss Value Determination Date	Equity Portion of Stipulated Loss Value
Jun 2 2011	20,458,033.34
Jul 2 2011	20,461,280.52
Aug 2 2011	20,464,554.77
Sep 2 2011	20,467,856.30
Oct 2 2011	20,471,037.18
Nov 2 2011	20,474,244.58
Dec 2 2011	20,477,478.70
Jan 2 2012	20,480,591.60
Feb 2 2012	20,431,711.99
Mar 2 2012	20,434,213.05
Apr 2 2012	20,436,734.95
May 2 2012	20,438,966.99
Jun 2 2012	20,441,217.62
Jul 2 2012	20,443,176.13
Aug 2 2012	20,445,150.96
Sep 2 2012	20,447,142.25
Oct 2 2012	20,448,839.24
Nov 2 2012	20,450,550.38
Dec 2 2012	20,452,275.78
Jan 2 2013	20,453,704.68
Feb 2 2013	20,403,127.02
Mar 2 2013	20,403,915.88
Apr 2 2013	20,404,711.32
May 2 2013	20,405,019.61
Jun 2 2013	20,405,330.47
Jul 2 2013	20,405,330.46
Aug 2 2013	20,405,330.46
Sep 2 2013	20,405,330.46
Oct 2 2013	20,405,330.46
Nov 2 2013	20,405,330.46
Dec 2 2013	20,405,330.46
Jan 2 2014	20,405,330.46
Feb 2 2014	20,353,970.46
Mar 2 2014	20,353,970.46

Schedule V to the UT Sublease

UT STIPULATED LOSS VALUES

UT Equipment Lot No. 2

UT Stipulated Loss Value Determination Date	Equity Portion of Stipulated Loss Value
Apr 2 2014	20,353,970.46
May 2 2014	20,353,970.46
Jun 2 2014	20,353,970.46
Jul 2 2014	20,353,970.46
Aug 2 2014	20,353,970.46
Sep 2 2014	20,353,970.46
Oct 2 2014	20,353,970.46
Nov 2 2014	20,353,970.46
Dec 2 2014	20,353,970.46
Jan 2 2015	20,353,970.46
Feb 2 2015	20,302,610.46
Mar 2 2015	20,302,610.46
Apr 2 2015	20,302,610.46
May 2 2015	20,302,610.46
Jun 2 2015	20,302,610.46
Jul 2 2015	20,302,610.46
Aug 2 2015	20,302,610.46
Sep 2 2015	20,302,610.46
Oct 2 2015	20,302,610.46
Nov 2 2015	20,302,610.46
Dec 2 2015	20,302,610.46
Jan 2 2016	20,302,610.46
Feb 2 2016	20,251,250.46
Mar 2 2016	20,251,250.46
Apr 2 2016	20,251,250.46
May 2 2016	20,251,250.46
Jun 2 2016	20,251,250.46
Jul 2 2016	20,251,250.46
Aug 2 2016	20,251,250.46
Sep 2 2016	20,251,250.46
Oct 2 2016	20,251,250.46
Nov 2 2016	20,251,250.46
Dec 2 2016	20,251,250.46
Jan 2 2017	20,251,250.46

Schedule V to the UT Sublease

UT STIPULATED LOSS VALUES

UT Equipment Lot No. 2

UT Stipulated Loss Value Determination Date	Equity Portion of Stipulated Loss Value
Feb 2 2017	20,251,250.46
Mar 2 2017	20,251,250.46
Apr 2 2017	20,251,250.46
May 2 2017	20,251,250.46
Jun 2 2017	20,251,250.46
Jul 2 2017	20,254,646.50
Aug 2 2017	20,258,070.84
Sep 2 2017	20,261,523.72
Oct 2 2017	20,271,502.02
Nov 2 2017	20,281,563.47
Dec 2 2017	20,291,708.77
Jan 2 2018	20,308,435.27
Feb 2 2018	20,325,301.15
Mar 2 2018	20,342,307.57
Apr 2 2018	20,359,455.72
May 2 2018	20,382,757.38
Jun 2 2018	20,406,253.23
Jul 2 2018	20,435,955.48
Aug 2 2018	20,465,905.25
Sep 2 2018	20,496,104.60
Oct 2 2018	20,532,566.22
Nov 2 2018	20,569,331.69
Dec 2 2018	20,606,403.54
Jan 2 2019	20,649,794.93
Feb 2 2019	20,693,547.91
Mar 2 2019	20,737,665.51
Apr 2 2019	20,782,150.75
May 2 2019	20,832,489.45
Jun 2 2019	20,883,247.63
Jul 2 2019	20,939,911.55
Aug 2 2019	20,997,047.67
Sep 2 2019	21,054,659.92
Oct 2 2019	21,118,235.01
Nov 2 2019	21,182,339.90

Schedule V to the UT Sublease

UT STIPULATED LOSS VALUES

UT Equipment Lot No. 2

UT Stipulated Loss Value Determination <u>Date</u>	Equity Portion of Stipulated Loss <u>Value</u>
Dec 2 2019	21,246,979.00
Jan 2 2020	21,317,639.50
Feb 2 2020	21,388,888.84
Mar 2 2020	21,460,731.93
Apr 2 2020	21,533,173.70
May 2 2020	21,611,130.22
Jun 2 2020	21,689,736.38
Jul 2 2020	21,773,908.66
Aug 2 2020	21,858,782.36
Sep 2 2020	21,944,363.35
Oct 2 2020	22,035,568.58
Nov 2 2020	22,127,533.85
Dec 2 2020	22,220,265.50
Jan 2 2021	22,318,680.97
Feb 2 2021	22,417,916.57
Mar 2 2021	22,517,979.14
Apr 2 2021	22,618,875.56
May 2 2021	22,725,197.62
Jun 2 2021	22,832,405.69
Jul 2 2021	22,945,092.00
Aug 2 2021	23,058,717.36
Sep 2 2021	23,173,289.60
Oct 2 2021	23,293,401.45
Nov 2 2021	23,414,514.22
Dec 2 2021	23,536,636.27
Jan 2 2022	23,664,360.83
Feb 2 2022	17,016,271.89
Mar 2 2022	17,059,635.94
Apr 2 2022	17,103,361.36
May 2 2022	17,153,760.54
Jun 2 2022	17,204,579.71
Jul 2 2022	17,262,131.77
Aug 2 2022	17,320,163.42
Sep 2 2022	17,378,678.67

Schedule V to the UT Sublease
 UT STIPULATED LOSS VALUES

UT Equipment Lot No. 2

UT Stipulated Loss Value Determination <u>Date</u>		Equity Portion of Stipulated Loss <u>Value</u>
Oct 2	2022	17,443,990.93
Nov 2	2022	17,509,847.46
Dec 2	2022	17,576,252.79
Jan 2	2023	17,649,520.88
Feb 2	2023	11,886,985.23
Mar 2	2023	11,886,985.23
Apr 2	2023	11,886,985.23
May 2	2023	11,892,563.77
Jun 2	2023	11,898,188.80
Jul 2	2023	11,909,439.25
Aug 2	2023	11,920,783.46
Sep 2	2023	11,932,222.20
Oct 2	2023	11,949,334.81
Nov 2	2023	11,966,590.02
Dec 2	2023	11,983,989.03
Jan 2	2024	12,007,111.57
Feb 2	2024	10,188,523.66
Mar 2	2024	10,188,523.66
Apr 2	2024	10,188,523.66
May 2	2024	10,193,319.36
Jun 2	2024	10,198,155.02
Jul 2	2024	10,207,826.67
Aug 2	2024	10,217,578.92
Sep 2	2024	10,227,412.44
Oct 2	2024	10,242,123.60
Nov 2	2024	10,256,957.35
Dec 2	2024	10,271,914.72
Jan 2	2025	10,291,792.43
Feb 2	2025	9,869,910.81
Mar 2	2025	9,884,480.58
Apr 2	2025	9,899,171.78
May 2	2025	9,917,935.13
Jun 2	2025	9,936,854.84
Jul 2	2025	9,959,881.94

Schedule V to the UT Sublease

UT STIPULATED LOSS VALUES

UT Equipment Lot No. 2

UT Stipulated Loss Value Determination Date	Equity Portion of Stipulated Loss Value
Aug 2 2025	9,983,100.93
Sep 2 2025	10,006,513.42
Oct 2 2025	10,034,070.73
Nov 2 2025	10,061,857.69
Dec 2 2025	10,089,876.21
Jan 2 2026	10,122,077.94
Feb 2 2026	10,154,548.02
Mar 2 2026	10,187,288.69
Apr 2 2026	10,220,302.19
May 2 2026	10,255,430.69
Jun 2 2026	10,290,851.93
Jul 2 2026	10,328,408.23
Aug 2 2026	10,366,277.50
Aug 10 2026	10,366,277.50

SCHEDULE VI

AGREED UT PURCHASE OPTION PRICE

UT Equipment Lot No. 1

Installment Payment Date	Purchase Option Installment Amount
January 2, 2017	—
April 15, 2017	—
June 15, 2017	—
September 15, 2017	—
December 15, 2017	\$5,000

UT Equipment Lot No. 2

Installment Payment Date	Purchase Option Installment Amount
January 2, 2017	—
April 15, 2017	—
June 15, 2017	—
September 15, 2017	—
December 15, 2017	\$24,000

SCHEDULE VII
UT SUBLEASE RENT
UT Equipment Lot No. 1

Running No.	UT Sublease Rent
818	\$235,416.67
835	\$185,416.67
837	\$185,416.67
844	\$185,416.67
850	\$ _____

UT Equipment Lot No. 2

Running No.	UT Sublease Rent
801	\$235,416.67
816	\$235,416.67
817	\$235,416.67
819	\$235,416.67
822	\$235,416.67
823	\$235,416.67
824	\$235,416.67
825	\$235,416.67
826	\$235,416.67
827	\$235,416.67
828	\$235,416.67
829	\$235,416.67
830	\$235,416.67
834	\$185,416.67
838	\$185,416.67
839	\$185,416.67
840	\$235,416.67
842	\$185,416.67
843	\$185,416.67
845	\$185,416.67
846	\$ _____
847	\$ _____
848	\$ _____
849	\$ _____