

TROUTMAN SANDERS LLP

A T T O R N E Y S A T L A W
A LIMITED LIABILITY PARTNERSHIP

401 9th STREET, N.W.
SUITE 1000
WASHINGTON, D.C. 20004-2134
www.troutmansanders.com
TELEPHONE: 202-274-2950

Sandra L. Brown
sandra.brown@troutmansanders.com

Direct Dial: 202-274-2959
Fax: 202-654-5603

June 30, 2004

RECORDATION NO. 20701-C FILED

JUN 30 '04

4-49 PM

VIA HAND DELIVERY

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, NW
Room 704
Washington, D.C. 20423

SURFACE TRANSPORTATION BOARD

RE: Rail Recordation No. 20701-__
Railcars Operated by Georgia Power Company

Dear Secretary Williams:

I am enclosing herewith an original and one duplicate original of the secondary documents described below, to be recorded pursuant to Section 11301 of Title 49 of the U.S. Code, as well as an additional copy of each document to be stamped and returned to the person delivering this filing. A description of the equipment covered by these documents follows hereafter.

Secondary Documents: There are two secondary documents filed herewith that relate to the primary document recorded under Recordation No. 20701. They are:

1. Amended and Restated Equipment Leasing Agreement dated as of June 30, 2004, between MHCB (USA) Leasing & Finance Corporation (formerly FBTC Leasing Corp.) and Georgia Power Company, which replaces the Equipment Leasing Agreement dated as of May 30, 1997, between FBTC Leasing Corp. (as the Lessor) and Georgia Power Company (as the Lessee),

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The Honorable Vernon A. Williams
June 30, 2004
Page 2

as supplemented by Lease Supplement No. 1 and Lease Supplement No. 2, both of which are dated as of May 30, 1997.

The names and addresses of the parties to this secondary document are as follows:

Lessee:

Georgia Power Company
c/o Southern Company Services, Inc.
270 Peachtree Street, N.W., Suite 2000
Atlanta, GA 30303

Lessor:

MHCB (USA) Leasing & Finance Corporation
1251 Avenue of the Americas
New York, NY 10020

A description of the equipment covered by this document is as follows:

296 hopper cars recorded under Recordation No. 20701, which are: (i) 271 Avalanche hopper cars manufactured by Thrall Car Manufacturing Company with 4065 cubic foot capacity and 117-ton, fully-automatic aluminum (recorded under Recordation No. 20701-A), marked with reporting marks GALX and HBWX;¹ and (ii) 25 "Super Avalanche" hopper cars manufactured by Thrall Car Manufacturing Company with 4220 cubic foot capacity and 117-ton fully-automatic aluminum (recorded under Recordation No. 20701-B), marked with reporting mark RWSX. In addition to the 296 hopper cars recorded under Recordation No. 20701, 424 coal cars previously recorded under Recordation Nos. 22549, 22549-A, 22549-B, 22549-C and 22549-D were added to this document, all of which were

¹ Recordation No. 20701 and its affixes (Recordation Nos. 20701-A and 20701-B) originally contained 287 Avalanche hopper cars. However, 16 cars (GALX 96001, GALX 96004, GALX 96005, GALX 96006, GALX 96016, GALX 96018, GALX 96051, GALX 96071, GALX 96087, GALX 96088, GALX 96092, GALX 96121, GALX 96152, GALX 96159, GALX 96166, and HBWX 96273), filed under Recordation No. 20701-A, were taken out of the lease due to casualty events.

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A LIMITED LIABILITY PARTNERSHIP

The Honorable Vernon A. Williams
June 30, 2004
Page 3

manufactured by Trinity Industries, Inc. with 119 ton, Aluminum Body Steel Underframe Rapid Discharge V, AAR Mechanical Designation HK, and AAR Car Type Code H330, marked with reporting mark HYWX.² The individual cars covered by this document are identified in the Lease Supplement filed herewith.

Summary for the index: The secondary document is an Amended and Restated Equipment Leasing Agreement dated as of June 30, 2004, between MHC B (USA) Leasing & Finance Corporation (formerly FBTC Leasing Corp.) ("Lessor") and Georgia Power Company ("Lessee"), which replaces the Equipment Leasing Agreement dated as of May 30, 1997, between FBTC Leasing Corp. (as the Lessor) and Georgia Power Company (as the Lessee), as supplemented by Lease Supplement No. 1 and Lease Supplement No. 2, both of which are dated as of May 30, 1997, and covering: (i) 271 Avalanche hopper cars manufactured by Thrall Car Manufacturing Company with 4065 cubic foot capacity and 117-ton, fully-automatic aluminum, marked with reporting marks GALX and HBWX; and (ii) 25 "Super Avalanche" hopper cars manufactured by Thrall Car Manufacturing Company with 4220 cubic foot capacity and 117-ton fully-automatic aluminum, marked with reporting mark RWSX; and (iii) 424 coal cars manufactured by Trinity Industries, Inc. with 119 ton, Aluminum Body Steel Underframe Rapid Discharge V, AAR Mechanical Designation HK, and AAR Car Type Code H330, marked with reporting mark HYWX. The individual cars covered by this document are identified in the Lease Supplement filed herewith.

2. Lease Supplement, relating to the Amended and Restated Equipment Leasing Agreement between MHC B (USA) Leasing & Finance Corporation (formerly FBTC Leasing Corp.) ("Lessor") and Georgia Power Company ("Lessee"), of the addresses shown above, dated as of June 30, 2004, and covering: (i) GALX 96002 through 96182 (inclusive), excluding GALX 96001, GALX 96004, GALX 96005, GALX 96006, GALX 96016, GALX 96018, GALX 96051, GALX 96071, GALX 96087, GALX 96088, GALX 96092, GALX 96121, GALX 96152, GALX 96159, GALX 96166, which were taken out of the lease due to casualty events; (ii) HBWX 96183 through 96287 (inclusive), excluding HBWX 96273, which was taken out of the lease due to a casualty event; (iii) RWSX 97117 through 97141 (inclusive); and (iv) HYWX 99000

² Recordation No. 22549 and its affixes (Recordation Nos. 22549-A, 22549-B, 22549-C, and 22549-D) originally contained 425 coal cars. However, car no. HYWX 99117 (filed under Recordation No. 22549-B) was destroyed.

TROUTMAN SANDERS LLP
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A LIMITED LIABILITY PARTNERSHIP

The Honorable Vernon A. Williams
June 30, 2004
Page 4

through 99424 (inclusive), excluding car no. HYWX 99117, which was destroyed (manufacturer's serial nos. 812249 through 812673 - excluding no. 812366 that was destroyed).

Summary for the index: The secondary document is Lease Supplement to the Amended and Restated Equipment Leasing Agreement between MHC B (USA) Leasing & Finance Corporation (formerly FBTC Leasing Corp.) ("Lessor") and Georgia Power Company ("Lessee"), dated as of June 30, 2004, and covering: (i) 271 Avalanche hopper cars manufactured by Thrall Car Manufacturing Company with 4065 cubic foot capacity and 117-ton, fully-automatic aluminum, marked with reporting marks GALX 96002 through 96182 (inclusive), excluding GALX 96001, GALX 96004, GALX 96005, GALX 96006, GALX 96016, GALX 96018, GALX 96051, GALX 96071, GALX 96087, GALX 96088, GALX 96092, GALX 96121, GALX 96152, GALX 96159, GALX 96166, which were taken out of the lease due to casualty events, and HBWX 96183 through 96287 (inclusive), excluding HBWX 96273, which was taken out of the lease due to a casualty event; (ii) 25 "Super Avalanche" hopper cars manufactured by Thrall Car Manufacturing Company with 4220 cubic foot capacity and 117-ton fully-automatic aluminum, marked with reporting mark RWSX 97117 through 97141 (inclusive); and (iii) 424 coal cars manufactured by Trinity Industries, Inc. with 119 ton, Aluminum Body Steel Underframe Rapid Discharge V, AAR Mechanical Designation HK, and AAR Car Type Code H330, marked with reporting mark HYWX 99000 through 99424 (inclusive), excluding HYWX 99117, which was destroyed (manufacturer's serial nos. 812249 through 812673 - excluding no. 812366 that was destroyed).

Enclosed please find a check for this filing in the amount of \$60.00. Please return all enclosed documents not needed by the Board for recordation to the person delivering this filing.

Sincerely yours,

Sandra L. Brown (VBB)
Sandra L. Brown
Virginia Brunelli Balestrieri
Attorneys for Georgia Power Company

Enclosures

AMENDED AND RESTATED
EQUIPMENT LEASING AGREEMENT

dated as of June 30, 2004

RECORDATION NO. 20701-C FILED

JUN 30 '04

4-49 PM

SURFACE TRANSPORTATION BOARD

between

MHCB (USA) LEASING & FINANCE CORPORATION,
as the Lessor

and

GEORGIA POWER COMPANY,
as the Lessee

THIS IS COUNTERPART NO. 2 OF FIVE SERIALLY NUMBERED MANUALLY EXECUTED COUNTERPARTS. TO THE EXTENT, IF ANY, THAT THIS DOCUMENT CONSTITUTES CHATTEL PAPER UNDER THE UNIFORM COMMERCIAL CODE, NO SECURITY INTEREST IN THIS DOCUMENT MAY BE PERFECTED THROUGH THE POSSESSION OF ANY COUNTERPART OTHER THAN COUNTERPART NO. 1.

TABLE OF CONTENTS

<u>Section</u>	<u>Page</u>
1. <u>Definitions; Construction</u>	1
(a) <u>Definitions</u>	1
(b) <u>Construction</u>	10
2. <u>Agreement for Purchase and Lease of Equipment</u>	10
(a) <u>Purchase</u>	10
(b) <u>Lease</u>	10
3. <u>Conditions Precedent</u>	10
4. <u>Delivery, Acceptance and Leasing of Equipment; Funding</u>	12
(a) <u>Delivery, Acceptance and Leasing</u>	12
(b) <u>Funding</u>	12
(c) <u>Characterization</u>	12
5. <u>Term</u>	12
6. <u>Return of Equipment</u>	12
7. <u>Basic Rent and Other Payments</u>	14
(a) <u>Basic Rent</u>	14
(b) <u>Supplemental Payments</u>	14
(c) <u>Method of Payment</u>	14
8. <u>Net Lease</u>	15
9. <u>Retention of Security Interest; Equipment Is Personal Property</u>	15
10. <u>Use of Equipment; Compliance with Laws</u>	15
11. <u>Maintenance and Repair of Equipment</u>	16
12. <u>Replacements; Alterations; Modifications</u>	17
13. <u>Identification Marks; Inspection</u>	17
14. <u>Assignment and Subleasing</u>	18
(a) <u>By the Lessee</u>	18
(b) <u>By the Lessor</u>	18
15. <u>Liens</u>	19
16. <u>Loss, Damage or Destruction</u>	19
(a) <u>Risk of Loss, Damage or Destruction</u>	19
(b) <u>Payment of Casualty Loss Value Upon an Event of Loss</u>	20
(c) <u>Application of Payments Not Relating to an Event of Loss</u>	20

17. <u>Insurance</u>	20
18. <u>General Tax Indemnity</u>	21
19. <u>Indemnification</u>	23
20. <u>No Warranties</u>	25
21. <u>Lessee's Representations and Warranties</u>	25
22. <u>Events of Default</u>	27
23. <u>Remedies Upon Default</u>	28
24. <u>Lessor's Right to Perform for the Lessee</u>	30
25. <u>Late Charges</u>	30
26. <u>Further Assurances</u>	30
27. <u>Notices</u>	31
28. <u>Lessee's Renewal, Purchase and Sale Options</u>	31
(a) <u>Lessee's Renewal Option</u>	31
(b) <u>Lessee's Purchase Options</u>	31
(c) <u>Third Party Sale of Equipment</u>	32
29. <u>End-of-Term Rental Adjustment</u>	33
(a) <u>Third Party Sale of Equipment</u>	33
(b) <u>Lessee Payment</u>	34
30. <u>Covenants of the Lessee</u>	34
(a) <u>Financial Information</u>	34
(b) <u>Mergers, etc</u>	34
(c) <u>ERISA</u>	34
(d) <u>ERISA Information</u>	34
(e) <u>ERISA Notice</u>	34
(f) <u>Litigation</u>	35
31. <u>Payment of Transaction Expenses</u>	35
32. <u>Owner for Income Tax Purposes</u>	35
33. <u>LIBO Rate Provisions</u>	35
(a) <u>Match Funding</u>	35
(b) <u>Basis for Determining Rent Inadequate or Unfair</u>	35
(c) <u>Illegality</u>	35
(d) <u>Increased Cost and Reduced Return</u>	36

34. Governing Law; Waiver of Jury Trial.....37

35. Miscellaneous37

Schedule

Schedule I - Notice Information

Exhibits

Exhibit A - Form of Lease Supplement

Exhibit B - Form of Funding Notice

AMENDED AND RESTATED EQUIPMENT LEASING AGREEMENT

AMENDED AND RESTATED EQUIPMENT LEASING AGREEMENT dated as of June 30, 2004 (herein, as amended and supplemented from time to time, called "this Lease"), between MHC B (USA) LEASING & FINANCE CORPORATION, a New York corporation (herein called the "Lessor"), having its principal place of business at 1251 Avenue of the Americas, New York, New York 10020, and GEORGIA POWER COMPANY, a Georgia corporation (herein called the "Lessee"), having its principal place of business at 241 Ralph McGill Boulevard, Atlanta, Georgia 30308.

In consideration of the mutual covenants and agreements hereinafter set forth, the parties hereto agree as follows:

1. Definitions; Construction.

(a) Definitions. Unless the context otherwise requires, the following terms shall have the following meanings for all purposes of this Lease and shall be equally applicable to both the singular and the plural forms of the terms herein defined:

"Acquisition Cost" of each Item of Equipment means an amount equal to the sum of (i) the total cost paid by the Lessor for such Item, plus (ii) all Transaction Expenses approved and paid by the Lessor in connection with the delivery and installation of such Item (it being understood that, for the purposes of utilizing Acquisition Cost to determine Basic Rent, Casualty Loss Value, Estimated Residual Value, Maximum Lessee Risk Amount and Maximum Lessor Risk Amount with respect to an Item of Equipment, Transaction Expenses will be applied pro rata to all Items of Equipment then subject to the Lease Supplement).

"Additional Acquisition Cost" means the aggregate Acquisition Cost of all items of Equipment listed on the Lease Supplement as "New Equipment."

"Affected Party" means the Lessor, the Lender or any of their respective successors and assigns.

"Affiliate" means, with respect to any Person, another Person (i) which directly, or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such Person, (ii) which, directly or indirectly, of record or beneficially, owns or holds 10% or more of the shares of any class of capital stock of such Person having voting power or (iii) as to which 10% or more of the shares of any of the capital stock of the Affiliate having voting power is owned or held, directly or indirectly, of record or beneficially, by or for such Person.

"After-Tax Basis" means (a) with respect to any payment to be received by any Person, the amount of such payment supplemented by a further payment or payments so that, after deducting from such payments the amount of all taxes, charges, assessments and similar amounts owed to a Governmental Authority or taxing authority ("Taxes") (net of any current credits, deductions or other Tax benefits or the present value of any future credits, deductions, or other Tax benefits the timing and amounts of which are reasonably determinable (determined using an appropriate discount rate) arising from the payment by such Person of any amount, including Taxes, for which the payment to be received is made) actually imposed currently on such Person by any Governmental Authority or taxing authority with respect to such payments, the balance of such payments shall be equal to the original payment to be received and (b) with respect to any payment to be made by any such Person, the amount of such payment supplemented by a further payment or payments so that, after increasing such payment by the amount of any current credits or other Tax benefits or the present value of future credits or other Tax benefits the

timing and amounts of which are reasonably determinable (determined using an appropriate discount rate) realized by such Person under the laws of any Governmental Authority or taxing authority resulting from the making of such payments, the sum of such payments (net of such credits or benefits) shall be equal to the original payment to be made; provided, however, for the purposes of this definition, it shall be assumed that (i) federal, state and local income taxes, including franchise taxes based on income, are payable by such Person at the highest marginal statutory rates applicable to corporations from time to time in the relevant jurisdictions and (ii) such Person has sufficient income to utilize any deductions, credits (other than foreign tax credits, the use of which shall be determined on an actual basis) and other Tax benefits arising from any payments described in clause (b) of this definition.

"Alternate Base Rate" means, for any day, an interest rate per annum equal to the sum of (i) the Federal Funds Effective Rate most recently determined by the Lessor plus.50% and (ii) the Applicable Margin. If the aforesaid rate changes from time to time after the date of the Lease, the Alternate Base Rate shall be automatically increased or decreased, if appropriate and as the case may be, without notice to the Lessee as of the effective time of each change. The Alternate Base Rate is not necessarily intended to be the lowest rate of interest determined by the Lessor in connection with extensions of credit.

"Applicable Law" shall mean all applicable laws, statutes, treaties, rules, codes, ordinances, regulations, permits, certificates, orders, interpretations, licenses and permits of any Governmental Authority and judgments, decrees, injunctions, writs, orders or like action of any court, arbitrator or other administrative, judicial or quasi-judicial tribunal or agency of competent jurisdiction.

"Applicable Margin" means XXX% with respect to the calculation of Lender Variable Rent and XXX% with respect to the calculation of Lessor Variable Rent.

"Appraisal" means, with respect to each Item, an appraisal of the Fair Market Sales Value of such Item by an appraiser selected by the Lessor and satisfactory to the Lessee.

"Assignee" shall have the meaning given to such term in Section 14(b) hereof.

"Basic Rent" means the rent payable for each Item of Equipment during (i) the Basic Term thereof pursuant to Section 7(a) hereof and (ii) each Renewal Term thereof pursuant to Section 28(a) hereof.

"Basic Term" for each Item of Equipment means the period commencing on the Basic Term Commencement Date and ending on the seventh anniversary of such date unless earlier terminated in accordance with the provisions hereof.

"Basic Term Commencement Date" for each Item of Equipment means the Closing Date.

"Business Day" means any day other than a day on which banking institutions in the State of New York or the State of Georgia are authorized or required by law to close and, if the LIBO Rate is then the selected basis for calculating Basic Rent, a day on which dealings in Dollars are carried on in the London interbank market.

"Casualty Loss Value" of each Item of Equipment as of any Casualty Loss Value Payment Date means an amount determined by multiplying the Acquisition Cost of such Item of Equipment by the percentage set forth opposite such Casualty Loss Value Payment Date on Schedule I attached to the Lease Supplement.

"Casualty Loss Value Payment Date" of each Item of Equipment shall mean the Basic Term Commencement Date for such Item and the Rent Payment Date next following the date of the Event of Loss applicable to such Item (or the last day of the Term if there is no succeeding Rent Payment Date) and shall be as set forth in the Schedule of Casualty Loss Values attached to the Lease Supplement.

"Closing Date" means the date of the execution and delivery of this Lease by the parties hereto.

"Code" means the Internal Revenue Code of 1986, as the same may be amended from time to time, or any comparable successor law.

"Commitment Amount" means the amount aggregate Acquisition Cost.

"Debt" means, for any Person:

(b) all indebtedness of such Person for borrowed money or for the deferred purchase price of property or services,

(c) all purchase price obligations of such Person under any conditional sale or other title retention agreement relating to property purchased by such Person,

(d) all indebtedness for borrowed money or for the deferred purchase price of property or services secured by (or for which the holder of such indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on any property owned by such Person, whether or not such indebtedness has been assumed,

(e) all obligations of such Person as lessee under leases that have been or should be, in accordance with generally accepted accounting principles, recorded as capital lease obligations, and

(f) all obligations of such Person under direct or indirect guaranties in respect of, and obligations (contingent or otherwise) to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of others of the kinds referred to in clause (a) through (d) above.

"Deemed Event of Loss" shall mean that, at any time during the Term, either the Lessor, the Lender or any of their respective Affiliates, by reason of the ownership of the Equipment or any part thereof or the lease of the Equipment to the Lessee under this Lease or any other transaction contemplated by this Lease or any of the other documents executed and delivered in connection herewith, shall be deemed, by any Governmental Authority having jurisdiction, to be, or to be subject to regulation as an "electric utility", a "gas utility" or a "public utility" or a "public utility holding company" or an "affiliate" of any of the foregoing or similar term, under any Applicable Law or deemed a "public utility company" or a "subsidiary company" or a "holding company" within the meaning of the 1935 Act, provided, however, that (A) if the Lessee or the Lessor shall be permitted to contest or to assert an exemption from the foregoing categorizations that would otherwise constitute a Deemed Event of Loss, and (B) the Lessee, with the cooperation of the Lessor, shall have acted diligently and in good faith to contest or obtain an exemption from the requirements of Applicable Laws that would otherwise constitute a Deemed Event of Loss, then such Deemed Event of Loss shall be deemed not to have occurred for such period as is permitted for the assertion of such contest or exemption under such Applicable Laws, so long as (C) the Lessee shall have furnished to the Lessor an opinion of independent counsel in form and substance reasonably satisfactory to the Lessor, to the effect that there exists substantial authority for such contest or exemption and that a determination under such Applicable Laws shall be effectively stayed during the

application for exemption or contest and shall not be subject to retroactive effect at the conclusion of such contest, (D) such contest or exemption shall not materially adversely affect the Lessor's or the Lender's rights under this Lease or to the Equipment, or involve any unreasonable danger of the sale, foreclosure or loss of their rights under this Lease or the Equipment, and (E) the Lessee shall have agreed to indemnify the Lessor and its Affiliates for Expenses incurred in connection with such contest or exemption.

"Default" means any condition or event that after notice or lapse of time or both would constitute an Event of Default.

"Disclosure Documents" means the Lessee's (i) Annual Report on Form 10-K for the year ended December 31, 2003, and (ii) Quarterly Report on Form 10-Q for the quarter ended March 31, 2004.

"Equipment" means the aluminum hopper railcars of the type(s) described on the Lease Supplement and leased to the Lessee hereunder, together with any and all accessions, additions, improvements and replacements from time to time incorporated or installed therein which are the property of the Lessor pursuant to the terms of this Lease.

"Equipment Documents" means the disclosure materials related to the description and specifications of the Equipment, as such documents may be amended or supplemented from time to time, provided to the Lessor by the Lessee, and identified as such by the parties hereto on the Closing Date.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"ERISA Affiliate" means, with respect to any Person, any trade or business (whether or not incorporated) which is a member of a group of which such Person is a member and which is under common control within the meaning of the regulations under Section 414(b) or (c) of the Code as amended from time to time.

"ERISA Event" means (i) a reportable event, within the meaning of Section 4043 of ERISA, unless the 30-day notice requirement with respect thereto has been waived by the PBGC; (ii) the provision by the administrator of any Plan of notice of intent to terminate such Plan, pursuant to Section 4041(a)(2) of ERISA (including any such notice with respect to a plan amendment referred to in Section 4041(e) of ERISA); (iii) the cessation of operations at a facility resulting in the termination of employment of more than 20% of the total number of participants in a Plan; (iv) the withdrawal by the Lessee or an ERISA Affiliate of the Lessee from a Multiemployer Plan during any plan year for which material liability may be incurred by the Lessee or such ERISA Affiliate as a result of the imposition of any withdrawal liability (within the meaning of Section 4201 of ERISA); (v) the failure by the Lessee or an ERISA Affiliate of the Lessee to make a payment to a Plan required under Section 302(f)(1) of ERISA, which failure results in the imposition of a Lien for failure to make required payments; (vi) the adoption of an amendment to a Plan requiring the provision of security to such Plan, pursuant to Section 307 of ERISA; or (vii) the institution by the PBGC of proceedings to terminate a Plan, pursuant to Section 4042 of ERISA, or the occurrence of any event or condition which might reasonably be expected to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, a Plan.

"Estimated Residual Value" for any Item of Equipment means the amount obtained by multiplying (a) the percentage set forth in the Lease Supplement under the caption "Estimated Residual Value Percentage" applicable to the Basic Term then ending (or, in the case if the Renewal Term then ending, as set in accordance with Section 28(a) hereof), by (b) the Acquisition Cost for such Item.

"Event of Default" means any of the events referred to in Section 22 hereof.

"Event of Loss" with respect to any Item of Equipment means (i) the permanent loss of such Item of Equipment, or (ii) unless the Lessee has irrevocably exercised its purchase option as to that Item under Section 28(b) hereof, the loss of the use of such Item of Equipment due to theft or disappearance for a period in excess of 90 days or the remainder of the Term, whichever is less, or (iii) the destruction, damage beyond repair, or rendition of such Item of Equipment permanently unfit for normal use for any reason whatsoever, or (iv) the condemnation, confiscation, seizure, or requisition of title to such Item of Equipment by any Governmental Authority under the power of eminent domain or otherwise, or (v) the requisition of use of such Item of Equipment for a period in excess of the remainder of the Term, or (vi) a Deemed Event of Loss.

"Expenses" shall mean liabilities, obligations, losses (excluding loss of anticipated profits), damages, claims, actions, suits, judgments, and reasonable out-of-pocket costs, expenses and disbursements (including reasonable legal fees and expenses) of any kind and nature whatsoever.

"Fair Market Sales Values" means, with respect to any Item, the amount that would be paid in cash in an arm's-length transaction between an informed and willing purchaser and an informed and willing seller, neither of whom is under any compulsion to purchase or sell, respectively, for the ownership of such Item.

"Federal Funds Effective Rate" means, for any day, an interest rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of quotations for such day on such transaction received by the Lessor from three Federal funds brokers of recognized standing selected by it. Absent manifest error or malfeasance, the determination of the Federal Funds Effective Rate by the Lessor shall be binding on the parties hereto.

"Fixed Rent" means, with respect to each Item of Equipment on each Rent Payment Date, XXX% of the Acquisition Cost of such Item of Equipment.

"Funding" means the payment of the aggregate Acquisition Cost for all Items of Equipment, whenever acquired by the Lessor.

"Funding Notice" is defined in Section 4(b) hereof.

"Funding Office" means the office of the Lessor (or the Lender, or the Eurodollar funding office of any Affected Party) hereafter identified in writing as its Funding Office.

"Governmental Authority" shall mean any Federal, state, county, municipal, foreign, international, regional or other governmental authority, agency, board, body, instrumentality or court.

"[I]ncluding" means including, without limitation.

"Indemnified Party" is defined in Section 19 hereof.

"Internal Revenue Service" means the United States Internal Revenue Service or any successor agency or regulatory authority.

"Item of Equipment" or "Item" means one of the railcars more specifically described in the Lease Supplement and leased to the Lessee hereunder, together with the related appurtenances, additions, improvements, equipment and replacements thereto.

"Lease Supplement" means the Lease Supplement substantially in the form attached hereto as Exhibit A, to be executed by the Lessor and the Lessee with respect to the Items of Equipment covered thereby as provided in Section 4 hereof, evidencing that each such Item is leased hereunder.

"Lender" means The Mizuho Corporate Bank, Ltd.

"Lender Percentage" means XXX%.

"Lender Variable Rent" means with respect to any Rent Payment Date, the amount obtained by multiplying (a) the Lender Percentage of the Casualty Loss Value for each Item of Equipment (as set forth in the Lease Supplement) with respect to the immediately preceding Rent Payment Date by (b) the Variable Rate Percentage for the Rent Period ending on such Rent Payment Date by (c) the number of days in such Rental Period by (d) 1/360.

"Lessee" is defined in the preamble of this Lease.

"Lessor" is defined in the preamble of this Lease.

"Lessor Percentage" means XXX%.

"Lessor Variable Rent" means with respect to any Rent Payment Date, the amount obtained by multiplying (a) the Lessor Percentage of the Casualty Loss Value for each Item of Equipment (as set forth in the Lease Supplement) with respect to the immediately preceding Rent Payment Date by (b) the Variable Rate Percentage for the Rent Period ending on such Rent Payment Date by (c) the number of days in such Rental Period by (d) 1/360.

"LIBO Rate" means a rate per annum equal to the sum of (i) the LIBO Rate (Reserve Adjusted) for such Rental Period and (ii) the Applicable Margin.

"LIBO Rate (Reserve Adjusted)" means relative to Variable Rent to be paid based on the LIBO Rate, for any Rental Period, a rate per annum (rounded upward, if necessary, to the nearest 0.0001%) determined pursuant to the following formula:

$$\frac{\text{LIBO Rate (Reserve Adjusted)}}{\text{LIBO Rate (Reserve Adjusted)}} = \frac{\text{LIBOR}}{1.00 - \text{LIBOR Reserve Percentage}}$$

The LIBO Rate (Reserve Adjusted) for any such Rental Period will be determined by the Lessor on the basis of the LIBOR Reserve Percentage in effect on, and the applicable LIBOR obtained by the London office of the Mizuho Corporate Bank, Ltd. two Business Days before the first day of such Rental Period.

"LIBOR" means, relative to any Rent Period, the rate per annum (rounded upward, if necessary, to the nearest 0.0001%) equal to the U.S. dollar London interbank offered rate as quoted on the Telerate Page 3750 as of 11:00 a.m., London time, two Business Days prior to the beginning of such Rent Period for delivery on the first day of such Interest Period for the number of days comprised therein (or, if such "Telerate" quotation is not available, then as reported for that day and time by the British Bankers' Association).

"LIBOR Reserve Percentage" means, for any day as applied to a payment of Variable Rent, the aggregate (without duplication) of the rates (expressed as a decimal fraction) of reserve requirements in effect on such day (including basic, supplemental, marginal and emergency reserves under any

regulations of the Board or other Governmental Authority having jurisdiction with respect thereto) dealing with reserve requirements prescribed for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board) maintained by a member bank of the Federal Reserve System.

"Lien" means liens, mortgages, encumbrances, pledges, charges and security interests of any kind.

"Manufacturer" means (i) Thrall with respect to each Item of Equipment specified in the Lease Supplement as "Existing Equipment" and (ii) Trinity Industries, Inc. with respect to each Item of Equipment specified in the Lease Supplement as "New Equipment".

"Maximum Lessee Risk Amount" for any Item of Equipment shall mean the percentage set forth in the Lease Supplement under the caption "Maximum Lessee Risk Percentage" applicable to the Basic Term then ending (or, in the case if the Renewal Term then ending, as set in accordance with Section 28(a) hereof), multiplied by the Acquisition Cost for such Item.

"Maximum Lessor Risk Amount" for any Item of Equipment shall mean the percentage set forth in the Lease Supplement under the caption "Maximum Lessor Risk Percentage" applicable to the Basic Term then ending (or, in the case if the Renewal Term then ending, as set in accordance with Section 28(a) hereof), multiplied by the Acquisition Cost for such Item.

"Multiemployer Plan" shall have the meaning assigned to the term "multiemployer plan" in Section 3(37) of ERISA.

"Net Proceeds of Sale" is defined in Section 29(a).

"1935 Act" means the Public Utility Holding Company Act of 1935, as amended.

"PBGC" means the Pension Benefit Guaranty Corporation (or any successor entity) established under ERISA.

"Permitted Liens" shall mean:

(a) any rights in favor of the Lessor under the transaction documents and any rights of any persons entitled to use of the Equipment in accordance with this Lease;

(b) any Lien on the Lessee's leasehold interest in the Equipment contained in mortgages granted by the Lessee which cover after-acquired property of the Lessee and which otherwise subject all or substantially all of the Lessee's assets to such mortgage and provided that any such Lien is subordinate to the rights of the Lessor hereunder;

(c) any Lien, claim, security interest or encumbrance (including Liens of landlords, carriers, warehousemen, mechanics or materialmen) in favor of any person securing payment of the price of goods or services provided in the ordinary course of business for amounts the payment of which is not overdue or is being contested in good faith by appropriate proceedings diligently prosecuted, so long as such proceedings do not involve any unreasonable danger of sale, forfeiture or loss of all or any material part of the Equipment and do not materially adversely affect any Lien created in favor of the Lessor under this Lease;

(d) any Lien arising out of any act of, or any failure to act by, or any claim (including any claim for taxes) against, the Lessor, the Lender or any of their respective Affiliates which is unrelated to the transactions contemplated by this Lease or any Lien arising out of any breach by the Lessor, the Lender or any of their respective Affiliates of their obligations under the transaction documents;

(e) any Lien for taxes, assessments or other governmental charges which are not delinquent or the validity of which is being contested in good faith by appropriate proceedings diligently prosecuted so long as such proceedings do not involve any unreasonable danger of sale, forfeiture or loss of all or any material part of the Equipment and do not materially adversely affect any Lien in favor of the Lessor under this Lease; and

(f) attachments, judgments and other similar Liens arising in connection with court proceedings, provided that within sixty (60) days of the attachment thereof (or five (5) days prior to any execution or sale pursuant thereto), the execution or other enforcement of such Liens is effectively stayed and the claims secured thereby are being contested in good faith and by appropriate proceedings.

"Person" means any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, trustee(s) of a trust, unincorporated organization, or government or governmental authority, agency or political subdivision thereof.

"Plan" shall mean (a) with respect to the Lessee, any plan described in Section 4021(a) of ERISA and not excluded pursuant to Section 4021(b) thereof, under which the Lessee or any ERISA Affiliate of the Lessee has any liability, and (b) with respect to any other person, any employee benefit plan or other plan established or maintained by such person for the benefit of such person's employees and to which Title IV of ERISA applies.

"Remarketing Period" shall have the meaning given to such term in Section 28(c) hereof.

"Renewal Term" means a five year period following the end of the Basic Term with respect to which the Lessee may renew this Lease in accordance with the requirements of Section 28(a) hereof. .

"Rent Payment Date" shall mean the last day of each Variable Rent Period.

"Rental Period" for each Item of Equipment means (i) initially, the period commencing on the Closing Date and ending on the immediately succeeding Rent Payment Date and (ii) thereafter, each period beginning on the first day after the last day of the preceding Rental Period and ending on the next succeeding Rent Payment Date.

"Responsible Officer" means, with respect to the subject matter of any covenant, agreement or obligation of any Person contained herein in the related transaction documents, the President, any Vice President, the Chief Financial Officer or the Treasurer who, in the normal performance of such person's operational responsibility, would have knowledge of such matter and the requirements with respect thereto.

"SEC" means the United States Securities and Exchange Commission or any successor agency or regulatory authority.

"Supplemental Payments" means all amounts, liabilities and obligations which the Lessee assumes or agrees to pay hereunder to the Lessor or others, including payments of Casualty Loss Value and any indemnities that may become payable by the Lessee hereunder, but excluding Basic Rent.

"Tax Indemnitee" is defined in Section 18 hereof.

"Term" means the full term of the Lease with respect to each Item of Equipment, including the Basic Term, and the Renewal Term (if any).

"Termination Date", for any Item of Equipment, means the last day of the Basic Term of such Item, or if the Term of such Item has been renewed pursuant to Section 28(a), the last day of the Renewal Term of such Item.

"Transaction Expenses" means all costs and expenses incurred in connection with the preparation, execution and delivery of the Lease and the transaction documents and the transactions contemplated thereby including:

(a) the reasonable fees, out-of-pocket expenses and disbursements of counsel for each of the Lessor, the Lender and the Lessee in negotiating the terms of the transaction documents, including this Lease, the Lease Supplement and any documents, agreements and instruments necessary to consummate the transactions contemplated thereby, preparing for the closing under, and rendering opinions in connection with, such transactions and in rendering other services customary for counsel representing parties to transactions contemplated by such transaction documents;

(b) the reasonable fees, out-of-pocket expenses and disbursements of any law firm or other external counsel of the Lessor and the Lender in connection with (1) any amendment, supplement, waiver or consent with respect to any transaction documents requested or approved by the Lessee and (2) any enforcement of any rights or remedies against the Lessee in respect of such transaction documents;

(c) all Appraisal costs;

(d) the costs (not to exceed \$2000) of any residual value insurance acquired by Lessor which the Lessor, in its sole discretion, may obtain on the Closing Date; and

(e) any and all taxes and fees incurred in recording, registering or filing this Lease, the Lease Supplement or any other transaction document, any deed, declaration, mortgage, security agreement, notice or financing statement with any public office, registry or governmental agency in connection with the transactions contemplated by the transaction documents.

"Variable Rate Percentage" for any day in a Rental Period means a per annum rate equal to the LIBO Rate, or if the LIBO Rate is not available in accordance with Section 33 hereof or cannot otherwise be obtained, the Alternate Base Rate.

"Variable Rent" means, with respect to any Rent Payment Date, the sum of the Lender Variable Rent and Lessor Variable Rent on such date.

"Variable Rent Period" means, relative to any amount of Variable Rent determined by reference to the LIBO Rate, (a) initially, the period beginning on the Closing Date and ending on the day before the day which numerically corresponds to such date one month thereafter (or, if such month has no

numerically corresponding day, on the last Business Day of such month) and (b) thereafter, the period beginning on the first day after the last day of the immediately preceding Variable Rent Period and ending on the day before the day which numerically corresponds to the Closing Date one month thereafter (or, if such month has no numerically corresponding day, on the last Business Day of such month); provided, however, that:

(i) if such Variable Rent Period would otherwise end on a day which is not a Business Day, such Variable Rent Period shall end on the next following Business Day (unless such next following Business Day is the first Business Day of a calendar month, in which case such Variable Rent Period shall end on the Business Day next preceding such numerically corresponding day); and

(ii) no Variable Rent Period may end later than the last day of the then-current Term of this Lease.

(b) Construction. The words "this Lease", "herein", "hereunder", "hereof" or other like words mean this Equipment Leasing Agreement (including each schedule, exhibit, and other attachment), as from time to time supplemented and amended.

2. Agreement for Purchase and Lease of Equipment.

(a) Purchase. Prior to the Closing Date, the Lessor acquired the Items of Equipment listed on the Lease Supplement as "Existing Equipment." Subject to the terms and conditions of this Lease, on the Closing Date the Lessor shall purchase the Items of Equipment listed on the Lease Supplement as "New Equipment" for the Additional Acquisition Cost therefor. The Lessor will pay such Additional Acquisition Cost directly to the seller of such "New Equipment" and to the other Persons to be paid that portion of Acquisition Cost constituting Transaction Expenses (to the extent invoiced) on the Closing Date by wire transfer of immediately available funds to such account in the United States as designated in writing to the Lessor at least two Business Days prior to the Closing Date.

(b) Lease Subject to, and upon all of the terms and conditions of this Lease, the Lessor hereby agrees to lease to the Lessee and the Lessee hereby agrees to lease from the Lessor each Item of Equipment listed on the Lease Supplement for the Term with respect to such Item. Provided that no Event of Default has occurred and is continuing hereunder, neither the Lessor nor anyone claiming through or under the Lessor, shall interfere with the Lessee's quiet enjoyment and use of any Item of Equipment by the Lessee (or any permitted transferee from the Lessee) during the Term therefor.

3. Conditions Precedent. The Lessor shall have no obligation to purchase any Item of Equipment nor to lease the same to the Lessee unless each of the following conditions are fulfilled to the satisfaction of the Lessor:

(a) this Lease shall have been executed and delivered by the parties hereto, and no Default or Event of Default shall have occurred and be continuing;

(b) no material adverse change in the financial condition of the Lessee which, in the Lessor's reasonable opinion, would impair the ability of the Lessee to pay and perform its obligations under this Lease has occurred, except as expressly contemplated and disclosed under the Disclosure Documents, since the date of the Disclosure Documents;

(c) such Item of Equipment shall be free from material damage, and be acceptable to the Lessor, and free of all Liens other than any Permitted Lien;

(d) the Lessor shall have received from the Lessee a non-refundable facility fee in an amount equal to XXX% of the Commitment Amount;

(e) the Lessor shall have received an Appraisal of the Items being acquired on the Closing Date, dated no earlier than thirty days prior to the Closing Date, which Appraisal shall show (i) the remaining economic useful life of such Items as of the appraisal date, (ii) that the Fair Market Sales Value of such Items as of the appraisal date shall not be less than the Acquisition Cost thereof and (iii) the Fair Market Sales Value of such Items as of the last day of the Basic Term and the Renewal Term.

(f) the Lessor shall have received an invoice or a bill of sale for such Item of Equipment being acquired on the Closing Date from the seller thereof, approved for payment by the Lessee, showing the Lessor as the purchaser of such Item, or, if the Lessee is the seller of such Item, a bill of sale for such Item from the Lessee to the Lessor in form and substance satisfactory to the Lessor, together with evidence, satisfactory to the Lessor, of the Lessee's payment to the original seller of such Item;

(g) the Lessor shall have received the Lease Supplement, duly executed by the Lessee, and dated the Closing Date;

(h) this Lease, and the Lease Supplement, shall have been duly filed with the Surface Transportation Board;

(i) all material licenses, registrations, permits, consents and approvals required by Federal, state or local laws or by any governmental body, agency or authority in connection with the Lessor's ownership of, and the delivery, acquisition, installation, use and operation of, each Item of Equipment shall have been obtained to the satisfaction of the Lessor;

(j) the Lessor shall have received a written opinion of Troutman Sanders LLP, counsel to the Lessee, dated the Closing Date and in form and substance satisfactory to the Lessor;

(k) the Lessor shall have received a copy of resolutions of the Lessee's board of directors (or its Finance Committee) authorizing the execution, delivery and performance by the Lessee of this Lease and each of the documents, instruments and agreements required or contemplated hereby or thereby to which it is or will be a party, accompanied by a Secretary's Certificate (A) stating that each such resolution is in full force and effect and has not been amended since the date of its adoption and (B) certifying as to the incumbency and specimen signatures of the officers of the Lessee who are authorized to execute and deliver on behalf of the Lessee this Lease, the Lease Supplement and the documents, instruments and agreements contemplated hereby;

(l) the Lessor and the Lender shall have received, unless waived by the Lessor and Lender (which waiver shall be evidenced by the purchase of the new Items under Section 2(a) hereof), a fully executed Funding Notice with respect to the Lease Supplement;

(m) the Lessor shall have received certificates of insurance, loss payable endorsements and other evidence that the Lessee has complied with the provisions of Section 17;

(n) the Lessor shall have received evidence satisfactory to it that appropriate instruments have been filed in all jurisdictions necessary to perfect properly the security interest

in the Equipment and other collateral created by this Lease (including the security interest granted under Section 9), subject to no recorded Liens other than Permitted Liens; and

(o) the Lessor shall have received such other documents, appraisals, opinions, certificates and waivers, in form and substance satisfactory to the Lessor, as the Lessor may require.

4. Delivery, Acceptance and Leasing of Equipment; FundingDelivery, Acceptance and Leasing. The Lessor shall not be liable to the Lessee for any failure or delay in obtaining any Item of Equipment or making delivery thereof. Forthwith upon delivery of each Item of Equipment to the Lessee, the Lessee or its agents will inspect such Item, and unless the Lessee gives the Lessor prompt written notice of any defect in or other proper objection to such Item, the Lessee shall promptly upon completion of such inspection execute and deliver to the Lessor the Lease Supplement, dated the Closing Date. **The execution by the Lessor and the Lessee of the Lease Supplement shall (a) evidence that each Item of Equipment described therein is leased under, and is subject to all of the terms, provisions and conditions of, this Lease, and (b) constitute the Lessee's unconditional and irrevocable acceptance of such Item for all purposes of this Lease.**Funding. The purchase of all new Items of Equipment pursuant to the second sentence of Section 2(a) hereof shall be made on notice from the Lessee to the Lessor and the Lender received by the Lessor and the Lender not later than three Business Days prior to the Closing Date; provided, however, that the aggregate Funding for all Items of Equipment (whether purchased on or prior to the Closing Date) shall be for an aggregate Acquisition Cost equal to the Commitment Amount or such lesser amount which shall be acceptable to the Lessee, the Lessor and Lender. The notice of purchase of the new Items shall be in the form of Exhibit B (a "Funding Notice"), and shall specify the aggregate Acquisition Cost for such Items (including approved Transaction Expenses) to be funded on the Closing Date and the list of Equipment to be funded by the Lessor on such date, and shall be accompanied by the Manufacturer's invoices and/or bills of sale for the Equipment to be funded.

(c) Characterization. As further described herein, the Lessee and the Lessor hereby agree to treat the arrangement created pursuant to this Lease as a financing or conditional sale for Federal income tax purposes.

5. Term. The Basic Term for each Item of Equipment shall commence on the Basic Term Commencement Date thereof and, unless this Lease is sooner terminated with respect to such Item (or all Equipment) pursuant to the provisions hereof, shall end on the last day of the Basic Term thereof, as specified in the Lease Supplement, or if this Lease is renewed with respect to such Item pursuant to Section 28(a) hereof, on the last day of the Renewal Term thereof.

6. Return of Equipment. Upon the expiration or earlier termination of the Term with respect to each Item of Equipment (unless the Lessee has exercised its purchase option with respect thereto pursuant to Section 28(b) hereof or a third party sale thereof has been consummated on the Termination Date with respect thereto pursuant to Section 28(c) hereof), the Lessee will, at its expense, surrender and deliver possession of each Item of Equipment to the Lessor or the Lessor's agent at such location along the rail route then used by the Lessee in the ordinary usage of the Equipment as shall be designated by the Lessor in writing, or in the absence of such designation, at the then location of each such Item. At the time of such return to the Lessor, each Item of Equipment (and each part or component thereof) shall:

(a) be in as good condition, state of repair, and appearance as when delivered to the Lessee hereunder, ordinary wear and tear excepted, and not in immediate need of any further repair or reconditioning,

(b) comply with all laws and rules referred to in Sections 10 and 11 hereof,

(c) conform to and comply with all applicable Department of Transportation, Federal Railroad Administration (or any successor agency) safety rules and regulations,

(d) be suitable for interchange under the rules of the Association of American Railroads and Federal Railroad Administration (or any successor agency) rules and regulations, to the extent the Equipment was originally designed and approved,

(e) (i) have attached or affixed thereto any addition, modification or improvement considered an accession thereto as provided in Section 12 hereof, (ii) have had removed therefrom in a workmanlike manner if so requested by the Lessor, the Lender or any Assignee at the Lessee's expense any addition, modification or improvement which, as provided in Section 12 hereof, is owned by the Lessee, and (iii) have had removed therefrom, or painted over, in either case in a workmanlike manner, any insignia or marking permitted pursuant to Section 13 hereof,

(f) be suitable for hauling coal,

(g) be free from all material accumulations or deposits from commodities transported in or on it while in the service of the Lessee and be free of corrosion, ordinary wear and tear excepted,

(h) shall not have any missing or damaged parts or any structural or mechanical damage on any surface or device, ordinary wear and tear excepted, and

(i) be free and clear of all Liens, other than a Lien described in clause (d) of the definition of Permitted Liens.

The Lessee shall pay for any repairs necessary to restore any item of Equipment to the condition required by the preceding sentence.

For the purpose of delivering possession of any Items of Equipment as above required, the Lessee shall at its own cost, expense and risk:

(I) forthwith and in the usual manner (including, to the extent legally required by applicable law, rules or regulations to protect the Lessor's, the Lender's or any Assignee's interest in the Items of Equipment) give prompt electronic and written notice to all railroads to which any Items of Equipment have been interchanged or which may have possession thereof to return the Items of Equipment and place such Items of Equipment upon such storage tracks along the rail routes then used by the Lessee in the ordinary usage of the Equipment as the Lessor reasonably may designate;

(II) cause such Items of Equipment to be stored on such tracks at the risk of the Lessee without charge to the Lessor or any Assignee for insurance, rent or storage until all such Items of Equipment have been sold, leased or otherwise disposed of by the Lessor but not to exceed ninety days; and

(III) deliver to the Lessor, if requested, all manuals and inspection, modification, overhaul and maintenance records applicable to such Items of Equipment (which records may exclude the cost of repairs, maintenance, modifications and overhauls) and permit the Lessor or its representatives access to such Items of Equipment during normal business hours during such storage period for the purposes of inspecting said Items and verifying that the return conditions set forth in this Section 6 have been complied with.

During the storage period, the Lessee will maintain and keep the Items of Equipment in the manner set forth in Section 11 hereof and permit the Lessor or any Person designated by it, including the authorized representative or representatives of any prospective purchaser, lessee or other user of any Items of Equipment, to inspect the same during normal business hours at such inspector's own risk, cost and expense.

If one or more of the foregoing provisions shall not be fulfilled as of the date set forth above with respect to the Equipment, then the Lessor shall declare by written notice to the Lessee its remarketing rights to be null and void (whether or not theretofore exercised by the Lessee), in which event the Lessee shall be obligated to purchase all Items of Equipment pursuant to Section 28 hereof on the Termination Date thereof. Until the Equipment has been returned to the Lessor in the condition and as otherwise provided in this Section 6 hereof or purchased under Section 28(b) hereof and so long as the Lessor shall not have declared the Lessee's remarketing rights to be null and void, the Lessee shall continue to pay the Lessor, on the same dates on which Basic Rent for the Equipment was payable during the Basic Term thereof (or, if the Term of the Equipment has been renewed pursuant to Section 28(a) hereof, the Renewal Term thereof), the same Basic Rent for the Equipment that was payable on the last Rent Payment Date of the Basic Term thereof (or, if the Term of the Equipment has been renewed pursuant to Section 28(a) hereof, the same Basic Rent that was payable on the last Rent Payment Date of the Renewal Term); provided, that during such holdover period, the Lessee shall use its best efforts to secure the return of the Equipment as required under this Section 6. The provision for payment pursuant to this Section 6 shall not be in abrogation of the Lessor's right under this Section 6 to have such Equipment returned to it hereunder.

7. Basic Rent and Other Payments.

(a) Basic Rent. The Lessee hereby agrees to pay to the Lessor Basic Rent monthly, in arrears, for each Item of Equipment during the Basic Term thereof on each Rent Payment Date during the Basic Term in the sum of (i) the Fixed Rent payable with respect to such Rent Payment Date plus (ii) the Variable Rent payable with respect to the Rental Period ending on such Rent Payment Date.

(b) Supplemental Payments. The Lessee also agrees to pay to the Lessor, or to whomsoever shall be entitled thereto as expressly provided herein, all Supplemental Payments, promptly as the same shall become due and owing, and in the event of any failure on the part of the Lessee so to pay any such Supplemental Payment hereunder the Lessor shall (except as otherwise specified herein) have all rights, powers and remedies provided for herein or by law or equity or otherwise in the case of nonpayment of Basic Rent.

(c) Method of Payment. All payments of Basic Rent and Supplemental Payments required to be made by the Lessee to the Lessor shall be made by wire transfer of immediately available funds no later than 12:00 p.m., New York City time, to the account in the United States designated by the Lessor. If the date that any payment of Basic Rent is due is other than a Business Day the payment of Basic Rent otherwise payable on such date shall be payable on the next succeeding Business Day. In the event of any assignment to an Assignee pursuant to Section

14(b) hereof, all payments which are assigned to such Assignee, whether Basic Rent, Supplemental Payments or otherwise, shall be paid by wire transfer of immediately available funds to an account designated by the Lessor as shall be designated by the Person entitled to receipt thereof. All payments of Basic Rent required to be made by the Lessee to the Lessor hereunder shall be paid to the Lessor at its address specified at the beginning of this Lease or at such other address in the United States as the Lessor may hereafter designate in writing to the Lessee.

8. Net Lease This Lease is a net lease. The Lessee acknowledges and agrees that the Lessee's obligations to pay Basic Rent for all Equipment leased hereunder, and to pay all Supplemental Payments payable hereunder, shall be unconditional and irrevocable under any and all circumstances, shall not be subject to cancellation, termination, modification or repudiation by the Lessee, and shall be paid and performed by the Lessee without notice or demand and without any abatement, reduction, diminution, setoff, or recoupment whatsoever, including any abatement, reduction, diminution, setoff, or recoupment due or alleged to be due to, or by reason of, any past, present or future claims which the Lessee may have against the Lessor, any Assignee, any manufacturer or supplier of the Equipment or any Item thereof, or any other Person for any reason whatsoever, or any defect in the Equipment or any Item thereof, or the condition, design, operation or fitness for use thereof, any damage to, or any loss or destruction of, the Equipment or any Item thereof, or any Liens or rights of others with respect to the Equipment or any Item thereof or any prohibition or interruption of or other restriction against the Lessee's use, operation or possession of the Equipment or any Item thereof, for any reason whatsoever, or any interference with such use, operation or possession by any Person or entity, or any default by the Lessor in the performance of any of its obligations herein contained, or any other indebtedness or liability, howsoever and whenever arising, of the Lessor, or of any Assignee, or of the Lessee to any other Person, or by reason of insolvency, bankruptcy or similar proceedings by or against the Lessor, any Assignee or the Lessee, or for any other reason whatsoever, whether similar or dissimilar to any of the foregoing, any present or future law to the contrary notwithstanding; it being the intention of the parties hereto that all Basic Rent and Supplemental Payments payable by the Lessee hereunder shall continue to be payable in all events and in the manner and at the times herein provided, without notice or demand, unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease. However, nothing in this Section 8 shall prevent the Lessee from separately pursuing any rights it might have against the Lessor or any other person.

9. Retention of Security Interest; Equipment Is Personal Property. This Lease is intended to create a security interest. The Lessor's retention of title to the Equipment shall create in the Lessor a security interest in all Items of Equipment and all proceeds thereof as collateral security for the payment and performance by the Lessee of the Lessee's obligations as the lessee hereunder. In addition, the Lessee hereby grants to the Lessor a security interest in all the Lessee's existing and future interests in all Items of Equipment and all proceeds thereof, as collateral security for the payment and performance by the Lessee of the Lessee's obligations as the lessee hereunder. It is the intention and understanding of both the Lessor and the Lessee, and the Lessee shall take all such actions as may be required to assure, that the Equipment shall be and at all times remain personal property.

10. Use of Equipment; Compliance with Laws. The Lessee agrees that the Equipment will be used and operated solely in the conduct of its business or as otherwise provided by Section 14(a) hereof and in compliance with any and all applicable insurance policy terms, conditions, and provisions for the insurance required by Section 17 hereof and with all statutes, laws, ordinances, rules and regulations of any Federal, state or local governmental body, agency or authority applicable to the use and operation of the Equipment, including the Association of American Railroads Interchange Rules, the rules and regulations of the Federal Railroad Administration, the United States Department of Transportation and the Surface Transportation Board, and environmental, noise and pollution laws (including

notifications and reports); provided, however, that the Lessee shall not be obligated to so comply with laws, rules or regulations (i) whose application or validity is being contested diligently and in good faith by appropriate proceedings, (ii) compliance with which shall have been excused or exempted by a nonconforming use permit, waiver, extension or forbearance exempting it from such laws, rules or regulations, (iii) if failure to comply shall impose no risk of civil or criminal liability on the Lessor or the Lender, or (iv) if failure of compliance would impose no additional liability on the Lessor or the Lender or material adverse consequences to the Lessor's rights under this Lease or its interest in the Equipment or the Lender's interest therein. Subject to the foregoing provisions, the Lessee shall procure and maintain in effect all licenses, registrations, certificates, permits, approvals and consents required by Federal, state or local laws or by any governmental body, agency or authority in connection with the ownership (excluding any required by banking or similar laws), delivery, installation, use and operation of each Item of Equipment, including those required by environmental, noise and pollution laws (including notifications and reports). The Equipment shall in no event be used or located outside of the continental limits of the United States unless all filings, recordings, deposits, or giving of notice necessary to protect the rights of the Lessor and the Lender in or to the Lease and the Equipment shall have been made. The Lessee shall not use any Item of Equipment, or permit any Item of Equipment to be used, for the transportation or storage of any substance which is any substance which is specifically listed or designated as "oil" under Section 1001 of the Oil Pollution Act of 1990 and which is subject to the provisions of that Act which is categorized as, or required to be labeled as, "poison" or "poisonous", "explosive" or "radioactive" (or any categories or labels substituted for such categories or labels as in effect on the day hereof) under 49 CFR 171 or other applicable Federal rules in effect from time to time regulating the transportation of hazardous or toxic materials, including nuclear fuels, radioactive products, asbestos, PCB's or nuclear wastes, nor will the Lessee permit the Equipment to engage in any unlawful trade or violate any law or carry any unlawful cargo that will expose the Equipment to penalty, forfeiture or capture.

11. Maintenance and Repair of Equipment. The Lessee agrees, at its own cost and expense, to keep, repair, maintain and preserve the Equipment in good order and operating condition, and in compliance with such maintenance and repair standards, ordinary wear and tear excepted, as set forth in the applicable Association of American Railroad and Federal Railroad Administration rules and regulations and as otherwise may be required to enforce warranty claims against each vendor and manufacturer of each Item of Equipment, and (except as otherwise permitted by Section 10 hereof) in compliance with all requirements of law applicable to the maintenance and condition of the Equipment, including environmental, noise and pollution laws and regulations (including notifications and reports), and suitable for interchange under the rules of the Association of American Railroads, to the extent the Equipment was originally designed and approved and with all lawful rules of the United States Department of Transportation, the Surface Transportation Board and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Equipment, to the extent that such laws and rules affect the title, operation, maintenance or use of the Equipment, and in the event that such laws or rules require any alteration, replacement or addition of or to any part on any Equipment the Lessee will conform therewith at its own expense. The Lessee agrees to prepare and deliver to the Lessor and any Assignee within a reasonable time prior to the required date of filing (or, to the extent permissible, file on behalf of the Lessor and any Assignee) any and all reports (other than income tax returns) to be filed by the Lessor or any Assignee with any Federal, state or other regulatory authority by reason of the ownership by the Lessor or any Assignee of the Items of Equipment or the leasing thereof to the Lessee. The Lessee agrees to maintain all records, logs and other materials required by the Association of American Railroads or the Department of Transportation, or any other governmental authority having jurisdiction over the Items of Equipment or the Lessee, to be maintained in respect of each Item of Equipment. The Lessee shall, at its own cost and expense, supply the necessary power and other items required in the operation of the Equipment. The Lessee hereby waives any right now or hereafter conferred by law to make repairs on the Equipment at the expense of the Lessor.

12. Replacements; Alterations; Modifications. In case any Item of Equipment (or any equipment, part or appliance therein) is required to be altered, added to, replaced or modified in order to comply with any laws, regulations, requirements or rules ("Required Alteration") pursuant to Section 10 or 11 hereof, the Lessee agrees to make such Required Alteration at its own expense and the same shall immediately be and become the property of the Lessor and subject to the terms of this Lease. The Lessee or any permitted sublessee may make any optional alteration to any Item of Equipment ("Optional Alteration") provided such Optional Alteration does not impair the value, use or remaining useful life of such Item of Equipment. In the event such Optional Alteration is readily removable without causing material damage to the Item of Equipment, and is not a part, item of equipment or appliance which replaces any part, item of equipment or appliance originally incorporated or installed in or attached to such Item of Equipment on the Closing Date therefor or any part, item of equipment or appliance in replacement of or substitution for any such original part, item of equipment or appliance, any such Optional Alteration shall be and remain the property of (and may be removed by) the Lessee or any permitted sublessee. To the extent such Optional Alteration is not readily removable without causing material damage to the Item of Equipment to which such Optional Alteration has been made, or is a part, item of equipment or appliance which replaces any part, item of equipment or appliance originally incorporated or installed in or attached to such Item of Equipment on the Closing Date therefor or any part, item of equipment or appliance in replacement of or substitution for any such original part, item of equipment or appliance, the same shall immediately be and become the property of the Lessor and subject to the terms of this Lease. The Lessee agrees that, within thirty days after the Lessor so requests (but not more frequently than once per year), the Lessee will give written notice to the Lessor describing, in reasonable detail, the Required Alterations and specifying the cost thereof with respect to each Item of Equipment and the date or dates when made. Any parts installed or replacements made by the Lessee upon any Item of Equipment pursuant to its obligation to maintain and keep the Equipment in good order, operating condition and repair under Section 11 hereof shall be considered accessions to such Item of Equipment and title thereto or security interest therein shall be immediately vested in the Lessor. Except as required or permitted by the provisions of this Section 12, the Lessee shall not modify an Item of Equipment without the prior written authority and approval of the Lessor.

13. Identification Marks; Inspection. The Lessee will cause each Item to be kept numbered with the identification number as shall be set forth in the Lease Supplement, and the Lessee will keep and maintain, plainly, distinctly, durably, and conspicuously marked on each side of each Item, in letters not less than one inch in height, the words "Ownership Subject to a Security Agreement Filed with the Surface Transportation Board", with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the Lessor's title to and interests in such Item and the rights of the Lessor and of any Assignee. The Lessee will replace promptly any such words which may be removed, defaced, obliterated or destroyed. The Lessee will not change the identification number of any Item unless and until (i) a statement of new number or numbers to be substituted therefor shall have been filed with the Lessor and any Assignee and filed, recorded and deposited by the Lessee in all public offices where this Lease shall have been filed, recorded and deposited and (ii) the Lessee shall have furnished the Lessor and any Assignee an opinion of counsel in form and substance reasonably satisfactory to the Lessor and any Assignee to the effect that such statement has been so filed, recorded and deposited, such filing, recordation and deposit will protect the Lessor's and any Assignee's interests in such Items and that no other filing, recording, deposit or giving of notice with or to any other Federal, state or local government or agency thereof is necessary to protect the interests of the Lessor and any Assignee in such Item. The Items of Equipment may be lettered with the names or initials or other insignia customarily used by the Lessee or any permitted sublessee. The Lessee shall not allow the name of any Person, to be placed upon any Item of Equipment as a designation that might reasonably be interpreted as indicating a claim of ownership thereto or a security interest therein by any Person other than the Lessor or any Assignee. The Lessor shall have the right (at its risk and expense, or at the

Lessee's expense if an Event of Default exists) to inspect the Equipment and the Lessee's records pertaining to the Equipment at such reasonable times as it shall request during the Term.

14. Assignment and Subleasing.

(a) By the Lessee. The Lessee may, without any consent of the Lessor, sublease any item of Equipment, provided, however, that the following conditions shall apply thereto: (i) any sublease shall be effectively subject to and subordinate to the terms and conditions of this Lease; (ii) THE LESSEE'S OBLIGATIONS UNDER THIS LEASE SHALL CONTINUE IN THEIR ENTIRETY IN FULL FORCE AND EFFECT AS THE OBLIGATIONS OF A PRINCIPAL AND NOT OF A SURETY; (iii) any sublease of any Item which extends beyond the last day of the Basic Term (or, if there has been a renewal of this Lease in accordance with Section 28(a) hereof, the Renewal Term) of this Lease shall operate as an election of the Lessee's purchase option with respect to all Items covered by the Lease Supplement pursuant to Section 28(b) hereof; (iv) any sublease which by its terms extends beyond the Basic Term shall operate as an election of the Lessee's renewal option (to the extent available) with respect to all Items covered by the Lease Supplement pursuant to Section 28(a) hereof; and (v) the Lessee shall provide the Lessor prompt written notice, not to exceed five Business Days, of any such sublease of any Item of Equipment, which notice shall describe the parties, term and applicable Items of Equipment subject to any such agreement or arrangement. THE LESSEE WILL NOT, WITHOUT THE PRIOR WRITTEN CONSENT OF THE LESSOR, ASSIGN, TRANSFER OR ENCUMBER (EXCEPT AS OTHERWISE PERMITTED HEREBY) ITS RIGHTS, INTERESTS OR OBLIGATIONS UNDER THIS LEASE AND ANY SUCH ASSIGNMENT, TRANSFER OR ENCUMBERING (EXCEPT AS OTHERWISE PERMITTED HEREBY) BY THE LESSEE SHALL BE NULL AND VOID. Notwithstanding the foregoing, so long as no Event of Default shall have occurred and be continuing hereunder, the Lessee and its Affiliates shall be entitled to the possession and use of the Items of Equipment upon lines of railroad owned or operated by it or upon lines of railroad over which the Lessee or its Affiliates has or have trackage or other operating rights or over which railroad equipment of the Lessee or its Affiliates is operated pursuant to contract and shall be entitled to permit the use of the Items of Equipment by connecting and other carriers in the usual interchange of traffic or pursuant to run-through or trip-lease agreements, provided, however, that the LESSEE'S OBLIGATIONS UNDER THIS LEASE SHALL CONTINUE IN THEIR ENTIRETY IN FULL FORCE AND EFFECT AS THE OBLIGATIONS OF A PRINCIPAL AND NOT OF A SURETY. The Lessee may receive and retain compensation for the use of any of the Items of Equipment from railroads or other entities so using such Items of Equipment.

(b) By the Lessor. The Lessor may, at any time, without notice to, or the consent of the Lessee, sell, assign, transfer or grant a security interest in all or any part of the Lessor's rights, obligations, title or interest in, to and under the Equipment or any Item(s) thereof, this Lease, the Lease Supplement and/or any Basic Rent and Supplemental Payments payable under this Lease or the Lease Supplement to (a) any bank, savings institution, or trust company having a combined capital and surplus of at least \$35,000,000, (b) any corporation having a net worth of at least \$35,000,000, (c) any transferee listed in clause (a) or (b) which itself does not meet the financial test of clause (a) or (b) but which has an affiliate which does meet such financial test at the time of such transfer and which affiliate shall have executed and delivered to the Lessee a written guarantee reasonably satisfactory to the Lessee pursuant to which such affiliate shall have absolutely and unconditionally guaranteed the obligations of such transferee; provided in each case that (aa) the transferee shall not itself be affiliated with a utility or any direct or indirect competitor of the Lessee, (bb) in the event of any such sale, assignment, or transfer, the buyer, assignee, or transferee shall agree to be bound by and assume all the terms of and will undertake

all of the obligations of its predecessor under the Lease, to the extent of the sale, assignment, or transfer, in such manner as is reasonably satisfactory to the Lessee, (cc) no such assignment, conveyance, or transfer shall violate any provision of law or regulation or create a relationship which would be in violation thereof, and (dd) no such sale, assignment, or transfer shall result in more than three Persons holding an interest as Lessor under this Lease. Any entity to whom any such sale, assignment, transfer or grant of security interest is made is herein called an "Assignee" and any such sale, assignment, transfer or grant of security interest is herein called an "assignment". An Assignee may re-assign and/or grant a security interest in any of such rights, obligations, title or interest assigned to such Assignee. The Lessee agrees to execute related acknowledgments and other documents that may be reasonably requested by the Lessor or an Assignee, all at the Lessor's expense. Each Assignee shall have and may enforce all of the rights and benefits of the Lessor hereunder with respect to the Item(s) of Equipment and the Lease Supplement covered by the assignment, including the provisions of Section 8 hereof and the Lessee's representations and warranties under Section 21 hereof. Each such assignment shall be subject to the Lessee's rights hereunder. Notwithstanding anything to the contrary in this Lease, the Lessee shall be under no obligation to any Assignee except upon written notice of such assignment from the Lessor or, in the case of a reassignment, from the Assignee. Upon written notice to the Lessee of an assignment, the Lessee agrees to pay the Basic Rent and Supplemental Payments with respect to the Item(s) of Equipment covered by such assignment to such Assignee to a United States bank account in accordance with the instructions specified in such notice without any abatement, setoff, or recoupment whatsoever, and to otherwise comply with all notices, directions and demands which shall be properly given by the Lessor or such Assignee with respect to such Item(s), in accordance with the provisions of this Lease. Notwithstanding any such assignment, all obligations of the Lessor to the Lessee under this Lease shall be and remain enforceable by the Lessee against the Lessor and any Assignee to whom an assignment has been made.

15. Liens. The Lessee will not directly or indirectly create, incur, assume or suffer to exist any Lien on or with respect to (i) the Equipment or any Item thereof, the Lessor's title thereto or any interest therein, or (ii) this Lease or any of the Lessor's interests hereunder, except in the case of either clause (i) or (ii), Permitted Liens. The Lessee, at its own expense, will promptly pay, satisfy and otherwise take such actions as may be necessary to keep this Lease and the Equipment free and clear of, and to duly discharge or eliminate or bond in a manner satisfactory to the Lessor and each Assignee, any such Lien not excepted above if the same shall arise at any time. The Lessee will notify the Lessor and each Assignee in writing promptly upon becoming aware of any tax or other Lien (other than any Permitted Lien excepted above) that shall attach to the Equipment or any Item of Equipment, in reasonable detail.

16. Loss, Damage or Destruction.

(a) Risk of Loss, Damage or Destruction. The Lessee hereby assumes all risk of loss, damage, theft, taking, destruction, confiscation, requisition or commandeering, partial or complete, of or to each Item of Equipment, however caused or occasioned, such risk to be borne by the Lessee with respect to each Item of Equipment from the date of this Lease, and continuing until such Item of Equipment has been returned to the Lessor in accordance with the provisions of Section 6 hereof or has been purchased by the Lessee in accordance with the provisions of Section 28 hereof. The Lessee agrees that no occurrence specified in the preceding sentence shall impair, in whole or in part, any obligation of the Lessee under this Lease, including the obligation to pay Basic Rent, until such obligation is terminated in accordance with the terms of this Lease.

(b) Payment of Casualty Loss Value Upon an Event of Loss. If an Event of Loss occurs with respect to an Item of Equipment during the Term thereof, the Lessee shall, within 15 days after a Responsible Officer of the Lessee learns of that Event of Loss, give the Lessor written notice thereof and shall pay to the Lessor on the Rent Payment Date next following the date of such notice (or on the last day of the Term, if there is no succeeding Rent Payment Date) the sum of (i) all unpaid Basic Rent payable for such Item of Equipment for any Rental Period in which the Event of Loss has occurred, plus (ii) the Casualty Loss Value of such Item of Equipment determined as of the date of payment for such Event of Loss, plus (iii) all other Supplemental Payments due for such Item of Equipment as of the date of payment of the amounts specified in the foregoing clauses (i) and (ii). Any payments received at any time by the Lessor or by the Lessee from any insurer or other party as a result of the occurrence of such Event of Loss will be applied in reduction of the Lessee's obligation to pay the foregoing amounts, if not already paid by the Lessee, or, if already paid by the Lessee, will be applied to reimburse the Lessee for its payment of such amount (unless an Event of Default exists, in which case the Lessor may first apply any such payments in reduction of the Lessee's obligation to pay any other amounts due from the Lessee). Upon payment in full of such Casualty Loss Value and Basic Rent, (A) the obligation of the Lessee to pay Basic Rent hereunder with respect to such Item of Equipment shall terminate and the Term of such Item shall terminate, and (B) the Lessor shall transfer to the Lessee, "as is where is" without recourse or warranty except as to the absence of Liens described in clause (d) of the definition of Permitted Liens, all right, title and interest conveyed to the Lessor in and to the Equipment.

(c) Application of Payments Not Relating to an Event of Loss. Any payments (including insurance proceeds) received at any time by the Lessor or the Lessee from any party with respect to any loss or damage to any Item or Items of Equipment not constituting an Event of Loss, will be paid to or retained by the Lessee (unless an Event of Default exists, in which case the Lessor may first apply any such payments in reduction of the Lessee's obligation to pay any other amounts due from the Lessee).

17. Insurance. The Lessee will at its sole expense and at all times during the Term or, if applicable, until the pertinent Items of Equipment are returned to the Lessor or the Lessor's agent pursuant to Section 6 hereof, whichever is longer, cause to be carried and maintained (i) public liability insurance with respect to third party personal injury and property damage in an amount per occurrence of not less than \$10,000,000 and (ii) property insurance in respect of all Items of Equipment. The Lessee will carry such insurance as is required hereunder in such amounts and for such risks consistent with prudent industry practice (which industry means major creditworthy U.S. electric utilities and which own or use railcars for the transportation of coal) and at least comparable in amounts and against risks customarily insured against by the Lessee in respect of equipment owned or leased by it similar in nature to the Equipment; provided, that the Lessee may in any event self-insure or carry deductibles for up to \$5,000,000 per occurrence (or such higher amount as shall be consistent with prudent industry practice at the time) (Lessee's current deductible of \$2 million and insurance of amounts from \$2 million to \$10 million through a captive Affiliate being deemed acceptable). The proceeds of any such property insurance as is required hereunder shall be payable to the Lessor, the Lender, each Assignee and the Lessee, as their respective interests may appear. Each policy required hereunder (i) shall provide thirty days' prior notice of cancellation or material change and (ii) shall include the Lessor, the Lender and each Assignee as additional insureds as their respective interests may appear, and the Lessee shall endeavor to obtain a waiver by such insurance company of any right to claim any premiums or commissions against the Lessor, the Lender and each Assignee. Prior to the first date of delivery of any Item of Equipment and thereafter not less than fifteen days prior to the expiration dates of the expiring policies theretofore delivered, the Lessee shall deliver to the Lessor, the Lender and each Assignee certificates of insurance issued by the insurer(s) for the insurance required to be maintained hereunder. Any certificate of

insurance issued with respect to a blanket policy covering other equipment not subject to this Lease shall specifically describe the Equipment as being included therein and covered thereby to the full extent of the coverages and amounts required hereunder. If the Lessee shall fail to cause the insurance required under this Section to be carried and maintained, the Lessor, the Lender or any Assignee may, after prior written notice to the Lessee, provide such insurance and the Lessee shall reimburse the Lessor, the Lender or such Assignee, as the case may be, upon demand for the cost thereof as a Supplemental Payment hereunder.

18. General Tax Indemnity.

(a) The Lessee agrees to pay, defend and indemnify and hold the Lessor, the Lender, each Assignee and their respective successors and assigns (each, a "Tax Indemnitee") harmless on an After-Tax Basis from any and all Federal, state, local and foreign taxes, including sales and use taxes, fees, withholdings, levies, imposts, duties, ad valorem or property taxes, all license, franchise or registration fees, fines, tariffs, assessments and charges of any kind and nature whatsoever, together with any penalties, fines or interest thereon (herein called "taxes or other impositions") howsoever imposed, whether levied or imposed upon or asserted against the Lessor, the Lender, any Assignee, the Lessee, the Equipment, any Item of Equipment, or any part thereof, by any Federal, state or local government or taxing authority in the United States, or by any taxing authority or governmental subdivision of a foreign country, upon or with respect to (i) the Equipment, or any Item of Equipment or any part thereof, (ii) the manufacture, construction, ordering, purchase, ownership, delivery, leasing, subleasing, re-leasing, possession, use, maintenance, registration, re-registration, titling, re-titling, licensing, documentation, return, repossession, sale or other application or disposition of the Equipment, or any Item of Equipment or any part thereof, (iii) the rentals, receipts or earnings arising from the Equipment or any Item of Equipment or any part thereof, or (iv) this Lease, the Lease Supplement, the Basic Rent and/or Supplemental Payments payable by the Lessee hereunder; provided, however, that the foregoing indemnity shall not apply to:

(1) any federal, state, local or foreign tax or other imposition based on or measured by net income or in the nature of a net income tax or imposed in lieu of a net income tax, including any such franchise tax and any such similar tax based on capital, receipts, net worth or comparable basis of measurement;

(2) any tax or other impositions in respect of this Lease of any Item of Equipment that results from any act, event or omission that occurs after the termination of this Lease in respect of such Item of Equipment other than as expressly provided in Section 29(b) hereof;

(3) any tax or other impositions that are imposed on any Tax Indemnitee as a result of the negligence or willful misconduct of such Tax Indemnitee or its Affiliate;

(4) any tax or other impositions imposed on any Tax Indemnitee that are a result of such Tax Indemnitee not being a resident of, or not being organized under the laws of, the United States or any political subdivision thereof;

(5) any tax or other impositions that have not been paid and that are being contested in accordance with clause (b) below;

(6) any tax or other impositions that result from any transfer by any Tax Indemnitee of any interest in an Item of Equipment or any interest arising under this Lease (other than, in any case, any transfer in connection with the exercise by the Lessee

of its purchase option pursuant to Section 28(b) hereof or a sale of an Item of Equipment pursuant to Section 28(c), in connection with the occurrence of an Event of Default, or an Event of Loss or Deemed Event of Loss, or otherwise required by this Lease);

(7) any tax that is enacted or adopted as a substitute for or in lieu of any tax that would not have been indemnified against pursuant to Section 18(a);

(8) taxes on any items of tax preference or any minimum tax of such Tax Indemnitee; and

(9) taxes which are gross income or gross receipts taxes, unless such taxes are imposed by reason of the use, location, or presence of the Equipment in, or the presence or activities of the Lessee in, or the making of payments from, the jurisdiction imposing such taxes or such taxes are in the nature of sales, use, property, ad valorem, value added or rental taxes.

Notwithstanding the foregoing provisos (1) through (7), the Lessee shall indemnify each Tax Indemnitee for any taxes identified in provisos (1), (4) or (6) (or any increase in such taxes) imposed on such Tax Indemnitee net of any decrease in such taxes realized by such Tax Indemnitee, to the extent that such tax or tax increase would not have occurred if on the Closing Date the Lessor had advanced funds to the Lessee in the form of a loan secured by the Equipment in an amount equal to the amount funded on the Closing Date, with debt service for such loan equal to the Basic Rent payable on each Rent Payment Date and a principal balance at the maturity of such loan in an amount equal to the amount of the Acquisition Cost then outstanding at the end of the term of this Lease. The Lessee will prepare and file any reports or returns required to be made with respect to any tax or other imposition for which the Lessee is responsible, directly or indirectly, if permitted by applicable law to file the same, and if not so permitted, the Lessee shall prepare such reports or returns for signature by the Lessor or, upon request of the Lessor, will promptly provide the Lessor with all information necessary for the making and timely filing of such reports or returns by the Lessor, and shall forward the same, together with immediately available funds for payment of any tax or other imposition due, to the Lessor, at least ten days in advance of the date such payment is to be made. Upon written request, the Lessee shall furnish the Lessor with copies of all paid receipts or other appropriate evidence of payment for all taxes or other impositions paid by the Lessee pursuant to this Section 18. All of the indemnities contained in this Section 18 in respect of (i) any act, event or omission that occurs on or prior to termination of this Lease and (ii) any sale described in Section 29(b) hereof shall continue in full force and effect notwithstanding the expiration or earlier termination of this Lease in whole or in part, including the expiration or termination of the Term with respect to any Item (or all) of the Equipment, and are expressly made for the benefit of, and shall be enforceable by, the Lessor, the Lender and each Assignee.

(b) In the event any claim, action, proceeding or suit is brought against any Tax Indemnitee with respect to which the Lessee would be required to indemnify such Tax Indemnitee, such Tax Indemnitee shall promptly give written notice of any such claim, action, proceeding or suit to the Lessee. The Lessee may, and upon the Lessee's request any such Tax Indemnitee will, at the Lessee's expense, resist and defend such action, suit or proceeding, or cause the same to be resisted or defended by counsel selected by the Lessee and reasonably satisfactory to such Tax Indemnitee, and the Lessee shall pay all costs and expenses (including attorney's fees and expenses) reasonably incurred by such Tax Indemnitee in connection with such action, suit or proceeding; provided, that no Tax Indemnitee shall settle any such actions for which it has assumed the responsibility of defense without consent of the Lessee (not

unreasonably to be withheld) and provided further, that the failure of any Tax Indemnitee to give such notice to the Lessee shall not relieve the Lessee from any of its obligations to provide indemnification to any Tax Indemnitee under this Section 18, except to the extent that a successful contest is adversely affected by such Tax Indemnitee's failure to give notice; provided, further, that the Lessee shall be relieved of its obligations to provide indemnification under this Section 18 with respect to any Tax Indemnitee, to the extent that such Tax Indemnitee shall (x) deliver to the Lessee a written notice waiving the benefits of the indemnification of such Tax Indemnitee provided by this Section 18 in connection with such claim, action, proceeding or suit, and (y) reimburse the Lessee for all amounts paid by the Lessee with respect to such noncontested claim, action, proceeding, or suit. If any Tax Indemnitee actually obtains a refund (or would have actually received such a refund but for offset by matters not indemnifiable by the Lessee under Section 18(a)) of all or any part of any Tax paid or reimbursed by the Lessee, such Tax Indemnitee shall promptly pay to the Lessee the amount of such refund (or the amount of such offset) plus any interest thereon (less any taxes imposed on such Tax Indemnitee with respect to such interest) received from the relevant taxing authority (or which would have been received with respect to the amount of such an offset) plus the amount of any tax benefits realized by such Tax Indemnitee as a result of such payment (net of any net tax detriment resulting from the receipt of the refund and interest on the refund (after giving effect to such Tax Indemnitee's obligations to make payments to the Lessee under this sentence)).

(c) At least five Business Days prior to the first date on which any payment is due hereunder for the account of any Affected Party not incorporated under the laws of the United States or a state thereof, such Affected Party agrees that it will have delivered to each of the Lessee and the Lessor two duly completed copies of United States Internal Revenue Service Form W-8BEN or W-8ECI, certifying in either case that such Affected Party is entitled to receive payments of interest and/or yield and a return of the principal amount of the Acquisition Cost under the transaction documents without deduction or withholding of any United States Federal income taxes. Each Affected Party which so delivers a Form W-8BEN or W-8ECI further undertakes to deliver to each of the Lessee and the Lessor two additional copies of such form (or a successor form) on or before the date that such form expires (currently, three successive calendar years for Form W-8BEN and one calendar year for Form W-8ECI) or becomes obsolete or after the occurrence of any event requiring a change in the most recent forms so delivered by it, and such amendments thereto or extensions or renewals thereof as may be reasonably requested by the Lessee or the Lessor, in each case certifying that such Affected Party is entitled to receive payments under the transaction documents without deduction or withholding of any United States Federal income taxes, unless any change in treaty, law or regulation has occurred prior to the date on which any delivery of such additional forms would otherwise be required which changes such Affected Party's entitlement to receive any payments without withholding and such Affected Party advises the Lessee that it is no longer entitled to receive payments without any withholding of United States Federal income tax.

19. Indemnification. The Lessee hereby assumes liability for, and does hereby agree to indemnify, protect, save, defend, and hold harmless the Lessor, the Lender, each Assignee and their respective officers, directors, successors, assigns, and agents (each such party being herein, for purposes of this Section 19, called an "Indemnified Party") on an After-Tax Basis from and against any and all obligations, fees (including switching fees), charges (including demurrage charges), liabilities, losses, damages, penalties, claims, demands, actions, suits, judgments, costs and expenses, including legal expenses, of every kind and nature whatsoever, imposed on, incurred by, or asserted against any Indemnified Party, in any way relating to or arising out of (a) the manufacture, construction, ordering, purchase, acceptance or rejection, ownership, titling or retitling, registration or reregistration, delivery, leasing, subleasing, releasing, possession, use, operation, storage, removal, return, repossession, sale or

other disposition of the Equipment or any item of Equipment, or any part thereof, including any of such as may arise from (i) the transactions contemplated by this Lease or the other transaction documents, (ii) the loss or damage to any property or death or injury to any persons, (iii) patent or latent defects in any Item of Equipment (whether or not discoverable by the Lessee or any Indemnified Party), (iv) any claims based on strict liability in tort, (v) any claims based on patent, trademark, tradename or copyright infringement, (vi) any claims based upon any non-compliance with or violation of any environmental control, noise or pollution laws or requirements, including fines and penalties arising from violations of or noncompliance with such requirements or failure to report discharges, and costs of clean-up of any discharge, and (vii) any loss or damage to any commodities loaded or shipped in the Equipment; or (b) any failure on the part of the Lessee to perform or comply with any of the terms of this Lease; or (c) any power of attorney issued to the Lessee in connection with this Lease (all the foregoing being "Liabilities"). The Lessee shall give each Indemnified Party prompt notice of any occurrence, event or condition known to the Lessee as a consequence of which any Indemnified Party may be entitled to indemnification hereunder. The Lessee shall, forthwith upon demand of any such Indemnified Party, reimburse such Indemnified Party for amounts reasonably expended by it in connection with any of the foregoing or pay such amounts directly; provided, however, that the Lessee shall not be liable to such Indemnified Party under this Section 19 for any of the foregoing Liabilities to the extent they arise from the gross negligence, willful misconduct, or breach of contract of such Indemnified Party, or to the extent that they arise from any transfer of the Lessor's or the Lender's interest in any Item or this Lease (other than a transfer resulting from an Event of Default, an Event of Loss, or a sale, made under Section 28 or 29 hereof, or any transfer made at the lessee's request or direction). The Lessee shall be subrogated to an Indemnified Party's rights in any matter with respect to which the Lessee has actually reimbursed such Indemnified Party for amounts expended by it or has actually paid such amounts directly pursuant to this Section 19. If any claim for a Liability is made against the Lessee or any Indemnified Party and such party has received notice thereof, such party receiving notice of such Liability shall promptly notify the Lessee; provided, that the failure to provide such notice promptly shall not release the Lessee from any of its obligations to indemnify hereunder, except to the extent that such failure adversely affects any applicable defense or counterclaim, or otherwise increases the amount the Lessee would have been liable for in the absence of such failure. Subject to the rights of any insurer under any policy of insurance maintained pursuant to this Lease, and if no Event of Default shall exist, the Lessee shall have the right to investigate and defend or compromise any Liability for which it may be required to indemnify under this Section 19, and each Indemnified Party agrees to cooperate with all reasonable requests of the Lessee in connection therewith. Notwithstanding any of the foregoing to the contrary, the Lessee shall not be entitled to assume responsibility for and control of any such judicial or administrative proceedings if (i) any Event of Default shall exist, (ii) such proceedings will involve a material risk of the sale, forfeiture, or loss of, or the creation of any Lien (other than a Permitted Lien) on, any item, unless the Lessee posts a bond or other security satisfactory to the relevant Indemnified Party in respect to such risk, or (iii) such proceedings would involve the imposition of criminal liability (other than minor fines which have no materially adverse effect on any Indemnified Party) on an Indemnified Party or if such contest will in the reasonable opinion of such Indemnified Party be inappropriate under applicable standards of professional conduct. An Indemnified Party may participate at its own expense and with its own counsel in any judicial proceeding controlled by the Lessee pursuant to the preceding provisions. In the case of any Liability covered by any policy of insurance maintained pursuant to this Lease, each Indemnified Party shall cooperate with all reasonable requests of the insurers in the exercise of their rights to investigate, defend, or compromise such claim as may be required by such policy to maintain the insurance coverage provided to the parties thereunder. The provisions of this Section 19, and the obligations of the Lessee under this Section 19, shall apply from the date of the execution of this Lease notwithstanding that the Term may not have commenced with respect to any Item of Equipment, and shall survive and continue in full force and effect (as to any event occurring or condition existing during the Term) notwithstanding the expiration or earlier termination of this Lease in whole or in part, including the

expiration or termination of the Term with respect to any Item of Equipment or all Items of Equipment, and are expressly made for the benefit of, and shall be enforceable by, each Indemnified Party.

20. No Warranties. THE LESSOR HEREBY LEASES THE EQUIPMENT TO THE LESSEE AS-IS AND EXPRESSLY DISCLAIMS AND MAKES NO REPRESENTATION OR WARRANTY, EITHER EXPRESSED OR IMPLIED, AS TO THE DESIGN, CONDITION, QUALITY, CAPACITY, MERCHANTABILITY, DURABILITY, SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF THE EQUIPMENT, OR ANY OTHER IMPLIED REPRESENTATION OR WARRANTY CONCERNING THE EQUIPMENT. THE LESSEE HEREBY WAIVES ANY CLAIM (INCLUDING ANY CLAIM BASED ON STRICT OR ABSOLUTE LIABILITY IN TORT OR INFRINGEMENT) IT MIGHT HAVE AGAINST THE LESSOR FOR ANY LOSS, DAMAGE (INCLUDING INCIDENTAL OR CONSEQUENTIAL DAMAGE) OR EXPENSE CAUSED BY THE EQUIPMENT OR BY THE LESSEE'S LOSS OF USE THEREOF FOR ANY REASON WHATSOEVER (OTHER THAN A BREACH OF SECTION 2(B)), INCLUDING COMPLIANCE WITH ENVIRONMENTAL LAWS. So long and only so long as the Equipment shall be subject to this Lease and the Lessee shall be entitled to possession of the Equipment hereunder, and provided no Event of Default exists for which the Lessor is exercising (or is stayed or otherwise legally restrained from exercising) remedies against the Lessee or the Equipment, the Lessor authorizes the Lessee, at the Lessee's expense, to assert for the Lessor's account, all rights and powers of the Lessor under any manufacturer's, vendor's or dealer's warranty with respect to the Equipment, any Item of Equipment or any part thereof; provided, however, that the Lessee shall indemnify, protect, save, defend and hold harmless the Lessor from and against any and all claims, and all costs, expenses, damages, losses and liabilities incurred or suffered by the Lessor in connection therewith, as a result of, or incident to, any action by the Lessee pursuant to the foregoing authorization.

21. Lessee's Representations and Warranties. The Lessee hereby represents and warrants that:

(a) the Lessee is a corporation duly organized, validly existing and in good standing under the laws of the State of Georgia, and is qualified to do business in, and is in good standing in, each state or other jurisdiction in which the nature of its business makes such qualification necessary;

(b) the Lessee has the corporate power and authority to execute and perform this Lease and to lease the Equipment hereunder, and has duly authorized the execution, delivery and performance of this Lease;

(c) the leasing of the Equipment from the Lessor by the Lessee, the Lessee's execution and delivery of this Lease, the Lease Supplement, and other related instruments, documents and agreements, and the compliance by the Lessee with the terms hereof and thereof, and the payments and performance by the Lessee of all of its obligations hereunder and thereunder (i) have been duly and legally authorized by appropriate corporate action taken by the Lessee, (ii) are not in contravention of, and will not result in a violation or breach of, any of the terms of the Lessee's Articles of Incorporation, its By-Laws, or of any provisions relating to shares of the capital stock of the Lessee, and (iii) will not violate or constitute a breach of any provision of law, any order of any court or other agency of government, or any indenture, agreement or other instrument to which the Lessee is a party, or by or under which the Lessee or any of the Lessee's property is bound, or be in conflict with, result in a breach of, or constitute (with due notice and/or lapse of time) a default under any such indenture, agreement or instrument, or result in the creation or imposition of any Lien upon any of the Lessee's property or assets other than the Liens contemplated hereby;

(d) this Lease has been executed by the duly authorized officer or officers of the Lessee and delivered to the Lessor and constitutes, and when executed by the duly authorized officer or officers of the Lessee and delivered to the Lessor the Lease Supplement and related instruments, documents and agreements with respect to each Item of Equipment will constitute, the legal, valid and binding obligations of the Lessee, enforceable in accordance with their terms (subject to such exceptions and limitations as are disclosed in the opinion referred to in Section 3(j));

(e) neither the execution and delivery of this Lease or the Lease Supplement by the Lessee, nor the payment and performance by the Lessee of all of its obligations hereunder and thereunder, requires the consent or approval of, the giving of notice to, or the registration, filing or recording with, or the taking of any other action in respect of, any Federal, state, local or foreign government or governmental authority or agency or any other Person other than filing of this Lease and the Lease Supplement with the Surface Transportation Board;

(f) no mortgage, deed of trust, or other Lien which now covers or affects any property or interest therein of the Lessee, now attaches to the Equipment or any Item of the Equipment, the proceeds thereof or this Lease, or in any manner affects or will affect adversely the Lessor's rights and security interest therein;

(g) the Lessee holds all licenses, certificates and permits from governmental authorities necessary to use and operate the Equipment in accordance with the provisions of this Lease;

(h) there is no litigation or other proceeding now pending or, to the best of the Lessee's knowledge, threatened against or affecting the Lessee, in any court or before any regulatory commission, board or other administrative governmental agency (i) which would directly or indirectly adversely affect or impair the title of the Lessor to the Equipment, or (ii) which, except as may be contemplated and disclosed under the Disclosure Documents, would materially adversely affect the financial condition of the Lessee;

(i) all balance sheets, statements of profit and loss and other financial statements set forth in the Disclosure Documents fairly present the financial condition of the Lessee on the dates for which, and the results of its operations for the periods for which, the same have been furnished, and have been prepared in accordance with generally accepted accounting principles consistently followed throughout the periods covered thereby (except as noted therein); and there has been no material adverse change in the financial condition of the Lessee, since the date of the Disclosure Documents, except as may be contemplated and disclosed under the Disclosure Documents;

(j) neither the Lessor, the Lender, any Assignee, any Affiliate nor shareholder thereof shall, by reason of (i) the ownership of the Equipment or any part thereof by the Lessor or Assignee, (ii) the lease of the Equipment to the Lessee under this Lease, or (iii) any other transaction contemplated by this Lease or any other document executed in connection herewith, be deemed by any governmental authority having jurisdiction to be, or be subject to regulation as, an "electric utility", a "gas utility" or a "public utility" or a "public utility holding company" or an "affiliate", of a "public utility holding company", under the 1935 Act or under any other existing law, rule or regulation (or applicable authoritative interpretation thereof) of the federal government of the United States of America, of the Lessee's state of incorporation, or any subdivision thereof;

(k) neither the Lessor, the Lender nor any Assignee shall be subject to any liabilities, duties or obligations under the 1935 Act as a result of the transaction contemplated hereby;

(l) no approval that has not been obtained by the Lessee as of the date of this representation and warranty is required from any regulatory body, board, authority or commission, nor from any other administrative or governmental agency, nor from any other Person, with respect to the execution, delivery and performance of this Lease;

(m) except for (A) the filings required pursuant to Section 3(i) and (B) the filing of financing statements (and continuation statements at periodic intervals) with respect to the security and other interests created by such documents under the Uniform Commercial Code of Georgia, no further action, including any filing or recording of any document (including any other financing statement in respect thereof under Article 9 of the U.C.C.), is necessary or advisable in order to establish and perfect the Lessor's title to and interest in the Equipment as against the Lessee, and any third parties in any applicable jurisdictions in the United States;

(n) the Disclosure Documents and the Equipment Documents taken as a whole, were true and correct in all material respects and did not omit any information necessary to make the information provided, in light of the circumstances under which such information was provided, not materially misleading;

(o) (i) no ERISA Event has occurred or, to the best of the Lessee's knowledge, is reasonably expected to occur with respect to any Plan of the Lessee or any of its ERISA Affiliates which would result in a material liability to the Lessee; (ii) since the date of the most recent Schedule B (Actuarial Information) to the annual report of Plans maintained by the Lessee (Form 5500 Series), if any, there has been no material adverse change in the funding status of the Plans referred to therein and, to the best of the Lessee's knowledge, no "prohibited transaction" has occurred with respect thereto which is reasonably expected to result in a material liability to the Lessee; and (iii) neither the Lessee nor any of its ERISA Affiliates has incurred nor, to the best of the Lessee's knowledge, reasonably expects to incur any material withdrawal liability under ERISA to any Multiemployer Plan; and

(p) the Lessee is not an "investment company" or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended;

22. Events of Default. Any of the following events shall constitute an Event of Default:

(a) the Lessee shall fail to make any payment of Basic Rent or any Supplemental Payment on the date due, and that failure shall continue for at least five Business Days after the Lessor notifies the Lessee of it; or

(b) the Lessee shall fail to observe or perform any of the covenants, agreements or obligations of the Lessee set forth in Section 6 or 30(b) hereof or shall operate the Equipment when failing to maintain in effect the insurance required under Section 17 hereof; or

(c) the Lessee shall fail to perform or observe any other covenant, condition, or agreement to be performed or observed by it under this Lease, or in any agreement or certificate furnished to the Lessor or any Assignee in connection herewith, and such failure shall continue unremedied for thirty days after written notice to the Lessee specifying such failure and demanding the same to be remedied; provided, however, that the continuation of such failure for a period of thirty days or more after such notice has been so given (but in no event for a period

which is of a duration longer than ninety days or the remainder of the Term, whichever is shorter) shall not constitute an Event of Default if (a) such failure can be remedied but cannot be remedied within such thirty days, (b) the Lessee is diligently pursuing a remedy of such failure and (c) such failure does not impair in any material respect the Lessee's ability to perform its obligations hereunder or the Lessor's interest in the Equipment; or

(d) a default shall occur in the performance or observance of any obligation of the Lessee under any agreement(s) if the effect of such default is to accelerate the maturity of at least \$50 million of the Debt of the Lessee under such agreement(s) in the aggregate; or

(e) any representation or warranty made by the Lessee under this Lease or in the Lease Supplement or in any document or certificate furnished to the Lessor, the Lender or any Assignee in connection herewith or pursuant hereto, shall prove to be untrue or incorrect in any material respect when made; provided, that if the effect of such misrepresentation or warranty is reasonably curable, the Lessee shall have 30 days after notice from the Lessor to effect a cure; or

(f) the Lessee shall (i) generally fail to pay, or admit in writing its inability to pay, its debts as they become due, or shall voluntarily commence any case or proceeding or file any petition under any bankruptcy, insolvency or similar law or seeking dissolution, liquidation or reorganization or the appointment of a receiver, trustee, custodian or liquidator for itself or a substantial portion of its property, assets or business or to effect a plan or other arrangement with its creditors, or shall file any answer admitting the jurisdiction of the court and the material allegations of any involuntary petition filed against it in any bankruptcy, insolvency or similar case or proceeding, or shall be adjudicated bankrupt, or shall make a general assignment for the benefit of creditors, or shall consent to, or acquiesce in the appointment of, a receiver, trustee, custodian or liquidator for itself or substantially all of its property, assets or business; or

(g) involuntary proceedings or an involuntary petition shall be commenced or filed against the Lessee under any bankruptcy, insolvency or similar law or seeking the dissolution, liquidation or reorganization of the Lessee or the appointment of a receiver, trustee, custodian or liquidator for the Lessee or of substantially all of the property, assets or business of the Lessee, or any writ, judgment, warrant of attachment, execution or similar process shall be issued or levied against substantially all of the property, assets or business of the Lessee, and such proceedings or petition shall not be dismissed, or such writ, judgment, warrant of attachment, execution or similar process shall not be stayed, released, vacated or fully bonded, within sixty consecutive days after commencement, filing or levy, as the case may be.

23. Remedies Upon Default.

(a) Upon the occurrence of any Event of Default and at any time thereafter so long as the same shall be continuing, the Lessor may exercise one or more of the following remedies as the Lessor in its sole discretion may elect:

(i) The Lessor may terminate or cancel this Lease, without prejudice to any other remedies of the Lessor hereunder, with respect to all or any Item of Equipment, and whether or not this Lease has been so terminated, may enter the premises of the Lessee or any other party to take immediate possession of the Equipment and remove all or any Item of Equipment by summary proceedings or otherwise, or may cause the Lessee, at the Lessee's expense, to store, maintain, surrender and deliver possession of the Equipment or such Item in the same manner as provided in Section 6 hereof, all without liability to the Lessor for or by reason of such entry or taking of

possession, whether for the restoration of damage to property caused by such taking or otherwise;

(ii) The Lessor may hold, keep idle or lease to others the Equipment or any Item of Equipment, as the Lessor in its sole discretion may determine, free and clear of any rights of the Lessee and without any duty to account to the Lessee with respect to such action or inaction or for any proceeds with respect thereto, except as required by UCC Article 9, Part 5;

(iii) The Lessor may sell the Equipment or any Item of Equipment at public or private sale as the Lessor may determine, free and clear of any rights of the Lessee (except as required by UCC Article 9, Part 5), and the Lessee shall pay to the Lessor, as liquidated damages for loss of a bargain and not as a penalty (in lieu of the Basic Rent due for the Equipment or Item(s) so sold for any Rental Period commencing after the date on which such sale occurs), the sum of (x) all unpaid Basic Rent payable for each Item of Equipment for all Rental Periods through the date on which such sale occurs, plus (y) an amount equal to the excess, if any, of (A) the Casualty Loss Value of the Item(s) of Equipment so sold, computed as of the Rent Payment Date coincident with (or, if the sale is not on a Rent Payment Date, next preceding) the date of such sale, over (B) the net proceeds of such sale, plus interest at the rate specified in Section 25 hereof on the amount of such excess from the Rent Payment Date as of which such Casualty Loss Value is computed until the date of actual payment, plus (z) all unpaid Supplemental Payments due with respect to each Item of Equipment so sold;

(iv) Whether or not the Lessor shall have exercised, or shall thereafter at any time exercise, any of its rights under clause (i) or (ii) above with respect to any Item(s) of Equipment, the Lessor, by written notice to the Lessee specifying a payment date, may demand that the Lessee pay to the Lessor, and the Lessee shall pay to the Lessor, on the payment date specified in such notice, as liquidated damages for loss of a bargain and not as a penalty (in lieu of the Basic Rent due for any Item(s) of Equipment for any Rental Period commencing after the payment date specified in such notice and in lieu of the exercise by the Lessor of its remedies under clause (ii) above in the case of a re-lease of such Item(s) or under clause (iii) above with respect to a sale of such Item(s)), the sum of (i) all unpaid Basic Rent payable for such Item(s) for all Rental Periods through the payment date specified in such notice, plus (ii) all unpaid Supplemental Payments due with respect to such Item(s) as of the payment date specified in such notice, plus (iii) an amount, with respect to each such Item, equal to the Casualty Loss Value of such Item(s) computed as of the Rent Payment Date coincident with (or, if the payment date specified is not a Rent Payment Date, next preceding) the payment date specified in such notice; provided, however, that with respect to any such Item(s) returned to or repossessed by the Lessor, the amount recoverable by the Lessor pursuant to the foregoing shall be reduced (but not below zero) by an amount equal to the fair market sales value of such Item(s) as of the date on which the Lessor has obtained possession of such Item(s);

(v) Unless the Equipment has been sold in its entirety, the Lessor may, whether or not the Lessor shall have exercised or shall thereafter at any time exercise any of its rights under clause (ii), (iii) or (iv) of this Section 23 with respect to the Equipment or portions thereof, demand, by written notice to the Lessee specifying a date not earlier than ten days after the date of such notice, that the Lessee purchase, on such date, the Equipment (or the remaining portion thereof) in accordance with the

provisions of Section 28(b); provided, however that no such written notice shall be required upon the occurrence of any Event of Default described in clause (f) or (g) of Section 22; and

(vi) The Lessor may exercise any other right or remedy which may be available to it under applicable law or proceed by appropriate court action to enforce the terms hereof or to recover damages for the breach hereof or to rescind this Lease.

In addition, the Lessee shall be liable for all costs and expenses, including attorney's fees, reasonably incurred by the Lessor or any Assignee by reason of the occurrence of any Event of Default or the exercise of the Lessor's remedies with respect thereto, including all costs and expenses incurred in connection with the return of the Equipment in accordance with Section 6 hereof or in placing the Equipment in the condition required by said Section. For the purpose of clause (iv) above, the "fair market sales value" of any Item of Equipment shall mean such value as has been determined by an independent qualified appraiser selected by the Lessor. Except as otherwise expressly provided above, no remedy referred to in this Section 23 is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to above or otherwise available to the Lessor at law or in equity; and the exercise or beginning of exercise by the Lessor of any one or more of such remedies shall not constitute the exclusive election of such remedies and shall not preclude the simultaneous or later exercise by the Lessor of any or all of such other remedies. No express or implied waiver by the Lessor of any Event of Default shall in any way be, or be construed to be, a waiver of any future or subsequent Event of Default.

(b) After the sale of all of the Equipment pursuant to the exercise of the Lessor's remedies under this Lease, any amounts collected by the Lessor in such sale or sales which exceed the sum of (i) the applicable Casualty Loss Values for all Items of Equipment subject to this Lease, plus (ii) any amounts owed by the Lessee to the Lessor under this Lease, plus (iii) the costs incurred by the Lessor in consummating such sale, shall be paid to the Lessee by the Lessor.

24. Lessor's Right to Perform for the Lessee. If the Lessee fails to make any Supplemental Payment required to be made by it hereunder or fails to perform or comply with any of its agreements contained herein, the Lessor may itself, after at least five Business Days' prior written notice to the Lessee, make such payment or perform or comply with such agreement, and the amount of such payment and the amount of the reasonable expenses of the Lessor incurred in connection with such payment or the performance of or compliance with such agreement, as the case may be, together with interest thereon at the rate specified in Section 25 hereof, shall, if not paid by the Lessee to the Lessor on demand, be deemed a Supplemental Payment hereunder.

25. Late Charges. The Lessee shall pay to the Lessor, upon demand, to the extent permitted by applicable law, interest on any installment of Basic Rent not paid when due, and on any Supplemental Payment or other amount payable under this Lease which is not paid when due, for any period for which any of the same is overdue (without regard to any grace period) at a rate equal to the lesser of (a) the Alternate Base Rate plus two percent per annum, or (b) the maximum rate of interest permitted by law.

26. Further Assurances. The Lessee will promptly and duly execute and deliver to the Lessor and any Assignee such other documents and assurances, including Uniform Commercial Code financing statements and continuation statements, and filings with the Surface Transportation Board, and will take such further action as the Lessor or any Assignee may from time to time reasonably request in order to carry out more effectively the intent and purposes of this Lease and to establish and protect the rights and remedies created or intended to be created in favor of the Lessor and of any Assignee and their respective rights, title and interests in and to the Equipment.

27. Notices. All notices provided for or required under the terms and provisions hereof shall be in writing (including facsimile) and addressed, delivered or transmitted to the appropriate party at its address or facsimile number as set forth or Schedule I hereto, or in the case of any Assignee, to the address or facsimile number as such Assignee shall designate in writing to the Lessor and the Lessee, or in each case at such other address or facsimile number as an addressee shall designate in writing to the other parties. Any notice, if mailed or sent by courier service, shall be deemed given when delivered; any notice, if transmitted by facsimile, shall be deemed given when transmitted and electronically confirmed.

28. Lessee's Renewal, Purchase and Sale Options.

(a) Lessee's Renewal Option. The Lessee shall be entitled, upon mutual agreement of the Lessor, the Lender and the Lessee (each in its sole discretion), to renew this Lease for a Renewal Term with respect to all, but not less than all, of the Items of Equipment then subject to the Lease Supplement, unless (i) an Event of Default exists for which the Lessor is exercising (or is stayed or otherwise legally restrained from exercising) remedies against the Lessee or the Equipment, or (ii) this Lease shall have been earlier terminated. Any such mutual agreement among the Lessee, Lessor and Lender shall be accompanied by a written statement, signed by each, setting forth such values for the Estimated Residual Value Percentage, the Maximum Lessee Risk Percentage and the Maximum Lessor Risk Percentage as of the end of such Renewal Term, as the Lessee, Lessor and Lender may mutually agree (each in its sole discretion). The Renewal Term with respect to each such Item of Equipment will commence at the expiration of the Basic Term of such Item, and such Renewal Term will terminate five years thereafter. If the Lessee intends not to exercise the renewal option with respect to all of such Items of Equipment for the Renewal Term, the Lessee shall give written notice to the Lessor to such effect at least 180 days prior to the expiration of the Basic Term. If the Lessee fails to give such written notice to the Lessor with respect to all of the Items of Equipment covered by the Lease Supplement, it shall be conclusively presumed that the Lessee does not intend to exercise said renewal option with respect to all of such Items of Equipment for the Renewal Term. In the event the Lessee elects not to exercise the renewal option (unless the Lessor has otherwise agreed in writing or the Lessee has exercised its purchase option under Section 28(b) hereof) each such Item of Equipment shall be returned to the Lessor in accordance with the provisions of Section 6 hereof (unless delivered to a bidder in accordance with Section 28(c) hereof) and until each such Item has been so returned or delivered the Lessee shall continue to pay to the Lessor the Basic Rent for each such Item as specified in Section 7(a) hereof.

(b) Lessee's Purchase Options.

(I) End of Term. The Lessee shall be entitled, at its option, upon written notice to the Lessor as hereinafter provided, to purchase all, but not less than all, Items of Equipment on the Termination Date, if this Lease shall not have been earlier terminated. Such purchase shall be consummated, and the Lessee shall pay the purchase price therefor to the Lessor in immediately available funds, on the Termination Date for the Items of Equipment. The purchase price for each such Item shall be an amount (the "End-of-Term Purchase Option Amount"), payable in immediately available funds, equal to the Estimated Residual Value of such Item of Equipment as of the Basic Term or Renewal Term thereof then ending; in addition, the Lessee shall pay to the Lessor on the Termination Date, in immediately available funds, (x) the Basic Rent due and payable for such Item of Equipment on the Termination Date, plus (y) any applicable sales, excise or other taxes imposed as a result of such sale (other than gross or net income taxes attributable to such sale), plus (z) any Supplemental Payments then due and owing to the Lessor hereunder. The Lessor's sale of each Item of Equipment shall be on an as-is,

where-is basis, without any representation or warranty by, or recourse to, the Lessor except that the Lessor shall warrant that each such Item of Equipment shall be returned free and clear of all Liens of the sort described in clause (d) of the definition of Permitted Liens. If the Lessee intends to exercise said purchase option in respect of the Termination Date, the Lessee shall give written notice to the Lessor to such effect at least 180 days prior to the expiration of the Basic Term of said Item(s) of Equipment or, if the Lessee has renewed this Lease pursuant to Section 28(a) hereof, then at least 180 days prior to the expiration of the Renewal Term of said Item(s). If the Lessee gives such written notice to the Lessor, or fails to give such notice at least 180 days prior to the end of the Basic Term or Renewal Term, as applicable, such notice or omission shall constitute the irrevocable and binding obligation of the Lessee to purchase all Items of Equipment and to pay the Lessor the End-of-Term Purchase Option Amount on the expiration of the Basic Term or Renewal Term, as applicable.

(II) Early Buyout Option. The Lessee shall be entitled, at its option, upon written notice to the Lessor as hereinafter provided, to purchase any Item of Equipment then subject to the Lease Supplement, unless (i) an Event of Default exists, or (ii) this Lease shall have been earlier terminated; provided that if the aggregate EBO Purchase Option Amount of Items purchased by the Lessee under this paragraph (II) at any time exceeds 25% of the aggregate Casualty Loss Values on the purchase date of all Items of Equipment subject to this Lease as of the Closing Date, the Lessee will be deemed to have exercised its end-of term purchase option under Section 28(b)(I) with respect to all Items of Equipment subject to this Lease on the Termination Date. Such purchase shall be consummated, and the Lessee shall pay the EBO Purchase Option Amount therefor to the Lessor in immediately available funds, on the Rent Payment Date specified in the Lessee's notice to the Lessor. The date of purchase shall be no earlier than the second anniversary of the Closing Date with respect to such Items of Equipment. The purchase price for each such Item shall be an amount (each, an "EBO Purchase Option Amount") equal to the Casualty Loss Value of such Item of Equipment as of the immediately preceding Rent Payment Date. In addition, the Lessee shall pay to the Lessor on the early buyout date, in immediately available funds, (x) an amount obtained by multiplying (1) such Casualty Loss Value by (2) the Variable Rate Percentage, by (3) the number of days from and including the commencement of the then effective Rental Period to but excluding the date of purchase by (4) 1/360, plus (y) any applicable sales, excise or other taxes imposed as a result of such sale (other than gross or net income taxes attributable to such sale), plus (z) any Supplemental Payments then due and owing to the Lessor hereunder (including any amounts payable pursuant to Section 33(a) as a result of such purchase). The Lessor's sale of each Item of Equipment shall be on an as-is, where-is basis, without any representation or warranty by, or recourse to, the Lessor except that the Lessor shall warrant that each such item of Equipment shall be returned free and clear of all Liens of the sort described in clause (d) of the definition of Permitted Liens. If the Lessee intends to exercise said purchase option, the Lessee shall provide the Lessor with ninety days' prior written notice thereof specifying the proposed purchase date (which date shall be a Rent Payment Date).

(c) Third Party Sale of Equipment.

(i) Remarketing Obligations. In the event the Lessee (x) delivers notice to the Lessor that it has elected not to renew this Lease with respect to all Items of Equipment then subject to the Lease Supplement in accordance with Section 28(a) hereof and (y) has not exercised its option to purchase all of the Items of Equipment then subject

to the Lease Supplement pursuant to Section 28(b), then the Lessee shall have the obligation during the last 180 days of the Basic Term, or the Renewal Term, if applicable (the "Remarketing Period"), to obtain bona fide bids for not less than all Items of Equipment then subject to the Lease Supplement from prospective purchasers who are financially capable of purchasing such Items of Equipment for cash on an as-is, where-is basis, without recourse or warranty except that the Lessor shall warrant that each such Item of Equipment shall be returned free and clear of all Liens of the sort described in clause (d) of the definition of Permitted Liens. All such bids received by the Lessee prior to the end of the Basic Term, or Renewal Term if applicable, of such Item(s) of Equipment shall be immediately certified to the Lessor in writing, setting forth the amount of such bid and the name and address of the person or entity submitting such bid. Notwithstanding the foregoing, the Lessor shall have the right, but not the obligation, to seek bids for the Equipment during the Remarketing Period.

(ii) Sale of Equipment. On the Termination Date, provided that all the conditions hereof have been met, the Lessor shall sell (or cause to be sold) all Items of Equipment then subject to the Lease Supplement, for cash to the bidder, if any, selected by the Lessee on an as-is, where-is basis and without recourse or warranty except that the Lessor shall warrant that each such Item of Equipment shall be returned free and clear of all Liens of the sort described in clause (d) of the definition of Permitted Liens, and upon receipt by the Lessor of the sales price the Lessor shall instruct the Lessee to deliver and the Lessee shall deliver such Item(s) of Equipment to such bidder; provided that (x) any such sale shall be consummated, and the sales price for such Item shall be paid to the Lessor in immediately available funds, on or before the Termination Date, and (y) the Lessor shall not be obligated to sell such Equipment if (I) the Net Proceeds of Sale of such Items are less than the aggregate Maximum Lessor Risk Amount applicable to such Items as of the Termination Date, or (II) the Lessor has not received the amounts, if any, payable by the Lessee pursuant to Section 29(a). Except as expressly set forth herein, the Lessee shall have no right, power or authority to bind the Lessor in connection with any proposed sale of the Equipment.

29. End-of-Term Rental Adjustment.

(a) Third Party Sale of Equipment. This Section 29(a) shall apply only if a sale of any Item(s) covered by the Lease Supplement pursuant to Section 28(c) hereof is being consummated on the Termination Date. If the aggregate proceeds of sale of all Items covered by the Lease Supplement, after deducting therefrom the aggregate amount of all costs (other than sales commissions or similar third-party fees, unless approved in writing by the Lessee) incurred by the Lessor or the Lender in connection with such sales (such net amount being hereinafter referred to as "Net Proceeds of Sale") are less than the aggregate Estimated Residual Value of all of the Items covered by the Lease Supplement as of such Termination Date, the Lessee shall, on the Termination Date, pay to the Lessor, in immediately available funds, (x) an amount equal to such deficiency (a "Deficiency") as an adjustment to the Basic Rent payable under this Lease for such Items, plus (y) the Basic Rent due and payable for such Items of Equipment on the Termination Date, plus (z) any Supplemental Payments then due and owing to the Lessor hereunder; provided, however, that if no Event of Default shall exist, the amount of the Deficiency payable by the Lessee with respect to the Items covered by the Lease Supplement shall not exceed the Maximum Lessee Risk Amount as set forth in the Lease Supplement for such Termination Date. If the Net Proceeds of Sale of such Items of Equipment exceed the aggregate Estimated Residual Value of such Items, then the Lessor shall apply that excess to any amounts that the Lessee then owes to the Lessor hereunder with respect to such items (or, if an Event of

Default exists, to any other amount that the Lessee then owes to the Lessor), and shall pay to the Lessee the remainder of such excess as an adjustment to the Basic Rent payable under this Lease for such Items.

(b) Lessee Payment. If a sale of all Items of Equipment then covered by the Lease Supplement pursuant to Section 28(b) hereof or Section 28(c) hereof has not been consummated on the Termination Date with respect thereto for any reason (other than Lessor's election, pursuant to Section 28(c)(ii)(y)(I), to decline to sell), then the Lessee shall, on the Termination Date of such Items, purchase such Items as if it had elected a purchase under Section 28(b)(I).

30. Covenants of the Lessee. The Lessee agrees, for the benefit of the Lessor, the Lender and each Assignee, as follows:

(a) Financial Information. The Lessee agrees to furnish the Lessor (1) as soon as available, and in any event within 120 days after the last day of each fiscal year of the Lessee, a copy of the Lessee's Annual Report on Form 10-K (including any financial information incorporated by reference therein), if any, filed with the SEC for such fiscal year; (2) within sixty days after the last day of each fiscal quarter of the Lessee (except the last such fiscal quarter), a copy of the Lessee's Quarterly Report on Form 10-Q, if any, filed with the SEC for such quarterly period; (3) within fifteen days after filing with the SEC, all Current Reports on Form 8-K; and (4) such additional financial information as the Lessor may reasonably request concerning the Lessee.

In the event the Lessee is no longer obligated to file Forms 10-K and 10-Q with the SEC, the Lessee shall furnish to the Lessor the financial statements required to be filed under such Forms on or prior to the dates specified in the preceding sentence.

(b) Mergers, etc. The Lessee shall not merge into or consolidate with or into any other Person or sell, transfer, or otherwise dispose of substantially all the Lessee's assets unless, immediately after giving effect thereto, (1) the Lessee is the surviving corporation, or the surviving (if not the Lessee) or resulting corporation shall have assumed, in writing, the obligations of the Lessee under this Lease, and (2) the surviving entity or resulting entity or transferee, as applicable, will have a net worth at least equal to 80% of the net worth of the Lessee prior to such merger, consolidation or transfer.

(c) ERISA. As soon as possible and in any event (A) within thirty days after any ERISA Event described in clause (i) of the definition of ERISA Event with respect to any Plan of the Lessee or any ERISA Affiliate of the Lessee has occurred and (B) within ten days after any other ERISA Event with respect to any Plan of the Lessee or any ERISA Affiliate of the Lessee has occurred, the Lessee shall deliver to the Lessor a statement of the Lessee (signed on its behalf by a Responsible Officer of the Lessee) describing such ERISA Event and the action, if any, which the Lessee or such ERISA Affiliate proposes to take with respect thereto.

(d) ERISA Information. Promptly after receipt thereof by the Lessee or any of its ERISA Affiliates from the PBGC, the Lessee shall deliver to the Lessor copies of each notice received by the Lessee or such ERISA Affiliate of the PBGC's intention to terminate any Plan of the Lessee or such ERISA Affiliate or to have a trustee appointed to administer any such Plan.

(e) ERISA Notice. Promptly after receipt thereof by the Lessee or any ERISA Affiliate of the Lessee from a Multiemployer Plan sponsor, the Lessee shall deliver to the Lessor a copy of each notice received by the Lessee or such ERISA Affiliate concerning the imposition

or amount of withdrawal liability in an aggregate principal amount of at least \$10 million pursuant to Section 4202 of ERISA in respect of which the Lessee or such ERISA Affiliate is reasonably expected to be liable.

(f) Litigation. The Lessee shall deliver to the Lessor, promptly after the Lessee becomes aware of the occurrence thereof, notice of all actions, suits, proceedings or other events for which the Lessor will be entitled to indemnity hereunder.

31. Payment of Transaction Expenses. The Lessee agrees, whether or not the transactions contemplated by this Lease are consummated, to pay (or reimburse the Lessor for the payment of) all Transaction Expenses that are not included in Acquisition Cost.

32. Owner for Income Tax Purposes. The Lessor agrees that the Lessee shall be deemed the owner of the Equipment for federal, state and local income tax purposes and that, so long as no Event of Default shall have occurred and be continuing, the Lessor shall take no action inconsistent with such ownership for income tax purposes.

33. LIBO Rate Provisions.

(a) Match Funding. If any payment of Variable Rent based on the LIBO Rate is made on any day other than the Rent Payment Date applicable thereto, the Lessee shall reimburse the Lessor within fifteen days after demand for any resulting loss or expense incurred by the Lessor, the Lender or any Assignee, including any loss incurred in obtaining, liquidating or employing funding from third parties, but excluding loss of margin for the period after any such payment or conversion or failure to borrow or prepay, provided that the Lessor, the Lender or any such Assignee shall have delivered to the Lessee a certificate as to the amount of such loss or expense, and describing in reasonable detail the basis and computation of such amount, which certificate shall be conclusive in the absence of manifest error. The Lessor, the Lender or such Assignee will, at the request of the Lessee, furnish such additional information concerning the determination of such loss as the Lessee may reasonably request.

(b) Basis for Determining Rent Inadequate or Unfair. If on or prior to the first day of any Rental Period, deposits in dollars (in the applicable amounts) are not being offered to the Lender or any Affected Party (or any Affiliates of any thereof) in the relevant market for such Rental Period, or

(ii) the Lessor advises the Lessee that the LIBOR as determined by the Lender or any Affected Party will not adequately and fairly reflect the cost of funding the Acquisition Cost of Equipment subject to this Lease for such Rental Period,

the Lessor or the Lender shall forthwith give notice thereof to the Lessee, whereupon until the Lessor or the Lender notifies the Lessee that the circumstances giving rise to such suspension no longer exist, the obligation of the Lessor to fund Acquisition Cost of Equipment subject to this Lease based on LIBOR shall be suspended and Variable Rent shall be on the basis of the Alternate Base Rate.

(c) Illegality. If, on or after the date hereof, the adoption of any applicable law, rule or regulation, or any change therein, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Lessor, the Lender or any Affected

Party (or any Funding Office thereof) with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency shall in the opinion of counsel to the Lessor or the Lender make it unlawful or impossible for the Lessor, the Lender or any Affected Party (or any Funding Office thereof) to make, maintain or fund its Acquisition Cost of Equipment subject to this Lease, the Lessor or the Lender shall so notify the Lessee, whereupon until the Lessor or the Lender notifies the Lessee that the circumstances giving rise to such suspension no longer exist, the obligation to fund based on LIBOR shall be suspended and shall be on the basis of the Alternate Base Rate. The Lessor and the Lender, with the consent of the Lessee (which consent shall not unreasonably be withheld), will designate a different Funding Office if such designation will avoid the need for giving such notice and will not be otherwise disadvantageous to the Lessor in any material respect. If such notice is given (i) the Lessee shall be entitled upon its request to a reasonable explanation of the factors underlying such notice and (ii) Variable Rent shall begin to be at the Alternate Base Rate either (a) on the last day of the then-current Rental Period applicable thereto, if the Lessor, the Lender or the applicable Affected Party may lawfully continue to maintain and fund LIBOR to such day or (b) immediately, if the Lessor, the Lender or any Affected Party shall determine that it may not lawfully continue to maintain and fund LIBOR to such day.

(d) Increased Cost and Reduced Return.

(1) If (x) Regulation D of the Board of Governors of the Federal Reserve System or (y) after the date hereof the adoption of any applicable law, rule or regulation, or any change therein or in the interpretation or application thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof or compliance by the Lessor, the Lender or any Affected Party with any request or directive after the date hereof (whether or not having the force of law) of any such authority, central bank or comparable agency,

(i) does or shall subject the Lessor, the Lender or any Affected Party to any additional tax of any kind whatsoever with respect to this Lease or any amounts hereunder or thereunder, or change the basis or the applicable rate of taxation of payments to the Lessor, the Lender or any Affected Party of Variable Rent or any other amount payable hereunder (except for the imposition of or change in any tax on or measured by the overall net income of the Lessor, the Lender or any Affected Party); provided, however, that such amounts payable hereunder shall be without duplication of amounts paid or payable under Section 18 hereof and which would otherwise be covered under this clause (i);

(ii) does or shall impose, modify or hold applicable any reserve, special deposit, insurance assessment, compulsory loan or similar requirement against assets held by, or deposits or other liabilities in or for the account of, advances or loans by, or other credit extended by, or any other acquisition of funds by, any office of the Lessor, the Lender or any Affected Party which are not otherwise included in determination of the Variable Rent hereunder, or

(iii) does or shall impose on the Lessor, the Lender or any Affected Party any other condition affecting the Lessor's or Lender's extension or maintenance of its investment in the Equipment hereunder,

and the result of any of the foregoing is to increase the cost to (or, in the case of Regulation D referred to above, to impose a cost on) the Lessor, the Lender or any

Affected Party of extending or maintaining its investment in the Equipment subject to this Lease or to reduce any amount received or receivable hereunder, then in any such case, the Lessee shall promptly pay to the Lessor, upon demand, any additional amounts necessary to compensate the Lessor for such increased cost or reduction.

(2) If, after the date hereof, the adoption of any applicable law, rule or regulation regarding capital adequacy, or any change therein, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, has or would have the effect of increasing the cost to the Lessor or the Lender of maintaining its investment in the Equipment, then from time to time, within fifteen days after the Lessee's receipt from the Lender of a certificate setting forth the basis and amount of compensation under this paragraph (d)(2), the Lessee shall pay to the Lender such additional amount or amounts as will compensate the Lender for such additional cost reasonably allocable to maintaining its investment in the Equipment.

(3) The Lessor or the Lender will promptly notify the Lessee of any event of which it has knowledge, occurring after the date hereof, which will entitle the Lessor, the Lender or any Affected Party to compensation pursuant to this Section and will, if practicable, with the consent of the Lessee (which consent shall not unreasonably be withheld), designate a different Funding Office or take any other reasonable action if such designation or action will avoid the need for, or reduce the amount of, such compensation and will not be otherwise disadvantageous to the Lessor, the Lender or any Affected Party, respectively, in any material respect. A certificate of the Lessor or the Lender claiming compensation under this Section and setting forth in reasonable detail the basis and computation of the additional amount or amounts to be paid to it hereunder shall be conclusive in the absence of error. In determining such amount, any reasonable averaging and attribution methods may be used.

34. Governing Law; Waiver of Jury Trial. This Lease shall in all respects be governed by, and construed in accordance with, the laws of the State of New York, including all matters of construction, validity and performance. **The Lessee and the Lessor hereby waive any right to a trial by jury in any dispute arising under or in any way relating to the transactions contemplated by this Lease.**

35. Miscellaneous. Any provision of this Lease which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating or diminishing any party's rights under 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. To the extent permitted by applicable law, the Lessee and the Lessor hereby waive any provision of law which renders any provision of this Lease prohibited or unenforceable in any respect. No term or provision of this Lease may be amended, altered, waived, discharged or terminated orally, but may be amended, altered, waived, discharged or terminated only by an instrument in writing signed by a duly authorized officer of the party against which the enforcement of the amendment, alteration, waiver, discharge or termination is sought. A waiver on any one occasion shall not be construed as a waiver on a future occasion. All of the covenants, conditions and obligations contained in this Lease shall be binding upon and shall inure to the benefit of the respective successors and assigns of the Lessor and the Lessee (subject to the restrictions of Section 14 hereof). This Lease, the Lease Supplement and each related instrument, document, agreement and certificate,

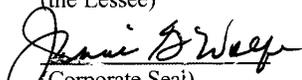
collectively constitute the complete and exclusive statement of the terms of the agreement between the Lessor and the Lessee with respect to the acquisition and leasing of the Equipment, and cancel and supersede any and all prior oral or written understandings with respect thereto.

[The remainder of this page has been intentionally left blank]

*Amended and Restated
Equipment Leasing Agreement*

IN WITNESS WHEREOF, the parties hereto have caused this Amended and Restated Equipment Leasing Agreement to be duly executed by their duly authorized representatives as of this 30th day of June, 2004.

Attest:
(the Lessee)


(Corporate Seal)

Lessee:

GEORGIA POWER COMPANY

By  _____

Name: W. Ron Hinson

Title: Vice President + Comptroller

Lessor:

MHCB (USA) LEASING & FINANCE
CORPORATION

Attest:

(the Lessor)

(Corporate Seal)

By _____

Name:

Title:

*Amended and Restated
Equipment Leasing Agreement*

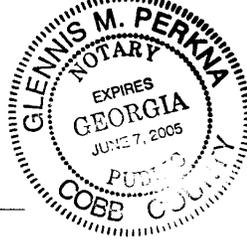
STATE OF GEORGIA)
)SS
COUNTY OF FULTON)

On this 30th of June, 2004, before me personally appeared W. Ron Hinson in
Fulton County, Georgia, to me personally known, who being by me duly sworn, says that [s]he is the
V. P. + Controller of Georgia Power Company, that the foregoing instrument was signed and sealed on
behalf of said corporation by authority of its Board of Directors, and [s]he acknowledged that the
execution of the foregoing instrument was the free act and deed of said corporation.

Glenn M. Perkna
Notary Public

[NOTARIAL SEAL]

My commission expires: _____



*Amended and Restated
Equipment Leasing Agreement*

IN WITNESS WHEREOF, the parties hereto have caused this Amended and Restated Equipment Leasing Agreement to be duly executed by their duly authorized representatives as of this 30th day of June, 2004.

Attest:
(the Lessee)

(Corporate Seal)

Lessee:

GEORGIA POWER COMPANY

By _____
Name:
Title:

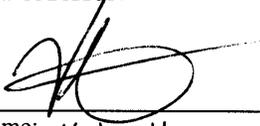
Attest:

(the Lessor)


(Corporate Seal)

Lessor:

MHCB (USA) LEASING & FINANCE
CORPORATION

By  _____
Name: Victor Mera
Title: Vice President

Amended and Restated
Equipment Leasing Agreement

STATE OF New York)
)SS
COUNTY New York)

On this 28 day of June, 2004, before me personally appeared Victor Moran in the County of New York, State of New York, to me personally known, who being by me duly sworn, says that he is the Vice President of **MHCB (USA) Leasing & Finance Corporation**, that the foregoing instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Notary Public

[NOTARIAL SEAL]

My commission expires: 2006

KURT R. VELLEK
Notary Public, State of New York
No. 60-4943090
Qualified in Putnam County
Certificate filed in New York County
Commission Expires Oct. 17, 2006

Notice of Information

Lessee:

Georgia Power Company
c/o Southern Company Services, Inc.
270 Peachtree Street, N.W., Suite 2000
Atlanta, GA 30303
Attention: Treasurer
Telephone No.: (404) 506-0713
Facsimile No.: (404) 506-0674

Lessor:

MHCB (USA) Leasing & Finance Corporation
1251 Avenue of the Americas
New York, NY 10020
Attention: Paula Kamuda
Telephone No.: (212) 282-4966
Facsimile No.: (212) 282-4384

Lender:

Mizuho Corporate Bank, Ltd.
1251 Avenue of the Americas
New York, NY 10020
Attention: Nelson Y. Chang
Telephone No. (212) 282-3465
Facsimile: (212) 282-4488

EXHIBIT A TO
EQUIPMENT LEASING AGREEMENT

LEASE SUPPLEMENT

(This is counterpart no. ___ of five serially
numbered manually executed counterparts)

This Lease Supplement is executed pursuant to, and incorporates by reference all of the terms, conditions and provisions, of, the Amended and Restated Equipment Leasing Agreement dated as of June 30, 2004 between the undersigned as the Lessor and the Lessee (herein, as amended and supplemented from time to time, called the "Lease").

The Lessee hereby (a) acknowledges and certifies that (i) each Item of Equipment described below or on any Schedule attached hereto has been selected by, delivered to, and inspected by, the Lessee, (ii) the Lessee has reviewed and approved the purchase order, supply contract or purchase agreement covering each such Item, and (iii) that as between the Lessor and the Lessee, each such Item is of a size, design, capacity and manufacture acceptable to and suitable for and is in good working order, repair and condition; and (b) unconditionally and irrevocably accepts each such Item for lease under the Lease on the date hereof.

The Lessor and the Lessee hereby agree that each Item of Equipment described below or on any Schedule attached hereto is hereby leased from the Lessor to the Lessee under and subject to all of the terms, conditions and provisions of the Lease; that the Term with respect to each such Item commences on the date hereof and that the Lessee hereby unconditionally accepts each such item for such purpose and agrees that each is in the condition required pursuant to the Lease; and that Acquisition Cost for all Items of Equipment covered by this Lease Supplement is as set forth below.

The Lessee hereby agrees to pay the Basic Rent for all Items of Equipment covered by this Lease Supplement in the amounts and at the times specified in the Lease, reaffirms its acknowledgments and agreements in Section 8 of the Lease and certifies that its representations and warranties set forth in Section 21 of the Lease and in any related certificate delivered to the Lessor are true and correct on the date hereof.

All capitalized terms used herein which are not defined herein shall have the meaning given to such terms in the Lease.

1. Description of Items of Equipment covered by this Lease Supplement:

With respect to the "Existing Equipment" set forth in Part A of Schedule II hereto, the cars consist of (i) Thrall Car Manufacturing Company 4065 cubic foot, 117-ton, fully automatic, aluminum "Avalanche" hopper cars (the "Avalanche Cars") and (ii) Thrall Car Manufacturing Company 4220 cubic foot, 117-ton, fully automatic, aluminum "Super Avalanche" hopper cars (the "Super Avalanche Cars").

With respect to the "New Equipment" set forth in Part B of Schedule II hereto, the cars consist of Trinity Industries, Inc., 119-ton, Aluminum Body Steel Underframe Rapid Discharge V Coal Cars (the "Trinity Cars").

2. Quantity:

Avalanche Cars: 271

Super Avalanche Cars: 25

Trinity Cars: 424

3. A.A.R. Mechanical Designation for New Equipment (Trinity Cars)

A.A.R. Mechanical Designation — HK

A.A.R. Car Type Code — H330

4. Reporting Marks and Car Nos.:

As set forth on Schedule II hereto.

5. Acquisition Cost for each Item of Equipment:

As set forth on Schedule II hereto.

6. Closing Date/Basic Term Commencement Date: June 30, 2004

7. Basic Term: seven years, commencing on the Basic Term Commencement Date.

8. Renewal Term: subject to the mutual agreement of the Lessee, the Lessor and the Lender pursuant to Section 28(a) of the Lease, five years, commencing on the expiration of the Basic Term.

9. Certain Values:

<u>Expiration of:</u>	Estimated Residual Value <u>Percentage:*</u>	Maximum Lessee Risk <u>Percentage:*</u>	Maximum Lessor Risk <u>Percentage:*</u>
Basic Term	41.20%	29.41%	11.79%

* Expressed as a percentage of the Acquisition Cost of each Item of Equipment

IN WITNESS WHEREOF, the parties hereto have caused this Lease Supplement to be duly executed by their duly authorized representatives as of this 30th day of June, 2004.

Attest:
(the Lessee)

(Corporate Seal)

Lessee:

GEORGIA POWER COMPANY

By _____
Name:
Title:

Attest:
(the Lessor)

(Corporate Seal)

Lessor:

MHCB (USA) LEASING & FINANCE
CORPORATION

By _____
Name:
Title:

THIS IS COUNTERPART NO. ___ OF FIVE (5) SERIALLY NUMBERED MANUALLY EXECUTED COUNTERPARTS. TO THE EXTENT, IF ANY, THAT THIS DOCUMENT CONSTITUTES CHATTEL PAPER UNDER THE UNIFORM COMMERCIAL CODE, NO SECURITY INTEREST IN THIS DOCUMENT MAY BE PERFECTED THROUGH THE POSSESSION OF ANY COUNTERPART OTHER THAN COUNTERPART NO. 1.

STATE OF GEORGIA)
)SS
COUNTY OF FULTON)

On this ___ of _____, 2004, before me personally appeared _____ in
Fulton County, Georgia, to me personally known, who being by me duly sworn, says that [s]he is the
_____ of **Georgia Power Company**, that the foregoing instrument was signed and sealed on
behalf of said corporation by authority of its Board of Directors, and [s]he acknowledged that the
execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

[NOTARIAL SEAL]

My commission expires: _____

STATE OF _____)
)SS
COUNTY _____)

On this ___ day of _____, 2004, before me personally appeared _____ in the County of _____, State of _____, to me personally known, who being by me duly sworn, says that he is the _____ of **MHCB (USA) Leasing & Finance Corporation**, that the foregoing instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

[NOTARIAL SEAL]

My commission expires: _____

SCHEDULE I
TO LEASE SUPPLEMENT

Casualty Loss Values

SCHEDULE II
TO LEASE SUPPLEMENT

Car Initial, Car Number and Acquisition Cost

Part A. Existing Equipment

(i) Avalanche Cars (271 cars):

(ii) Super Avalanche Cars (25 cars):

(iii) Totals for Existing Equipment

Part B. New Equipment (424 Trinity Cars)

EXHIBIT B TO
EQUIPMENT LEASING AGREEMENT

FUNDING NOTICE

MHCB (USA) Leasing & Finance Corporation
1251 Avenue of the Americas
New York, NY 10020

Attention: Carl Marcantonio

Re: Lease Schedule

Gentlemen and Ladies:

Reference is made to the Amended and Restated Equipment Leasing Agreement dated as of June 30, 2004 (as amended, supplemented or otherwise modified from time to time, the "Lease") between MHCB (USA) Leasing & Finance Corporation, as the Lessor, and Georgia Power Company, as the Lessee. Capitalized terms used herein and not otherwise defined shall have the meaning set forth in the Lease.

The undersigned hereby gives notice to the Lessor pursuant to Section 4(b) of the Lease of its request for a Funding of the Acquisition Cost of all Items of Equipment to be covered by the Lease Schedule. In connection with such Funding, the Lessee sets forth the following information:

- (i) Date of Funding: June 30, 2004
- (ii) Acquisition Cost to be funded: \$_____, (including \$_____ of Additional Acquisition Cost)
- (iii) Items of Equipment to be funded by the Lessor on the date of funding: As set forth on Annex I hereto.

Very truly yours,

GEORGIA POWER COMPANY,
as the Lessee

By: _____

Name:

Title: