



2005 Equipment Maintenance and Return Provisions Resource Guide

ELA EQUIPMENT MAINTENANCE AND RETURN PROVISIONS RESOURCE GUIDE

PREFACE

Ever-increasing competition and rapidly changing market conditions reinforce the need for sound and effective methods of managing the wide variety of assets being leased today. Insufficient or poorly drafted Equipment Maintenance and Return language may jeopardize maximization of booked residuals and adversely impact the profitability of a financing transaction. The 2005 ELA *Equipment Maintenance and Return Provisions Resource Guide* is intended as a useful reference designed to help protect the LESSOR'S assets, while also fairly representing the interests of the LESSEE.

The *Guide* is the latest update of a similar manual first published by the ELA in the early 1990s. This 2005 update was compiled under the direction of Chris Condon, President of Dover Management Group, Inc., who served as general editor of the project. Members of the 2005 Equipment Management Committee contributed to the project by providing relevant provisions excerpted from their company's documents. Individual contributors to the *Guide* are listed in the Acknowledgment section below. Updated asset sections contain the notation 01-05, indicating that the information was revised or added since the last update and is current as of January 2005. Sections not containing this notation were reviewed but have not been updated for 2005 as the Committee found them to include language still deemed appropriate.

This publication offers suggestions for "generic" Lease, Maintenance, and Return Provisions that can be referenced to help protect investments in residuals. Asset-specific chapters provide suggested language for typically leased assets. LESSORS can use these suggested provisions in part or in their entirety, as they see fit. Maintenance and Return provisions can be used as negotiating tools and are highly dependent on a company's past experience with the LESSEE. An organization's previous experience with returned Equipment can serve as the best barometer in structuring the parameters and restrictions of lease addenda. It is recommended, however, that leasing organizations consult their attorneys regarding revision of the organization's documentation.

Disclaimer: Nothing in this guide is intended as legal advice nor should the information herein be construed as comprehensive in nature. In no way are the authors or the ELA administering advice on the structuring of Maintenance and Return provisions. The information in the *Guide* is intended to be used solely as a reference for suggested Maintenance and Return language in a lease document.

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TABLE OF CONTENTS

General Lease Provisions	4
General Maintenance Provisions.	6
General Return Provisions	7
Asset-Specific Maintenance & Return Provisions	
Aircraft.....	8
Computers	13
Construction	15
Containers.....	16
Copiers	17
Furniture, Fixtures & Equipment	18
Lift Trucks	19
Machine Tools	20
Medical	21
Plastic Injection Molding	22
Printing.....	23
Railcars.....	24
Semiconductor.....	36
Telecommunications.....	38
Trucks.....	39
Trailers	41
Vessels	42

GENERAL LEASE PROVISIONS

Below are some common, generic Lease Provisions pertaining to return and maintenance that can be used for most Equipment types. They may be incorporated into the Master Lease Agreement or as a part of a Return/Maintenance Addendum.

General:

- LESSEE agrees that the Equipment, when returned, shall be free and clear of all liens, security interests, encumbrances and rights of others
- LESSEE agrees that the Equipment, when returned, shall be in the same condition as when delivered to LESSEE, reasonable wear and tear excepted. If, in the opinion of LESSOR, the Equipment fails to meet these standards. LESSEE agrees to pay on demand all costs and expenses incurred in connection with repairing the Equipment and restoring it to such condition, its assembly and delivery
- The risk of loss of the Equipment shall remain with LESSEE until the returned Equipment is accepted by LESSOR or such other entity to whom the Equipment is returned*
- Unless and until all the Equipment is returned and accepted, or otherwise disposed of by written agreement of LESSOR and LESSEE, and until all other terms and conditions have been met, the term of the Lease with respect to such Equipment shall continue
- All usage of the Equipment by the LESSEE will be for its originally intended purpose, in a safe and lawful manner, and in accordance with operating instructions and limitations as prescribed by the manufacturer

Inspection of Equipment:

- LESSOR may enter the premises where the Equipment is located at any time within normal business hours for inspection purposes with a minimum of ____ days notice, and in accordance with provisions of quiet enjoyment
- LESSOR may enter the premises where the Equipment is located during normal business hours for the last _____ days of the Initial Term or during any Extended Term for the purpose of showing and/or demonstrating the Equipment to prospective purchasers or LESSEES of the Equipment, and/or for an appraisal of the Equipment
- LESSEE shall make all records pertaining to maintenance and repair available to LESSOR for inspection

Insurance on Equipment during Return period:

- LESSEE will obtain and pay for a policy of transit insurance for the delivery period in an amount equal to the higher of Replacement Value or Termination Value of the Equipment and LESSOR shall be named as Loss Payee on such policies

** In the case of aircraft, rail, marine, restaurant fixtures and FF&E, this may be a negotiating point when the Equipment is stored as an accommodation to the LESSOR.*

GENERAL LEASE PROVISIONS (continued)

Days of Notice of Return:

- LESSEE shall give LESSOR _____ * days written notice that LESSEE is returning the Equipment along with an inventory of all models and serial numbers of the Equipment to be returned

** Notice Periods can vary from 30 to 360 days based on the Equipment type; ease or difficulty in reselling the Equipment; de-installation time; transportation time to an off-site location; selling on-site time; and/or any other variables specific to the Equipment.*

Transportation of Equipment:

- Upon the expiration of the Term of the Lease, LESSEE, at its sole expense, shall return all of the Equipment leased under such Lease by delivering it to such place, (within ____ • miles of LESSEE'S location) and on board such carrier as LESSOR shall specify

** Distance can be determined by geographical use for the Equipment; storage facilities available; type of Equipment; or individual corporate policy*

Disassembly of Equipment: (also see examples under specific Equipment types)

- LESSEE agrees that the disassembly will be according to the manufacturer's recommendations
- LESSOR will be held harmless for any damages to disassembly site

GENERAL MAINTENANCE PROVISIONS

Below are some common, generic Maintenance Provisions that can be used for most Equipment types:

- LESSEE will maintain the Equipment in a condition and manner suggested by the original manufacturer as required to validate any warranty
- LESSEE will maintain the Equipment in good operating condition and appearance, and cannot discriminate such maintenance between owned or leased Equipment
- LESSEE will use only manufacturer's approved replacement parts and components in the performance of any maintenance and repair of the Equipment
- LESSEE will maintain current maintenance and repair records for the Equipment in a useable manner
- LESSEE will not make any alterations to the leased Equipment without prior written approval of the LESSOR

LESSEE will not make any alterations to the Equipment that will damage or restrict the Equipment from its initial use and design or that when removed, would cause damage to the unit

LESSEE shall, at its sole cost and expense, enter into and maintain in force, for the term of each Equipment Schedule, a maintenance contract with the manufacturer of the Equipment or such party as shall be acceptable to LESSOR, and shall provide LESSOR with a copy of such contract and all related supplements thereto

If LESSEE has the Equipment maintained by a party other than the manufacturer, LESSEE assumes and agrees to pay any costs necessary to have the manufacturer re-certify that the Equipment will be eligible upon resale for the manufacturer's maintenance contract at the manufacturer's standard rates

GENERAL RETURN PROVISIONS

Below are some common, generic Return Provisions that can be used for most Equipment types:

- LESSEE will deliver the Equipment to such location(s) on board such carrier as LESSOR shall specify
- LESSEE agrees that all components of the Equipment have been properly serviced, following the manufacturer's written operating and servicing procedures
- If, in the opinion of the LESSOR, any item of the Equipment fails to meet the standards set forth above, LESSEE agrees to pay on demand all costs and expenses incurred in connection with repairing the Equipment and restoring it to such condition, its assembly and delivery.
- LESSEE shall give LESSOR _____ days written notice that LESSEE is returning the Equipment
- LESSEE agrees to provide LESSOR with a written inventory of all models and serial numbers of the Equipment to be returned

ASSET-SPECIFIC MAINTENANCE & RETURN PROVISIONS

AIRCRAFT 01-05

Maintenance provision suggestions:

- LESSEE, at its own cost and expense, shall maintain, inspect, service, repair, overhaul and test the airframe and each engine in accordance with (1) all maintenance manuals initially furnished with the aircraft, including any subsequent amendments or supplements to such manuals issued by the manufacturer from time to time; (2) all recommended "Service Bulletins" and "Aircraft Modification Kits" issued, supplied, or available by or through the manufacturer with respect to the aircraft, and (3) all "Airworthiness Alerts" and "Airworthiness Directives" issued by the Federal Aviation Administration or other regulatory agencies.

Return provision suggestions:

- Date of Return: LESSEE is obligated to return the Aircraft, Engines, Parts and Aircraft Documentation to LESSOR on the Expiration Date, unless a Total Loss of the Aircraft occurred prior to the Expiration Date and this lease was terminated earlier in accordance with Section _____. If LESSEE is in Default hereunder by failing to return the Aircraft on the Expiration Date or if an Event of Default occurs prior to the Expiration Date and LESSOR repossesses the Aircraft, the return requirements set forth in this Section 1 nonetheless must be met on the date the Aircraft is actually returned to LESSOR.
- Return Location: LESSEE at its expense will return the Aircraft, Engines, Parts and Aircraft Documentation to LESSOR at _____ or to such other airport as may be mutually agreed to by LESSEE and LESSOR.
- Ground Inspection: During the maintenance checks performed immediately prior to the proposed redelivery and at the actual return of the Aircraft, LESSOR or its representatives will have an opportunity to inspect the Aircraft and Aircraft Documentation to LESSOR'S satisfaction. Unless otherwise agreed to in writing by the parties, any deficiencies from the Aircraft return condition requirements herein will be corrected by LESSEE at its cost prior to the demonstration flight described herein.
- Demonstration Flight: Immediately prior to the proposed redelivery of the Aircraft, LESSEE will carry out for LESSOR or LESSOR'S representatives a demonstration flight in the Aircraft in accordance with Manufacturer's standard flight operation check flight procedures (or, at LESSEE'S option, LESSEE'S functional flight test procedures so long as they are substantially similar in scope and content to Manufacturer's) for the duration necessary to perform such check flight procedures but in any event not more than two (2) hours. Flight costs and fuel will be furnished by and at the expense of the LESSEE. Unless otherwise agreed in writing by both parties, any deficiencies from the Aircraft return requirements set forth in this Section 1 will be corrected by LESSEE at its cost prior to return of the Aircraft.
- Inspection Indemnities: LESSEE agrees to indemnify and hold harmless LESSOR, its officers, directors, employees, agents and representatives from and against all Expenses for injury to or death of any person or damage to any property (including the Aircraft) arising out of or in any way connected with such ground inspection and acceptance flight unless caused

by the willful misconduct of such parties.

General Condition of Aircraft at Return

- The aircraft will possess a current Certificate of Airworthiness issued by the FAA. In addition, even if LESSEE must perform maintenance and repair work on the Aircraft beyond the requirements of Section (Maintenance, Repairs, etc.) the Aircraft at return must be in the condition required in order to be fully eligible to receive a U.S. Federal Aviation Regulations Part 121 Certificate of Airworthiness from the FAA.
- The Aircraft, Engines, Parts and Aircraft Documentation will have been maintained and repaired in accordance with LESSEE'S Maintenance Program, the rules regulations of the Aviation Authority and this Lease.
- The Aircraft will be clean by international commercial airline standards and ready for flight.
- The Aircraft will be in the same working order and condition as at Delivery (subject to the other provisions found herein, reasonable wear and tear from normal flight operations excepted), with all pilot discrepancies and deferred maintenance items cleared on a terminating action basis. All Aircraft Equipment, components and systems will be operating in accordance with their intended use and within limits approved by Manufacturer, Aviation Authority and FAA.
- The Aircraft will be returned with the Engines installed and with the same Equipment as at Delivery, subject only to the Engines being upgraded to model _____ engines with _____ lb thrust rating and to those replacements, additions and Modifications permitted hereunder. The Aircraft will be returned in the same seat configuration as at Delivery.
- All airworthiness directives and other instructions of the Aviation Authority and FAA requiring compliance (either by means of repetitive inspection, modifications or terminating action) prior to return of the Aircraft to LESSOR or within six (6) months (or the hours or cycle equivalent based on LESSEE'S average (aircraft type) utilization rate) thereafter will have been complied with at LESSEE'S cost.
- If any waivers, dispensations or extension are granted by the Aviation Authority with respect to operating or maintenance requirements or the Maintenance Program permits the carryover or deferral of such items, LESSEE at its sole cost and expense will nonetheless perform such operating or maintenance requirements as if such waivers, dispensations or extensions did not exist. If any waivers, dispensations or extensions are granted by the Aviation Authority to LESSEE (as opposed to those available generally in the United States to domestic air carriers) with respect to any airworthiness directives and U.S. Federal Aviation Regulations, LESSEE at its sole cost and expense will nonetheless comply with such airworthiness directives or FAR's as if such waivers, dispensations or extensions did not exist.
- The Aircraft will be free from any Security Interest except those created by or through LESSOR and no circumstance will have so arisen (except those created by or through LESSOR) whereby the Aircraft is or could reasonably be expected to become subject to any Security Interest or right of detention or sale in favor of the Aviation Authority, any airport authority, or any other authority whatsoever.
- All no-charge vendor and Manufacturer's service bulletin kits received by LESSEE for the Aircraft but not installed thereon will be on board the Aircraft as cargo. Any such service bulletin kits, which LESSEE paid for, will also be delivered to LESSOR and on board the Aircraft, but LESSOR will reimburse LESSEE for its actual out-of-pocket costs for the kits.

- Each fuel tank and oil tank will be at least as full as at Delivery.

Checks Prior to Return: Immediately prior to Return of the Aircraft to LESSOR, LESSEE at its expense will do each of the following:

- (a) Perform a full and complete zonal, systems and structural "C" check (or its equivalent) under its Maintenance Program and the corresponding "A" and "B" checks sufficient to clear the Aircraft until the next full "C" check. Any deficiencies revealed during such inspection will be corrected using Manufacturer's limits and guidelines.
- (b) LESSEE agrees to perform during such "C" check any other work reasonably required by LESSOR (and not otherwise required under this Lease) and LESSOR will reimburse LESSEE for the incremental cost (without a profit factor, mark-up or charge for overhead) so incurred.
- (c) Perform the corrosion inspection then due pursuant to the Maintenance Program and carry out any corrective actions necessary under the Maintenance program and Manufacturer recommendations.
- (d) Remove LESSEE'S exterior markings by stripping the paint from the Airframe and repaint the fuselage white, after proper application of corrosion protection in accordance with Manufacturer recommendation, provided that, at LESSEE'S option, LESSEE may instead pay LESSOR USD (\$30,000) as a subsidy for such stripping and repainting.
- (e) Repaint the cockpit and replace placards if required.
- (f) Permanently repair impact damage to the Aircraft that exceeds Manufacturer's limits in accordance with Manufacturer's Structural Repair Manual.
- (g) Perform and videotape a bore scope (and, in any case where an Engine does not meet the on-wing operating criteria as specified in the Maintenance Program or if requested by LESSOR in order to resolve a dispute as to the condition of the Engine), a test cell inspection on each Engine, with LESSOR or its representatives entitled to be present, immediately prior to redelivery. LESSEE will provide evidence satisfactory to LESSOR reflecting the correction of any discrepancies from the guidelines set out by the Engine manufacturer that may be discovered during such inspection.
- (h) If the Engine historical and technical records and/or trend monitoring data indicate a rate of acceleration in performance deterioration of any Engine which is higher than normal based on LESSEE'S maintenance experience in operating such Engines, correct such conditions which are determined to have exceeded Engine manufacturer's maintenance manual tolerances or otherwise be causing such performance deterioration.
- (i) Accomplish a maximum power assurance run on the Engines.

Part Lives: The condition of the Aircraft and installed systems upon return to LESSOR will be as follows:

- (a) The Aircraft will have undergone the (25,000) hour full block "D" check during the Lease Term, and will have at least fifty percent (50%) of the full allotment of hours, cycles and/or calendar time (whichever is the limiting factor) between "D" checks remaining as set forth in LESSEE'S Maintenance Program. In the event the airframe does not conform to the required conditions, LESSEE shall pay LESSOR an amount per hour based upon the then prevailing overhaul costs of the LESSEE'S maintenance provider for each hour, cycle and/or calendar time

(whichever is the limiting factor) by which the number of hours, cycles, and/or calendar time exceeds the allowable number of hours, cycles, and/or calendar time for the airframe.

(b) The Aircraft will have zero (0) hours consumed since the last "C" check or its equivalent.

(c) Each Engine must have at least 50% of the hours, cycles or calendar time remaining, as measured by LESSEE'S MTBR (Mean Time Between Removal) until the next anticipated overhaul/shop visit. In the event each Engine has less than the prescribed % of hours, cycles or calendar time remaining, as measured by LESSEE'S MTBR, LESSEE shall pay LESSOR an amount per hour based upon the then prevailing overhaul costs of the LESSEE'S maintenance provider for each hour, cycle or calendar time remaining by which the number of hours, cycles or calendar time remaining exceeds the allowable number of hours, cycles or calendar time for each Engine.

(d) Each Engine shall have a minimum on-wing EGT margin of not less than 20C°.

(e) The installed auxiliary power unit will be in serviceable condition and will have zero (0) hours consumed since the last hot section inspection (excluding hours consumed on the acceptance flight).

(f) The installed main and nose landing gear components and their associated actuators and parts must have at least fifty percent (50%) of its full allotment of hours, cycles and/or calendar time (whichever is the more limiting factor) remaining before its next inspection, overhaul or scheduled removal intervals.

(g) Each component (including each Engine, APU and landing gear) or Part of the Aircraft which has an hour, cycle and/or calendar time limit (including life-limited, hard time and on-condition components) will have at least fifty percent (50%) of its full allotment of hours, cycles and/or calendar time remaining until the next overhaul, inspection, repair or removal (as measured in calendar time, hours or cycles as applicable to each specific part or component).

(h) No Engine, installed component or Part will have a total time since new greater than one hundred twenty percent (120%) of time since new of the first new (aircraft type) airframe to be delivered to LESSEE. With respect to all installed components as a group, the components will have an average total time since new no greater than that of the Airframe.

Export and Deregistration of Aircraft: At LESSOR'S request, LESSEE will (i) provide an Export Certificate or Airworthiness or its equivalent from the State of Registration so that the Aircraft can be exported to the country designated by LESSOR, provided that LESSOR shall reimburse LESSEE for any incremental costs of obtaining a Certificate of Airworthiness for Export issued by the FAA, (ii) assist with deregistration of the Aircraft from the register of aircraft in the State of Registration and (iii) perform any other acts reasonably required by LESSOR in connection with the foregoing. If any Aircraft work which LESSEE is not otherwise required to perform hereunder, including engineering, is required in order to obtain such Export Certificate of Airworthiness, LESSEE will perform such work and LESSOR will pay for LESSEE'S incremental costs (without a profit factor, Mark-up or overhead charges) in connection with the work.

LESSEE'S Continuing Obligations: In the event that LESSEE does not return the Aircraft to LESSOR on the Expiration Date and in the condition required herein for any reason that was within the reasonable control of LESSEE, the obligations of LESSEE under this Lease will continue. This will not be considered a renewal of the terms of this Lease or of LESSEE'S rights to use the Aircraft, an extension of the Lease Term or a waiver of LESSEE'S Event of Default or

any right of LESSOR hereunder. LESSEE will fully indemnify LESSOR on demand for all losses (including consequential damages), liabilities, actions, proceedings, costs and expenses thereby suffered or incurred by LESSOR. Until such time as the Aircraft is redelivered to LESSOR and put into the condition required herein in the reasonable opinion of LESSOR, , LESSEE will pay twice the amount of Rent for each day from the scheduled Expiration Date until the Termination Date (the monthly Rent payable under Section _____ will be prorated based on the actual number of days in the applicable months). Payment will be made upon presentation of LESSOR'S invoice.

Airport and Navigation Charges: LESSEE will ensure that at return of the Aircraft any and all airport, navigation and other charges which if unpaid give rise or may reasonably be expected to give rise to any lien, right of detention, right of sale or other Security Interest in relation to the Aircraft, Engine or any Part, whether incurred in respect of the Aircraft or any other aircraft operated by LESSEE, have been paid and discharged in full (whether of not due) and will at LESSOR'S request produce evidence thereof satisfactory to LESSOR.

Return Acceptance Certificate: Upon return of the Aircraft in accordance with the terms of this Lease, LESSEE will prepare and execute two (2) Return Acceptance Certificates in the form and substance of Exhibit __ and LESSOT will countersign and return one (1) such Return Acceptance Certificate to LESSEE.

Indemnities and Insurance: The indemnities and insurance requirements set forth in Articles __ and __, respectively, will apply to Indemnities and LESSOR'S representatives during return of the Aircraft, including the ground inspection and demonstration flight. With respect to the demonstration flight, LESSOR'S representatives will receive the same protections as LESSOR on LESSEE'S Aviation and Airline General Third Party Liability Insurance.

ASSET-SPECIFIC RETURN PROVISIONS

COMPUTERS 01-05

Return provision suggestions:

- At least one hundred twenty (120) days and not more than one hundred fifty (150) days prior to expiration of the Lease provide to LESSOR a detailed inventory of all components of the Equipment. The inventory should include, but not be limited to, a listing of model and serial numbers for all components comprising the Equipment and, upon specified request by/of LESSOR, a detailed listing of all internal circuit boards by both the model and serial number and a listing of all software features listed individually.
- At least ninety (90) days prior to expiration of the Lease, cause manufacturer's representative or qualified Equipment maintenance provider, acceptable to LESSOR, to perform a comprehensive physical inspection including testing all material and workmanship of the Equipment; and if during such inspection, examination and test, the authorized inspector finds any of the material or workmanship to be defective or the Equipment not operating within the manufacturer's specifications, then LESSEE shall repair or replace such defective material and, after corrective measures are completed, LESSEE will provide for a follow-up inspection of the Equipment by the authorized inspector.
- Have each item of Equipment returned with an in-depth field service report detailing said inspection as outlined in this Rider. The report shall certify that the Equipment has been properly inspected, examined and tested and is operating within the manufacturer's specifications.
- At Lease termination or upon receiving reasonable notice from LESSOR, provide or cause the vendor(s) or manufacturer(s) to provide to LESSOR the following documents: (1) one set of service manuals and operating manuals including replacements and/or additions thereto, such that all documentation is completely up-to-date; (2) one set of documents, detailing Equipment configuration, operating requirements maintenance records, and other technical data concerning the set-up and operation of the Equipment, including replacements and/or additions thereto, such that all documentation is completely up-to-date.
- Properly remove all LESSEE installed markings that are not necessary for the installation, operation, maintenance or repair of the Equipment.
- Provide for the deinstallation, packing, transporting and certifying of the Equipment to include, but not limited to, the following: (1) the manufacturer's representative shall deinstall all Equipment (including all wire, cable and mounting hardware) in accordance with the specifications of the manufacturer; (2) each item of Equipment will be returned with a certificate supplied by the manufacturer's representative certifying the Equipment to be in good condition and (where applicable) to be eligible for the manufacturer's maintenance plan; the certificate of eligibility shall be transferable to another operator of the Equipment; (3) the Equipment shall be packed properly and in accordance to the manufacturer's recommendations; (4) LESSEE shall transport the Equipment in a manner consistent with the manufacturer's recommendations and practices to locations within the continental United States as LESSOR shall direct; and (5) LESSEE shall obtain and pay for a policy of transit insurance for the redelivery period in an amount equal to the replacement value of the

Equipment and LESSOR shall be named as the loss payee on all such policies of insurance.

- At the request of LESSOR, provide safe, secure storage for the Equipment for thirty (30) days after expiration or earlier termination of the Lease at an accessible location satisfactory to LESSOR.

ASSET-SPECIFIC RETURN PROVISIONS

CONSTRUCTION 01-05

Return provision suggestions:

- The disassembly will be according to manufacturer's recommendations and by a licensed rigger/erector specializing in the Equipment, including the proper blueprinting, mapping, tagging and labeling of each individual part including cables, electrical and wires. All process fluids and/or any hazardous materials will be removed from the Equipment and disposed of in accordance with the then current local, state, federal and EPA waste disposal regulations. LESSOR shall be held harmless for any damages to the disassembly site.
- Equipment will be returned with all manuals, maintenance records, log books, plans, drawings and schematics, inspection and overhaul records, operating requirements or other materials pertinent to the Equipment's operation, maintenance, assembly and disassembly.
- Cabs, canopies, ROPS, enclosures, lights and any other accessories must be in good working condition
- There will be no structural or mechanical damage. Frames, structural members, accessories and attachments must be structurally sound without breaks or cracks and in compliance with all federal, state, local and other regulatory requirements.
- All oil and hydraulic fluid samples must be clean with no dirt or other foreign substances in either the oil or any other operating fluids.
- Engines, hydraulics and transmission must operate properly at fully rated loads.
- Mechanical drive trains, differentials and final drives must operate quietly without vibrations or leaks.
- Equipment with predictable, typical or scheduled replacements or overhaul lives including but not limited to tires, track components, power train assembly, transmissions, converters, engines, hydraulics, axles, wheels, brakes, pumps, diggers, buckets, blades, rippers and other attachments (including cutting edges) shall have not less than 50% useful life remaining before the next such replacement, overhaul, recalibration or rebuild, and all outings, edges and other wear points will have at least 50% of their respective material design lives remaining. The determination of such remaining life shall be confirmed and concluded by a physical inspection of the Equipment and the maintenance history, as well as through engine oil and fluid testing as applicable, conducted by an independent professional inspector selected by LESSOR, reasonably acceptable to LESSEE.

ASSET- SPECIFIC MAINTENANCE & RETURN PROVISIONS

CONTAINERS 01-05

Maintenance provision suggestions:

- 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 as are set forth in the manufacturer's manuals pertaining to the Equipment, and as otherwise may be required to enforce warranty claims against each vendor and manufacturer of each item of Equipment, and in compliance with all requirements of law.
- Equipment shall be maintained with at least the same care and in the same condition as other Equipment similar to the Equipment owned by LESSEE in a non-discriminatory manner.

Return provision suggestions:

- Upon the expiration or earlier termination of the Term with respect to each item of Equipment (and provided, in the case of the expiration of the term, that LESSEE has not exercised its purchase option under section ___ hereof). LESSEE will, at its expense, surrender and deliver possession of each item of Equipment to LESSOR at one or more of the following locations in lots of not less than ____, unless LESSOR agrees otherwise: (at this point, list locations)
- At the time of return to LESSOR, each item of Equipment, and all components thereof, shall (a) be in good operating order, and in the repair and condition as when originally delivered to LESSEE, ordinary wear and tear from proper use thereof excepted, as described in the then current Institute of International Containers LESSORs Guidelines for Container Repair; (b) be free and clear of all liens other than permitted liens (if specified in other sections of the Lease); (c) be returned with all required alterations and improvementsAt the time of return to LESSOR, each item of equipment shall be in “Wind, Water and Light Tight” condition, capable of being placed in immediate commercial usage without rejection, rust free, and absent of any and all markings, logos, graffiti, etc. except the tracking identification numbers.

ASSET-SPECIFIC RETURN PROVISIONS

COPIERS

Return provision suggestions:

- All manuals, maintenance records, maintenance jackets and repair orders will remain with the Equipment.
- Proof in writing is required from a manufacturer's representative or qualified technical service representative that the Equipment has passed performance tests within the manufacturer's specifications and has been recertified for continued maintenance.
- All accessories including but not limited to plugs, wires, cables, stackers, sorters and stands will be returned. Toner cartridges will be removed and separately packed. Document sorters will also be removed and safely packed prior to shipment. Copiers will be shrink-wrapped and secure.
- Disposal of any ancillary waste material will have been made in accordance with manufacturer's specifications and in compliance with local, state, Environmental Protection Agency and federal law.

ASSET-SPECIFIC RETURN PROVISIONS

FURNITURE, FIXTURES AND EQUIPMENT

Return provision suggestions:

- All Equipment shall be cleaned and treated with respect to rust, corrosion and appearance in accordance with the manufacturer's recommendations and consistent with the best practices of dealers in similar used Equipment.
- All cuts, scratches, tears, dents or other disfigurements to the Equipment shall be repaired in a workmanlike manner by a professional office furniture restorer.
- All keys originally provided with the Equipment shall be labeled by unit number and general description and returned with the Equipment.
- All files, desks, and credenzas will be returned with original dividers, trays, and file hangers intact.
- All fasteners, clamps, wheels, nuts, bolts and other hardware integral to the reassembly and use of the Equipment as originally intended, will be packaged and labeled in a clear and readable manner.
- Electrical and telephonic wire or cable outlets that are a part or have been made a part of the Equipment shall be returned with the Equipment.
- The Equipment shall be deinstalled and packed by, or under the supervision of, a manufacturer's representative or such other person acceptable to LESSOR.

ASSET-SPECIFIC RETURN PROVISIONS

LIFT TRUCKS 01-05

Return provision suggestions:

- Unit(s) will have no structural damage, bent frames or warped uprights, and body, mast, hydraulic cylinder and fork(s) shall be free of any damage. Each unit shall be able to operate normally in forward and reverse through all speed ranges or gears, and shall lift, lower and tilt, properly when loaded to their rated capacity.
- Attachments, if any, must be in good operating condition and not worn beyond 50% of useable life in the case of forks.
- Hydraulic cylinders must not be bent or gouged.
- Hose reels and hose take up assemblies must not be bent or damaged.
- All safety Equipment, covers and guards, parts, pieces and components must be in-place and operational.
- All engines, transmissions, gears, electric motors, clutches and drive axles shall be in good operating condition, with no leaks, smoking, slipping or grabbing.
- Batteries will be in good, safe operating condition with no dead cells or cracked cases capable of sustaining at least 80% of a full charge to their original rated capacity. Chargers will maintain electrical output as specified by the manufacturer, with no case damage or broken parts.
- Brakes will hold vehicle as specified by manufacturer with or without rated load, and have no heat discoloration or warpage caused by failure to release parking brake.
- Radiator and/or cooling system shall be free from leaks, punctures or holes.
- Units will have serviceable tires with good tread and without chunks or flat spots.

At the time of return to LESSOR, each item of equipment shall be capable of being placed in immediate commercial usage without the need for repair, rust free and absent of any and all markings, logos, graffiti, etc. with serial number and data plates intact.

- Annual hour usage shall be limited to _____-hours. Additional hours used will be chargeable to LESSEE at the rate of _____ per hour.

* Typical annual usage per unit based on an eight hours shift is 1,500 hours

ASSET-SPECIFIC RETURN PROVISIONS

MACHINE TOOLS 01-05

Return provision suggestions:

- If notified that the machine will be returned, LESSEE must allow access to the Equipment by the LESSOR and/or an agent of the LESSOR for the purpose of showing the machine to prospective buyers. Machine must be under power and able to demonstrate the basic functions of the machine.
- 90 to 120 days prior to lease termination Equipment should be inspected to ensure that the Equipment is operating within manufacturer guidelines with normal wear and tear factored. Inspection should be completed by either the manufacturer's service department or by someone acceptable to the finance company. Inspections should include the verification that all accessories, tooling, and manuals are present when inspected.
- Equipment will be returned with all manuals, maintenance records, log books, plans, drawings and schematics, inspection and overhaul records, operating requirements or other materials pertinent to the Equipment's operation, maintenance, assembly and disassembly.
- There will be no structural or mechanical damage. Frames, structural members, accessories and attachments must be structurally sound without breaks or cracks and in compliance with all federal, state, local and other regulatory requirements.
- The Equipment will be able to perform its required tasks effectively without repair including but not limited to electronic, electrical and mechanical controls, pumps, motors, belts, hoses, pins, bushings, measuring devices, screws, barrels, ways, rams, and clamps, and be operational and in compliance with all federal, state, local and other regulatory requirements and shall be within manufacturer's design performance characteristics and tolerances.
- The Equipment will be clean and rust free. Sumps and tanks must be clean and dry.
- All internal fluids such as lube oil and hydraulic oil are to be filled to operating levels. Filler caps are to be secured and disconnected. Hoses are to be sealed to avoid spillage.
- All locking keys are to be together and secured to a major external component of the machine.
- Equipment with predictable or scheduled replacements or overhaul lives shall have not less than 50% useful life remaining before the next such replacement, overhaul, recalibration or rebuild.
- The disassembly will be according to manufacturer's recommendations and by a licensed rigger/erector specializing in the Equipment, with any transportation devices, such as metal skids, lifting slings, and brackets which were with the machine when it originally arrived, included. All proper blueprinting, mapping, tagging and labeling of each individual part including cables, electrical apparatus and wires will be included. AH process fluids and/or any hazardous materials will be removed from the Equipment and disposed of in accordance with the then current local, state, federal and EPA waste disposal regulations. LESSOR shall be held harmless for any damages to the disassembly site.
- If Equipment shows wear and tear beyond terms and conditions of the lease, LESSEE is responsible for the costs associated with conformance to the lease.

ASSET-SPECIFIC RETURN PROVISIONS

MEDICAL EQUIPMENT 01-05

Return provision suggestions:

- Upon the end of the lease term or any extension thereof, or on demand of the LESSOR pursuant to the terms and conditions of the lease, LESSEE, at its own risk and expense, shall immediately return the Equipment to the LESSOR, free of all liens and encumbrances created by or through LESSEE, de-installed and packed for shipment (by manufacturer or a qualified service company) in accordance with manufacturer's specifications, all containers inventoried and properly labeled, in the same condition and appearance as when received by LESSEE (ordinary wear and tear excepted) and in good operating condition and eligible for manufacturer's certification and maintenance (if available), along with all original and subsequent manuals, documentation, drawings and maintenance records, freight prepaid and insured, to such location within the continental United States as LESSOR shall designate.
- Equipment shall be decontaminated per current Department of Transportation Regulations and all process fluids, body fluids and any other hazardous materials removed and disposed of in accordance with the then local, state, federal and EPA waste disposal regulations.
- Equipment shall qualify for any applicable licenses or permits necessary for its operation for its intended purpose and shall comply with all federal, state, local and other regulatory requirements including but not limited to the Federal Bureau of Radiation Health and the Food and Drug Administration.

ASSET-SPECIFIC RETURN PROVISIONS

PLASTIC INJECTION MOLDING EQUIPMENT 01-05

Return provision suggestions:

- Heating, cooling and hydraulic Equipment will contain no system leaks. All fluids should be drained properly.
- All tanks and hoses shall be fluid tight. Frayed and worn hoses are to be replaced.
- All sheet metal and fabricated housings and panels will be in good appearance and repair, and not dented or modified.
- All aspects of the machine will operate at the original manufacturer's specifications.
- All Equipment and appurtenances will be free of decals and markings other than those affixed by the original manufacturer, all plant custom numbering and labeling will be removed.
- The Equipment will be clean and in good appearance and any repairs or painting will be completed in a professional manner minimally to OEM specifications.
- The Equipment and appurtenances will be in suitable condition for immediate and continued use in service for which it was designed and built.
- Provide the same electrical wiring, appurtenances, prints, schematics, operations manuals, software and auxiliary Equipment as when first delivered.
- Provide updated and current release software as available from the manufacturer.
- All safety limit switches, interlocks, motion – no motion switches, drop bar safety, and safety warning signs are to be installed and operating properly.
- Pumps and motors shall be quiet and not in need of maintenance or repair.
- All screws and barrels must not have excessive wear that exceeds manufacturing “out of spec” tolerances.
- Winterize feed throat and heat exchangers when and where applicable. Insist on “blowing out” of feed throat and heat exchanger.
- Rig, prepare, tie down moving carriages and doors prior to loading and include mounting pads and hoppers with each machine.

ASSET-SPECIFIC MAINTENANCE & RETURN PROVISIONS

PRINTING

Maintenance provision suggestions:

- Lubrication of the Equipment should be on a basis that conforms to the maintenance manual and/or lubrication schedule recommended by the manufacturer.
- Rollers should be taken out and resurfaced annually.
- Blankets should be changed monthly.
- Each printing unit should be broken down and the oil changed annually.

Return provision suggestions:

- The disassembly will be according to manufacturer's recommendations and by a licensed rigger/erector specializing in the Equipment, and include certification, proper crating, proper blueprinting, mapping, tagging and labeling of each individual part including cables, electrical apparatus and wires. All process fluids and/or any hazardous materials will be removed from the Equipment and disposed of in accordance with the then current local, state, federal and EPA waste disposal regulations. LESSOR shall be held harmless for any damages to disassembly site.
- Equipment will be returned with all manuals, maintenance records, log books, plans, drawings, blueprints and schematics, process flow diagrams, inspection and overhaul records, and operating requirements, or other materials pertinent to the Equipment's operation, maintenance, assembly and disassembly.
- There will be no structural or mechanical damage. Frames, structural members, accessories and attachments must be structurally sound without breaks or cracks and in compliance with all federal, state, local and other regulatory requirements.
- All ink spillage will be removed and LESSEE installed markings which are not necessary for the operation, maintenance or repair of the Equipment will be removed.
- Equipment will be cleaned and in conformance with all local, state Environmental Protection Agency, and federal health and safety guidelines, including those prescribed by OSHA.
- Equipment must be in such condition that it may be immediately put into use in a Graphic Arts production environment without any additional repairs or refurbishment.
- Equipment with predictable or scheduled replacements or overhaul lives shall have not less than 50% useful life remaining before the next such replacement.

ASSET-SPECIFIC RETURN PROVISIONS

RAILCARS – AGGREGATE 01-05

Return provision suggestions:

- The Units will be returned to the LESSOR complete, as when new, in good order and repair (fair wear and tear excluded), cleaned and free of product and other miscellaneous residue or debris. On the expiration of the original or any extended term of this Lease with respect to any Unit, the LESSEE will, at the request of the LESSOR, deliver possession of such Unit to the LESSOR at such mutually agreeable location which the LESSOR may reasonably designate and LESSEE must reasonably agree within the United States or Canada, and permit the LESSOR to store such Unit on such tracks for a period of at least 180 days following notification to the LESSOR by the LESSEE that all the Units have been assembled and delivered for storage. The movement and storage of such Units shall be at the expense and risk of Loss of the LESSEE (including any and all required insurance). In the event that any Unit shall suffer an Event of Loss during such storage period, the LESSEE shall pay the LESSOR higher of the Stipulated Loss Value thereof as provided in the Lease for the last day of the Lease Term or the AAR casualty settlement. The assembling, delivery, storage, and transporting of the Units as herein before provided are of the essence of this Lease, and, upon application to any court of equity having jurisdiction in the premises, the LESSOR shall be entitled to a decree against the LESSEE requiring specific performance thereof. During any storage period, the LESSEE will, at its own expense, maintain and keep the Units in the condition required hereof and will permit the LESSOR or any person designated by it, including the authorized representatives of any prospective purchaser, LESSEE or user of any such Unit, to inspect the same.
- Generally. The Units will be returned to the LESSOR complete, as when new, in good order and repair, fair wear and tear excepted, cleaned and free of product debris and product residue. All Units must be capable of performing the function for which they were originally intended. Missing, broken, cracked, or non-functioning hardware Equipment or parts will be replaced at LESSEE'S expense. Rent will continue on a per diem basis until the Units are in a mechanically acceptable condition for return.
- Exterior surface. Prior to lease expiration, the exterior surface of the Units which suffer excessive rust or corrosion, as defined in subparagraph 5 below, will be sanded, primed, rust-proofed, and painted in a manner acceptable to LESSOR or consistent with industry standards. Any rust area exceeding 12" x 12" shall be considered "excessive rust". "Corrosion" shall mean any rust or corrosion which affects the structural integrity of any part of the Units. There can be no holes, or tears. All interior and exterior seams must be sealed tight and intact. Any gaps or loose seams must be repaired in proper fashion. All seals, seams, and joints must be watertight. Silicon caulking must be applied to open gaps after repair work is completed. No major warpage, dents, bowing, holes, tears, may be present.
- Wheels & Trucks. Wheels and trucks must be in good condition less normal wear and tear and shall have 50% remaining useful life on the wheels. Trucks must be fully functional and absent of any cracking or structural damage. No part of body or truck shall be less than 2-3/4 inches above top of running rail under all allowable wear and spring deflection conditions.

- Couplers. Cars must be equipped with AAR-approved couplers identified by "AAR" and with AAR-approved coupler parts, and must be capable of performing the job for which they were originally intended (i.e. must be capable to perform coupling function.) No excessive wear may be present.
- Hoses, Lines, Brake shoes. All hoses, lines, brakes, fluid systems, must be intact and fully functional. "AB", "ABD" or "ABDW" Equipment shall be required on all Units. Units must be equipped with brake beams of no less capacity than AAR No. 15.
- Reporting Marks. All reporting marks and Equipment dimensions must be clearly displayed. New stenciling will be performed as needed and as required by law or regulation, or at the request of LESSOR. Except as otherwise may be set forth on any Equipment Schedule attached hereto, prior to the return of any Unit of Equipment hereunder, the LESSEE shall, (i) re-mark such Equipment to delete the LESSEE'S or any Permitted SubLESSEE'S reporting marks and numbers and replace them with other reporting marks as requested by LESSOR, and (ii) make all appropriate filings with the ICC and the AAR to reflect such re-markings; provided that, at LESSOR'S option, the LESSOR may continue to use the LESSEE'S reporting marks on any redelivered Units of Equipment and the LESSEE shall (A) collect all AAR car hire earnings, (B) pay repair bills and maintenance fees, (C) audit AAR car hire earnings and AAR repair bills for such Equipment, and (D) pay over to the LESSOR all car hire earnings and depreciated value payments for such redelivered Equipment minus the sum of (x) all accrued maintenance and repair costs on such redelivered Equipment as of yet unpaid by the LESSOR, and (y) all *ad valorem* property taxes assessed against such Unit of Equipment.
- Each year, and from time to time, the LESSEE shall furnish, at LESSOR'S request, an officer's certificate of LESSEE with any requested supporting documentation to the LESSOR certifying and setting forth that LESSEE is complying with the usage and preventive maintenance schedule required by this Lease and identifying all such Units which do not comply with provisions of the preceding paragraphs. No more than 120 days after the delivery of the officer's certificate, the LESSEE will, if such officer's certificate identifies any Unit as not being maintained in the condition referred to in the preceding paragraphs, provide a supplemental certificate certifying that the appropriate maintenance has been completed and that such Unit is now in the condition required herein, (or stating that such maintenance has not been done or such Unit is not in such condition, and giving an explanation of the reason therefor.) If such supplemental certificate is required and shall not be delivered on or prior to the last date specified for such delivery or shall state that Unit is not in the required condition or the required maintenance has not been done, such Unit shall be deemed to have suffered a Loss. The LESSOR, shall have the right by their agents to inspect the Units and the LESSEE'S records with respect thereto at such reasonable times as either may request during the continuance of this Lease but the LESSOR has no obligation to do so. The LESSEE, in the officer's certificate, shall notify the LESSOR of any occurrence of an Event of Default or other Event which after notice or lapse of time or both would become an Event of Default, specifying such Event of Default and all such Events and the nature and status thereof.
- If, in the opinion of LESSOR, any Unit is damaged or fails to meet the standards set forth above or if the LESSEE fails to discharge its obligations herein or otherwise in this Lease, LESSEE agrees to pay on demand all costs and expenses incurred in connection with the repairing the Unit and its assembly or delivery to LESSOR in accordance herewith. The LESSEE shall pay, to the LESSOR for each day from the date of the termination of the Lease for such Unit to the date such Unit is repaired and returned to LESSOR in accordance herewith or placed in storage, an amount equal to 1/30th of the monthly rental.

ASSET-SPECIFIC RETURN PROVISIONS

RAILCARS – BOXCARS 01-05

Return provision suggestions:

- The Units will be returned to the LESSOR complete, as when new, in good order and repair (fair wear and tear excluded), cleaned and free of product and other miscellaneous residue or debris. On the expiration of the original or any extended term of this Lease with respect to any Unit, the LESSEE will, at the request of the LESSOR, deliver possession of such Unit to the LESSOR at such mutually agreeable location which the LESSOR may reasonably designate and LESSEE must reasonably agree within the United States or Canada, and permit the LESSOR to store such Unit on such tracks for a period of at least 180 days following notification to the LESSOR by the LESSEE that all the Units have been assembled and delivered for storage. The movement and storage of such Units shall be at the expense and risk of Loss of the LESSEE (including any and all required insurance). In the event that any Unit shall suffer an Event of Loss during such storage period, the LESSEE shall pay the LESSOR higher of the Stipulated Loss Value thereof as provided in the Lease for the last day of the Lease Term or the AAR casualty settlement. The assembling, delivery, storage, and transporting of the Units as herein before provided are of the essence of this Lease, and, upon application to any court of equity having jurisdiction in the premises, the LESSOR shall be entitled to a decree against the LESSEE requiring specific performance thereof. During any storage period, the LESSEE will, at its own expense, maintain and keep the Units in the condition required hereof and will permit the LESSOR or any person designated by it, including the authorized representatives of any prospective purchaser, LESSEE or user of any such Unit, to inspect the same.
- Generally. The Units will be returned to the LESSOR complete, as when new, in good order and repair, fair wear and tear excepted, cleaned and free of product debris and product residue. All Units must be capable of performing the function for which they were originally intended. Missing, broken, cracked, or non-functioning hardware Equipment or parts will be replaced at LESSEE'S expense. Rent will continue on a per diem basis until the Units are in a mechanically acceptable condition for return.
- Exterior surface. Prior to lease expiration, the exterior surface of the Units that suffer excessive rust or corrosion, as defined in subparagraph 5 below, will be sanded, primed, rust proofed, and painted in a manner acceptable to LESSOR or consistent with industry standards. Any rust area exceeding 12" x 12" shall be considered "excessive rust". "Corrosion" shall mean any rust or corrosion that affects the structural integrity of any part of the Units. There can be no holes, or tears. All interior and exterior seams must be sealed tight and intact. Any gaps or loose seams must be repaired in proper fashion. All seals, seams, and joints must be watertight. Silicon caulking must be applied to open gaps after repair work is completed. No major warping, dents, bowing, holes, tears, may be present.
- Doors. All doors must function in the manner originally intended and as recommended by the manufacturer or appropriate regulatory bodies. The doors must be in good operating condition. The doors must be able to fully and freely slide completely open and shut on both sides of the cars. The upper and lower door tracks and rails must be straight and not impair the sliding process. The door latches, brackets, hasps, and other mechanisms must be fully functional. The doors must be capable of sealing completely when closed. The doors must not exhibit bowing or warping which impairs their ability to remain sealed or shut.

There can be no holes in the doors surface. If holes exist that permeate both sides of the doors, the holes must be properly repaired in a manner acceptable to LESSOR. If a door has sustained irreparable damage (i.e. excessive bowing, corrosion, etc.), LESSOR can elect to have the door replaced by LESSEE, or have LESSEE pay the replacement cost to LESSOR. All maintenance and repair shall be at LESSEE'S sole cost and expense and shall include all work performed under AAR Rule 77 - Door and Door Parts, Job Codes 4500 through 4549, and both labor and parts covered under Job Codes 4450 and 4099, if associated with such door and doorway area maintenance and repair.

- Wheels & Trucks. Wheels and trucks must be in good condition less normal wear and tear and shall have 50% remaining useful life on the wheels. Trucks must be fully functional and absent of any cracking or structural damage. No part of body or truck shall be less than 2-3/4 inches above top of running rail under all allowable wear and spring deflection conditions.
- Side Sheets, End Sheets, Roof. All sidings, end sheets and roof supports must be in good appearance and condition. There can be no evidence of excessive rust or any corrosion as defined in subparagraph 2 above.
- End-of-Car Cushioning Units. No excessive leakage shall be present. "Excessive leakage" is defined as leakage that is visible. The end-of-car cushioning units must be capable of performing the job for which they were originally intended. All Equipment necessary for the functioning or operation of the end-of-car cushioning units must be present.
- Couplers. Cars must be equipped with AAR-approved couplers identified by "AAR" and with AAR-approved coupler parts, and must be capable of performing the job for which they were originally intended (i.e. must be capable to perform coupling function.) No excessive wear may be present.
- Hoses, Lines, Brake shoes. All hoses, lines, brakes, fluid systems, must be intact and fully functional. "AB", "ABD" or "ABDW" Equipment shall be required on all Units. Units must be equipped with brake beams of no less capacity than AAR No. 15.
- Reporting Marks. All reporting marks and Equipment dimensions must be clearly displayed. New stenciling will be performed as needed and as required by law or regulation, or at the request of LESSOR. Except as otherwise may be set forth on any Equipment Schedule attached hereto, prior to the return of any Unit of Equipment hereunder, the LESSEE shall, (i) re-mark such Equipment to delete the LESSEE'S or any Permitted SubLESSEE'S reporting marks and numbers and replace them with other reporting marks as requested by LESSOR, and (ii) make all appropriate filings with the ICC and the AAR to reflect such re-markings; provided that, at the LESSOR'S option, the LESSOR may continue to use the LESSEE'S reporting marks on any redelivered Units of Equipment and the LESSEE shall (A) collect all AAR car hire earnings, (B) pay repair bills and maintenance fees, (C) audit AAR car hire earnings and AAR repair bills for such Equipment, and (D) pay over to the LESSOR all car hire earnings and depreciated value payments for such redelivered Equipment minus the sum of (x) all accrued maintenance and repair costs on such redelivered Equipment as of yet unpaid by the LESSOR, and (y) all *ad valorem* property taxes assessed against such Unit of Equipment.
- Each year, and from time to time, the LESSEE shall furnish, at LESSOR'S request, an officer's certificate of LESSEE with any requested supporting documentation to the LESSOR certifying and setting forth that LESSEE is complying with the usage and preventive maintenance schedule required by this Lease and identifying all such Units which do not comply with provisions of the preceding paragraphs. No more than 120 days after the

delivery of the officer's certificate, the LESSEE will, if such officer's certificate identifies any Unit as not being maintained in the condition referred to in the preceding paragraphs, provide a supplemental certificate certifying that the appropriate maintenance has been completed and that such Unit is now in the condition required herein, (or stating that such maintenance has not been done or such Unit is not in such condition, and giving an explanation of the reason therefore.) If such supplemental certificate is required and shall not be delivered on or prior to the last date specified for such delivery or shall state that Unit is not in the required condition or the required maintenance has not been done, such Unit shall be deemed to have suffered a Loss. The LESSOR, shall have the right by their agents to inspect the Units and the LESSEE'S records with respect thereto at such reasonable times as either may request during the continuance of this Lease but the LESSOR has no obligation to do so. The LESSEE, in the officer's certificate, shall notify the LESSOR of any occurrence of an Event of Default or other Event which after notice or lapse of time or both would become an Event of Default, specifying such Event of Default and all such Events and the nature and status thereof.

ASSET- SPECIFIC RETURN PROVISIONS

RAILCARS – LOCOMOTIVES 01-05

Return provision suggestions:

- The Units will be returned to the LESSOR complete, as when new, in good order and repair (fair wear and tear excluded). On the expiration of the original or any extended term of this Lease with respect to any Unit, the LESSEE will, at the request of the LESSOR, deliver possession of such Unit to the LESSOR at such mutually agreeable location which the LESSOR may reasonably designate and LESSEE must reasonably agree within the United States or Canada, and permit the LESSOR to store such Unit on such tracks for a period of at least 120 days following notification to the LESSOR by the LESSEE that all the Units have been assembled and delivered for storage. The movement and storage of such Units shall be at the expense and risk of Loss of the LESSEE (including any and all required insurance). During any storage period, the LESSEE will, at its own expense, maintain and keep the Units in the condition required hereof and will permit the LESSOR or any person designated by it, including the authorized representatives of any prospective purchaser, LESSEE or user of any such Unit, to inspect the same.
- Generally. The Units will be returned to the LESSOR complete, as when new, in good operating order, appearance and repair, reasonable wear and tear excepted. All Units must be capable of pulling its rated load per manufacturer's specifications as when delivered new. All Units must be capable of performing the function for which they were originally intended. Missing, broken, cracked, or non-functioning Equipment or parts will be replaced at LESSEE'S expense.
- Engines and Engine Components: The LESSEE will repair any major component failure including but not limited to crankshaft, turbocharger (if applicable), power assemblies, and engine gear trains. Each Unit must pass a load test to ensure the Unit can pull its rated load per manufacturer's specifications. The engine must not have excessive smoking or leaking which would be an indicator of a material mechanical deficiency.
- Generator and Alternator: The generator and alternator must be in AAR and FRA condition and must be capable of performing the function for which the manufacturer intended.
- Traction Motors: Each traction motor must be in AAR and FRA condition and must be capable of performing the function for which the manufacturer intended.
- Air Compressor: Each air compressor must be in AAR and FRA condition and must be capable of performing the function for which the manufacturer intended and must maintain its rated pressure.
- Exterior surface. Prior to lease expiration, any areas of the exterior surface that suffer excessive rust or corrosion, must be sanded, primed, rust-proofed, and painted in a manner acceptable to LESSOR or consistent with industry standards.
- Wheels & Trucks. Wheels and trucks must be in acceptable AAR and FRA condition, less normal wear and tear. LESSEE shall be responsible for all material and labor required for wheel truing and replacement. Trucks must be fully functional and free of any cracking or structural damage. No part of body or truck shall be less than 2-3/4 inches above top of

running rail under all allowable wear and spring deflection conditions.

- Couplers. Locomotives must be equipped with AAR-approved couplers identified by "AAR" and with AAR-approved coupler parts, and must be capable of performing the job for which they were originally intended. (i.e. must be capable to perform coupling function.) No excessive wear may be present.
- Hoses, Lines, Brake shoes. All hoses, lines, brakes, dynamic braking systems, and fluid systems, must be intact and fully functional. "AB", "ABD" or "ABDW" Equipment shall be required on all Units. Units must be equipped with brake beams of no less capacity than AAR No. 15.
- Reporting Marks. All reporting marks and Equipment dimensions must be clearly displayed. New stenciling will be performed as needed and as required by law or regulation, or at the request of LESSOR. Prior to the return of any Unit of Equipment hereunder, the LESSEE shall, (i) re-mark such Equipment to delete the LESSEE'S or any Permitted SubLESSEE'S reporting marks and numbers and replace them with other reporting marks as requested by LESSOR, and (ii) make all appropriate filings with the ICC and the AAR to reflect such re-markings; provided that, at the LESSOR'S option, the LESSOR may continue to use the LESSEE'S reporting marks on any redelivered Units of Equipment.
- If, in the opinion of LESSOR, any Unit is damaged or fails to meet the standards set forth above or if the LESSEE fails to discharge its obligations herein or otherwise in this Lease, LESSEE agrees to pay on demand all costs and expenses incurred in connection with the repairing the Unit and its assembly or delivery to LESSOR in accordance herewith. The LESSEE shall pay, to the LESSOR for each day from the date of the termination of the Lease for such Unit to the date such Unit is repaired and returned to LESSOR in accordance herewith or placed in storage, an amount equal to 1/30th of the monthly rental.

ASSET-SPECIFIC RETURN PROVISIONS

RAILCARS – TANK CARS 01-05

Return provision suggestions:

- The Units will be returned to the LESSOR complete, as when new, in good order and repair (fair wear and tear excluded), cleaned and free of product and other miscellaneous residue or debris. On the expiration of the original or any extended term of this Lease with respect to any Unit, the LESSEE will, at the request of the LESSOR, deliver possession of such Unit to the LESSOR at such mutually agreeable location which the LESSOR may reasonably designate and LESSEE must reasonably agree within the United States or Canada, and permit the LESSOR to store such Unit on such tracks for a period of at least 180 days following notification to the LESSOR by the LESSEE that all the Units have been assembled and delivered for storage. The movement and storage of such Units shall be at the expense and risk of Loss of the LESSEE (including any and all required insurance). In the event that any Unit shall suffer an Event of Loss during such storage period, the LESSEE shall pay the LESSOR higher of the Stipulated Loss Value thereof as provided in the Lease for the last day of the Lease Term or the AAR casualty settlement. The assembling, delivery, storage, and transporting of the Units as herein before provided are of the essence of this Lease, and, upon application to any court of equity having jurisdiction in the premises, the LESSOR shall be entitled to a decree against the LESSEE requiring specific performance thereof. During any storage period, the LESSEE will, at its own expense, maintain and keep the Units in the condition required hereof and will permit the LESSOR or any person designated by it, including the authorized representatives of any prospective purchaser, LESSEE or user of any such Unit, to inspect the same.
- Generally. The Units will be returned to the LESSOR complete, as when new, in good order and repair, fair wear and tear excepted, cleaned and free of product debris and product residue. All Units must be capable of performing the function for which they were originally intended. Missing, broken, cracked, or non-functioning hardware Equipment or parts will be replaced at LESSEE'S expense. Rent will continue on a per diem basis until the Units are in a mechanically acceptable condition for return.
- Exterior surface. Prior to lease expiration, the exterior surface of the Units that suffer excessive rust or corrosion, as defined in subparagraph 5 below, will be sanded, primed, rust proofed, and painted in a manner acceptable to LESSOR or consistent with industry standards. Any rust area exceeding 12" x 12" shall be considered "excessive rust". "Corrosion" shall mean any rust or corrosion that affects the structural integrity of any part of the Units. There can be no holes, or tears. All interior and exterior seams must be sealed tight and intact. Any gaps or loose seams must be repaired in proper fashion. All seals, seams, and joints must be watertight. Silicon caulking must be applied to open gaps after repair work is completed. No major warpage, dents, bowing, holes, tears, may be present.
- Tank Cars. Tank cars will be steam cleaned, free of liquid and product residue. LESSEE will inform the LESSOR if any other product is transported in the cars, other than indicated in the Lease. Lining must be intact and in serviceable condition.
- Wheels & Trucks. Wheels and trucks must be in good condition less normal wear and tear and shall have 50% remaining useful life on the wheels. Trucks must be fully functional and

absent of any cracking or structural damage. No part of body or truck shall be less than 2-3/4 inches above top of running rail under all allowable wear and spring deflection conditions.

- End-of-Car Cushioning Units. No excessive leakage shall be present. "Excessive leakage" is defined as leakage that is visible. The end-of-car cushioning units must be capable of performing the job for which they were originally intended. All Equipment necessary for the functioning or operation of the end-of-car cushioning units must be present.
- Couplers. Cars must be equipped with AAR-approved couplers identified by "AAR" and with AAR-approved coupler parts, and must be capable of performing the job for which they were originally intended (i.e. must be capable to perform coupling function.) No excessive wear may be present.
- Hoses, Lines, Brake shoes. All hoses, lines, brakes, fluid systems, must be intact and fully functional. "AB", "ABD" or "ABDW" Equipment shall be required on all Units. Units must be equipped with brake beams of no less capacity than AAR No. 15.
- Reporting Marks. All reporting marks and Equipment dimensions must be clearly displayed. New stenciling will be performed as needed and as required by law or regulation, or at the request of LESSOR. Except as otherwise may be set forth on any Equipment Schedule attached hereto, prior to the return of any Unit of Equipment hereunder, the LESSEE shall, (i) re-mark such Equipment to delete the LESSEE'S or any Permitted SubLESSEE'S reporting marks and numbers and replace them with other reporting marks as requested by LESSOR, and (ii) make all appropriate filings with the ICC and the AAR to reflect such re-markings; provided that, at LESSOR'S option, the LESSOR may continue to use the LESSEE'S reporting marks on any redelivered Units of Equipment and the LESSEE shall (A) collect all AAR car hire earnings, (B) pay repair bills and maintenance fees, (C) audit AAR car hire earnings and AAR repair bills for such Equipment, and (D) pay over to the LESSOR all car hire earnings and depreciated value payments for such redelivered Equipment minus the sum of (x) all accrued maintenance and repair costs on such redelivered Equipment as of yet unpaid by the LESSOR, and (y) all *ad valorem* property taxes assessed against such Unit of Equipment.
- Each year, and from time to time, the LESSEE shall furnish, at LESSOR'S request, an officer's certificate of LESSEE with any requested supporting documentation to the LESSOR certifying and setting forth that LESSEE is complying with the usage and preventive maintenance schedule required by this Lease and identifying all such Units which do not comply with provisions of the preceding paragraphs. No more than 120 days after the delivery of the officer's certificate, the LESSEE will, if such officer's certificate identifies any Unit as not being maintained in the condition referred to in the preceding paragraphs, provide a supplemental certificate certifying that the appropriate maintenance has been completed and that such Unit is now in the condition required herein, (or stating that such maintenance has not been done or such Unit is not in such condition, and giving an explanation of the reason therefore.) If such supplemental certificate is required and shall not be delivered on or prior to the last date specified for such delivery or shall state that Unit is not in the required condition or the required maintenance has not been done, such Unit shall be deemed to have suffered a Loss. The LESSOR, shall have the right by their agents to inspect the Units and the LESSEE'S records with respect thereto at such reasonable times as either may request during the continuance of this Lease but the LESSOR has no obligation to do so. The LESSEE, in the officer's certificate, shall notify the LESSOR of any occurrence of an Event of Default or other Event which after notice or lapse of time or both would become an Event of Default, specifying such Event of Default and all such Events and the nature and status thereof.

- If, in the opinion of LESSOR, any Unit is damaged or fails to meet the standards set forth above or if the LESSEE fails to discharge its obligations herein or otherwise in this Lease, LESSEE agrees to pay on demand all costs and expenses incurred in connection with the repairing the Unit and its assembly or delivery to LESSOR in accordance herewith. The LESSEE shall pay, to the LESSOR for each day from the date of the termination of the Lease for such Unit to the date such Unit is repaired and returned to LESSOR in accordance herewith or placed in storage, an amount equal to 1/30th of the monthly rental.

ASSET-SPECIFIC RETURN PROVISIONS

RAILCARS – TRACKMOBILE 01-05

Return provision suggestions:

- The Units will be returned to the LESSOR complete, as when new, in good order and repair (fair wear and tear excluded), cleaned and free of product and other miscellaneous residue or debris. On the expiration of the original or any extended term of this Lease with respect to any Unit, the LESSEE will, at the request of the LESSOR, deliver possession of such Unit to the LESSOR at a location designated by LESSOR. LESSEE shall permit the LESSOR to store such Unit on LESSEE'S tracks for a period of at least 180 days following notification to the LESSOR by the LESSEE that all the Units have been assembled and delivered for storage. The movement and storage of such Units shall be at the expense and risk of Loss of the LESSEE (including any and all required insurance). During any storage period, the LESSEE will, at its own expense, maintain and keep the Units in the condition required hereof and will permit the LESSOR or any person designated by it, including the authorized representatives of any prospective purchaser, LESSEE or user of any such Unit, to inspect the same.
- Generally. The Units will be returned to the LESSOR complete, as when new, in good order and repair, fair wear and tear excepted. All Units must be capable of performing the function for which they were originally intended. Missing, broken, cracked, or non-functioning hardware Equipment or parts will be replaced at LESSEE'S expense.
- Exterior surface. Prior to lease expiration, the exterior surface of the Units that suffer excessive rust or corrosion will be sanded, primed, rust proofed, and painted in a manner acceptable to LESSOR and consistent with industry standards. All seals, seams, and joints must be watertight. Silicon caulking must be applied to open gaps after repair work is completed. No major warping, dents, bowing, holes, tears, may be present.
- Tires, Wheels & Trucks. Rubber tires, steel wheels and trucks must be in good condition less normal wear and tear and shall have at least 50% remaining useful life. Trucks must be fully functional and absent of any cracking or structural damage. No part of body or truck shall be less than 2-3/4 inches above top of running rail under all allowable wear and spring deflection conditions.
- Couplers. Cars must be equipped with AAR-approved couplers identified by "AAR" and with AAR-approved coupler parts, and must be capable of performing the job for which they were originally intended (i.e. must be capable to perform coupling function.) No excessive wear may be present.
- Hoses, Lines, Brake shoes. All hoses, lines, brakes, fluid systems, must be intact and fully functional. "AB", "ABD" or "ABDW" Equipment shall be required on all Units. Units must be equipped with brake beams of no less capacity than AAR No. 15.
- Reporting Marks. All reporting marks and Equipment dimensions must be clearly displayed.
- Engine. The engine must be capable of pulling its rated load and must be capable of passing a general health test. There shall be no excessive exhaust or excessive leaking.

- If, in the opinion of LESSOR, any Unit is damaged or fails to meet the standards set forth above or if the LESSEE fails to discharge its obligations herein or otherwise in this Lease, LESSEE agrees to pay on demand all costs and expenses incurred in connection with the repairing the Unit and its assembly or delivery to LESSOR in accordance herewith. The LESSEE shall pay, to the LESSOR for each day from the date of the termination of the Lease for such Unit to the date such Unit is repaired and returned to LESSOR in accordance herewith or placed in storage, an amount equal to 1/30th of the monthly rental.

ASSET- SPECIFIC MAINTENANCE & RETURN PROVISIONS

SEMICONDUCTOR 01-05

Maintenance provision suggestions:

LESSEE, at LESSEE'S own cost and expense, shall (a) keep the Equipment in good repair, good operating condition and working order and in compliance with LESSEE'S standard practices (but in no event less than industry practices). LESSEE, at its own cost and expense and within a reasonable period of time, shall replace any part of any Item of Equipment that becomes unfit or unavailable for use from any cause with a replacement part of the same value, remaining useful life and utility as the replaced part immediately preceding the replacement (assuming that such replaced part was in the condition required by this Lease). Such replacement part shall immediately, and without further act, be deemed to constitute an Item of Equipment and be fully subject to this Lease as if originally leased hereunder, and shall be free and clear of all Liens, except Permitted Liens.

LESSEE shall not make material modifications or changes to the Equipment without the express written consent of LESSOR. Any modifications shall be professionally removed and Equipment shall be restored to its originally delivered conditions prior to Equipment return by LESSEE at LESSEE'S expense. Any modifications made during the term of this lease shall not detract from the value of the Equipment to an alternate user.

Return provision suggestions:

Upon return to LESSOR, the Equipment will be in such condition as to meet the "Average Saleable Condition" (as hereinafter defined) and that all components of the Equipment have been properly serviced, such that the Equipment is eligible for the manufacturer's standard, full service, used Equipment maintenance contract.

LESSEE return notice as required herein shall include:

- A detailed inventory of all components of the Equipment including without limitation all of the model and serial numbers of any components;
- A substantially complete set of the service and operating manuals for each Item of Equipment, or a copy thereof; and
- A copy of the maintenance logs and other appropriate non-confidential documentation detailing the Equipment's then current configuration (including a description of the non-confidential, material replacements and additions thereto made during the Term of the Lease) and all non-confidential operating requirements and technical data and the manufacturer's operating software (if LESSOR holds a license to such software) regarding the setup, use and operation of the Equipment.

Prior to return of the Equipment, LESSEE shall provide to LESSOR an in-depth field service report (the "Report") detailing the results of an inspection conducted by a representative of the manufacturer or a qualified Equipment maintenance provider reasonably acceptable to LESSOR certifying that the Equipment has been properly inspected, examined, tested and is operating within the manufacturer's specifications and addressing, at a minimum the following areas:

- Comprehensive physical inspection;
- Testing of all material and workmanship of the Equipment; and

- Conformation of all Equipment operations to, and compliance with, Applicable Law, and confirming that the Equipment is otherwise in Average Saleable Condition (as hereinafter defined). If the Report discloses that any of the material, workmanship or Equipment does not meet or, does not operate within, the manufacturer's specifications or any Applicable Law, LESSEE shall, at its sole expense, take all necessary corrective measures and submit a second Report from the same inspector evidencing that the Equipment has been brought into conformity with the manufacturer's specifications and Applicable Law.

"Average Saleable Condition" shall mean that all of the following minimum standards have been met:

- All Equipment has been cleaned and treated with respect to rust, corrosion and appearance in accordance with semiconductor industry practices.
- The Equipment has no LESSEE installed markings or labels that are not necessary for the operation, maintenance or repair of the Equipment.
- The Equipment has been or will be de-installed and packed by or under the supervision of the manufacturer or such other person reasonably acceptable to LESSOR in accordance with manufacturer's recommendations, and, without limitation, all internal fluids and/or gases either have been or will be drained and disposed of or filled and secured in accordance with the manufacturer's recommendations and all Applicable Laws including Equipment transportation regulations.

In addition to all other rights of LESSOR under the Lease, and upon receipt of LESSEE'S Return Notice, LESSOR shall have the right to have qualified buyers inspect the Equipment upon five (5) Business Days' prior written notice to LESSEE during LESSEE'S business hours (Monday through Friday, 8:00 a.m. to 5:00 p.m., excluding holidays), provided that: (i) LESSOR and qualified buyer have a reasonable need to do so; (ii) any such inspector who comes on LESSEE'S premises shall not unduly disrupt LESSEE'S business or activities and shall comply with LESSEE'S safety regulations and clean-room protocol and shall sign a confidentiality agreement acceptable to LESSEE, to which agreement all information obtained pursuant to such inspection shall be subject; and (iii) LESSOR shall be liable for any claims, expenses (including, without limitation, reasonable attorneys' fees) and damages arising out of any negligent or willful act or omission of any such inspector.

LESSEE agrees that the Equipment shall remain capable of operation and that LESSEE shall provide adequate electrical power, lighting, heat, water and all other requirements sufficient to allow for normal maintenance and for demonstrations of the Equipment to any qualified buyer.

ASSET-SPECIFIC RETURN PROVISIONS

TELECOMMUNICATIONS

Return provision suggestions:

- The Equipment shall be deinstalled and packed by, or under the supervision of, a manufacturer's representative or such other person acceptable to LESSOR.
- All Equipment shall be cleaned and treated with respect to rust, corrosion and appearance in accordance with the manufacturer's recommendations and consistent with the best practices of dealers in similar used Equipment
- All software related to, or which is an integral pan of the Equipment, shall be returned.
- The LESSEE will provide a certification by the manufacturer or a maintenance provider acceptable to LESSOR, that the Equipment has been tested and is operating in accordance with the manufacturer's specifications along with a report detailing the condition of the Equipment, and proof that all repairs were performed as a result of such tests and inspections.
- All plugs, cables, circuitry, connectors, grids, adapters, cords, receivers, and wires will be properly labeled and returned with the Equipment.

ASSET-SPECIFIC RETURN PROVISIONS

TRUCKS 01-05

Return provision suggestions:

ENGINE

- All units must start with a key and without power boost assistance.
- Engine must operate at a minimum of 80% of the original manufacturer's rated horsepower after allowing for driveline losses and as verified by a chassis dynamometer test performed at the LESSOR'S request and at the LESSEE'S expense.
- Engine must be mechanically sound and within the manufacturer's specifications with regard to oil pressure, coolant temperature and pressure, and fuel and rail pressures.
- Engine must have no internal or external oil, coolant or other fluid leaks.
- Air conditioning compressor must be operational. System must be free from defect, and blow cold air.

DRIVETRAIN

- Clutch, transmission, and front and rear axles must be roadworthy and free from defects with no visible bends, cracks, and leaks.
- The driveline must be free of noise, vibration, and excessive free-play in u-joints.
- No wheel or pinion seals are to be leaking.

BRAKES

- Brakes must pass DOT inspection with 50% remaining visible brake linings. Brake drums must be free from breaks or cracks.

TIRES

- Front: Matched original casings and original tread. Minimum tread depth remaining 50% of original tread.
- Rear: Matched casing and tread design and of either original tread and original casing with no less than 50% of original tread depth or be new caps on first time recapped casings with 100% tread depth. Tires must have sound casings without cuts or bulges and exhibit no irregular tread wear. Further, no mixing of original casing and original tread with first time recaps is allowed on any unit.

CAB/SLEEPER/BODY

- Body damage must not exceed \$250.00 total per unit, including bumper, grill, fuel tanks, fairings, dents, rust damage, etc., including all exterior and interior components.
- Upholstery must have no tears or open seams and be free of excessive dirt and grease.
- All instruments and gauges must be in operating condition.
- Bodies must be de-identified in a professional and workman-like manner.

GENERAL

- Annual mileage shall be limited to XXXXXXXX miles and every annual mile in excess of the annual limit shall be charged to LESSEE at the rate of XXXXX per mile
- All units must be de-identified, without damage to paint, prior to return.
- Any damage to the finish resulting from this activity must be repaired in good working-like order.
- Missing VIN plates must be replaced.
- Units must pass DOT inspection and be able to go into service without repair.

LOGISTICS

- Any unit that has been wrecked must be declared to the LESSOR prior to return. All vehicles must have keys to ignition, doors, and storage boxes, and truck bodies.
- LESSOR reserves the right to reject any unit(s) that has/have not been repaired in accordance with acceptable standards or workmanship.
- Van and truck bodies must be wind and water tight, and loadable.
- Refrigerated units and hydraulics shall be in operating order without leaks.
- Federal Highway Use Tax Form 2290 with proof of payment for current year
- Unless otherwise agreed upon, it shall be the responsibility of the buyer to deliver all assets to LESSOR'S specified locations within the continental U.S.
- A Current State Inspection sticker, if state requires, must be on the unit at time of return
- All units shall have a current DOT/FHWA inspection sticker with an expiration date of no less than six months from the surrender date.
- Equipment will meet the rules and regulations of the Department of Transportation state (DOT), Interstate Commerce Commission, and any other applicable state regulatory inspection requirements.

ASSET-SPECIFIC RETURN PROVISIONS

TRAILERS 01-05

Return provision suggestions:

- All Equipment will meet all of the rules and regulations of the Department of Transportation, Interstate Commerce Commission, applicable State Regulations, and any other applicable regulatory inspection and operating requirements including but not limited to such aspects as being equipped with safety Equipment, being in proper operating condition and having a Vehicle Identification Number plate securely affixed to each unit.
- Each unit of Equipment shall be surrender affixed with a current Department of Transportation / Federal Highway Administration inspection sticker that expires no less than 6-months after the date of surrender.
- Each unit of Equipment shall have no more than \$250 of damage or repairs of any kind whatsoever.
- All repairs to the Equipment shall be made to adhere to the manufacturer recommended repair procedures using Original Equipment Manufacturer components and in no case will “Pop Rivet” patches be acceptable.
- All units of Equipment shall be “Wind and Water Tight”, free of all leaks, in safe and roadworthy condition, capable of being immediately loaded for commercial purposes as originally designed by the manufacturer.
- All running gear including suspension system, brake system, landing gear, axles, wheels and tires shall comply with all of the rules and regulations of the Department of Transportation, Interstate Commerce Commission, applicable State Regulations, and any other applicable regulatory inspection and requirements for safe, roadworthy operation in the U.S.
- The upper coupler, king pin and all lights and electrical systems shall comply with all of the rules and regulations of the Department of Transportation, Interstate Commerce Commission, applicable State Regulations, and any other applicable regulatory inspection and requirements for safe, roadworthy operation in the U.S.
- All tires must be of matched casing and tread design and of either original tread and original casing with no less than 50% of original tread depth or be new caps on first time recapped casings with 100% tread depth. Tires must have sound casings without cuts or bulges and exhibit no irregular tread wear. Further, no mixing of original casing and original tread with first time recaps is allowed on any unit.
- All brake linings and drums shall have a minimum of 50% remaining useful life compared to original equipped components and be free of any scouring and cracks.
- All units shall be professionally deidentified in a workman like manner without damage to the paint, of all LESSEE markings, advertising, graffiti and vandalism except for unique unit numbers. If the paint is damaged the unit shall be professionally repainted.
- Upon LESSOR request each unit shall be returned with the historical repair and maintenance records or legible and complete copies of such.

ASSET-SPECIFIC RETURN PROVISIONS

VESSELS – MARINE 01-05

Return provision suggestions:

- Each unit shall have been operated, maintained, and returned in strict compliance with the terms of the Charter and in the same specification as originally delivered to the Charter Party, with no alteration to the intended use of the vessel, shaft horsepower, operating fuel, method of propulsion, or gross operating capacity;
- Each unit shall have been operated and maintained in Class with all Class Endorsements current from a classification society acceptable to LESSOR;
- Each unit shall be registered, with a regulatory or administrative entity and/or flag state acceptable to LESSOR, for maritime trade, have a current Certificate of Inspection designating such status, and be in compliance with the current and applicable laws, regulations and other requirements of the flag state and have proper documentation to this effect;
- Each unit shall have passed any and all special and/or periodic surveys (including dry docking, engine/machinery, internal cargo tank(s), internal structural,) by the appropriate Classification Society and/or Government regulatory agency within twelve (12) months prior to the termination date, and shall not have experienced any material change in condition since the date of such survey(s);
- Each unit shall generally be in good appearance, in a clean condition, with good external coatings, no hull or superstructure damage, and free of any graffiti and/or insignia placed thereon during the Charter, other than that required for registration and regulatory compliance;
- Each unit shall be mechanically and structurally sound, in good repair and operating condition with no missing or damaged parts, components, or systems, nor shall there be any structural damage, cracking, corrosion to any to any interior members, frames, ribs, exterior surfaces, inside linings, seals, hatches, doors, hinges, anchors, latches and/or decks;
- Each unit shall have all components, including but not limited to, all engines, anchors, propellers, shafts, cranes, booms, winches, hoists, hatches, all required spare parts, hydraulic systems, generators, desalinators, radar, navigation systems, communication systems and accessories, in such condition that they are capable of satisfactorily performing the function for which they were designed within their respective manufacturer's published performance specifications;
- The engines, machinery, and Equipment of each unit shall have not less than fifty percent remaining useful life before the next overhaul, based upon hours of operation and in accordance with the manufacturers recommended maintenance procedures. Furthermore each system shall be capable of developing full operating pressure, with all lubricating and hydraulic fluids free of contaminants as determined by oil sampling analysis.