

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2000 COMMISSION FILE NUMBER 1-10883

WABASH NATIONAL CORPORATION
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE
(STATE OR OTHER JURISDICTION OF
INCORPORATION OR ORGANIZATION)

52-1375208
(IRS EMPLOYER
IDENTIFICATION NUMBER)

1000 SAGAMORE PARKWAY SOUTH,
LAFAYETTE, INDIANA
(ADDRESS OF PRINCIPAL
EXECUTIVE OFFICES)

47905
(ZIP CODE)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: (765) 771-5300

Securities registered pursuant to Section 12(b) of the Act:

Title of each class -----	Name of each exchange on which registered -----
Common Stock, \$.01 Par Value	New York Stock Exchange
Series A Preferred Share Purchase Rights	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. X Yes. No.

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. []

The aggregate market value of voting stock held by non-affiliates of the registrant as of March 22, 2001 was \$230,024,900 based upon the closing price of the Company's common stock as quoted on the New York Stock Exchange composite tape on such date.

The number of shares outstanding of the registrant's Common Stock and Series A Preferred Share Purchase Rights as of March 22, 2001 was 23,002,490.

Part III of this Form 10-K incorporates by reference certain portions of the Registrant's Proxy Statement for its Annual Meeting of Stockholders to be held May 15, 2001.

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FORM 10-K FOR THE FISCAL

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PART I

ITEM 1 -- BUSINESS

Wabash designs, manufactures and markets standard and customized truck trailers under the Wabash National and Fruehauf trademarks. The Company produces and sells aftermarket parts through its division, Wabash National Parts and its wholly-owned subsidiary, Fruehauf Trailer Services, Inc. (FTSI). In addition to its aftermarket parts sales and service revenues, FTSI sells new and used trailers through its retail network as well as providing rental, leasing and finance programs to its customers for new and used trailers.

The Company's business strategy is to follow an integrated approach to engineering, manufacturing and marketing which emphasizes flexibility in product design and operations while preserving a low cost structure. Wabash seeks to identify and produce proprietary products in the trucking and bimodal industries that offer added value to customers and, therefore, generate higher demand and higher profit margins than those associated with standard trailers. The Company has developed its rental, leasing and finance business for new and used trailers within its retail and distribution network and expects to continue such development. The Company has also expanded its factory-owned retail distribution network in order to more effectively distribute its products. The retail sale of

new and used trailers, aftermarket parts and maintenance service generally provides the opportunity for higher gross margins. The Company believes that its RoadRailer(R) bimodal technology provides the opportunity to maintain a reputation for design and new product development leadership. The important elements of the Company's strategies are:

- Assessment of Customer Needs. The Company's engineering, manufacturing, and marketing departments work with customers to assess customer needs and to develop cost-effective engineering and manufacturing solutions. This process results in many highly customized products incorporating unique design features. The Company seeks to acquire products, services and technologies that address customer needs and provide the Company with the opportunity for enhanced profit margins. The Company emphasizes long-term customer relationships at all levels in the Company, built on Wabash's reputation for flexibility and customization.
- Engineering, Manufacturing and Purchasing. The Company's integrated approach emphasizes low-cost and flexible production on existing assembly lines without the need for extensive capital investment or re-tooling. The Company uses computer-aided design (CAD) and computer-aided manufacturing (CAM) techniques throughout the production process. The Company also utilizes just-in-time techniques for many aspects of the production process including delivery of components immediately prior to the time needed for assembly. These techniques have substantially reduced the capital investment and set-up time associated with introducing product innovations and have also reduced product waste and unnecessary product handling time.
- Product Differentiation. Wabash has developed or acquired several proprietary products and processes which, it believes, are recognized as high in quality and distinctive in design. While the Company is a competitive producer of standardized products, it emphasizes the development and manufacture of distinctive and more customized products and believes that it has the engineering and manufacturing capability to produce these products efficiently. The Company expects to continue a program of aggressive product development and selective acquisitions of quality proprietary products that distinguish the Company from its competitors and provide opportunities for enhanced profit margins.
- Corporate Culture. Since the Company's founding, management has fostered a corporate culture that emphasizes design and new product development capabilities as well as extensive employee involvement. All employees participate in extensive classroom training covering all aspects of the Company's business, including team building and problem solving, statistical process control, economics and finance. Wabash also employs a compensation program that rewards most hourly employees through the distribution of a percentage of the Company's after-tax profits. Wabash's safety program has been developed with employee participation and has been cited for each of the last twelve years (1988-1999) by the Truck Trailer Manufacturing Association for achieving the best safety record among large plants in the industry. The

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Company believes that its corporate culture has produced a highly trained and motivated workforce that understands the Company's business strategy and that is keenly interested in and rewarded by the success of the Company.

Wabash was incorporated in Delaware in 1991 and is the successor by merger to a Maryland corporation organized in 1985. Wabash operates in two segments: manufacturing and retail and distribution. Financial results by segment are discussed in detail within Footnote 5, Segment Reporting, of the accompanying Consolidated Financial Statements.

Manufacturing

The Company believes that it is the largest United States manufacturer of truck trailers, including the Company's proprietary DuraPlate(R) and

RoadRailer trailers.

Wabash markets its products directly and through dealers to truckload and less-than-truckload (LTL) common carriers, private fleet operators, leasing companies, package carriers and intermodal carriers including railroads. The Company has established significant relationships as a supplier to many large customers in the transportation industry, including those set forth below:

- Truckload Carriers: Schneider National, Inc.; Werner Enterprises, Inc.; Swift Transportation Corporation; J.B. Hunt Transport Services, Inc.; Dart Transit; Heartland Express, Inc.; Crete Carrier Corporation; Knight Transportation, Inc.; USXpress Enterprises, Inc.; Frozen Food Express Industries (FFE); KLLM, Inc.; Interstate Distributor Co.
- Leasing Companies: Transport International Pool (TIP); Penske Truck Leasing; National Semi-Trailer Corp.
- Private Fleets: Safeway; DaimlerChrysler; The Kroger Company; Foster Farms
- Less-Than-Truckload Carriers: Roadway Express, Inc.; Old Dominion Freight Line, Inc.; USF Holland; GLS Leasco; Yellow Services, Inc.
- Package Carriers: Federal Express Corporation
- North American Intermodal Carriers: Triple Crown Services; National Rail Passenger Corp. (Amtrak); GATX Capital (in conjunction with Burlington Northern Santa Fe and Mark VII Transportation); Canadian National Railroad

Retail and Distribution

The Company has 29 retail outlets in mostly major, metropolitan markets as well as 5 locations that sell and rent used trailers. During January 2001, the Company expanded its branch network through the acquisition of the Breadner Group of Companies, headquartered in Ontario, Canada. The Breadner Group has ten branch locations in six Canadian Provinces and is the leading Canadian distributor of new trailers and related parts and service. As a result, the Company believes it has the largest company-owned distribution system in the industry selling new and used trailers, aftermarket parts and maintenance service. The retail sale of new and used trailers, aftermarket parts and maintenance service generally produces higher gross margins and tend to be more stable in demand. The Company also provides rental, leasing and financing programs, primarily to its retail customers for new and used trailers, through its subsidiaries, Apex Trailer Leasing and Rentals, L.P. and National Trailer Funding (the Finance Companies). In December 2000, the Company's wholly-owned subsidiary, Wabash National Finance Corporation, was merged into Apex Trailer Leasing and Rentals, L.P. as the Company consolidated its rental, leasing and finance activities into the retail and distribution segment as a separate retail product line. This activity tends to be more stable and predictable while at the same time provides the Company an additional channel of distribution for used trailers taken in trade on the sale of new trailers. Due to the strategic importance of the combined product lines of the retail and distribution segment, the Company intends to continue to place emphasis on this revenue source and has added additional retail outlets over the past few years either through acquisition or greenfield start-up.

THE TRUCK TRAILER INDUSTRY

The United States market for truck trailers and related products has historically been cyclical and has been affected by overall economic conditions in the transportation industry as well as regulatory changes. Management believes that customers historically have replaced trailers in cycles that run from approximately six to ten years. Both State and Federal regulation of the size, safety features and configuration of truck trailers have led to increased demand for trailers meeting new regulatory requirements from time to time.

A large percentage of the new trailer market has historically been served by the ten largest truck trailer manufacturers, including the Company. Price, flexibility in design and engineering, product quality and durability,

warranty, dealer service and parts availability are competitive factors in the markets served. Historically, there has been manufacturing over-capacity in the truck trailer industry.

The following table sets forth domestic new trailer shipments for the Company, its nine largest competitors and for the United States trailer industry as a whole:

	2000	1999	1998	1997	1996	1995
	----	----	----	----	----	----
WABASH	66,283	69,772	61,061	48,346(1)	36,517	42,424
Great Dane	46,698	58,454	50,513	37,237	25,730	36,514
Utility	28,780	30,989	26,862	23,084	19,731	25,068
Trailmobile	28,089	31,329	23,918	18,239	11,094	21,239
Stoughton	15,050	14,673	11,750	11,700	8,300	14,770
Strick	10,500	11,000	10,959	10,488	8,141	18,427
Hyundai	6,261	5,716	5,200	3,445	2,007	6,705
Fontaine	6,000	6,500	5,894	5,063	4,613	5,465
HPA Monon	5,726	8,386	7,313	2,534	11,184	21,172
Dorsey	5,000	9,013	8,375	7,939	8,595	12,276
Total Industry	270,817	317,388	278,821	222,550	197,519	284,268

(1) Includes shipments of 1,467 units by Fruehauf in 1997 prior to the acquisition by Wabash of certain assets of Fruehauf.

Sources: Individual manufacturer information provided by Southern Motor Cargo Magazine (C) 1999 (1998-1995) and Trailer Body Builders Magazine (2000 and 1999 only). Industry totals provided by Southern Motor Cargo Magazine (C) 1999 (1998-1995) and A.C.T. Research Company, L.L.C. (2000 and 1999).

REGULATION

Truck trailer length, height, width, maximum weight capacity and other specifications are regulated by individual states. The Federal Government also regulates certain safety features incorporated in the design of truck trailers, including new regulations in 1998 which require anti-lock braking systems (ABS) on all trailers produced beginning in March 1998 and certain rear bumper strength regulations effective at the beginning of 1998. Manufacturing operations are subject to environmental laws enforced by federal, state and local agencies. (See "Environmental Matters")

PRODUCT LINES

Manufacturing Segment

Since the Company's inception in 1985, the Company has expanded its product offerings from a single product into a broad line of transportation equipment and related products and services. As a result of its long-term relationships with its customers, the Company has been able to work closely with its customers to create competitive advantages through development and production of productivity-enhancing transportation equipment. The sale of new trailers through the manufacturing segment represented 76.0%, 76.6% and 76.5% of net sales during 2000, 1999 and 1998, respectively. The current new trailer product lines include the following:

Transportation Equipment

- DuraPlate trailers. In late 1995, the Company introduced its composite plate trailer. Features of the new composite plate trailer include increased durability and greater strength than the

aluminum plate trailer. The composite material is a high-density vinyl core with a steel skin. The Company holds a number of patents regarding its composite trailer and believes this proprietary trailer will continue to become a greater source of business.

- Plate trailers. The aluminum plate trailer was introduced into the

Company's product line in 1985. Since these trailers utilize thicker and more durable sidewalls than standard sheet and post or fiberglass reinforced plywood ("FRP") construction and avoid the use of interior liners, the life of the trailer is extended and maintenance costs are significantly reduced. In addition, the post used in constructing the sidewalls of the aluminum plate trailer is much thinner and therefore provides greater interior volume than a standard sheet and post trailer. Plate trailers are used primarily by truckload carriers.

- RoadRailer trailers. In 1987, the Company began manufacturing RoadRailer trailers. RoadRailer trailers represent a patented bimodal technology consisting of a truck trailer and detachable rail "bogie" permitting a trailer to run both over the highway and directly on railroad lines. The Company believes that the RoadRailer system can be operated more efficiently than alternative intermodal systems such as "piggyback" or "stack" railcars which require terminal operators to transfer vehicles or containers to railcars. In 1991, the Company acquired the exclusive rights to market and exploit RoadRailer technology. By offering the bimodal technology in a number of variations, the Company believes it can increase its penetration of the intermodal market and enlarge its pool of potential customers. The current models are the ReeferRailer(R) trailer, the ChassisRailer(R) trailer, the PupRailer(TM) trailer, the AutoRailer(R) trailer and the 19.5 RoadRailer trailer. Management believes that RoadRailer trailers provide the opportunity for the Company to maintain a reputation for technological leadership in the transportation industry.
- Refrigerated trailers. Refrigerated trailers were introduced into the product line in 1990. The Company's proprietary process for building these trailers involves injecting insulating foam in the sidewalls and roof in a single process prior to assembly, which improves both the insulation capabilities and the durability of the trailers. These trailers are used primarily by private fleets in the transportation of perishable food products. During 1995, the Company opened its refrigerated trailer manufacturing facility in Lafayette, Indiana.
- Aluminum vans and doubles. Aluminum vans and doubles, also known as sheet and post trailers, were introduced into the product line in 1986 and are the standard trailer product purchased by customers in most segments of the trucking industry. These products represent the most common trailer sold throughout the Company's retail distribution network.
- FRP vans and doubles. The Company's initial product was FRP trailers, which have been purchased primarily by LTL carriers utilizing doubles or triples. Motor carriers utilizing standard double or triple trailers frequently reach the maximum legal weight limits before they fill the capacity of the trailers. Since FRP trailers are lighter in weight than these double trailers, they enable LTL carriers to attain higher productivity than could be achieved using other types of double trailers.
- Platform trailers. Platform trailers are typically purchased by owner-operators and are often used for transporting heavier, more durable goods such as those used in the construction and steel industries. In 2000, the Company introduced its ElectroShield(TM) technology for use on platform trailers produced at its manufacturing facility in Huntsville, Tennessee. The ElectroShield technology provides a uniform finish that coats the entire surface of the frame, inside and out. The result is complete surface coverage that is vastly superior to conventional "spray-on" coating systems. ElectroShield coatings provide the best protection in the industry, with greatly improved resistance to corrosion, chipping and fading from exposure to sunlight. The Company believes this new technology adds to its already strong reputation for technological leadership in the transportation industry.
- Other. The Company's other transportation equipment includes container chassis, rollerbed trailers, soft-sided trailers, dumps and converter dollies.

Retail and Distribution Segment

The Company believes it has the largest, company-owned retail and distribution network serving the truck trailer industry with the following product lines:

Transportation Equipment

The Company sells new transportation equipment such as those products offered by the manufacturing segment including DuraPlate trailers, refrigerated trailers, sheet and post trailers and platform trailers. The Company also sells specialty trailers not produced by the manufacturing segment including tank trailers and construction trailers. Customers for this equipment typically purchase in smaller quantities for local or regional transportation needs. The sale of new trailers through the branch network represented 6.3%, 8.1% and 7.3% of net sales during 2000, 1999 and 1998, respectively.

Aftermarket Parts and Service

The Company also offers replacement parts and accessories and provides maintenance service both for its own and competitors' trailers and related equipment. The aftermarket parts business is less cyclical than trailer sales and generally has higher gross profit margins. The Company markets its aftermarket parts and services through its division, Wabash National Parts and through its wholly-owned subsidiary, Fruehauf Trailer Services, Inc. Management expects that the manufacture and sale of aftermarket parts and maintenance service will be a growing part of its product mix as the number and age of its manufactured trailers in service increases and due to the growth of the retail and distribution segment. Sales of these products and services represented 9.6%, 7.9% and 9.7% of net sales during 2000, 1999 and 1998, respectively.

Rental, Leasing and Finance

Through 1991, the Company leased trailers to customers on a very limited basis, primarily involving used trailers taken in trade from other customers. In late 1991, the Company began to build its in-house capability to provide leasing programs to its customers through Wabash National Finance. In addition, in late 1998 the Company began offering a rental program for used trailers, primarily on a short-term basis, through its retail branch network. In December 2000, the Company's wholly-owned subsidiary, Wabash National Finance Corporation, was merged into Apex Trailer Leasing and Rentals, L.P. as the Company consolidated its rental, leasing and finance activities into the retail and distribution segment as a separate retail product line. At December 31, 2000, the Company had approximately \$52.0 million in equipment leased to others, net and \$56.5 million invested in finance contracts. These leasing assets have been financed through sale and leasebacks, term debt and equity. Leasing revenues of the Company represented 2.5%, 1.6% and 1.8% of net sales during 2000, 1999 and 1998, respectively.

Used Trailers

The Company is also involved in the sale of used trailers, which are primarily trade-ins from its customers for new trailers. The Company generally sells its used trailers directly through its retail and distribution segment. Used trailer sales promote new sales by permitting trade-in allowances and have represented a stable source of revenue for the Company. The sale of used trailers represented 5.6%, 5.8% and 4.7% of net sales during 2000, 1999 and 1998, respectively.

CUSTOMERS

The Company's customer base includes many of the nation's largest truckload common carriers, leasing companies, LTL common carriers, private fleet carriers, package carriers and domestic and international intermodal carriers including railroads. The Company believes it is the sole supplier of dry vans, refrigerated trailers and platform trailers to approximately 15 customers. Sales to these customers accounted for approximately 41.8%, 32.6% and 28.9% of the Company's new trailer sales in 2000, 1999 and 1998, respectively. The retail and distribution business primarily services small fleets and individual owner operators in which the credit risk varies significantly from customer to customer. The Company's international sales accounted for approximately 3.1% of

net sales during 2000 and 2.0% of net sales during 1999 and 1998.

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The Company had one customer, J.B. Hunt Transport Services, Inc., which represented 11.4% of its net sales in 2000, while no other customer exceeded 10% of its net sales in 2000, 1999 and 1998. The Company's net sales in the aggregate to its five largest customers were 30.5%, 22.2% and 18.3% of its sales in 2000, 1999 and 1998, respectively.

Truckload common carriers include large national lines as well as regional carriers. The large national truckload carriers, who continue to gain market share at the expense of both regional carriers and private fleets, typically purchase trailers in large quantities with highly individualized specifications. Trailers purchased by truckload common carriers including Schneider National, Inc., Werner Enterprises, Inc., Swift Transportation Corporation, J.B. Hunt Transport Services, Inc., Heartland Express, Inc., Dart Transit, Crete Carrier Corporation, Knight Transportation, Inc., USXpress Enterprises, Inc., and Interstate Distributor Co. represented 59.7%, 54.3% and 44.7% of the Company's new trailer sales in 2000, 1999 and 1998, respectively.

LTL carriers have experienced consolidation in recent years and the industry is increasingly dominated by a few large national and several regional carriers. Since the Highway Reauthorization Act of 1983 mandated that all states permit the use of 28-foot double trailers, there has been a conversion of nearly all LTL carriers to doubles operations. Order sizes for LTL carriers tend to be in high volume and with standard specifications. LTL carriers who have purchased Company products include Roadway Express, Inc., Old Dominion Freight Line, Inc., USF Holland, GLS Leasco, and Yellow Services, Inc. New trailer sales to LTL carriers accounted for 10.5%, 9.1% and 11.9% of new trailer sales in 2000, 1999 and 1998, respectively.

Private fleet carriers represent the largest segment of the truck trailer industry in terms of total units, but are dominated by small fleets of 1 to 100 trailers. Among the larger private fleets, such as those of the large retail chain stores, automotive manufacturers and paper products, truck trailers are often ordered with customized features designed to transport specialized commodities or goods. Among private fleets, the Company's customers include DaimlerChrysler, Safeway, Foster Farms and The Kroger Company. New trailer sales to private fleets represented 6.7%, 6.4% and 7.5% of new trailer sales in 2000, 1999 and 1998, respectively.

Leasing companies include large national companies as well as regional and local companies. Among leasing companies, the Company's customers include Transport International Pool (TIP), National Semi-Trailer Corp. and Penske Truck Leasing. New trailer sales to leasing companies represented 4.2%, 6.0% and 10.0% of new trailer sales in 2000, 1999 and 1998, respectively.

Customers for the Company's proprietary RoadRailer products include U.S. and foreign intermodal carriers such as Triple Crown Services, Amtrak, Swift Transportation Corporation, GATX Capital (in conjunction with Burlington Northern Santa Fe Corporation and Mark VII Transportation), Bayerische Trailerzug Gesellschaft, Compagnie Nouvelle De Conteneurs and Canadian National Railroad. New trailer sales of RoadRailer products to these customers represented 2.4%, 2.8% and 4.7% of new trailer sales in 2000, 1999 and 1998, respectively. The Company believes that the RoadRailer technology has enabled it to develop an international presence. Anticipated sources of future revenue in the RoadRailer business also include license fees from the license of RoadRailer technology to overseas manufacturers.

In the United States, FedEx Corporation is one of two primary carriers dominating the package carrier industry. Package carriers have developed rigid specifications for their highly specialized trailers and have historically purchased trailers from a small number of suppliers, including Wabash. New trailer sales to package carriers represented 0.7%, 0.8% and 1.1% of new trailer sales in 2000, 1999 and 1998, respectively.

Retail sales of new trailers to independent operators through the Company's factory-owned distribution network provide the Company with access to smaller unit volume sales, which typically generate higher gross margins. Retail sales of new trailers represented 7.4%, 8.9% and 9.2% of total new trailer sales in 2000, 1999 and 1998, respectively.

The balance of new trailer sales in 2000, 1999 and 1998 were made to

dealers and household moving carriers.

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MARKETING AND DISTRIBUTION

The Company markets and distributes its products through one of three channels, which include:

- factory direct accounts;
- the factory-owned distribution network; and
- independent dealerships.

The factory direct accounts include larger full truckload, LTL, package and household moving carriers and certain private fleets and leasing companies and are high volume purchasers. In the past, the Company has focused its resources on the factory direct market, where customers are generally aware of the Company's management and its reputation in the trailer manufacturing industry. The larger LTL and private fleets, as well as the national fleets which increasingly dominate the truckload segment, buy factory direct with a great deal of customization. These larger carriers will generally purchase the largest trailer allowed by law in the areas that they intend to operate, with maximum interior space. These carriers are the largest customers of the composite plate trailers manufactured by the Company.

The Company's factory-owned distribution network provides the opportunity to generate retail sales of trailers as well as leasing and financing arrangements to smaller independent operators. This branch network enables the Company to provide maintenance and other services to customers on a nationwide basis and to take trade-ins, which are common with new trailer deals with fleet customers. In addition to the 29 U.S. factory-owned branches, the 10 retail locations recently acquired in Canada and the 5 U.S. locations that sell and rent used trailers, the Company also sells its products through a nationwide network of over 90 full-line and over 120 parts only independent dealerships, which generally serve the trucking and transport industry. The dealers primarily serve intermediate and smaller sized carriers and private fleets in the geographic region where the dealer is located and on occasion may sell to large fleets. The dealers may also perform service work for many of their customers.

RAW MATERIALS

The Company utilizes a variety of raw materials and components including steel, aluminum, lumber, tires and suspensions, which it purchases from a large number of suppliers. Significant price fluctuations or shortages in raw materials or finished components may adversely affect the Company's results of operations. In 2000 and for the foreseeable future, the raw material used in the greatest quantity will be composite plate material used on the Company's proprietary DuraPlate trailer. The composite material is comprised of an inner and outer lining made of high strength steel surrounding a vinyl core, of which both components are in ready supply. In August 1997, the Company completed construction of a composite material facility located in Lafayette, Indiana where the Company produces the composite plate material from steel and vinyl components. Due to the continued strong demand for the Company's DuraPlate trailer, additional composite material manufacturing capacity was added to this facility in 2000. The Company believes the addition of this new facility will provide adequate capacity to meet its composite material requirements. During 1998, the Company acquired Cloud Corporation and Cloud Oak Flooring Company, Inc. (Wabash Wood Products), manufacturers of laminated hardwood floors for the truck body and trailer industry. During the course of 2000, the Company increased its hardwood flooring production capacity at its Harrison, Arkansas facility in order to accommodate 100% of the Company's trailer flooring needs. The central U.S. location of the Company's plants gives Wabash a competitive advantage in the transportation cost of inbound raw materials as well as the cost of delivery of finished product as customers often use trailers coming off the assembly line to deliver freight outbound from the Midwest.

BACKLOG

The Company's backlog of orders was approximately \$0.7 billion, \$1.1 billion and \$1.0 billion at December 31, 2000, 1999 and 1998, respectively. The Company expects to fill a majority of its existing backlog of orders by the end of 2001.

PATENTS AND INTELLECTUAL PROPERTY

The Company holds or has applied for 76 patents in the United States on various components and techniques utilized in its manufacture of truck trailers. In addition, the Company holds or has applied for 119 patents in 14 foreign countries and the European patent community.

The Company also holds or has applied for 44 trademarks in the United States as well as 30 trademarks in foreign countries. These trademarks include the Wabash and Fruehauf brand names as well as trademarks associated with the Company's proprietary products such as the DuraPlate trailer and the RoadRailer trailer.

RESEARCH AND DEVELOPMENT

The Company has a reputation in the industry for its innovation in product design and low cost manufacturing. Research and development expenses are charged to earnings as incurred and approximated \$2.4 million, \$1.5 million and \$1.8 million in 2000, 1999 and 1998, respectively. The Company promotes a culture that encourages innovation by all employees, particularly those working on the factory floor.

ENVIRONMENTAL MATTERS

The Company is aware of soil and ground water contamination at some of its facilities. Accordingly, the Company has recorded a reserve of approximately \$0.9 million associated with environmental remediation at these sites. This reserve was determined based upon currently available information and management does not believe the outcome of these matters will be material to the consolidated annual results of operations or financial condition of the Company.

In the second quarter 2000, the Company received a grand jury subpoena requesting certain documents relating to the discharge of wastewaters into the environment at a Wabash facility in Huntsville, Tennessee. The subpoena sought the production of documents and related records concerning the design of the facility's discharge system and the particular discharge in question. On April 17, the Company received a Notice of Violation/Request for Incident Report from the Tennessee Department of Environmental Conservation (TDEC) with respect to the same matter. On September 6, 2000, the Company received an Order and Assessment from TDEC directing the Company to pay a fine of \$100,000 for violations of Tennessee environmental requirements as a result of the discharge. The Company filed an appeal of the Order and Assessment on October 10, 2000. The Company is fully cooperating with state and federal officials with respect to their investigation into the matter. At this time, the Company is unable to predict the outcome of federal grand jury inquiry into this matter, but does not believe it will result in a material adverse effect on its financial position or future results of operations; however, at this early stage of the proceedings, no assurance can be given as to the ultimate outcome of the case.

Future information and developments will require the Company to continually reassess the expected impact of these environmental matters. However, the Company has evaluated its total environmental exposure based on currently available data and believes that compliance with all applicable laws and regulations will not have a materially adverse effect on the consolidated financial position and annual results of operations.

See Footnote 16 to the Consolidated Financial Statements for additional environmental information and the Company's accounting for such costs.

EMPLOYEES

As of December 31, 2000, the Company had approximately 5,200 employees, of which less than 1% are represented by labor unions. The Company places a heavy emphasis on employee relations through educational programs and quality control teams. The Company believes its employee relations are good.

MANUFACTURING FACILITIES

The Company's main facility of 1.2 million sq. ft. in Lafayette, Indiana, consists of truck trailer and composite material production, tool and die operations, research laboratories, management offices and headquarters. The Company owns three other trailer manufacturing facilities, in Lafayette, Indiana (572,000 sq. ft.), in Ft. Madison, Iowa (255,000 sq. ft.) and Huntsville, Tennessee (287,000 sq. ft.). There are three leased manufacturing facilities in Lafayette, Indiana (144,000 sq. ft.). In addition, the Company owns a trailer flooring manufacturing facility, in Harrison, Arkansas (456,000 sq. ft.) and intends to close its flooring operation in Sheridan, Arkansas (117,000 sq. ft.) during the first quarter of 2001.

RETAIL AND DISTRIBUTION FACILITIES

The Company leases a facility in St. Louis, Missouri (6,700 sq. ft.) that serves as headquarters for its retail and distribution segment. This location oversees the operation of 29 sales and service branches (4 of which are leased) and 5 locations that sell and rent used trailers (all of which are leased.) All of these facilities are located throughout the United States. The branch facilities consist of an office, warehouse and service space and generally range in size from 20,000 to 50,000 square feet per facility. In January 2001, the Company expanded its branch network through the acquisition of 10 branch locations in six Canadian Provinces. In addition, the Company owns its aftermarket parts distribution center in Lafayette, Indiana (300,000 sq. ft.) and leases a parts center in Montebello, California (44,000 sq. ft.).

ITEM 3 -- LEGAL PROCEEDINGS

There are certain lawsuits and claims pending against the Company that arose in the normal course of business. None of these claims are expected to have a material adverse effect on the Company's financial position or its results of operations.

See Footnote 16 to the Consolidated Financial Statements for additional information related to certain lawsuits filed against the Company and certain of its officers and directors.

ITEM 4 -- SUBMISSIONS OF MATTERS TO VOTE OF SECURITY HOLDERS

None to report.

ITEM 4A -- RISK FACTORS

Investing in our securities involves a high degree of risk. In addition to the other information contained in this Form 10-K, including the reports we incorporate by reference, you should consider the following factors before investing in our securities:

We Face Intense Competition. The truck trailer manufacturing industry is highly competitive. We compete with other truck trailer manufacturers of varying sizes, some of which may have greater financial resources than we do. Barriers to entry in the truck trailer manufacturing industry are low and, therefore, it is possible that additional competitors could enter the market at any time. Certain participants in the industry in which we compete may have manufacturing over-capacity and high leverage, and the industry has experienced a number of bankruptcies and financial stresses, all of which have resulted in significant pricing pressures. Our inability to compete effectively with existing or potential competitors would have a material adverse effect on our business, financial condition and results of operations.

Our Business Is Cyclical and May Be Adversely Affected By An Economic Downturn. The truck trailer manufacturing industry historically has been and is expected to continue to be cyclical and affected by overall economic conditions. New trailer shipments for the trailer industry as a whole decreased to 271,000 units in 2000 as compared to 317,000 units in 1999 and the current forecast for industry shipments in 2001 is between 190,000 and 210,000 units. Sales of new truck trailers have been subject to cyclical variations based on a six to eight year replacement cycle. Poor economic conditions can adversely affect demand for new trailers and in the past have led to an overall aging of trailer fleets beyond this typical replacement cycle. If such economic conditions were to recur, our business could be adversely affected.

Our New Technology and Products May Not Achieve Market Acceptance. We have recently introduced new products including the DuraPlate composite plate trailer, constructed from a high density vinyl core with a steel skin, and prototypes including the AllRailer railcar, a fully enclosed high-speed railcar. There can be no assurance that these or other new products or technologies will achieve sustained market acceptance. There can also be no assurance that new technologies or products introduced by competitors will not render our products obsolete or uncompetitive.

We Depend on Key Members of Our Management. The success of our business is and will continue to be highly dependent upon its President, Donald J. Ehrlich, and other members of senior management. We do not have employment agreements with any of these people. The loss of any of their services could have a material adverse effect upon our business, financial condition and results of operations.

We Rely on the Strength of our Corporate Partnerships and the Success of Our Customers. We have corporate partnering relationships with a number of customers where we supply the requirements of these customers. To a significant extent, our success is dependent upon the continued strength of their relationships with us and the growth of our corporate partners. Further, we often are unable to predict the level of demand for our products from these partners, or their timing of orders. The loss of a significant customer or unexpected delays in product purchases could have a material adverse effect on our business, financial condition and results of operations.

We Have A Limited Supply of Raw Materials. We currently rely on a limited number of suppliers for certain key components in the manufacturing of truck trailers. The loss of our suppliers or the inability of the suppliers to meet our price, quality, quantity and delivery requirements could have a material adverse effect on our business, financial condition and results of operations.

We are Subject to Government Regulations That May Adversely Affect Our Profitability. The length, height, width, maximum weight capacity and other specifications of truck trailers are regulated by individual states. The Federal Government also regulates certain safety features incorporated in the design of truck trailers. Changes or anticipation of changes in these regulations can have a material impact on our customers, may defer customer purchasing decisions, may result in reengineering and may affect our financial results. In addition, we are subject to various environmental laws and regulations dealing with the transportation, storage, presence, use, disposal and handling of hazardous materials, discharge of stormwater and underground fuel storage tanks and may be subject to liability associated with operations of prior owners of acquired property. If we are found to be in violation of applicable laws or regulations, it could have a material adverse effect on our business, financial condition and results of operations.

We May Not Be Successful in Integrating Business that We Acquire into Our Business. We have made and expect to make acquisitions of technology, businesses and product lines in the future. Our ability to expand successfully through acquisitions depends on many factors, including the successful identification and acquisition of products, technologies or businesses and management's ability to effectively integrate and operate the acquired products, technologies or businesses. We may compete for acquisition opportunities with other companies that have significantly greater financial and management resources. We cannot assure you that we will be successful in acquiring or integrating any such products, technologies or businesses.

Disclosure Regarding Forward-Looking Statements. This report, including documents incorporated herein by reference, contains forward-looking statements. Additional written or oral forward-looking statements may be made by the Company from time to time in filings with the Securities and Exchange Commission or otherwise. The words "believe," "expect," "anticipate," and "project" and similar expressions identify forward-looking statements, which speak only as of the date the statement is made. Such forward-looking statements are within the meaning of that term in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements may include, but are not limited to, information regarding revenues, income or loss, capital expenditures, acquisitions, number of retail branch openings, plans for future operations, financing needs or plans, the impact of inflation and plans relating to services of the Company, as well as assumptions relating to the foregoing. Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. Future events and actual results could differ materially from those set forth in, contemplated by or underlying the forward- looking statements. Statements in

this report, including those set forth in "The Company" and "Risk Factors," and in "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations", describe factors, among others, that could contribute to or cause such differences.

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PART II

ITEM 5 -- MARKET FOR THE REGISTRANT'S COMMON STOCK AND RELATED STOCKHOLDER MATTERS

The Company's Common Stock is traded on the New York Stock Exchange (ticker symbol WNC). The number of record holders of the Company's common stock at February 28, 2001, was 1,082.

High and low stock prices and dividends for the last two years were:

	HIGH ----	LOW ---	DIVIDENDS DECLARED PER COMMON SHARE -----
2000			
Fourth Quarter.....	\$ 9.25	\$ 7.25	\$0.04
Third Quarter.....	\$12.94	\$ 8.31	\$0.04
Second Quarter.....	\$15.25	\$10.50	\$0.04
First Quarter.....	\$17.88	\$13.00	\$0.04
1999			
Fourth Quarter.....	\$20.50	\$13.06	\$0.04
Third Quarter.....	\$22.50	\$19.13	\$0.0375
Second Quarter.....	\$19.94	\$10.94	\$0.0375
First Quarter.....	\$21.00	\$11.63	\$0.0375

The Company expects to continue its policy of paying regular dividends, although there is no assurance as to future dividends because they depend on future earnings, capital requirements, and financial conditions.

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ITEM 6 -- SELECTED FINANCIAL DATA

The following selected consolidated financial data with respect to the Company, for the five years in the period ended December 31, 2000, have been derived from the Company's consolidated financial statements, which have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their reports. The following information should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and notes thereto included elsewhere herein.

	Years Ended December 31,				
	2000	1999	1998	1997	1996
	(Dollar amounts in thousands, except per share data)				
INCOME STATEMENT DATA:					
Net sales	\$ 1,332,172	\$ 1,454,570	\$ 1,292,259	\$ 846,082	\$ 631,492
Cost of sales	1,216,205 (1)	1,322,852	1,192,968	778,620	602,629
Gross profit	115,967	131,718	99,291	67,462	28,863
Selling, general and administrative expenses	55,874	50,796	38,626	26,307	13,359
Restructuring charge	36,338	--	--	--	--
Income from operations	23,755	80,922	60,665	41,155	15,504
Interest expense	(19,740)	(12,695)	(14,843)	(16,100)	(10,257)
Accounts receivable securitization costs	(7,060)	(5,804)	(3,966)	--	--
Equity in losses of unconsolidated affiliate	(3,050)	(4,000)	(3,100)	(400)	--
Restructuring charge	(5,832)	--	--	--	--
Other, net	877	6,310	(259)	1,135	788
Income (loss) before income taxes	(11,050)	64,733	38,497	25,790	6,035
Provision (benefit) for income taxes	(4,314)	25,891	15,226	10,576	2,397
Net income (loss)	\$ (6,736)	\$ 38,842	\$ 23,271	\$ 15,214	\$ 3,638

Basic earnings (loss) per common share	\$ (0.38)	\$ 1.60	\$ 1.00	\$ 0.74	\$ 0.19
	=====	=====	=====	=====	=====
Diluted earnings (loss) per common share	\$ (0.38)	\$ 1.59	\$ 0.99	\$ 0.74	\$ 0.19
	=====	=====	=====	=====	=====
Cash dividends declared per common share	\$ 0.16	\$ 0.1525	\$ 0.1425	\$ 0.13	\$ 0.12
	=====	=====	=====	=====	=====

(1) Includes a \$4.5 million charge related to the Company's restructuring activities.

	Years Ended December 31,				
	2000	1999	1998	1997	1996
	(Dollar amounts in thousands)				
BALANCE SHEET DATA:					
Working capital	\$270,722	\$228,751	\$271,256	\$280,212	\$148,712
Total lease portfolio	108,451	130,626	117,038	103,222	113,811
Total assets	781,614	791,291	704,486	629,870	440,071
Long-term debt, net of current maturities	226,126	164,367	165,215	231,880	151,307
Stockholders' equity	367,233	379,365	345,776	226,516	178,368

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ITEM 7 -- MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of Wabash National Corporation's (Wabash or the Company) historical results of operations and of its liquidity and capital resources should be read in conjunction with the consolidated financial statements and related notes thereto.

Wabash designs, manufactures and markets standard and customized truck trailers under the Wabash National and Fruehauf trademarks. The Company believes that it is the leading U.S. manufacturer of composite trailers and bimodal vehicles through its RoadRailer products. The Company produces and sells aftermarket parts through its division, Wabash National Parts and its wholly-owned subsidiary, Fruehauf Trailer Services, Inc. (FTSI). In addition to its aftermarket parts sales and service revenues, FTSI sells new and used trailers through its retail network as well as providing rental, leasing and finance programs to its customers for new and used trailers through its subsidiaries Apex Trailer Leasing and Rentals, L.P. and National Trailer Funding (the Finance Companies).

In December 2000, the Company recorded restructuring and other related charges totaling \$46.6 million (\$28.5 million, net of tax) primarily related to the Company's exit from manufacturing products for export outside the North American market, international leasing and financing activities and the consolidation of certain domestic operations. Included in this total is \$40.8 million that has been included as a component in computing income from operations. Specifically, \$19.1 million of this amount represents the impairment of certain equipment subject to leases with the Company's international customers, \$8.6 million represents losses recognized for various financial guarantees related to international financing activities and \$6.9 million was recorded for the write-down of other assets as well as charges associated with the consolidation of certain domestic operations including severance of \$0.2 million. Also included in the \$40.8 million is a \$4.5 million charge for inventory write-downs related to the restructuring actions. The Company has recorded \$5.8 million as a restructuring charge in Other Income (Expense) representing the write-off of the Company's remaining equity interest in ETZ for a decline in fair value that is deemed to be other than temporary.

The total impairment charge recognized by the Company as a result of its restructuring activities was \$26.7 million. This amount was computed in accordance with the provisions of SFAS 121. The estimated fair value of the impaired assets totaled \$3.4 million and was determined by management based upon economic conditions and potential alternative uses and markets for the equipment. These assets are held for sale and are classified in prepaid expenses and other in the accompanying Consolidated Balance Sheets. Depreciation has been discontinued on these assets pending their disposal. In addition, upon the ultimate divestiture of the Company's ownership in ETZ, expected to occur in 2001, the Company will no longer record equity in losses of unconsolidated affiliate which amounted to \$3.1 million, \$4.0 million and \$3.1 million in 2000, 1999 and 1998, respectively.

The impact of restructuring activities undertaken in 2000 is not expected to have a significant effect on the Company's revenues going forward as these businesses on a combined basis accounted for less than 5% of consolidated net sales in 2000, 1999 and 1998.

Although the Company has elected to discontinue manufacturing products for export outside of North America and the related international financing activities, the Company will continue to pursue opportunities in international markets to license and market its proprietary RoadRailer bimodal technology.

Under the provisions of Financial Accounting Standards (SFAS) No. 131, Disclosure about Segments of an Enterprise and Related Information, the Company determined it has two reportable business segments. These segments are the manufacturing segment and the retail and distribution segment. The manufacturing segment includes the Company's trailer manufacturing facilities located in Lafayette, Indiana, Ft. Madison, Iowa and Huntsville, Tennessee as well as the trailer flooring operation (Wabash Wood Products) located in Harrison, Arkansas. The retail and distribution segment includes the sale, lease and financing of new and used trailers, as well as the sale of aftermarket parts and service through its retail branch network. In addition, the retail and distribution segment includes the sale of aftermarket parts through Wabash National Parts.

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OVERVIEW

In 2000, the U.S. truck trailer industry experienced a 15% decrease to approximately 271,000 units shipped as compared to 317,000 units shipped in the record year 1999. The Company's market share in the U.S. trailer industry was approximately 24.5% in 2000, which represents a slight increase over 1999. Deteriorating economic conditions during 2000, including higher interest rates and fuel costs, negatively affected the purchasing activities of the trucking industry and as a result, the Company's backlog has decreased from \$1.1 billion at December 31, 1999 to \$0.7 billion at December 31, 2000.

RESULTS OF OPERATIONS

The following table sets forth certain operating data as a percentage of net sales for the periods indicated:

	Percentage of Net Sales Years Ended December 31, -----		
	2000 ----	1999 ----	1998 ----
Net sales	100.0%	100.0%	100.0%
Cost of sales	91.3(1)	90.9	92.3
	-----	-----	-----
Gross profit	8.7	9.1	7.7
General and administrative expense	2.6	2.1	2.0
Selling expense	1.6	1.4	1.0
Restructuring charge	2.7	--	--
	-----	-----	-----
Income from operations	1.8	5.6	4.7
Interest expense	(1.5)	(0.9)	(1.1)
Accounts receivable securitization costs	(0.5)	(0.4)	(0.3)
Equity in losses of unconsolidated affiliate	(0.2)	(0.3)	(0.3)
Restructuring charge	(0.4)	--	--
Other, net	--	0.4	--
	-----	-----	-----
Income (loss) before taxes	(0.8)	4.4	3.0
Provision (benefit) for income taxes	(0.3)	1.8	1.2
	-----	-----	-----

Net income (loss)	(0.5)%	2.6%	1.8%
	=====	=====	=====

(1) Includes a \$4.5 million charge (0.3%) related to the Company's restructuring activities.

2000 Compared to 1999

During 2000, the Company achieved net sales of \$1.3 billion, which were 8.4% lower than 1999 net sales of \$1.5 billion. Net income (loss) for 2000, including the impact of restructuring and other related charges, decreased to (\$6.7) million as compared to \$38.8 million in 1999.

Net Sales

	Years Ended December 31,		
	2000	1999	% Change
	-----	-----	-----
Net External Sales by Segment:	(Dollar amounts in millions)		
Manufacturing	\$1,013.1	\$1,113.9	(9.0%)
Retail and Distribution	319.1	340.7	(6.3%)
	-----	-----	-----
Total Net Sales	\$1,332.2	\$1,454.6	(8.4%)
	=====	=====	=====

The manufacturing segment's external net sales decreased 9.0% or \$100.8 million in 2000 compared to 1999 driven primarily by a 6.9% decrease in the number of units sold, from approximately 64,100 units in 1999 to approximately 59,700 units in 2000. The average selling price per new trailer sold decreased 1.7%, from approximately \$17,200 in 1999 to approximately \$16,900 in 2000. The decrease in net sales during the period was primarily driven by the continued impact of a general slowing in freight tonnage, increased interest rates and continued high fuel prices within the transportation industry. As a result of these unfavorable conditions, the transportation industry continues to operate in a very difficult environment,

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which has caused new trailer orders to decrease. As of December 31, 2000, the Company's backlog of orders was approximately \$0.7 billion, over \$0.4 billion of which is related to the DuraPlate trailer.

The retail and distribution segment's external net sales decreased 6.3% or \$21.6 million in 2000 compared to 1999 driven primarily by a decrease in new and used trailer sales. New trailer sales decreased 28.1% on approximately 5,900 units sold in 1999 to approximately 4,300 units sold in 2000 and used trailer sales decreased by 11.9% in 2000 compared to 1999. The decreases in new and used trailer sales were offset somewhat by a 15.4% increase in aftermarket parts, service revenues and rental, leasing and finance revenues. The increase in aftermarket parts and service revenues was driven primarily by the reconfiguration of the retail distribution network and the creation of additional service capacity. The increase in rental, leasing and finance revenues primarily reflects the Company's strategy to expand its used trailer rental program as the number of trailers in the rental fleet increased to approximately 6,900 at December 31, 2000 compared to approximately 1,800 at December 31, 1999.

Gross Profit

	Years Ended December 31,		
	2000	1999	% Change
	-----	-----	-----
Gross Profit by Segment:	(Dollar amounts in millions)		

Manufacturing	\$ 86.7	\$ 99.6	(13.0%)
Retail and Distribution	31.5	34.3	(8.2%)
Eliminations	(2.2)	(2.2)	0.0%
	-----	-----	-----
Total Gross Profit	\$116.0	\$ 131.7	(11.9%)
	=====	=====	=====

The Company finished 2000 with gross profit as a percent of sales of 8.7% on a consolidated basis (9.0% excluding the impact from a non-recurring charge) as compared to 9.1% in 1999. This decrease was primarily due to the manufacturing segment, as discussed below.

The manufacturing segment's gross profit decreased by 13.0% primarily as a result of the following factors:

- the decrease in net sales previously discussed;
- start-up costs related to the state-of-the-art painting and coating system at its Huntsville, Tennessee plant;
- increased depreciation and amortization primarily related to several projects completed and placed in service during the year; and
- the impact of other charges related to restructuring.

These factors were partially offset by the Company's strategy of increasing the proportion of revenues attributable to proprietary products, such as the DuraPlate trailer. These proprietary products accounted for approximately 67% of production in 2000 as compared to 59% in 1999, and have been successful in generating higher gross profits than have historically been possible with a more traditional, commodity type product mix.

The retail and distribution segment's gross profit decreased by 8.2% primarily as a result of decreased net sales previously discussed, offset somewhat by increased sales for aftermarket parts, service revenues and rental, leasing and finance revenues which typically have higher margins as compared to the segment as a whole.

Income from Operations (before interest, taxes and other items)

	Years Ended December 31,		
	2000	1999	% Change
	----	----	-----
Operating Income by Segment:	(Dollar amounts in millions)		
Manufacturing	\$ 36.9	\$ 72.0	(48.8%)
Retail and Distribution	(10.9)	11.1	(198.2%)
Eliminations	(2.2)	(2.2)	0.0%
	-----	-----	-----
Total Operating Profit	\$ 23.8	\$ 80.9	(70.6%)
	=====	=====	=====

The manufacturing segment's income from operations decreased by 48.8% primarily because of a \$22.8 million charge related to the Company's restructuring activities, as well as the decrease in gross profit previously discussed.

The retail and distribution segment's income from operations decreased by \$22.0 million due primarily to a \$13.6 million charge related to the Company's restructuring activities and a \$5.7 million increase in selling, general and administrative expenses. The increase in selling, general and administrative expenses primarily reflects increased selling expenses principally to support increased sales activity in its aftermarket parts, service and trailer rental, leasing and finance businesses.

Other Income (Expense)

Interest expense totaled \$19.7 million and \$12.7 million for the years ended December 31, 2000 and 1999, respectively. The increase in interest expense primarily reflects higher interest rates coupled with the issuance of additional term debt and higher borrowings under the Company's revolving credit facility during 2000 to fund increased investing activities and working capital requirements.

Accounts receivable securitization costs related to the Company's receivable sale and servicing agreement increased from \$5.8 million in 1999 to \$7.1 million in 2000 primarily as a result of higher interest rates during the year.

Equity in losses of unconsolidated affiliate consists of the Company's interest in the losses of ETZ, a non-operating, European holding company, at a 25.1% share that represents the Company's interest acquired in November 1997. ETZ is the majority shareholder of BTZ, a European RoadRailer operating company based in Munich, Germany, which began operations in 1996. As part of its restructuring activities, during the fourth quarter of 2000, the Company recorded a \$5.8 million charge to Other Income (Expense) in order to reflect its planned divestiture of this investment.

In January 2001, in connection with its restructuring activities, the Company assumed the remaining ownership interest in ETZ from the majority shareholder. The Company intends to pursue the orderly divestiture of the ETZ during 2001 and as a result will record 100% of ETZ's operating results until the divestiture is complete. These results will be recorded as Equity in losses of unconsolidated affiliate in the Consolidated Statements of Income in 2001.

Other, net totaled income of \$0.9 million in 2000 compared to income of \$6.3 million in 1999. Included in other, net for 1999 was the reversal of \$3.5 million in an accrual related to the Company's favorable resolution of a tax dispute with the Internal Revenue Service. During September 2000, the Company's finance operation sold a portion of its leasing and finance portfolio to a large financial institution. Proceeds of the sale were approximately \$20.8 million and resulted in a loss of approximately \$0.9 million, which is reflected in Other, net in the accompanying Consolidated Statements of Income for 2000. Interest income was approximately \$0.5 million and \$0.8 million in 2000 and 1999, respectively.

Income Taxes

The Company's effective tax rates were 39.0% and 40.0% of pre-tax income (loss) for 2000 and 1999, respectively, and differed from the U.S. Federal Statutory rate of 35% due primarily to state taxes.

1999 Compared to 1998

During 1999, the Company achieved net sales of \$1.5 billion, which were 12.6% higher than 1998 net sales of \$1.3 billion. Net income for 1999 rose 67% to \$38.8 million as compared to \$23.3 million in 1998.

Net Sales

	Years Ended December 31,		
	1999	1998	% Change
	(Dollar amounts in millions)		
Net External Sales by Segment:			
Manufacturing	\$1,113.9	\$ 988.2	12.7%
Retail and Distribution	340.7	304.1	12.0%
	-----	-----	-----
Total Net Sales	\$1,454.6	\$1,292.3	12.6%
	=====	=====	=====

The manufacturing segment's external net sales rose 12.7% or \$125.7 million in 1999 compared to 1998 driven primarily by a 12.7% increase in units sold, from approximately 56,900 units in 1998 to

sold increased 1.2%, from approximately \$17,000 in 1998 to approximately \$17,200 in 1999. The increase in new trailer sales reflects the continued strong demand for the Company's DuraPlate trailer, which accounted for approximately 59% of new trailer production in 1999.

The retail and distribution segment's external net sales rose 12.0% or \$36.6 million in 1999 compared to 1998 driven primarily by an increase in new and used trailers sales. New trailer sales increased 24.4% on approximately 5,000 units sold in 1998 to approximately 5,900 units sold in 1999 and used trailer sales increased 38.2% in 1999 compared to 1998. In addition, the average price per new trailer sold increased 5.3%, from approximately \$19,000 in 1998 to approximately \$20,000 in 1999. The increases in new and used trailer sales were offset somewhat by an 6.7% decrease in aftermarket parts and service revenues. Rental, leasing and finance revenues in 2000 were equal to 1999. The net decrease in aftermarket parts and service revenues was driven primarily by lower sales from the Company's parts distribution center, which during 1999 continued to focus on consolidating its operations with the distribution center acquired as part of the Fruehauf asset acquisition in 1997 and the impact of the conversion and implementation of new operating software within the Company's retail and distribution network.

Gross Profit

	Years Ended December 31,		
	1999	1998	% Change
Gross Profit by Segment:	(Dollar amounts in millions)		
Manufacturing	\$ 99.6	\$ 68.0	46.5%
Retail and Distribution	34.3	33.9	1.2%
Eliminations	(2.2)	(2.5)	12.0%
Total Gross Profit	\$131.7	\$ 99.3	32.6%

The Company finished 1999 with gross profit as a percent of sales of 9.1% on a consolidated basis, the highest gross profit margin since 1993. This favorable increase in gross profits was primarily driven by the manufacturing segment, as discussed below.

The manufacturing segment's gross profit increased 46.5% primarily as a result of a 12.7% increase in net sales, higher margins from an improved product mix toward more proprietary products, reduced hardwood flooring costs resulting from the acquisition of the Cloud Companies in July 1998 and a general improvement in production efficiencies throughout the year.

The retail and distribution segment's gross profit remained unchanged, primarily due to the increase in net sales previously discussed offset by lower margins resulting from a higher level of sales of used trailers which have lower gross profit percentages than the segment as a whole. In addition, gross profits at the Company's parts distribution center were down in 1999 compared to 1998 due to the margin impact of the Company's consolidation of its two aftermarket parts operations and the conversion of its operating systems.

Income from Operations (before interest, taxes and other items)

	Years Ended December 31,		
	1999	1998	% Change
Operating Income by Segment:	(Dollar amounts in millions)		
Manufacturing	\$ 72.0	\$ 48.7	47.8%
Retail and Distribution	11.1	14.5	(23.4%)
Eliminations	(2.2)	(2.5)	12.0%
Total Operating Income	\$80.9	\$ 60.7	33.3%

The manufacturing segment's income from operations increased 47.8% primarily because of the increase in gross profit previously discussed. Selling, general and administrative expenses increased primarily as a result of normal operating costs generated from the continued growth in this segment.

The retail and distribution segment's income from operations decreased by 23.4% as a result of increased selling, general and administrative expenses associated with the growth of the segment.

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Other Income (Expense)

Interest expense totaled \$12.7 million and \$14.8 million for the years ended December 31, 1999 and 1998, respectively. The decrease in interest expense primarily reflects lower borrowings on the Company's revolving credit facility and higher usage of the Company's accounts receivable securitization facility in 1999 compared to 1998. Accounts receivable securitization costs related to the Company's receivable sale and servicing agreement totaled \$5.8 million and \$4.0 million for the years ended December 31, 1999 and 1998, respectively. The increase in securitization costs is due to the full-year impact of this new facility in 1999 compared to 9 months in 1998 and an increase in the amount outstanding under this facility during late 1998 from \$83 million to \$105 million.

Equity in losses of unconsolidated affiliate consists of the Company's interest in the losses of ETZ, a non-operating, European holding company, at a 25.1% share, which represents the Company's interest acquired in November 1997. ETZ is the majority shareholder of BTZ, a European RoadRailer operating company based in Munich, Germany, which began operations in 1996.

Other, net totaled income of \$6.3 million in 1999 compared to a loss of \$0.3 million in 1998. On December 24, 1998, the Company received notice from the Internal Revenue Service that it intended to assess additional federal excise tax, primarily on the restoration of certain used trailers. Although the Company strongly disagreed with the IRS, it recorded a \$4.6 million accrual during the fourth quarter of 1998 for this loss contingency. In December 1999, the Company favorably resolved the dispute at less than 25% of the accrued amount, or approximately \$1.1 million, net of interest, of which less than \$1 million was related to the restoration of used trailers. As a result of this favorable resolution, in December 1999 the Company reversed \$3.5 million of the previously recorded accrual. Also included in Other, net in 1999 are gains from the sale of property, plant and equipment of approximately \$0.9 million and interest income of approximately \$0.8 million.

Income Taxes

The Company's effective tax rates were 40.0% and 39.6% of pre-tax income (loss) for 1999 and 1998, respectively and differed from the U.S. Federal Statutory rate of 35% due primarily to State taxes.

LIQUIDITY AND CAPITAL RESOURCES

As presented in the Consolidated Statements of Cash Flows, the Company's cash position decreased \$18.3 million during 2000 from \$22.5 million in cash and cash equivalents at December 31, 1999 to \$4.2 million at December 31, 2000. This decrease was due to cash used in operating and investing activities of \$83.3 million partially offset by cash provided by financing activities of \$65.0 million.

Operating Activities:

Net cash used in operating activities of \$13.7 million in 2000 is primarily the result of the net loss and changes in working capital, partially offset by the add-back of non-cash charges for depreciation and amortization and restructuring and other related charges. Changes in working capital consisted primarily of increased inventory and decreased accounts payable and accrued liabilities offset by a reduction in accounts receivable. The net increase in inventory was primarily due to a higher level of used trailers taken in trade during the year, an increase in new trailer inventory within the retail branch network due to deteriorating conditions in the transportation industry, higher finished trailer inventory resulting from customers delaying taking delivery of the trailers they ordered offset partially by the manufacturing segment reducing its required raw materials inventory level. The decrease in accounts receivable

was primarily the result of a favorable decrease in days sales outstanding offset somewhat by a decrease in the proceeds from the Company's trade receivable securitization facility. As of December 31, 2000, \$69 million was outstanding under this facility, compared to \$105 million as of December 31, 1999. Advance rates under this facility continued to decline into 2001 and, as a result, the Company will evaluate alternative financing arrangements or replacement facilities in 2001 to compensate for the lower borrowing capacity.

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Investing Activities:

Net cash used in investing activities of \$69.6 million was primarily due to the following:

- capital expenditures of \$60.3 million during the year which were primarily associated with the following:
 - + completion of a new, state of the art painting and coating system and plant expansion at its trailer manufacturing facility in Huntsville, Tennessee;
 - + additional composite material capacity;
 - + increasing productivity within the Company's manufacturing operations in Lafayette, Indiana; and
 - + on-going capital expenditures related to the Company's branch expansion strategy.
- net investment in the Company's rental and operating lease portfolio of approximately \$35.9 million;
- net decrease in the Company's finance contract portfolio of approximately \$20.7 million; and
- proceeds from the sale and leaseback of composite material production equipment closed in the fourth quarter of 2000 for approximately \$9.1 million.

The increase in the Company's rental and operating lease portfolio primarily reflects the Company's strategy to expand its used trailer rental program and is offset somewhat by \$31 million of proceeds from a new sale and leaseback facility related to the Company's trailer rental facility which closed on December 29, 2000. The proceeds were used to reduce the Company's line of credit borrowings. This new facility, to be syndicated in the first quarter of 2001 and is expected to increase the total facility size to approximately \$110 million, allows for additional draws during 2001 as the trailer rental fleet continues to expand. The facility has an initial term of 18 months followed by four annual renewals and contains financial covenants substantially identical to the Company's existing credit facilities. The decrease in the Company's finance contract portfolio was primarily driven by the September 2000 sale of approximately \$21.7 million of its leasing and finance portfolio previously discussed.

The Company anticipates future capital expenditures related to the continuation of the capital projects previously discussed and other activities to be \$20 to \$30 million over the next 12 months. In addition, the Company has future residual guarantees or purchase options of approximately \$55.8 million and \$171.2 million, respectively, related to certain new and used trailer transactions. The majority of these do not come due until 2002 or after. The Company anticipates re-marketing these trailers to the current users or through the retail and distribution segment.

Financing Activities:

Net cash provided by financing activities of \$65.0 million in 2000 is primarily due to an increase in total debt of \$70.4 million offset partially by the payment of common stock dividends and preferred stock dividends of \$5.6 million in the aggregate.

In connection with the aforementioned activity, the Company's total debt increased to \$238.3 million at December 31, 2000 compared to \$167.9 million at December 31, 1999. The Company maintains a \$125 million unsecured revolving

line of credit facility, of which approximately \$90.2 million remains available at year end.

On September 29, 2000, the Company entered into a \$75 million Note Purchase and Private Shelf Agreement with a large financial institution. Under this agreement, the Company initially issued \$50 million of unsecured senior notes, \$25 million of which are due September 29, 2005 with the remaining \$25 million due September 29, 2007. These Series I Senior Notes bear interest at 8.04% with interest payments due semi-annually in March and September and contain financial covenants substantially identical to the Company's existing senior notes. The proceeds were used to repay the amount outstanding under the Company's 364-day Credit Facility. The uncommitted Private Shelf Agreement expires on September 29, 2003 and provides for the possible issuance of additional senior notes up to an aggregate amount of \$25 million.

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On June 22, 2000, the Company entered into a new, unsecured 364-day Credit Facility, which permits the Company to borrow up to \$70 million. Under this facility, the Company has a right to borrow until June 21, 2001, at which time the principal amount then outstanding will be due and payable. At December 31, 2000, the Company had no borrowings against this facility.

Other sources of funds for capital expenditures, continued expansion of businesses, dividends, principal repayments on debt, stock repurchase and working capital requirements are expected to be cash from operations, additional borrowings under the credit facilities and term borrowings and equity offerings. The Company believes these funding sources will be adequate for its anticipated requirements.

INFLATION

The Company has been generally able to offset the impact of rising costs through productivity improvements as well as selective price increases. As a result, inflation is not expected to have a significant impact on the Company's business.

NEW ACCOUNTING PRONOUNCEMENTS

In June 1998, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 133, Accounting for Derivative Instruments and Hedging Activities which was subsequently amended by SFAS 137 and SFAS 138. These statements require that all derivative instruments be recorded on the balance sheet at their fair value. This standard is effective for the Company's financial statements beginning January 1, 2001, with early adoption permitted. The adoption of SFAS 133 did not have an effect on the Company's annual results of operations or its financial position.

ITEM 7A -- QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

In addition to the risks inherent in its operations, the Company has exposure to financial and market risk resulting from volatility in commodity prices, interest rates and foreign exchange rates. The following discussion provides additional detail regarding the Company's exposure to these risks.

a. Commodity Price Risks

The Company is exposed to fluctuation in commodity prices through the purchase of raw materials that are processed from commodities such as aluminum, steel, wood and virgin plastic pellets. Given the historical volatility of certain commodity prices, this exposure can significantly impact product costs. The Company manages aluminum and virgin plastic pellets price changes by entering into fixed price contracts with its suppliers prior to a customer sales order being finalized. Because the Company typically does not set prices for its products in advance of its commodity purchases, it can take into account the cost of the commodity in setting its prices for each order. To the extent that the Company is unable to offset the increased commodity costs in its product prices, the Company's results would be materially and adversely affected.

b. Interest Rates

As of December 31, 2000, the Company had approximately \$20 million of London Interbank Rate (LIBOR) based debt outstanding under its Revolving Credit Facility, \$31 million of proceeds from its rental fleet sale and leaseback

agreement which calls for LIBOR based interest payments and \$69 million of proceeds from its accounts receivable securitization facility, which also requires LIBOR based interest payments. A hypothetical 100 basis-point increase in the floating interest rate from the current level would correspond to a \$1.2 million increase in interest expense over a one-year period. This sensitivity analysis does not account for the change in the Company's competitive environment indirectly related to the change in interest rates and the potential managerial action taken in response to these changes.

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c. Foreign Exchange Rates

The Company has historically entered into foreign currency forward contracts (principally against the German Deutschemark and French Franc) to hedge the net receivable/payable position arising from trade sales (including lease revenues) and purchases with regard to the Company's international activities. The Company does not hold or issue derivative financial instruments for speculative purposes. As of December 31, 2000, the Company had no foreign currency forward contracts outstanding.

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ITEM 8 -- FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Stockholders of
Wabash National Corporation:

We have audited the accompanying consolidated balance sheets of WABASH NATIONAL CORPORATION (a Delaware corporation) and subsidiaries as of December 31, 2000 and 1999, and the related consolidated statements of income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2000. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis

for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Wabash National Corporation and subsidiaries as of December 31, 2000 and 1999, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States.

ARTHUR ANDERSEN LLP

Indianapolis, Indiana,
February 6, 2001.

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WABASH NATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(DOLLARS IN THOUSANDS)

ASSETS	December 31,	
	2000	1999
CURRENT ASSETS:		
Cash and cash equivalents.....	\$ 4,194	\$ 22,484
Accounts receivable, net.....	49,320	111,567
Current portion of finance contracts.....	11,544	8,423
Inventories.....	330,326	269,581
Prepaid expenses and other.....	24,030	16,962
	-----	-----
Total current assets.....	419,414	429,017
	-----	-----
PROPERTY, PLANT AND EQUIPMENT, net.....	216,901	186,430
	-----	-----
EQUIPMENT LEASED TO OTHERS, net.....	52,001	50,364
	-----	-----
FINANCE CONTRACTS, net of current portion.....	44,906	71,839
	-----	-----
INTANGIBLE ASSETS, net.....	31,123	32,669
	-----	-----
OTHER ASSETS.....	17,269	20,972
	-----	-----
	\$ 781,614	\$ 791,291
	=====	=====

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:		
Current maturities of long-term debt.....	\$ 12,134	\$ 3,514
Accounts payable.....	94,118	145,568
Accrued liabilities.....	42,440	51,184
	-----	-----
Total current liabilities.....	148,692	200,266
	-----	-----
LONG-TERM DEBT, net of current maturities.....	226,126	164,367
	-----	-----
DEFERRED INCOME TAXES.....	23,644	30,640

OTHER NONCURRENT LIABILITIES AND CONTINGENCIES.....	15,919	16,653
STOCKHOLDERS' EQUITY:		
Preferred stock, 482,041 shares issued and outstanding with an aggregate liquidation value of \$30,600.....	5	5
Common stock, 23,002,490 and 22,985,186 shares issued and outstanding, respectively.....	230	230
Additional paid-in capital.....	236,660	236,474
Retained earnings.....	131,617	143,935
Treasury stock at cost, 59,600 common shares.....	(1,279)	(1,279)
Total stockholders' equity.....	367,233	379,365
	\$ 781,614	\$ 791,291

The accompanying notes are an integral part of these Consolidated Statements.

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WABASH NATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	Years Ended December 31,		
	2000	1999	1998
NET SALES.....	\$ 1,332,172	\$ 1,454,570	\$ 1,292,259
COST OF SALES.....	1,216,205	1,322,852	1,192,968
Gross profit.....	115,967	131,718	99,291
GENERAL AND ADMINISTRATIVE EXPENSES.....	34,354	30,396	25,780
SELLING EXPENSES.....	21,520	20,400	12,846
RESTRUCTURING CHARGE.....	36,338	--	--
Income from operations.....	23,755	80,922	60,665
OTHER INCOME (EXPENSE):			
Interest expense.....	(19,740)	(12,695)	(14,843)
Accounts receivable securitization costs.....	(7,060)	(5,804)	(3,966)
Equity in losses of unconsolidated affiliate.....	(3,050)	(4,000)	(3,100)
Restructuring charge.....	(5,832)	--	--
Other, net.....	877	6,310	(259)
Income (loss) before income taxes.....	(11,050)	64,733	38,497
PROVISION (BENEFIT) FOR INCOME TAXES.....	(4,314)	25,891	15,226
Net income (loss).....	\$ (6,736)	\$ 38,842	\$ 23,271
PREFERRED STOCK DIVIDENDS.....	1,903	2,098	1,391
NET INCOME (LOSS) AVAILABLE TO COMMON STOCKHOLDERS.....	\$ (8,639)	\$ 36,744	\$ 21,880
EARNINGS (LOSS) PER SHARE:			
Basic.....	\$ (0.38)	\$ 1.60	\$ 1.00

Diluted..... \$ (0.38) \$ 1.59 \$ 0.99
=====

The accompanying notes are an integral part of these Consolidated Statements.

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WABASH NATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(DOLLARS IN THOUSANDS)

	Preferred Shares	Stock Amount	Common Shares	Stock Amount	Additional Paid-In Capital	Retained Earnings	Treasury Stock	Total
BALANCES, December 31, 1997.....	352,000	\$ 4	19,954,874	\$ 200	\$ 135,611	\$ 91,980	\$ (1,279)	\$ 226,516
Net income for the year.....	--	--	--	--	--	23,271	--	23,271
Cash dividends declared:								
Common stock (\$0.1425 per share)...	--	--	--	--	--	(3,167)	--	(3,167)
Preferred stock.....	--	--	--	--	--	(1,391)	--	(1,391)
Issuance of common stock, net of expenses.....	--	--	3,000,000	30	87,256	--	--	87,286
Common stock issued under:								
Employee stock purchase plan.....	--	--	4,896	--	110	--	--	110
Employee stock bonus plan.....	--	--	3,900	--	120	--	--	120
Stock option plan.....	--	--	1,420	--	27	--	--	27
Preferred stock issued for acquisition.....	130,041	1	--	--	13,003	--	--	13,004
BALANCES, December 31, 1998.....	482,041	\$ 5	22,965,090	\$ 230	\$ 236,127	\$ 110,693	\$ (1,279)	\$ 345,776
Net income for the year.....	--	--	--	--	--	38,842	--	38,842
Cash dividends declared:								
Common stock (\$0.1525 per share)...	--	--	--	--	--	(3,502)	--	(3,502)
Preferred stock.....	--	--	--	--	--	(2,098)	--	(2,098)
Common stock issued under:								
Employee stock purchase plan.....	--	--	10,556	--	177	--	--	177
Employee stock bonus plan.....	--	--	4,400	--	79	--	--	79
Stock option plan.....	--	--	5,140	--	91	--	--	91
BALANCES, December 31, 1999.....	482,041	\$ 5	22,985,186	\$ 230	\$ 236,474	\$ 143,935	\$ (1,279)	\$ 379,365
Net loss for the year.....	--	--	--	--	--	(6,736)	--	(6,736)
Cash dividends declared:								
Common stock (\$0.16 per share).....	--	--	--	--	--	(3,679)	--	(3,679)
Preferred stock.....	--	--	--	--	--	(1,903)	--	(1,903)
Common stock issued under:								
Employee stock purchase plan.....	--	--	15,544	--	158	--	--	158
Employee stock bonus plan.....	--	--	1,760	--	28	--	--	28
BALANCES, December 31, 2000.....	482,041	\$ 5	23,002,490	\$ 230	\$ 236,660	\$ 131,617	\$ (1,279)	\$ 367,233

The accompanying notes are an integral part of these Consolidated Statements.

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WABASH NATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(DOLLARS IN THOUSANDS)

	Years Ended December 31,		
	2000	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss).....	\$ (6,736)	\$ 38,842	\$ 23,271
Adjustments to reconcile net income to net cash provided by (used in) operating activities			
Depreciation and amortization.....	30,051	21,773	18,405
Net (gain) loss on the sale of assets.....	1,474	(864)	(2,077)
Provision for losses on accounts receivable.....	4,088	2,829	772
Deferred income taxes.....	(8,906)	(6,947)	6,388
Equity in losses of unconsolidated affiliate.....	3,050	4,000	3,100
Restructuring and other related charges.....	46,650	--	--
Change in operating assets and liabilities, excluding effects of the acquisitions			
Accounts receivable.....	52,709	(18,810)	72,557
Inventories.....	(64,879)	(37,573)	2,379
Prepaid expenses and other.....	(184)	8,607	(5,842)
Accounts payable and accrued liabilities.....	(69,880)	55,537	6,041
Other, net.....	(1,106)	(3,924)	(1,911)

Net cash provided by (used in) operating activities.....	(13,669)	63,470	123,083
	-----	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures.....	(60,342)	(68,119)	(31,006)
Net additions to equipment leased to others.....	(69,553)	(11,828)	(15,288)
Net additions to finance contracts.....	(19,400)	(28,762)	(30,056)
Investment in unconsolidated affiliate.....	(3,706)	(3,580)	(2,866)
Acquisitions, net of cash acquired.....	--	(12,413)	(9,515)
Proceeds from sale of leased equipment and finance contracts.....	60,845	12,927	12,357
Principal payments received on finance contracts.....	12,914	10,246	7,920
Proceeds from the sale of property, plant and equipment.....	9,638	7,236	4,084
	-----	-----	-----
Net cash used in investing activities.....	(69,604)	(94,293)	(64,370)
	-----	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from:			
Long-term revolver.....	512,300	244,200	276,600
Long-term debt.....	62,500	--	--
Common stock, net of expenses.....	186	347	87,543
Payments:			
Long-term revolver.....	(500,299)	(242,200)	(336,600)
Long-term debt.....	(4,122)	(10,651)	(29,420)
Common stock dividends.....	(3,679)	(3,446)	(3,004)
Preferred dividends.....	(1,903)	(2,065)	(1,357)
	-----	-----	-----
Net cash provided by (used in) financing activities.....	64,983	(13,815)	(6,238)
	-----	-----	-----
NET (DECREASE) INCREASE IN CASH.....	(18,290)	(44,638)	52,475
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD.....	22,484	67,122	14,647
	-----	-----	-----
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD.....	\$ 4,194	\$ 22,484	\$ 67,122
	=====	=====	=====

The accompanying notes are an integral part of these Consolidated Statements.

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WABASH NATIONAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. DESCRIPTION OF THE BUSINESS

Wabash National Corporation (the Company) designs, manufactures and markets standard and customized truck trailers under the Wabash National and Fruehauf trademarks. The Company produces and sells aftermarket parts through its division, Wabash National Parts, and its wholly-owned subsidiary, Fruehauf Trailer Services, Inc. (FTSI). In addition to its aftermarket parts sales and service revenues, FTSI sells new and used trailers through its retail network. The Company's other significant wholly-owned subsidiaries include Apex Trailer Leasing and Rentals, L.P. and National Trailer Funding (the Finance Companies) and Cloud Corporation (Wabash Wood Products). The Finance Companies provide rental, leasing and finance programs to their customers for new and used trailers through the retail and distribution segment. Wabash Wood Products manufactures hardwood flooring primarily for the Company's manufacturing segment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Consolidation

The consolidated financial statements reflect the accounts of the Company and its subsidiaries. All significant intercompany accounts and transactions have been eliminated. Investment in an unconsolidated affiliate in which the Company exercises significant influence but not control is accounted for by the equity method and the Company's share of net income or loss of its affiliate is included in the Consolidated Statements of Income.

b. Significant Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amount reported in its consolidated financial statements and accompanying notes. Actual results could differ from these estimates.

c. Cash and Cash Equivalents

Cash equivalents consist of highly liquid investments, which are readily convertible into cash and have maturities of three months or less.

d. Allowance for Doubtful Accounts

Accounts receivable as shown in the accompanying Consolidated Balance Sheets are net of allowance for doubtful accounts of \$3.7 million, \$2.9 million and \$2.3 million at December 31, 2000, 1999 and 1998, respectively. The activity in the allowance for doubtful accounts includes (i) provision for losses on accounts receivable of \$4.1 million, \$2.8 million and \$0.8 million; (ii) net accounts written-off of \$3.3 million, \$2.5 million, and \$0.2 million; and (iii) reserves recorded in connection with the acquisition of the Apex Group of \$0, \$0.3 million, and \$0 during 2000, 1999 and 1998, respectively.

e. Inventories

Inventories are primarily priced at the lower of first-in, first-out (FIFO) cost or market. Inventory costs include raw material, labor and overhead costs for manufactured inventories. Used trailers are carried at the lower of their estimated net realizable value or cost. Inventories consist of the following (in thousands):

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	December 31,	
	2000	1999
	----	----
Raw materials and components	\$ 84,167	\$105,476
Work in progress	18,765	11,215
Finished goods	93,332	49,906
Aftermarket parts	33,566	37,894
Used trailers	100,496	65,090
	-----	-----
	\$330,326	\$269,581
	=====	=====

f. Property, Plant and Equipment

Property, plant and equipment are recorded at cost. Depreciation is recorded using the straight-line method over the estimated useful lives of the depreciable assets. Estimated useful lives are thirty-three and one-third years for buildings and building improvements and range from three to ten years for machinery and equipment. Maintenance and repairs are charged to expense as incurred. Property, plant and equipment consist of the following (in thousands):

	December 31,	
	2000	1999
Land	\$ 29,314	\$ 28,190
Buildings and improvements	109,596	81,585
Machinery and equipment	123,989	93,861
Construction in progress	18,587	31,477
	-----	-----
	281,486	235,113
Less -- Accumulated depreciation	(64,585)	(48,683)
	-----	-----
	\$ 216,901	\$ 186,430
	=====	=====

g. Impairment

Long-lived assets, including property, plant and equipment, identifiable intangibles and goodwill are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If this process concludes that the carrying value of a long-lived asset is not recoverable, then a write-down of the asset would be recorded as a charge to operations.

h. Intangible Assets

Intangible assets, net of accumulated amortization of \$12.2 million and \$9.7 million at December 31, 2000 and December 31, 1999, respectively, relate primarily to goodwill and other intangible assets associated with recent acquisitions (See Footnote 6 for further discussion) and RoadRailer acquisition costs. These amounts are being amortized on a straight-line basis over periods ranging from five to forty years.

i. Capitalized Software

The Company adopted Statement of Position No. 98-1, Accounting for the Costs of Computer Software Developed or Obtained for Internal Use, during 1999. This pronouncement specifies the appropriate accounting for costs incurred to develop or obtain computer software for internal use. The new pronouncement provides guidance on which costs should be capitalized, when and over what period such costs should be amortized and what disclosures should be made regarding such costs. The adoption of this pronouncement did not have a material effect on the Company's results of operations or financial position.

j. Fair Values of Financial Instruments

Statement of Financial Accounting Standards (SFAS) No. 107, Disclosures About Fair Value of Financial Instruments, requires disclosure of fair value information for certain financial instruments. The differences between the carrying amounts and the estimated fair values, using the methods and assumptions listed below, of the Company's financial instruments at December 31, 2000 and 1999 were immaterial.

Cash and Cash Equivalents, Accounts Receivable and Accounts Payable. The carrying amounts reported in the Consolidated Balance Sheets approximate fair value.

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Long-Term Debt. The fair value of long-term debt, including current portion, is estimated based on quoted market prices for similar issues or on the current rates offered to the Company for debt of the same maturities. The interest rates on the Company's bank borrowings under its long-term revolving credit agreement are adjusted regularly to reflect current market rates. The carrying values of the Company's long-term borrowings approximate fair value.

Foreign Exchange Contracts. The Company occasionally enters into foreign currency forward contracts to hedge the net receivable/payable position arising from trade sales (including lease revenues) and purchases related to the Company's international activities. Gains and losses related to qualifying hedges are deferred and included in the measurement of the related transaction, when the hedged transaction occurs. As of December 31, 2000 and 1999, the Company had deferred net gains of approximately \$0 and \$1.2 million, respectively. The Company does not hold or issue derivative financial instruments for speculative purposes. The fair values of foreign currency contracts (used for hedging purposes) are estimated by obtaining quotes. As of December 31, 2000 and 1999, the Company had approximately \$0 and \$4.4 million in foreign currency contracts, respectively, which approximate their fair values at those dates.

As part of the Company's 2000 restructuring initiative the Company recognized its remaining net hedge gains as part of its restructuring charge. In addition, all foreign currency contracts were terminated as of December 31, 2000.

k. Revenue Recognition

The Company recognizes revenue from the sale of trailers and aftermarket parts when risk of ownership is transferred to the customer. Customers that have requested to pick up their trailers are invoiced prior to taking physical possession when the customer has made a fixed commitment to purchase the trailers, the trailers have been completed and are available for pickup or delivery, the customer has requested in writing that the Company hold the trailers until the customer determines the most economical means of taking possession and the customer takes possession of the trailers within a specified time period. In such cases, the trailers, which have been produced to the customer specifications, are invoiced under the Company's normal billing and

credit terms.

In addition, the Company recognizes revenue for direct finance leases based upon a constant rate of return while revenue is recognized for operating leases on a straight-line basis in an amount equal to the invoiced rentals.

The Company had one customer that represented 11.4% of its net sales in 2000, while no other customer exceeded 10% of its net sales in 2000, 1999 and 1998. The Company's net sales in the aggregate to its five largest customers were 30.5%, 22.2% and 18.3% of its sales in 2000, 1999 and 1998, respectively.

l. Income Taxes

The Company recognizes income taxes under the liability method of accounting for income taxes. The liability method measures the expected tax impact of future taxable income or deductions resulting from differences in the tax and financial reporting bases of assets and liabilities reflected in the Consolidated Balance Sheets.

m. Research and Development

Research and development expenses are charged to earnings as incurred and approximated \$2.4 million, \$1.5 million and \$1.8 million in 2000, 1999 and 1998, respectively. During 2000, the Company incurred research and development expenses related to the development of its proprietary anti-lock braking and trailer electronics systems.

n. Reclassifications

Certain items previously reported in specific consolidated financial statement captions have been reclassified to conform to the 2000 presentation.

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o. New Accounting Pronouncements

In June 1998, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 133, Accounting for Derivative Instruments and Hedging Activities which was subsequently amended by SFAS 137 and SFAS 138. These statements require that all derivative instruments be recorded on the balance sheet at their fair value. This standard is effective for the Company's financial statements beginning January 1, 2001, with early adoption permitted. The adoption of SFAS 133 did not have an effect on the Company's annual results of operations or its financial position.

3. RESTRUCTURING AND OTHER RELATED CHARGES

In December 2000, the Company recorded restructuring and other related charges totaling \$46.6 million (\$28.5 million, net of tax) primarily related to the Company's exit from manufacturing products for export outside the North American market, international leasing and financing activities and the consolidation of certain domestic operations. Included in this total is \$40.8 million that has been included as a component in computing income from operations. Specifically, \$19.1 million of this amount represents the impairment of certain equipment subject to leases with the Company's international customers, \$8.6 million represents losses recognized for various financial guarantees related to international financing activities, and \$6.9 million was recorded for the write-down of other assets as well as charges associated with the consolidation of certain domestic operations including severance of \$0.2 million. Also included in the \$40.8 million is a \$4.5 million charge for inventory write-downs related to the restructuring actions which is included in cost of sales. The Company has recorded \$5.8 million as a restructuring charge in Other Income (Expense) representing the write-off of the Company's remaining equity interest in ETZ for a decline in fair value that is deemed to be other than temporary.

The total impairment charge recognized by the Company as a result of its restructuring activities was \$26.7 million. This amount was computed in accordance with the provisions of SFAS 121. The estimated fair value of the impaired assets totaled \$3.4 million and was determined by management based upon economic conditions and potential alternative uses and markets for the equipment. These assets are held for sale and are classified in prepaid expenses and other in the accompanying Consolidated Balance Sheets. Depreciation has been discontinued on these assets pending their disposal. In addition, upon the

ultimate divestiture of the Company's ownership in ETZ, expected to occur in 2001, the Company will no longer record equity in losses of unconsolidated affiliate which amounted to \$3.1 million, \$4.0 million and \$3.1 million in 2000, 1999 and 1998, respectively.

The cash and non-cash elements of the restructuring charge were approximately \$11.9 million and \$34.7 million, respectively. Details of the restructuring charges are as follows (in thousands):

	Original Provision -----	Cash ----	UTILIZED Non-Cash -----	Balance 12/31/00 -----
Restructuring of majority-owned operations:				
Impairment of long-term assets	\$20,819	\$ --	\$20,819	\$ --
Loss related to equipment guarantees	8,592	--	--	8,592
Write-down of other assets and other charges	6,927	--	4,187	2,740
	-----	-----	-----	-----
	\$36,338	\$ --	\$25,006	\$11,332
	-----	-----	-----	-----
Restructuring of minority interest operations:				
Impairment of long-term assets	\$ 5,832	\$ --	\$ 5,832	\$ --
	-----	-----	-----	-----
Inventory write-down	\$ 4,480	\$ --	\$ 3,897	\$ 583
	-----	-----	-----	-----
Total restructuring and other related charges	\$46,650	\$ --	\$34,735	\$11,915
	=====	=====	=====	=====

As of December 31, 2000, the \$11.9 million restructuring reserve is included in accrued liabilities in the accompanying Consolidated Balance Sheets. The Company anticipates completion of its restructuring activities during 2001.

4. EARNINGS (LOSS) PER SHARE

Earnings (loss) per share (EPS) are computed in accordance with SFAS No. 128, Earnings per Share. A reconciliation of the numerators and denominators of the basic and diluted EPS computations, as required by SFAS No. 128, is presented below. Stock options were not included in the computation of diluted EPS for 2000 and the convertible preferred stock was not included in the computation of diluted EPS for 2000 and 1998 since the inclusion would have resulted in an antidilutive effect (in thousands except per share amounts):

	Net Income (Loss) Available to Common	Weighted Average Shares	Earnings (Loss) Per Share
2000			
Basic	\$ (8,639)	22,990	\$ (0.38)
Options	--	--	
Preferred Stock	--	--	
	-----	-----	-----
Diluted	\$ (8,639)	22,990	\$ (0.38)
	=====	=====	=====
1999			
Basic	\$ 36,744	22,973	\$ 1.60
Options	--	30	
Preferred Stock (Series B only)	1,151	823	
	-----	-----	-----
Diluted	\$ 37,895	23,826	\$ 1.59
	=====	=====	=====
1998			
Basic	\$ 21,880	21,990	\$ 1.00
Options	--	85	
Preferred Stock	--	--	

Diluted	----- \$ 21,880 =====	----- 22,075 =====	----- \$ 0.99 =====
---------	-----------------------------	--------------------------	---------------------------

5. SEGMENT REPORTING

Under the provisions of SFAS No. 131, the Company has two reportable segments: manufacturing and retail and distribution. The manufacturing segment produces trailers and sells new trailers to customers who purchase trailers direct or through independent dealers and also produces trailers for the retail and distribution segment. The retail and distribution segment includes the sale, leasing and financing of new and used trailers, as well as the sale of aftermarket parts and service through its retail branch network. In addition, the retail and distribution segment includes the sale of aftermarket parts through Wabash National Parts. In December 2000, the Company combined its rental, leasing and finance activities into a separate product line within the retail and distribution segment. As a result, the 1999 and 1998 presentations have been restated to conform to the 2000 presentation.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies except that the Company evaluates segment performance based on income from operations. The Company has not allocated certain corporate related charges such as administrative costs, interest expense and income taxes from the manufacturing segment to the Company's other reportable segments. The Company accounts for intersegment sales and transfers at cost plus a specified mark-up. Reportable segment information is as follows (in thousands):

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	Manufacturing	Retail and Distribution	Combined Segments	Eliminations	Consolidated Totals
	-----	-----	-----	-----	-----
2000					

Revenues					
External customers	\$ 1,013,108	\$ 319,064	\$ 1,332,172	\$ --	\$ 1,332,172
Intersegment sales	83,796	1,141	84,937	(84,937)	--
Total Revenues	\$ 1,096,904	\$ 320,205	\$ 1,417,109	\$ (84,937)	\$ 1,332,172
	-----	-----	-----	-----	-----
Depreciation & amortization	16,390	13,661	30,051	--	30,051
Restructuring charge from operations	22,771	13,567	36,338	--	36,338
Income (loss) from operations	36,897	(10,926)	25,971	(2,216)	23,755
Interest income	340	174	514	--	514
Interest expense	18,632	1,108	19,740	--	19,740
Equity in losses of unconsolidated affiliate	3,050	--	3,050	--	3,050
Restructuring charge included in other	5,832	--	5,832	--	5,832
Income tax benefit	(4,314)	--	(4,314)	--	(4,314)
Investment in unconsolidated affiliate	--	--	--	--	--
Capital additions	48,712	11,630	60,342	--	60,342
Assets	846,740	407,915	1,254,655	(473,041)	781,614
1999					

Revenues					
External customers	\$ 1,113,872	\$ 340,698	\$ 1,454,570	\$ --	\$ 1,454,570
Intersegment sales	92,537	640	93,177	(93,177)	--
Total Revenues	\$ 1,206,409	\$ 341,338	\$ 1,547,747	\$ (93,177)	\$ 1,454,570
	-----	-----	-----	-----	-----
Depreciation & amortization	13,332	8,441	21,773	--	21,773
Restructuring charge from operations	--	--	--	--	--
Income from operations	71,976	11,127	83,103	(2,181)	80,922
Interest income	820	--	820	--	820
Interest expense	12,163	532	12,695	--	12,695
Equity in losses of unconsolidated affiliate	4,000	--	4,000	--	4,000
Restructuring charge included in other	--	--	--	--	--
Income tax expense	25,891	--	25,891	--	25,891
Investment in unconsolidated affiliate	5,176	--	5,176	--	5,176
Capital additions	54,945	13,174	68,119	--	68,119
Assets	768,017	355,890	1,123,907	(332,616)	791,291
1998					

Revenues					
External customers	\$ 988,128	\$ 304,131	\$ 1,292,259	\$ --	\$ 1,292,259
Intersegment sales	97,986	--	97,986	(97,986)	--
Total Revenues	\$ 1,086,114	\$ 304,131	\$ 1,390,245	\$ (97,986)	\$ 1,292,259
	-----	-----	-----	-----	-----
Depreciation & amortization	11,324	7,081	18,405	--	18,405
Restructuring charge from operations	--	--	--	--	--
Income from operations	48,731	14,457	63,188	(2,523)	60,665

Interest income	981	--	981	--	981
Interest expense	13,540	1,303	14,843	--	14,843
Equity in losses of unconsolidated affiliate	3,100	--	3,100	--	3,100
Restructuring charge included in other	--	--	--	--	--
Income tax expense	15,226	--	15,226	--	15,226
Investment in unconsolidated affiliate	5,595	--	5,595	--	5,595
Capital additions	23,435	7,571	31,006	--	31,006
Assets	682,822	270,412	953,234	(248,748)	704,486

The Company's international sales accounted for approximately 3.1% of consolidated net sales during 2000 and 2.0% of net sales in 1999 and 1998. During 2000, as part of the restructuring charges, all assets attributable to international operations were written down to their estimated recovery values and these charges are included in income from operations in the accompanying Consolidated Statements of Income. These assets accounted for less than 5% of consolidated assets for 2000, 1999 and 1998.

6. ACQUISITIONS

On December 1, 1999, the Company acquired Apex Trailer Service, Inc., Apex Trailer and Truck Equipment Sales, Inc. and Apex Rentals, Inc. (the Apex Group) in a stock purchase agreement (the Apex Acquisition). For financial statement purposes, the Apex Acquisition was accounted for as a purchase, and accordingly, the Apex Group's assets and liabilities were recorded at fair value and the operating results are included in the consolidated financial statements since the date of acquisition. The Apex Group has four

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branch locations. These branches sell new and used trailers, aftermarket parts and provide service work. The aggregate consideration for this transaction included approximately \$12.4 million in cash and the assumption of \$11.3 million in liabilities. Included in the \$11.3 million of assumed liabilities was \$8.2 million of debt, of which the Company retired \$6.8 million immediately following the acquisition using cash from operations. The excess of the purchase price over the underlying assets acquired was approximately \$1.8 million.

On July 14, 1998, the Company acquired Cloud Corporation and Cloud Oak Flooring Company, Inc. (the Cloud Acquisition) manufacturers of laminated hardwood floors for the truck body and trailer industry in a merger and stock purchase, respectively. For financial statement purposes, the Cloud Acquisition was accounted for as a purchase, and accordingly, Cloud's assets and liabilities were recorded at fair value and the operating results are included in the consolidated financial statements since the date of acquisition. The aggregate consideration for this transaction included approximately \$9.5 million in cash, \$13.0 million in convertible preferred stock and the assumption of \$33.8 million in liabilities. Included in the \$33.8 million of assumed liabilities was \$18.8 million of debt, which the Company paid off immediately following the acquisition using cash from operations. The excess of the purchase price over the underlying assets acquired was approximately \$20.3 million.

7. INVESTMENT IN UNCONSOLIDATED AFFILIATE

On November 4, 1997, the Company purchased a 25.1% equity interest in Europäische Trailerzug Beteiligungsgesellschaft mbH (ETZ). ETZ is the majority shareholder of Bayerische Trailerzug Gesellschaft für Bimodalen Güterverkehr mbH (BTZ), a European RoadRailer operation based in Munich, Germany, which began operations in 1996 and has incurred operating losses since inception. The Company paid approximately \$6.2 million for its ownership interest in ETZ during 1997 and made additional capital contributions of \$3.7 million, \$3.6 million and \$2.9 million during 2000, 1999 and 1998, respectively. During 2000, 1999 and 1998, the Company recorded approximately \$3.1 million, \$4.0 million and \$3.1 million, respectively, for its share of ETZ losses and the amortization of the premiums. Such amounts are recorded as Equity in losses of unconsolidated affiliate on the accompanying Consolidated Statements of Income.

In January 2001, in connection with its restructuring activities, the Company assumed the remaining ownership interest in ETZ from the majority shareholder. The Company intends to pursue the orderly divestiture of the ETZ during 2001 and as a result will record 100% of ETZ's operating results until the divestiture is complete. These results will be recorded as Equity in losses of unconsolidated affiliate in the Consolidated Statements of Income in 2001. Although the Company has elected to discontinue manufacturing products for export outside of North America and the related international financing activities, the Company will continue to pursue opportunities in international

markets to license and market its proprietary RoadRailer bimodal technology.

Summarized financial information for ETZ is as follows (in millions):

	December 31,		
	2000	1999	1998
Condensed Statement of Operations:			
Net sales	\$ 18.9	\$ 14.2	\$ 11.5
Gross profit	(8.9)	(11.3)	(7.0)
Net earnings (loss)	(12.6)	(17.6)	(12.4)
Wabash National's share	(3.2)	(4.4)	(3.1)
Condensed Statement of Financial Condition:			
Current assets	\$ 4.7	\$ 6.1	\$ 5.3
Non-current assets	3.4	3.2	3.8
Current liabilities	5.5	7.2	5.9
Non-current liabilities	1.4	2.3	2.8
Net assets	1.1	(0.2)	0.4
Wabash National's share	0.3	0.0	0.1

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8. ACCOUNTS RECEIVABLE SECURITIZATION

On March 31, 1998, the Company replaced its existing \$40.0 million receivable sale and servicing agreement with a new three-year trade receivable securitization facility. The new facility allows the Company to sell, without recourse on an ongoing basis, all of their accounts receivable to Wabash Funding Corporation (Funding Corp). Simultaneously, the Funding Corp. has sold and, subject to certain conditions, may from time to time sell an undivided interest in those receivables to a large financial institution. The Funding Corp. is a qualifying special purpose entity under the provisions of SFAS No. 125, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities. As of December 31, 2000 and 1999, \$69.4 million and \$105.0 million, respectively, in proceeds have been received under the facility. Amounts reflected as accounts receivable in the accompanying Consolidated Balance Sheets as of December 31, 2000 and 1999 represent receivables sold to the Funding Corp. in excess of proceeds received.

Proceeds from the sale in 1998 were used to reduce outstanding borrowings under the Company's Revolving Bank Line of Credit and are reflected as operating cash flows in the accompanying Consolidated Statements of Cash Flows.

In order to operate this facility on an on-going basis, the Funding Corp. is required to meet certain covenants primarily related to the performance of the accounts receivable portfolio. Servicing responsibility for these receivables resides with the Company.

9. LEASES

a. Equipment Leased to Others

The Finance Companies have leased equipment to others under operating leases, whereby revenue is recognized as lease payments are due from the customers and the related costs are amortized over the equipment life. Equipment leased to others is depreciated over the estimated useful life of the equipment, not to exceed 15 years and a 20% residual value, or in some cases, a depreciable life equal to the term of the lease and a residual value equal to the estimated market value at lease termination. Depreciation expense on equipment leased to others was \$10.9 million, \$7.5 million and \$6.4 million during 2000, 1999 and 1998, respectively. Accumulated depreciation of equipment leased to others is \$11.4 million and \$9.3 million at December 31, 2000 and 1999, respectively. Future minimum lease payments to be received from these noncancellable operating leases at December 31, 2000 are as follows (in thousands):

	Amounts -----
2001	\$3,724
2002	1,808
2003	1,362
2004	914
2005	689
Thereafter	589

	\$9,086
	=====

Additionally, the Company has equipment available for short-term cancelable operating leases. The net amount included in equipment leased to others under this type of arrangement totaled \$32.1 million and \$16.2 million at December 31, 2000 and 1999, respectively.

b. Finance Contracts

The Finance Companies provide finance contracts for the sale of trailer equipment to certain of its customers. The financing is principally structured in the form of finance leases, typically for a five-year term. During 2000, the Company sold approximately \$27.1 million of its finance contracts portfolio. Included in this amount is \$21.7 million in contracts in which the Company had a 20% participation arrangement with a major finance company. Finance contracts, as shown on the accompanying Consolidated Balance Sheets, are as follows (in thousands):

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	DECEMBER 31, -----	
	2000 ----	1999 ----
Lease payments receivable	\$ 53,351	\$ 72,004
Estimated residual value	11,041	16,622
	-----	-----
	64,392	88,626
Unearned finance charges	(13,666)	(17,218)
	-----	-----
	50,726	71,408
Other, net	5,724	8,854
	-----	-----
	56,450	80,262
Less: current portion	(11,544)	(8,423)
	-----	-----
	\$ 44,906	\$ 71,839
	=====	=====

Other, net. Other, net includes equipment subject to capital lease that is awaiting customer pick-up. The net amounts under such arrangements totaled \$2.3 million and \$2.9 million at December 31, 2000 and 1999, respectively. In addition, Other, net also includes the sale of certain finance contracts with full recourse provisions. As a result of the recourse provision, the Finance Companies have reflected an asset and offsetting liability totaling \$3.4 million and \$6.0 million at December 31, 2000 and December 31, 1999, respectively, in the Company's Consolidated Balance Sheets as a Finance Contract and Other Non-Current Liabilities and Contingencies. The future minimum lease payments to be received from finance contracts as of December 31, 2000 are as follows (in thousands):

Amounts

2001	\$13,035
2002	11,658
2003	9,861
2004	7,082
2005	4,911
Thereafter	6,804

	\$53,351
	=====

c. Off-Balance Sheet Financing

In certain situations, the Finance Companies have sold equipment leased to others to independent financial institutions and simultaneously leased the equipment back under operating leases with some of these containing end-of-term residual value guarantees. These end-of-term residual guarantees totaled \$18.3 million and \$19.4 million as of December 31, 2000 and 1999, respectively. Rental payments made by the Finance Companies under these types of transactions totaled \$9.1 million, \$9.1 million and \$8.8 million during 2000, 1999 and 1998, respectively.

On December 29, 2000, the Company closed on a new sale and leaseback facility with an independent financial institution related to its trailer rental facility. This new facility, to be syndicated in the first quarter of 2001 and is expected to increase the total facility size to \$110 million, allows for additional draws during 2001 as the trailer rental fleet continues to expand. The facility has an initial term of 18 months followed by four annual renewals and contains financial covenants substantially identical to the Company's existing credit facilities. Initial proceeds received under this facility on December 29, 2000, were \$31 million.

The future minimum lease payments to be paid by the Finance Companies under these lease transactions as of December 31, 2000 are as follows (in thousands):

	Amounts

2001	\$14,852
2002	9,221
2003	5,702
2004	4,676
2005	1,145
Thereafter	--

	\$35,596
	=====

The future minimum lease payments related to non-cancelable leases to be received by the Finance Companies under these sublease arrangements are \$10.0 million in 2001, \$6.2 million in 2002, \$5.9 million in 2003, \$4.4 million in 2004, \$2.0 million in 2005 and \$1.0 million thereafter. Not included in these future minimum lease payments to be received by the Finance Companies are payments related to short-term cancelable sublease arrangements associated with the \$31 million of rental fleet equipment sold and simultaneously leased back in December 2000.

d. Lease Commitments

The Company leases office space, manufacturing, warehouse and service facilities and equipment under operating leases expiring through 2007. Future minimum lease payments required under non-cancelable operating leases as of December 31, 2000 are as follows (in thousands):

Amounts

2001	\$ 6,973
2002	3,818
2003	3,142
2004	1,546
2005	1,371
Thereafter	12

	\$16,862
	=====

Total rental expense under operating leases was \$7.9 million, \$5.4 million, and \$4.2 million for the years ended December 31, 2000, 1999 and 1998, respectively.

10. DEBT

a. Long-term debt consists of the following (in thousands):

	DECEMBER 31,	
	2000	1999
	----	----
Revolving Bank Line of Credit	\$ 20,000	\$ 7,999
Mortgage and Other Notes Payable (3.0% - 8.17%, Due 2001-2008)		
Secured by general business assets	18,260	9,882
Series A Senior Notes (6.41%, Due January 2003)	50,000	50,000
Series B-H Senior Notes (6.99% - 7.55%, Due 2001-2008)	100,000	100,000
Series I Senior Notes (8.04%, Due September 2005-2007)	50,000	--
	-----	-----
	238,260	167,881
Less: Current maturities	(12,134)	(3,514)
	-----	-----
	\$ 226,126	\$ 164,367
	=====	=====

b. Maturities of long-term debt at December 31, 2000, are as follows (in thousands):

	Amounts
2001	\$ 12,134
2002	45,123
2003	51,375
2004	10,445
2005	29,553
Thereafter	89,630

	\$238,260
	=====

c. Revolving Bank Line of Credit

The Company has an unsecured revolving bank line of credit that permits the Company to borrow up to \$125 million. Under this facility, the Company has a right to borrow until September 30, 2002, at which time the principal amount then outstanding will be due and payable. Interest payable on such borrowings is variable based upon the London Interbank Rate (LIBOR) plus 25 to 55 basis points, as defined,

or a prime rate of interest, as defined. The Company pays a commitment fee on the unused portion of this facility at rates of 8.5 to 17.5 basis points per

annum, as defined. At December 31, 2000, the Company had borrowings of \$20.0 million under this facility, at interest rates ranging from 7.125% - 7.25%. The Company had available credit under the revolving credit facility of approximately \$90.2 million after letters of credit and borrowings.

On June 22, 2000, the Company entered into a new, unsecured 364-day Credit Facility, which permits the Company to borrow up to \$70 million. Under this facility, the Company has a right to borrow until June 21, 2001, at which time the principal amount then outstanding will be due and payable. At December 31, 2000, the Company had no borrowings against this facility.

d. Senior Notes

On September 29, 2000, the Company entered into a \$75 million Note Purchase and Private Shelf Agreement with a large financial institution. Under this agreement, the Company initially issued \$50 million of unsecured Series I Senior Notes, \$25 million of which is due September 29, 2005 with the remaining \$25 million due September 29, 2007. The uncommitted Shelf Agreement expires on September 29, 2003 and provides for the possible issuance of additional senior notes up to an aggregate amount of \$25 million.

Included in current maturities of long-term debt is \$8 million which represents a portion of the Company's Series B-H Senior Notes that matures in 2001.

e. Covenants

Under various loan agreements, the Company is required to meet certain financial covenants. These covenants require the Company to maintain certain levels of net worth as well as comply with certain limitations on indebtedness, investments and sales of assets. The Company was in compliance with these covenants at December 31, 2000.

11. STOCKHOLDERS' EQUITY

a. Capital Stock

(Dollars in thousands)	DECEMBER 31, 2000	1999
Preferred Stock - \$0.01 par value, 25,000,000 shares authorized:		
Series A Junior Participating Preferred Stock		
300,000 shares authorized, 0 shares issued and outstanding	\$ --	\$ --
Series B 6% Cumulative Convertible Exchangeable Preferred Stock,		
352,000 shares authorized, issued and outstanding at		
December 31, 2000 and 1999		
(\$17.6 million aggregate liquidation value)	4	4
Series C 5.5% Cumulative Convertible Exchangeable Preferred Stock,		
130,041 shares authorized, issued and outstanding at December		
31, 2000 and 1999 (\$13.0 million aggregate liquidation value)	1	1
	----	----
Total Preferred Stock	\$ 5	\$ 5
	====	====
Common Stock - \$0.01 par value, 75,000,000 shares authorized,		
23,002,490 and 22,985,186 shares issued and outstanding		
at December 31, 2000 and 1999, respectively	\$230	\$230
	====	====

The Series B 6% Cumulative Convertible Exchangeable Preferred Stock is convertible at the discretion of the holder, at a conversion price of \$21.38 per share, into up to approximately 823,200 shares of common stock. This conversion is subject to adjustment for dilutive issuances and changes in outstanding capitalization by reason of a stock split, stock dividend or stock combination.

The Series C 5.5% Cumulative Convertible Exchangeable Preferred Stock is convertible at the discretion of the holder, at a conversion price of \$35.00

per share, into up to approximately 371,500 shares of common stock, subject to adjustment.

On April 28, 1998, the Company sold three million shares of its common stock in a registered public offering at a public-offering price of \$30.75 per share, for net proceeds to the Company of \$87.3 million.

The Board of Directors has the authority to issue shares of unclassified preferred stock and to fix dividends, voting and conversion rights, redemption provisions, liquidation preferences and other rights and restrictions.

b. Stock Option Plans

The Company has two non-qualified stock option plans (the 1992 and 2000 Stock Option Plans) under which options may be granted to officers and other key employees of the Company and its subsidiaries to purchase shares of common stock at a price not less than market price at the date of grant. Under the terms of the Stock Option Plans, up to an aggregate of 3,750,000 shares are reserved for issuance, subject to adjustment for stock dividends, recapitalizations and the like. Options granted to employees under the Stock Option Plans become exercisable in annual installments of three years for options granted under the 2000 Plan and five years for options granted under the 1992 Plan. Options granted to non-employee Directors of the Company are fully vested on the date of grant and are exercisable six months thereafter. All options granted expire ten years after the date of grant.

The Company has elected to follow APB No. 25, Accounting for Stock Issued to Employees, in accounting for its stock options and, accordingly, no compensation cost has been recognized for stock options in the consolidated financial statements. Had compensation cost for these plans been determined consistent with SFAS No. 123, Accounting for Stock-Based Compensation, the Company's net income (loss) available to common would have been (\$10.6) million ((\$0.46) Basic and Diluted EPS) in 2000, \$35.2 million (\$1.53 Basic and Diluted EPS) in 1999 and \$20.8 million (\$0.95 Basic EPS and \$0.94 Diluted EPS) in 1998.

A summary of stock option activity and weighted-average exercise prices for the periods indicated are as follows:

	Number of Options -----	Weighted-Average Exercise Price -----
Outstanding at December 31, 1997	855,900	\$ 25.05
Granted	368,500	15.31
Exercised	(1,420)	18.82
Cancelled	(24,720)	24.00
Outstanding at December 31, 1998	1,198,260	21.57
Granted	537,375	21.52
Exercised	(5,140)	17.76
Cancelled	(11,590)	20.05
Outstanding at December 31, 1999	1,718,905	21.57
Granted	277,500	7.50
Exercised	--	--
Cancelled	(76,780)	20.43
Outstanding at December 31, 2000	1,919,625	\$ 19.59
	=====	=====

The following table summarizes information about stock options outstanding at December 31, 2000:

Range of	Weighted Average	Weighted Average	Number	Weighted Average
----------	---------------------	---------------------	--------	---------------------

Exercise Prices -----	Number Outstanding -----	Remaining Life ----	Exercise Price -----	Exercisable at 12/31/00 -----	Exercise Price -----
\$ 7.38 to \$10.49	273,000	9.9 yrs.	\$ 7.38	--	--
\$10.50 to \$15.49	359,500	7.7 yrs.	\$ 15.31	149,200	\$ 15.31
\$15.50 to \$22.99	883,125	6.7 yrs.	\$ 20.46	436,705	\$ 19.41
\$23.00 to \$33.50	404,000	5.5 yrs.	\$ 29.73	312,000	\$ 30.02

Using the Black-Scholes option valuation model, the estimated fair values of options granted during 2000, 1999 and 1998 were \$3.54, \$11.12 and \$8.07 per option, respectively. Principal assumptions used in applying the Black-Scholes model were as follows:

Black-Scholes Model Assumptions	2000 -----	1999 -----	1998 -----
Risk-free interest rate	5.32%	6.06%	4.88%
Expected volatility	45.38%	43.95%	40.89%
Expected dividend yield	2.21%	0.74%	0.98%
Expected term	10 yrs.	7 yrs.	7 yrs.

c. 1993 Employee Stock Purchase Plan

During 1993, the Company adopted its 1993 Employee Stock Purchase Plan (the "Purchase Plan"), which enables eligible employees of the Company to purchase shares of the Company's \$0.01 par value common stock. Eligible employees may contribute up to 15% of their eligible compensation toward the semi-annual purchase of common stock. The employees' purchase price is based on the fair market value of the common stock on the date of purchase. No compensation expense is recorded in connection with the Purchase Plan. During 2000, 15,544 shares were issued to employees at a weighted average price of \$10.16 per share. At December 31, 2000, there were 254,186 shares available for offering under this Purchase Plan.

d. Stock Bonus Plan

During 1997, the Company adopted its Stock Bonus Plan (the "Bonus Plan"). Under the terms of the Bonus Plan, common stock may be granted to employees under terms and conditions as determined by the Board of Directors. During 2000, 1,760 shares were issued to employees at a weighted average price of \$15.91. At December 31, 2000 there were 478,640 shares available for offering under this Bonus Plan.

12. STOCKHOLDERS' RIGHTS PLAN

On November 7, 1995, the Board of Directors adopted a Stockholder Rights Plan (the "Rights Plan"). The Rights Plan is designed to deter coercive or unfair takeover tactics, to prevent a person or group from gaining control of the Company without offering fair value to all shareholders and to deter other abusive takeover tactics, which are not in the best interest of stockholders.

Under the terms of the Rights Plan, each share of common stock is accompanied by one right; each right entitles the stockholder to purchase from the Company, one one-thousandth of a newly issued share of Series A Preferred Stock at an exercise price of \$120.

The rights become exercisable ten days after a public announcement that an acquiring person or group (as defined in the Plan) has acquired 20% or more of the outstanding Common Stock of the Company (the Stock Acquisition Date) or ten days after the commencement of a tender offer which would result in a person owning 20% or more of such shares. The Company can redeem the rights for \$.01 per right at any time until ten days following the Stock Acquisition Date (the 10-day period can be shortened or lengthened by the Company). The rights will expire in November 2005, unless redeemed earlier by the Company.

If, subsequent to the rights becoming exercisable, the Company is acquired in a merger or other business combination at any time when there is a 20% or more holder, the rights will then entitle a holder to buy shares of the Acquiring Company with a market value equal to twice the exercise price of each right.

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Alternatively, if a 20% holder acquires the Company by means of a merger in which the Company and its stock survives, or if any person acquires 20% or more of the Company's Common Stock, each right not owned by a 20% or more shareholder, would become exercisable for Common Stock of the Company (or, in certain circumstances, other consideration) having a market value equal to twice the exercise price of the right.

13. EMPLOYEE 401(k) SAVINGS PLAN

Substantially all of the Company's employees are eligible to participate in a voluntary 401(k) Savings Plan, which provides for the Company to match a percentage of each employee's contributions under various formulas. The Company's matching contribution and related expense for the plan was approximately \$1.5 million, \$1.4 million and \$1.0 million for the years ended December 31, 2000, 1999 and 1998, respectively.

14. SUPPLEMENTAL CASH FLOW INFORMATION

(In thousands)	2000	DECEMBER 31,	
		1999	1998
-----	----	-----	----
Cash paid during the period for:			
Interest	\$ 19,694	\$ 13,954	\$ 12,168
Income taxes	18,064	20,319	17,018
	-----	-----	-----
Acquisitions, net of cash acquired:			
Fair value of assets acquired	--	23,698	56,300
Liabilities assumed	--	(11,285)	(33,781)
Preferred stock issued	--	--	(13,004)
	-----	-----	-----
Net cash used in acquisitions	\$ --	\$ (12,413)	\$ (9,515)
	=====	=====	=====

15. INCOME TAXES

a. Provisions for Income Taxes

The consolidated income tax provision for 2000, 1999 and 1998 consists of the following components (in thousands):

	2000	1999	1998
	----	----	----
Current:			
Federal	\$ 3,196	\$ 28,769	\$ 6,024
State	1,396	4,069	2,814
Deferred	(8,906)	(6,947)	6,388
	-----	-----	-----
Total consolidated provision (benefit)	\$ (4,314)	\$ 25,891	\$ 15,226
	=====	=====	=====

The Company's effective tax rates were 39.0%, 40.0% and 39.6% of pre-tax income for 2000, 1999 and 1998, respectively, and differed from the U.S. Federal Statutory rate of 35% due primarily to State taxes.

b. Deferred Taxes

Deferred income taxes are primarily due to temporary differences between financial and income tax reporting for the depreciation of property, plant and equipment and equipment under lease, the recognition of payments made in connection with the acquisition of RoadRailer technology (and the amortization thereof), the recognition of income from assets under finance

leases and charges the Company recorded in 2000 related to the restructuring of certain international and domestic operations.

The long-term deferred tax liabilities were \$23.6 million and \$30.6 million and current prepaid income tax assets were \$9.2 million and \$7.3 million as of December 31, 2000 and 1999, respectively.

The components of deferred tax assets and deferred tax liabilities as of December 31, 2000 and 1999 were as follows (in thousands):

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	2000 ----	1999 ----
Deferred tax assets:		
Rentals on Finance Leases	\$18,651	\$15,545
Leasing Difference	7,912	6,060
Operations Restructuring	18,194	--
Other	12,481	16,808
Deferred tax liabilities:		
Book-Tax Basis Differences-Property, Plant and Equipment	48,158	41,433
Earned Finance Charges on Finance Leases	9,241	9,273
RoadRailer Acquisition Payments/Amortization	1,387	1,522
Other	12,893	9,532
	-----	-----
Net deferred tax liability	\$14,441 =====	\$23,347 =====

16. COMMITMENTS AND CONTINGENCIES

a. Litigation

Various lawsuits, claims and proceedings have been or may be instituted or asserted against the Company arising in the ordinary course of business, including those pertaining to product liability, labor and health related matters, successor liability, environmental and possible tax assessments. While the amounts claimed could be substantial, the ultimate liability cannot now be determined because of the considerable uncertainties that exist. Therefore, it is possible that results of operations or liquidity in a particular period could be materially affected by certain contingencies. However, based on facts currently available, management believes that the disposition of matters that are pending or asserted will not have a material adverse effect on the Company's financial position or its annual results of operations.

From January 22, 1999 through February 24, 1999, five purported class action complaints were filed against the Company and certain of its officers in the United States District Court for the Northern District of Indiana. The complaints purported to be brought on behalf of a class of investors who purchased the Company's common stock between April 20, 1998 and January 15, 1999. The complaints alleged that the Company violated Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated under the Act by disseminating false and misleading financial statements and reports respecting the first three quarters of the Company's fiscal year 1998. The complaints sought unspecified compensatory damages and attorney's fees, as well as other relief. In addition, on March 23, 1999, another purported class action lawsuit was also filed in the United States District Court for the Northern District of Indiana, naming the Company, its directors and the underwriters of the Company's April 1998 public offering. That complaint alleged that the Company and the individual defendants violated Section 11 of the Securities Act of 1933, and that the Company, the individual defendants as "controlling persons" of the Company, and the underwriters are liable under Section 12 of that Act, by making untrue statements of material fact in and omitting material facts from the prospectus used in that offering. The complaint sought unspecified compensatory damages and attorney's fees, as well as other relief. Both the Securities Exchange Act complaints and the Securities Act complaint arise out of the restatement of the Company's financial statements for the first three quarters of 1998. At a hearing on May 10, 1999 and in an order entered on June 22, 1999, Judge Allen Sharp consolidated the six pending cases under the caption In re Wabash National Corporation Securities Litigation, No. 4:99CV0003AS and

established a schedule for further proceedings. Pursuant to the order, selected lead plaintiffs filed a Consolidated Class Action Complaint on July 6, 1999. The consolidated complaint repeats the claims made in the original complaints respecting the restatement and also alleges that the loss contingency for certain excise taxes, which Wabash disclosed on January 19, 1999, should have been recorded earlier. The Company's motion to dismiss the consolidated complaint was denied by the Court in February 2000.

The Court subsequently denied plaintiff's motion to certify the case as a class action and fixed April 30, 2001 as the deadline for submission of summary judgment motions. Discovery proceedings are expected to end on March 31, 2001. On March 29, 2001, all plaintiffs voluntarily withdrew their claims arising under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "1934 Act Claims"), when a Stipulation of Dismissal with Prejudice was filed with the Court. As a result of that dismissal, the only claims remaining in the case are those brought by purchasers of shares in the Company's public offering on April 23, 1998 (i.e., claims arising under Sections 11 and 12 of the Securities Act of 1933). The dismissal of the 1934 Act Claims both decreases the number of persons who might be potential claimants against the Company and the individual defendants and effectively eliminates from the case issues arising from the financial statements prepared for the second and third quarters of 1998.

The Company believes the allegations in the consolidated complaint are without merit, and intends to defend itself and its directors and officers vigorously. The Company believes the resolution of the lawsuit

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(as to which the Company is self-insured), including any Company indemnification obligations to its officers and directors and to the underwriters of its April 1998 public offering, will not have a material adverse effect on its financial position or future results of operations; however, at this early stage of the proceedings, no assurance can be given as to the ultimate outcome of the case.

b. Environmental

The Company generates and handles certain material, wastes and emissions in the normal course of operations that are subject to various and evolving Federal, state and local environmental laws and regulations.

The Company assesses its environmental liabilities on an on-going basis by evaluating currently available facts, existing technology, presently enacted laws and regulations as well as experience in past treatment and remediation efforts. Based on these evaluations, the Company estimates a lower and upper range for the treatment and remediation efforts and recognizes a liability for such probable costs based on the information available at the time. As of December 31, 2000, the estimated potential exposure for such costs ranges from approximately \$0.5 million to approximately \$1.7 million, for which the Company has a reserve of approximately \$0.9 million. As of December 31, 1999, the estimated potential exposure for such costs ranged from \$1.5 million to approximately \$2.7 million for which the Company had a reserve of approximately \$1.0 million. The reduction in the reserve during 2000 reflects payments made during the period and a \$0.8 million change in estimate resulting from experience and the availability of additional information. These reserves were primarily recorded for exposures associated with the costs of environmental remediation projects to address soil and ground water contamination as well as the costs of removing underground storage tanks at its branch service locations. The possible recovery of insurance proceeds has not been considered in the Company's estimated contingent environmental costs.

Future information and developments will require the Company to continually reassess the expected impact of these environmental matters. However, the Company has evaluated its total environmental exposure based on currently available data and believes that compliance with all applicable laws and regulations will not have a materially adverse effect on the consolidated financial position of the Company.

c. Used Trailer Restoration Program

During 1999, the Company reached a settlement with the Internal Revenue Service related to federal excise tax on certain used trailers restored by the Company during 1996 and 1997. The Company has continued the restoration program with the same customer since 1997. The customer has indemnified the Company for

any potential excise tax assessed by the IRS for years subsequent to 1997. As a result, the Company has recorded a liability and a corresponding receivable of approximately \$7.9 million and \$5.2 million in the accompanying Consolidated Balance Sheets at December 31, 2000 and 1999, respectively.

d. Letters of Credit

As of December 31, 2000, the Company had standby letters of credit totaling \$16.7 million issued in connection with certain foreign sales transactions and other domestic purposes. Of this total, \$14.8 million is secured by the revolving bank line of credit while the remaining \$1.9 million is unsecured.

e. Royalty Payments

Beginning in the first quarter of 1998 and extending through 2007, the Company is obligated to make quarterly royalty payments in accordance with a licensing agreement related to the development of the Company's composite plate material used on its proprietary DuraPlate trailer. The amount of the payments varies with the production volume of usable material, but requires minimum royalties of \$0.5 million annually through 2005.

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f. Used Trailer Residual Guarantees and Purchase Commitments

In connection with certain new trailer sale transactions, the Company has entered into residual value guarantees and purchase option agreements with customers or financing institutions whereby the Company agrees to guarantee an end-of-term residual value or has an option to purchase the used equipment at a pre-determined price. Under these guarantees, future payments which may be required as of December 31, 2000 and 1999 totaled approximately \$37.5 million and \$31.0 million, respectively, the majority of which do not come due until after 2002.

17. CONSOLIDATED QUARTERLY FINANCIAL DATA (UNAUDITED)

The following is a summary of the unaudited quarterly results of operations for fiscal years 2000, 1999 and 1998 (Dollars in thousands except per share amounts).

	First Quarter -----	Second Quarter -----	Third Quarter -----	Fourth Quarter -----
2000				
Net Sales	\$ 352,848	\$ 358,729	\$ 345,818	\$ 274,777
Gross profit	34,423	34,045	29,512	17,987
Net income (loss)	9,132	7,515	4,992	(28,375) (2)
Basic earnings (loss) per share(1)	\$ 0.38	\$ 0.31	\$ 0.20	\$ (1.25)
Diluted earnings (loss) per share(1)	\$ 0.38	\$ 0.31	\$ 0.20	\$ (1.25)
1999				
Net Sales	\$ 341,624	\$ 380,203	\$ 374,708	\$ 358,035
Gross profit	27,225	34,099	35,039	35,354
Net income	6,367	10,347	10,365	11,762
Basic earnings per share(1)	\$ 0.26	\$ 0.42	\$ 0.43	\$ 0.49
Diluted earnings per share(1)	\$ 0.26	\$ 0.42	\$ 0.43	\$ 0.49
1998				
Net Sales	\$ 293,612	\$ 337,733	\$ 334,113	\$ 326,801
Gross profit	25,888	24,038	27,634	21,731
Net income	6,958	6,203	7,909	2,201
Basic earnings per share(1)	\$ 0.34	\$ 0.27	\$ 0.33	\$ 0.08
Diluted earnings per share(1)	\$ 0.33	\$ 0.27	\$ 0.33	\$ 0.08

(1) Earnings per share are computed independently for each of the quarters presented. Therefore, the sum of the quarterly earnings per share may differ from annual earnings per share due to rounding.

(2) The fourth quarter 2000 results include restructuring and other related charges of \$46.6 million (\$28.5 million, net of tax.)

18. SUBSEQUENT EVENT

On January 10, 2001, the Company acquired the Breadner Group of Companies (the Breadner Group), headquartered in Kitchener, Ontario, Canada. The Breadner Group has ten branch locations in six Canadian Provinces and is the leading Canadian distributor of new trailers and is a provider of new trailer services and aftermarket parts. The Breadner Group had revenues of approximately \$135 million (US Dollars) in its fiscal year ended September 30, 2000 and employs approximately 130 associates.

Aggregate consideration for this transaction included approximately \$6.5 million in cash, and \$10.5 million in long-term notes and the assumption of certain indebtedness. This transaction will be accounted for as a purchase with the excess purchase price above the net assets acquired being recorded as goodwill.

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ITEM 9 -- CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10 -- DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The following are the executive officers and key employees of the Company:

NAME	AGE	POSITION
Donald J. Ehrlich (1).....	63	President, Chief Executive Officer and Chairman of the Board
Dean A. Cervenka.....	43	Vice President -- Sales
Rick B. Davis.....	33	Corporate Controller
Richard E. Dessimoz.....	53	Vice President and Director
Charles R. Ehrlich.....	56	Vice President -- Manufacturing
Rodney P. Ehrlich.....	54	Vice President -- Engineering
Charles E. Fish.....	46	Vice President -- Human Relations
Lawrence J. Gross.....	46	Vice President -- Marketing
Mark R. Holden (1).....	41	Vice President -- Chief Financial Officer and Director
Thomas L. Kassouf.....	48	Vice President -- Chief Operating Officer
Karl D. Kintzele.....	50	Director of Internal Audit
Connie L. Koleszar.....	42	Director of Investor Relations
Wilfred E. Lewallen.....	56	Vice President -- Industrial Engineering
Derek L. Nagle.....	50	Vice President and President of Fruehauf Trailer Services, Inc.
Stanley E. Sutton.....	50	Vice President -- Purchasing

(1) Member of the Executive Committee of the Board of Directors.

Donald J. Ehrlich. Mr. Donald J. Ehrlich has been President, Chief Executive Officer and Director of the Company since its founding. In May 1995, Mr. Ehrlich was elected Chairman of the Board. He also serves as a director of Danaher Corporation and Indiana Secondary Market Corporation.

Dean A. Cervenka. Mr. Cervenka has been Vice President--Sales since January 1997. Previously, Mr. Cervenka had been a Regional Sales Director for the Company. Prior to his employment by the Company in April 1996, he was employed by Caterpillar, Inc. in various engineering and marketing positions.

Rick B. Davis. Mr. Davis has been Corporate Controller of the Company since May 1998. Previously, Mr. Davis was Controller of the Company since June 1995. Prior to his employment by the Company, he was employed by Cummins Engine Company, Inc. since 1994 and Arthur Andersen LLP since 1989.

Richard E. Dessimoz. Mr. Dessimoz has been Vice President and Chief Executive Officer of Wabash National Finance Corporation since its inception in December 1991 and a Director of the Corporation since December 1995.

Charles R. Ehrlich. Mr. Charles Ehrlich has been Vice President--Manufacturing of the Company and has been in charge of the Company's manufacturing operations since the Company's founding.

Rodney P. Ehrlich. Mr. Rodney Ehrlich has been Vice President--Engineering of the Company and has been in charge of the Company's engineering operations since the Company's founding.

Charles E. Fish. Mr. Fish is Vice President--Human Relations of the Company and has been in charge of the Company's human relations operations since the Company's founding.

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Lawrence J. Gross. Mr. Gross has been Vice President--Marketing of the Company since December 1994. Previously he had been President of the Company's RoadRailer division since joining the Company in July 1991. Prior to his employment by the Company, he was employed since 1985 by Chamberlain of Connecticut, Inc., a licensor of bimodal technology, as Vice President--Marketing until 1990 and as President until he began his employment with the Company.

Mark R. Holden. Mr. Holden has been Vice President--Chief Financial Officer and Director of the Company since May 1995. Previously, Mr. Holden had been Vice President--Controller of the Company. Prior to his employment by the Company in December 1992, he was employed by Arthur Andersen LLP since 1981.

Thomas L. Kassouf. Mr. Kassouf has been Vice President--Chief Operating Officer for the Company since January 2001. Prior to his employment by the Company, he was Vice President and General Manager for Kohler Company for approximately one year and was employed by United Technologies Corporation in various capacities for approximately 22 years.

Karl D. Kintzele. Mr. Kintzele has been Director of Internal Audit since joining the Company in September, 1999. Prior to his employment by the Company, he was employed by Teledyne, Inc. since 1979.

Connie L. Koleszar. Ms. Koleszar has been Director of Investor Relations since the Company's initial public offering in 1991 and has been employed by the Company in various administrative capacities since its founding.

Wilfred E. Lewallen. Mr. Lewallen is Vice President--Industrial Engineering of the Company and has been in charge of the Company's industrial engineering operations since the Company's founding.

Derek L. Nagle. Mr. Nagle has been Vice President of the Company and President of Fruehauf Trailer Services, Inc. since the Company's acquisition of certain Fruehauf assets in April 1997. Prior to his employment by the Company, he was employed since 1970 at Fruehauf Trailer Corporation, where he held various senior executive positions. Fruehauf Trailer Corporation filed for bankruptcy protection in October 1996.

Stanley E. Sutton. Mr. Sutton has been Vice President--Purchasing of the Company since joining the Company in May 1992. Prior to his employment by the Company, he was employed since 1973 by Pines Trailer Limited Partnership as Vice President--Manufacturing Operations.

Officers are elected for a term of one year and serve at the discretion of the Board of Directors.

The Company hereby incorporates by reference the information contained under the heading "Election of Directors" from its definitive Proxy Statement to be delivered to stockholders of the Company in connection with the 2001 Annual Meeting of Stockholders to be held May 15, 2001.

Donald J. Ehrlich, President, Chief Executive Officer and Chairman, and Charles R. Ehrlich and Rodney P. Ehrlich, executive officers of the Company, are brothers. Dean A. Cervenka and Connie L. Koleszar, executive officers of the Company, are brother and sister.

ITEM 11 -- EXECUTIVE COMPENSATION

The Company hereby incorporates by reference the information contained

under the heading "Compensation" from its definitive Proxy Statement to be delivered to the stockholders of the Company in connection with the 2001 Annual Meeting of Stockholders to be held May 15, 2001.

ITEM 12 -- SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The Company hereby incorporates by reference the information contained under the heading "Beneficial Ownership of Common Stock" from its definitive Proxy Statement to be delivered to the stockholders of the Company in connection with the 2001 Annual Meeting of Stockholders to be held on May 15, 2001.

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ITEM 13 -- CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Company hereby incorporates by reference the information contained under the heading "Compensation Committee Interlocks and Insider Participant" from its definitive Proxy Statement to be delivered to the stockholders of the Company in connection with the 2001 Annual Meeting of Stockholders to be held on May 15, 2001.

PART IV

ITEM 14 -- EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) Financial Statements: The Company has included all required financial statements in Item 8 of this Form 10-K. The financial statement schedules have been omitted as they are not applicable or the required information is included in the Notes to the consolidated financial statements.

The 2000 financial statements of Europäische Trailerzug Beteiligungsgesellschaft mBH (ETZ) which are required to be included in this report pursuant to Rule 3-09 of Regulation S-X, will be included in an amendment to this report to be filed within 90 days of the date of this Form 10-K.

(b) Reports on Form 8-K:

No reports on Form 8-K were filed during the fourth quarter of 2000.

(c) Exhibits: The following exhibits are filed with this Form 10-K or incorporated herein by reference to the document set forth next to the exhibit listed below:

- 2.01 Purchase Agreement dated March 31, 1997, as amended (Incorporated by reference from Exhibit 2.01 to Registrant's Form 8-K filed in May 1, 1997)
- 3.01 Certificate of Incorporation of the Company (1)
- 3.02 Certificate of Designations of Series A Junior Participating Preferred Stock (1)
- 3.03 By-laws of the Company (1)
- 3.04 Certificate of Designations of Series B 6% Cumulative Convertible Exchangeable Preferred Stock (5)
- 3.05 Certificate of Designations of Series C 5.5% Convertible Exchangeable Preferred Stock (8)
- 4.01 Specimen Stock Certificate (1)
- 4.02 First Amendment to Shareholder Rights Agreement dated October 21, 1998 (9)
- 4.03 Form of Indenture for the Company's 6% Convertible Subordinated Debentures due 2007 (5)
- 4.04 Second Amendment to Shareholder Rights Agreement dated December 18, 2000 (13)
- 10.01 Loan Agreement, Mortgage, Security Agreement and Financing Statement

between Wabash National Corporation and City of Lafayette dated as of August 15, 1989(1)

- 10.02 1992 Stock Option Plan (1)
- 10.03 Real Estate Sale Agreement by and between Kraft General Foods, Inc. and Wabash National Corporation, dated June 1, 1994 (2)
- 10.04 6.41% Series A Senior Note Purchase Agreement dated January 31, 1996, between certain Purchasers and Wabash National Corporation (3)
- 10.05 Master Loan and Security Agreement in the amount of \$10 million by Wabash National Finance Corporation in favor of Fleet Capital Corporation dated December 27, 1995 (3)
- 10.06 First Amendment to the 6.41% Series A Senior Note Purchase Agreement dated January 31, 1996 between certain Purchasers and Wabash National Corporation (4)
- 10.07 Series B-H Senior Note Purchase Agreement dated December 18, 1996 between certain Purchasers and Wabash National Corporation (4)
- 10.08 Revolving Credit Loan Agreement dated September 30, 1997, between NBD Bank, N.A. and Wabash National Corporation (6)
- 10.09 Investment Agreement and Shareholders Agreement dated November 4, 1997, between ETZ (Europäische Trailerzug Beteiligungsgesellschaft mbH) and Wabash National Corporation (6)
- 10.10 Receivable Sales Agreement between the Company and Wabash Funding Corporation and the Receivables Purchase Agreement between Wabash Funding Corporation and Falcon Asset Securitization Corporation (7)
- 10.11 Indemnification Agreement between the Company and Roadway Express, Inc. (10)

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- 10.12 364-day Credit Agreement dated June 22, 2000, between Bank One, Indiana, N.A., as administrative agent and Wabash National Corporation (11)
- 10.13 Series I Senior Note Purchase Agreement dated September 29, 2000, between Prudential Insurance Company and Wabash National Corporation (12)
- 10.14 Share Transfer Agreement dated December 12, 2000, between Bayerische Kapitalbeteiligungsgesellschaft mBH and Wabash National Corporation (15)
- 10.15 Participation Agreement and Equipment Lease between Apex Trailer Leasing & Rentals L.P. as Lessee and Wabash Statutory Trust as Lessor dated December 29, 2000 (15)
- 21.00 List of Significant Subsidiaries (15)
- 23.01 Consent of Arthur Andersen LLP (15)
- 99.01 Press Release, dated January 18, 2001 (14)

- (1) Incorporated by reference to the Registrant's Registration Statement on Form S-1 (No. 33-42810) or the Registrant's Registration Statement on Form 8-A filed December 6, 1995 (item 3.02 and 4.02)
- (2) Incorporated by reference to the Registrant's Form 10-Q for the quarter ended June 30, 1994.
- (3) Incorporated by reference to the Registrant's Form 10-K for the year ended December 31, 1995
- (4) Incorporated by reference to the Registrant's Form 10-K for the year ended December 31, 1996

- (5) Incorporated by reference to the Registrant's Form 10-Q for the quarter ended March 31, 1997
- (6) Incorporated by reference to the Registrant's Form 10-Q for the quarter ended September 30, 1997
- (7) Incorporated by reference to the Registrant's Form 8-K filed on April 14, 1998
- (8) Incorporated by reference to the Registrant's Form 10-Q for the quarter ended September 30, 1998
- (9) Incorporated by reference to the Registrant's Form 8-K filed on October 26, 1998
- (10) Incorporated by reference to the Registrant's Form 10-K for the year ended December 31, 1999
- (11) Incorporated by reference to the Registrant's Form 10-Q for the quarter ended June 30, 2000
- (12) Incorporated by reference to the Registrant's Form 10-Q for the quarter ended September 30, 2000
- (13) Incorporated by reference to the Registrant's Amended Form 8-A filed January 18, 2001
- (14) Incorporated by reference to the Registrant's Form 8-K filed on January 30, 2001
- (15) Filed herewith

The Registrant undertakes to provide to each shareholder requesting the same a copy of each Exhibit referred to herein upon payment of a reasonable fee limited to the Registrant's reasonable expenses in furnishing such Exhibit.

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SIGNATURES

PURSUANT TO THE REQUIREMENTS OF SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934, THE REGISTRANT HAS DULY CAUSED THIS REPORT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED.

WABASH NATIONAL CORPORATION

March 29, 2001

By: /s/ Rick B. Davis

 Rick B. Davis
 Corporate Controller
 (Principal Accounting Officer)
 and Duly Authorized Officer

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES EXCHANGE ACT OF 1934, THIS REPORT HAS BEEN SIGNED BELOW BY THE FOLLOWING PERSONS ON BEHALF OF THE REGISTRANT IN THE CAPACITIES AND ON THE DATED INDICATED.

DATE

SIGNATURE AND TITLE

March 29, 2001

By: /s/ Donald J. Ehrlich

 Donald J. Ehrlich
 Chief Executive Officer, President and
 Chairman of the Board
 (Principal Executive Officer)

March 29, 2001

By: /s/ Mark R. Holden

 Mark R. Holden
 Vice President -- Chief Financial Officer
 and Director

March 29, 2001

By: /s/ Richard E. Dessimoz

Richard E. Dessimoz
Vice President and Director

March 29, 2001

By: /s/ John T. Hackett

John T. Hackett
Director

March 29, 2001

By: /s/ E. Hunter Harrison

E. Hunter Harrison
Director

March 29, 2001

By: /s/ Ludvik F. Koci

Ludvik F. Koci
Director

URNr. 3042 / K / 2000

Today on this twelfth day of December 2000

- 12.12.2000 -

there appeared before me,

Dr. Dieter Karl

notary public in Munich, at the offices of Bayerische Kapitalbeteiligungsgesellschaft mbH, where I have come at the request of the appearing persons:

1. Richard H. Snodgress,

businessman,

business address: 1000 Sagamore Parkway South, Lafayette, Indiana 47905, USA

acting not on his own behalf but under power of attorney attached hereto on behalf of WABASH NATIONAL CORPORATION, 1000 Sagamore Parkway South, Lafayette, Indiana 47905, U.S.A. (the "PURCHASER")

and

2. a. Eike Lehmann,
businessman,
business address: Promenadeplatz 1, D-80333 Munich

and

b. Dr. Werner Stockner
businessman,
business address: ibid.

The persons appearing at ad. 2.a. and b. are not acting on their own behalf but in their capacity as managing director and fully authorized officer (Prokurist) of BAYERISCHE KAPITALBETEILIGUNGSGESELLSCHAFT MBH, with its seat in Munich and its business address at Promenadeplatz 1, 80333 Munich, Germany (the "SELLER")

The Purchaser and the Seller are referred to herein as the "PARTIES".

The appearing person identified themselves by official identity cards.

Upon request by the notary, the appearing persons declared that the undersigned notary has not acted on behalf of the parties outside his official duties as a notary.

The notary has verified that the appearing persons are in sufficient command of the English language to proceed with the notarization in English.

At the request of the appearing persons, I record in accordance with the declarations the following

SHARE TRANSFER AGREEMENT (the "AGREEMENT"):

WHEREAS

1 ETZ Europäische Trailerzug Beteiligungsgesellschaft mbH (the "Company") is

a company with limited liability under German law, with its registered seat in Munich, Germany, registered under the registration number HRB 106942 at the Commercial Register Munich with a fully paid up share capital of DM 17,357,000 (in words: German Mark seventeen million threehundred-fiftyseventhousand).

2 The Purchaser is a corporation under the laws of Delaware, with its registered seat in Lafayette, Indiana, U.S.A., and currently owning 25.1% of the shares (Geschäftsanteile) in the Company.

3 The Seller is a company with limited liability under German law, with its registered seat in Munich, Germany, registered under the registration number HRB 41723 at the Commercial Register Munich and currently owning shares in the total nominal amount of DM 13,000,000 equaling 74.9% of the nominal share capital in the Company.

4 The Seller, as an investment company, is currently restructuring its portfolios. With regard to this process, the Seller wishes to dispose of the shares in the Company. The Seller wishes to sell to the Purchaser, and the Purchaser wishes to buy from the Seller all of the Shares in the Company currently held by the Seller under the terms and conditions set forth in this Agreement therewith acquiring 100% of the shares in the Company.

5 The Seller is interested in and the Purchaser is willing to ensure a continuation of the business of the Company and its subsidiary, BTZ Bayerische Trailerzug Gesellschaft für bimodalen Güterverkehr mbH ("BTZ"), including the preservation of existing jobs and of the principal place of business in the Free State of Bavaria.

It is agreed as follows:

ARTICLE I
SALE AND PURCHASE OF SHARES

1 The Seller owns shares in the aggregate nominal amount of DM 13,000,000 representing approx. 74.9% of the share-quotas in the Company (the "Shares").

2 Under the terms and conditions of this Agreement, the Seller hereby agrees to sell to the Purchaser and the Purchaser hereby agrees to buy from the Seller all of the Shares of the Seller in the Company in the aggregate nominal amount of DM 13,000,000.- and constituting approx. 74.9% in the nominal share capital of the Company.

3 Subject to the fulfilment of the Conditions Precedent set out in Article IV hereof, the Seller hereby assigns the Shares to the Purchaser and the Purchaser hereby accepts such assignment.

4 The Shares sold and assigned pursuant to subsection 2 and 3 above are sold and assigned with economic effect from 1 January 2001 with all rights attaching thereto, including, without limitation, the right to receive dividends, if any, for the fiscal year starting on 1 January 2000.

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ARTICLE II
PURCHASE PRICE

1 The Purchase Price for the Shares in the Company is DEM 1 (in words: German Mark one).

2 The Purchase Price shall be due and payable upon Closing to the Seller in cash.

3 In the cases described in Article IX paras. 2 and 3, an additional purchase price shall apply.

ARTICLE III
EFFECTIVE DATE

1 The ownership in the Shares is deemed to be transferred to the Purchaser with effect as of 1 January 2001 (the "Effective Date"). On Effective Date all rights related to the Shares shall accrue with the Purchaser.

2 The Purchaser shall be entitled to receive the entire dividends of the Company, if any, for the business year 2000, which started on 1 January 2000.

ARTICLE IV CONDITIONS PRECEDENT

The validity of this Agreement is subject to the fulfillment of the following conditions, in respect of which each of the Parties shall make all reasonable efforts to procure that they are fulfilled as soon as possible after signing of this Agreement:

- 1 Approval resolution by the general assembly of the Company on the transfer of the Shares to the Purchaser pursuant to Section 11 of the articles of association of the Company;
- 2 Seller shall make, subject to paras 1 above and 3 below, a non-redeemable shareholder equity contribution to the Company in the amount of DM 7,500,000 (in words: German Marks seven million fivehundredthousand) less the amount withheld, if any, by the Seller in accordance with Article VIII below;
- 3 Purchaser shall make a non-redeemable shareholder equity contribution to the Company in the amount of DM 2,500,000.-. (in words : German Marks two million fivehundredthousand), including an amount of DM 1,000,000. -- paid to the Company by the Purchaser in November 2000.

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In the event that (i) any of the conditions precedent, as set forth under this Article IV, has not been met by January 31, 2001, provided that the period had not been extended by mutual consent, either Party may terminate this Agreement upon written notice to the other Party, except that the Party which unjustifiably prevents a condition precedent under this Article IV from being met, shall not have such right of termination. For the avoidance of doubt: nothing in paras. 2 and 3 above shall be construed to give the Company a direct claim for payment; rather, payment to the Company can only be requested by the parties hereto. Any claim for payment is subject to the condition that no prior filing for insolvency proceedings has been made with regard to the Company.

ARTICLE V CLOSING

- 1 Closing shall take place no later than five business days following the fulfillment of all of the conditions precedent set forth under Article IV (the "Closing Date") at the registered seat of the Company or any other place mutually agreed upon by the Parties.
- 2 On Closing Date the Seller shall provide the Purchaser with (i) a copy of the shareholder approval resolution described under Article IV Clause 1 and (ii) written confirmation, acceptable to the Purchaser in form and substance, evidencing payment of the non-redeemable shareholder equity contribution by the Seller to the Company as set out under Article IV Clause 2.
- 3 On Closing Date the Purchaser shall (i), against receipt of the documents set out under Clause 2, pay to the Seller the Purchase Price and (ii) provide the Seller with written confirmation, acceptable to the Seller in form and substance, evidencing payment of the non-redeemable shareholder equity contribution by the Seller to the Company as set out under Article II Clause 2.
- 4 On Closing Date, or any other date mutually agreed upon by the Parties, the Parties shall execute a closing confirmation as set forth in Annex ./1 (the "Closing Confirmation"). For the avoidance of doubt: the transfer of the shares shall become effective upon satisfaction of the conditions set forth in Article IV above and the Closing Confirmation shall be of confirmatory nature only.

ARTICLE VI REPRESENTATIONS AND WARRANTIES

1 Representations and Warranties of the Seller:

The Seller represents and warrants by means of an independent guaranty undertaking ("selbständiges Garantieverprechen") the following as of the date of the signing of this Agreement and as of the Closing Date:

1.1 The Company is a company with limited liability duly organized, registered, and validly existing under the laws of the Republic of Germany. The Purchaser is aware that the current financial situation of the Company may give rise to the need for filings under the German Insolvency Code.

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1.2 The Seller is the owner of the Shares in the aggregate nominal amount of DM 13,000,000, constituting approx. 74.9% of the Shares in the Company and has good and valid title to the Shares, free and clear of liens, encumbrances, options and of other charges and claims of third parties.

1.3 The Seller has all requisite power and authority to execute this Agreement and to perform his obligations hereunder. This Agreement has been duly authorized, executed and delivered by Seller, and constitutes (assuming due authorization, execution and delivery by the Purchaser) a legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms.

1.4 The Shares are fully paid up or contributed in kind, and no payments violating German law have been made to the Seller.

1.5 The Shares have been validly created, the capital contributions pertaining to such Shares have been fully paid in, no portion of the capital thereof has been returned or otherwise flowed back to the Seller and there have been no transactions of whatsoever nature between Seller and Company which may result in liabilities that pass from the Seller to the Purchaser by virtue of the transfer of the Shares.

1.6 There are no undisclosed facts with regard to the Company and BTZ known to the Seller of which the non-disclosure would give rise to claims of the Purchaser against the Seller for rescission on the grounds of fraud ("arglistige Tauschung") in the sense of (Section 123 of the German Civil Code (BGB)).

2 Representations and Warranties of the Purchaser:

The Purchaser represents and warrants the following as of the date of signing of this Agreement:

2.1 The Purchaser is a corporation duly organized, validly existing and in good standing under the laws of Delaware.

2.2 The Purchaser has all requisite power and authority to execute this Agreement and to perform its obligation thereunder.

ARTICLE VII
INDEMNIFICATIONS

1 The Seller and the Purchaser shall not be liable for any liabilities or damages resulting from any circumstances with respect to the Company or any of its subsidiaries which have occurred prior to Closing Date and Seller and Purchaser herewith expressly waive their rights to any remedy, whatsoever, with respect to such liabilities or damages.

2 The Purchaser expressly waives its rights to any remedy, whatsoever, with respect to damages from any impairment in value of the Company and its subsidiaries as a result of this transaction.

3 The Seller shall be liable to the Purchaser for, and shall indemnify and hold harmless the Purchaser, its agents and advisors, as the case may be, of any and all liabilities and damages incurred due to, or resulting from any incorrectness of any representation and warranty explicitly made hereunder. Any other claims by the Purchaser against the Seller (including but not limited to claims for rescission, reduction of purchase price - "Wandelung/Minderung" - or under the legal concepts of culpa in

contrahendo or positive Vertragsverletzung) shall be expressly excluded to the extent permitted by law (it being understood that liability for fraud - "arglistige Täuschung" - cannot be excluded as a matter of mandatory German law). Any liability of the Purchaser shall be subject to a statute of limitation ("Verjährungsfrist") of three years.

ARTICLE VIII
RELEASE OF COLLATERAL

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1. The Seller has granted an absolute guarantee to Deutsche Bank AG Munich in a maximum amount of DM 2,000,000.-- dated April 1, 1997 as collateral for any and all obligations of BTZ to Deutsche Bank AG (the "GUARANTEE").
2. The Purchaser shall use its best efforts to effect a release of the Guarantee from Deutsche Bank AG by no later than December 31, 2000. Until such time as a release shall have been effected, the Seller shall be entitled to withhold the amount of DM 2,000,000.-- from the shareholder equity contribution of DM 7,500,000.-- otherwise payable under Article IV para. 2. At such time as the release is effected, the Seller shall immediately release the withheld amount of DM 2,000,000. -- to the Company.

ARTICLE IX
CONTINUATION OF THE BUSINESS

- 1 The Purchaser intends to ensure, through additional financing and other support or through a sale to a third party willing to provide such additional financing and support, that the business of the Company and of BTZ shall be continued as a going concern.
2. Should the Company or BTZ on or before May 31, 2001 become subject to insolvency proceedings (including dismissal of insolvency petitions for lack of assets) or cease to do business as a going concern, (each an "Event of Default"), the purchase price payable to the Seller shall be increased. The amount of the increase shall equal the amounts of (i) any non-redeemable equity contributions made by the Seller to the Company after the date hereof and (ii) any payments made by the Seller to Deutsche Bank AG as described in Article VIII above up to the following maximum: In case the Event of Default occurs on or before March 31, 2001, the maximum shall be DM 7,500,000.--; if the Event of Default occurs on or before April 30, 2001 but after March 31, 2001, the maximum shall be DM 5,000,000.-; and if the Event of Default occurs on or before May 31, 2001 but after April 30, 2001, the maximum shall be DM 2,500,000.-. The additional purchase price shall be due and payable within five banking days (i.e. days on which banks are open in both Indiana and Bavaria) after the Seller has notified the Purchaser in writing of the Event of Default.
3. Should the Purchaser resell the Shares to a third party on or before June 30, 2001 or on the basis of a Final Offer (as defined below) made on or before June 30, 2001 or exchange them into shares of another entity or other consideration (each a "Resale"), an additional purchase price equaling 50% (in the case of a Final Offer made on or before March 31, 2001) or 25% (in the case of a Final Offer made after March 31, 2001) of the Value Increase, as defined below, shall be due and payable simultaneously with payment of the purchase price by the third party to the Purchaser. The term "Value Increase" shall refer to (i) 74.9% of the purchase price (and / or of the fair market value of other consideration received) received upon Resale less (ii) 74.9% of all non-refundable cash contributions to the equity of the Company to be made by the Purchaser after the date hereof but excluding the amount of DM 2,500,000.-- referred to in Article IV para. 2 above. The term "Final Offer" shall refer to any offer by the respective acquirer received by the M&A Advisors engaged for reselling the Company or directly by Wabash National Corporation or any of its affiliates or made to the respective acquirer by or on behalf of the Purchaser for a Resale subject only to certain contingencies as specified therein (including, without limitation, execution of final and legally binding contracts) provided that an offer which lacks essential features of so-called "binding offers" customarily received by investment banks or M&A advisers in limited auction proceedings does not constitute a Final Offer for purposes of the above.

ARTICLE X
COSTS, STAMP DUTIES AND TAXES

- 1 All costs resulting from negotiation and drafting of this Agreement, including but not limited to, legal fees, shall be borne by such Party where they occurred and shall not be reimbursable by the other Party or the Company.
- 2 Transfer taxes, stamp duties and fees, if applicable, notarial fees and registration fees in connection with this Agreement, including notarial deeds, will be borne by the Purchaser.

ARTICLE XI
GENERAL PROVISIONS

- 1 This Agreement and any documents referred to in this Agreement contain the entire agreement between the Parties relating to the transaction contemplated by this Agreement and supersede any previous agreements between the Parties relating to this transaction. Each of the Parties acknowledges that in agreeing to enter into this Agreement it has not relied on any representation, warranty or other assurance except as explicitly set out in this Agreement.
- 2 This Agreement shall not be amended orally and shall not be modified or discharged in whole or in part, otherwise than by an instrument in writing (or in such stricter form as may be required by law) signed by the Parties.
- 3 Should any provision of this Agreement be or become wholly or partly invalid or unenforceable, this will not affect the validity or enforceability of the remaining provisions. In this event, the Parties shall start negotiations without undue delay with a view to amend this Agreement so that the invalid or unenforceable provision shall be substituted by a valid or enforceable provision which, in its essential purpose, comes as close as possible to the invalid or unenforceable provision.
- 4 The failure of any party to enforce or exercise, at any time or for any period of time, any term of, or any right or remedy arising pursuant to, or under this Agreement, does not constitute and shall not be construed as, a waiver of such term or right or remedy and shall in no way affect the Parties' right to enforce or exercise it later, provided that such right is not time barred or precluded. Any waiver to this effect must be explicitly in writing.

ARTICLE XII
GOVERNING LAW, ARBITRATION

- 1 This Agreement shall be governed by and construed in accordance with the laws of the Federal Republic of Germany, without giving effect to the principles of conflicts of law thereof. The applicability of the provisions of the UN Sales Law is expressly excluded.
- 2 Any dispute, controversy or claim arising out of, relating to or in connection with this Agreement of the breach, termination or validity thereof shall be finally settled exclusively by arbitration under the Rules of Arbitration of the International Chamber of Commerce (the "ICC") then in effect (the "Rules"), except as modified herein. The arbitration proceedings shall be conducted, and the award shall be rendered in Munich, Germany in the German language. There shall be three arbitrators of whom each of the claimant Party and the defendant Party shall select one in accordance with the Rules. The two arbitrators so appointed shall select a third arbitrator to serve as presiding arbitrator. The Parties hereto hereby waive any rights of application or appeal to any court or tribunal of competent jurisdiction to the fullest extent permitted by law in connection with any question of law arising in the course of the arbitration or with respect to any award made except for actions relating to enforcement of the arbitration agreement or an arbitral award. Among other remedies otherwise available to them, the arbitrators shall be

authorized to order the specific performance of any provision contained herein. The award shall be final and binding upon the Parties hereto, and shall be the sole and exclusive remedy between the Parties regarding any claims, counter-claims, issues or accounting presented to the arbitral tribunal.

Read out in the presence of the Notary, approved by the appearing persons and signed by them and by the Notary as follows:

signed by Eike Lehman
signed by Dr. Werner Stocker
signed by Richard H. Snodgress
signed by Dr. Karl, Notary

place of seal

EXECUTION COPY

PARTICIPATION AGREEMENT

dated as of December 29, 2000

among

APEX TRAILER LEASING & RENTALS, L.P.,
as Lessee

WABASH NATIONAL CORPORATION,
as Guarantor

WABASH STATUTORY TRUST - 2000,
as Lessor

STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT,
NATIONAL ASSOCIATION,
not in its individual capacity,
except as provided herein, but solely as Trustee

FLEET CAPITAL CORPORATION,
as Tranche A Lender

FLEET CAPITAL CORPORATION,
as Tranche B Lender

FLEET CAPITAL CORPORATION,
as Owner Participant

FLEET CAPITAL CORPORATION
as Collateral Agent

and

FLEET CAPITAL CORPORATION,
as Administrative Agent

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PARTICIPATION AGREEMENT

THIS PARTICIPATION AGREEMENT (this "Participation Agreement"), dated as of December 29, 2000, is entered into by and among APEX TRAILER LEASING & RENTALS, L.P., a Delaware limited partnership, as the Lessee (in such capacity, together with its permitted successors, the "Lessee"); WABASH NATIONAL CORPORATION, a Delaware corporation, as guarantor (the "Guarantor"); WABASH STATUTORY TRUST - 2000, a Connecticut statutory trust, as Lessor (together with its permitted successors and assigns, the "Lessor"); STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION, not in its individual capacity, except as set forth herein, but solely as Trustee (the "Trustee" and in its individual capacity, the "Trust Company"); FLEET CAPITAL CORPORATION, a Rhode Island corporation, as the Tranche A Lender ("Fleet Capital", together with its permitted successors and assigns, the "Tranche A Lender"); FLEET CAPITAL, as the Tranche B Lender (together with its permitted successors and assigns, the "Tranche B Lender", and together with the Tranche A Lender, the "Lenders"); FLEET CAPITAL, as the Owner Participant (in such capacity, the "Owner Participant", together with any successors and permitted assigns, the "Owner Participants", and together with the Lenders, the "Participants"); FLEET CAPITAL, as administrative agent for the Lenders (together with its permitted successors and assigns in such capacity, the "Administrative Agent"); and FLEET CAPITAL as collateral agent for the Lenders (together with its permitted successors and assigns in such capacity, the "Collateral Agent").

WITNESSETH:

WHEREAS, Owner Participant and Trustee have entered into the Trust Agreement, whereby, among other things, Owner Participant appointed Trustee as Lessor of the trust created thereby;

WHEREAS, subject to the terms and conditions set forth herein, the parties hereto propose to effect a sale and lease of certain Units on each Closing Date by taking the following actions:

(i) Lessee proposes:

(a) that it or an affiliated entity will sell such Unit directly to Lessor; and

(b) to enter into with Lessor the Lease and a Lease Supplement subjecting such Units to the Lease; and

(ii) Owner Participant proposes to make the Equity Investment to Lessor for each Unit purchased by Lessor on such Closing Date;

(iii) Subject to the terms and conditions set forth in Article II and on the basis of the representations and warranties contained herein, each Lender proposes to make a secured loan to Lessor in an aggregate principal amount equal to the respective Lender's Commitment for Units

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purchased and leased on such Closing Date against receipt of Notes in an aggregate principal amount equal to such amount;

(iv) Collateral Agent proposes to enter into a Security Agreement Supplement with Lessor subjecting such Units to be purchased and leased by Lessor on such Closing Date;

(v) Lessor proposes:

(a) to issue Notes under this Participation Agreement to the Lenders as evidence of the making of secured loans by such Lenders to Lessor in an aggregate principal amount equal to such Lenders' Commitment for each such Units purchased by Lessor on such Closing Date;

(b) to purchase such Units from the Lessee and the other sellers thereof and to pay the Equipment Cost for such Units;

(c) to enter into with Lessee the Lease (if not previously entered into) and a Lease Supplement subjecting such Units to the Lease;

(d) to execute and deliver a Security Agreement Supplement subjecting the Units to be purchased by Lessor on such Closing Date to the Lien of the Security Agreement; and

(e) to execute and deliver each of the other Operative Documents to which it is a party.

WHEREAS, the parties hereto desire to set forth herein the terms and conditions agreed upon with respect to the above-described transactions.

NOW THEREFORE, in consideration of the premises and the mutual agreements contained herein, the parties hereto intending to be legally bound agree as follows:

ARTICLE I
DEFINITIONS; INTERPRETATION

SECTION 1.1. Definitions; Interpretation. Unless the context shall otherwise require, capitalized terms used and not defined herein shall have the meanings assigned thereto in Appendix A hereto for all purposes hereof (as such Appendix A may be amended, supplemented, amended and restated or otherwise modified from time to time, "Appendix A"); and the rules of interpretation set forth in Appendix A shall apply to this Participation Agreement.

ARTICLE II
CLOSING DATES; CONDITIONS

SECTION 2.1. Closing Dates.

(a) Subject to the terms and conditions set forth in this Article II, the transactions described hereinabove (each, a "Closing") shall occur at the offices of Day, Berry & Howard

LLP, 260 Franklin Street, Boston, Massachusetts at 11:00 a.m. on (i) December 29, 2000 (the "Initial Closing Date"), and (ii) subject to the provisions of Article III, such other closing dates as Lessee shall request; or in each case such other date agreed to by the parties to this Participation Agreement (together with the Initial Closing Date, each a "Closing Date").

(b) On the Initial Closing Date, the Tranche A Lender shall make a Tranche A Loan to Lessor in the amount of \$25,940,019 evidenced by the Tranche A Note, and the Tranche B Lender shall make a Tranche B Loan to the Lessor in the amount of \$3,883,236 evidenced by the Tranche B Note.

(c) On the Initial Closing Date, the Owner Participant shall make an Equity Investment in the amount of \$1,242,636, evidenced by the Trust Certificate.

SECTION 2.2. Initial Closing Date Conditions.

(a) Agreements. The following documents (together with all schedules, exhibits and attachments thereto, the "Operative Documents") shall have been duly authorized, executed and delivered by the parties thereto and shall be in form and substance satisfactory to the Participants.

- (i) Participation Agreement.
- (ii) Lease and Lease Supplement.
- (iii) Guaranty.
- (iv) Security Agreement and Security Agreement Supplement.
- (v) Trust Agreement,
- (vi) Tranche A Note,
- (vii) Tranche B Note,
- (viii) Trust Certificate,
- (ix) Security Interest Filings,
- (x) Bills of Sale,
- (xi) Syndication Agreement,
- (xii) Limited Power of Attorney.

(b) Trust Documents of Lessor. Each Participant, shall have received copies of the certificate of trust of Lessor certified to be true and complete as of a recent date by the appropriate governmental authority of the State of Connecticut and a copy of the certificate of the Secretary of State of the State of Connecticut as to the existence of the Lessor.

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(c) Opinions. The following opinions shall be received by the parties indicated thereto, dated as of the Initial Closing Date, in form and substance reasonably satisfactory to the such parties:

(i) Opinion of Day, Berry & Howard LLP, special counsel to the Participants, addressed to each Participant.

(ii) Opinion of Gambs, Mucker & Bauman, Special Counsel to the, Lessee and Guarantor, addressed to each Participant, the Administrative Agent, and the Lessor.

(iii) Opinion of Bingham Dana LLP Counsel to the Trustee and Trust Company, addressed to each Participant, and the Administrative Agent.

(d) Corporate Documents. The corporate (or partnership) or charter documents, including incumbency certificates, authorizations and good standing certificates (where applicable) for the following entities shall have been received by the Participants:

- (i) Lessee.
- (ii) Guarantor.
- (iii) Collateral Agent.
- (iv) Trust Company.

(e) Authorized Officer's Certificates. Each Participant shall have received an Authorized Officer's Certificate of each of the Lessee and the Guarantor, in each case in a form satisfactory to the Participants, dated as of the Closing Date, stating that (a) each and every representation and warranty of such Obligor contained in each Operative Document to which it is a party is true and correct in all respects on and as of the Closing Date; (b) no Unmatured Lease Default, or Lease Event of Default has occurred and is continuing under any Operative Document to which such Obligor is a party with respect to it; (c) each Operative Document to which such Obligor is a party is in full force and effect with respect to it; and (d) such Obligor has duly performed and complied with all conditions contained herein or in any other Operative Document required to be performed or complied with by it on or prior to the Closing Date.

(f) Evidence of Insurance. Each Participant shall have received evidence reasonably satisfactory to them that the insurance maintained, or arranged on behalf of the Lessor, satisfies the requirements set forth in Section 10.1 of the Lease, setting forth the respective coverage, limits of liability, carrier, policy number and period of coverage.

(g) Delivery of Financial Statements. Each Participant shall have received copies of the financial statements described in Section 6.1(e) of the Participation Agreement.

(h) Advance Request. The Lessee shall have delivered an Advance Request to the Lessor and to the Administrative Agent in accordance with Section 3.4(a) of this Participation Agreement.

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(i) Litigation. On the Closing Date, there shall not be any actions, suits or proceedings pending or, to the knowledge of the Lessee or the Guarantor, threatened, with respect to the Lessee, the Guarantor, the Equipment, the Operative Documents, or the transactions contemplated by the Operative Documents: (i) to set aside, restrain, enjoin or prevent the full performance of this Participation Agreement, the other Operative Documents or the transactions contemplated hereby or thereby or (ii) that question or challenge the validity of the Operative Documents or the rights or remedies of the Lessor or the other Participants with respect to any Obligor, the Equipment or other Collateral Estate under the Operative Documents.

(j) Taxes. All taxes, fees and other charges in connection with the execution, delivery, recording, filing and registration of the Operative Documents shall have been paid or provisions for such payment shall have been made by the Lessee to the reasonable satisfaction of the Administrative Agent, the Owner Participants and the Lenders.

(k) Representations and Warranties. On the Initial Closing Date, the representations and warranties of the Lessee, the Guarantor, the Lessor and the Trustee set forth in the Operative Documents (or in certificates delivered pursuant thereto) executed by any thereof shall be true and correct in all respects as though made on and as of such date, except to the extent such representations or warranties relate solely to an earlier date, in which case such representations and warranties shall have been true and correct in all respects on and as of such earlier date.

(l) No Default. No Unmatured Lease Default or Lease Event of Default shall have occurred and be continuing on the Initial Closing Date unless such Unmatured Lease Default, or Lease Event of Default, as the case may be, shall have been waived in accordance with the Operative Documents.

(m) Closing Fee. Lessee shall have paid to Placement Agent, the closing fee described in the Syndication Agreement.

SECTION 2.3. Closing Conditions for Each Closing Date. The obligation of each Participant to perform its agreements on each Closing Date (including the Initial Closing Date) with respect to any Equipment shall be subject to the

fulfillment to the reasonable satisfaction of, or the waiver in writing by, such Participant of the following conditions precedent on or prior to such Closing Date (except that the obligation of any party hereto shall not be subject to such party's own performance or compliance):

(a) Closing Proceedings. All proceedings taken in connection with such Closing Date and all documents and instruments to be delivered thereon or relating thereto shall be reasonably satisfactory to such Participant and its counsel, and such Participant and its counsel shall have received copies of such documents as such Participant or its counsel may reasonably request in connection therewith, all in form and substance reasonably satisfactory to such Participant and its counsel.

(b) Bring-down Certificates. Each party who received an incumbency certificate pursuant to Section 2.2 (d) hereof shall each have received a similar certificate dated such Closing Date.

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(c) Advance Request. The Participants, Administrative Agent and Lessor shall each have received an Advance Request in accordance with Section 3.4(a) hereof with respect to such Closing Date, and except with respect to the initial Closing Date, not less than ten (10) Business Days prior to the Closing Date.

(d) Execution of Agreements. On or before such Closing Date, the Lease Supplement and the Security Agreement Supplement relating to such Equipment shall have been duly executed and delivered by the parties thereto and such agreements and the other Operative Documents shall be in full force and effect and no default shall exist in the performance by any party of any of its obligations under the Operative Documents.

(e) Recordation and Filing. On or before such Closing Date, (i) the Lessee shall have delivered to the Administrative Agent all Security Interest Filings necessary or reasonably requested by the applicable secured party to perfect the interests of the Lessor and Collateral Agent in the Equipment and all Collateral Estate with respect thereto in accordance with the Security Agreement and (ii) the Lease Supplement and Security Agreement Supplement relating to such Equipment (or appropriate memoranda thereof) and another filings shall have been filed, recorded and deposited in conformity with all Applicable Laws.

(f) Opinions of Counsel. Each Participant, Lessor and the Administrative Agent shall have received the favorable written opinions, in form and scope satisfactory to the Participants of counsel to the Lessor, Lessee and Guarantor confirming the matters set forth in the opinions such firm delivered pursuant to Section 2.2(c) hereof, as they relate to the documents delivered on such Closing Date.

(g) Bills of Sale. There shall have been delivered to Lessor a Bill of Sale for such Units signed by Lessee and, subject to the Limited Power of Attorney, endorsed certificates of title for that portion of the Equipment consisting of motor vehicles for which certificates of title have been issued, transferring to Lessor title to such Units and warranting to Lessor that Lessee had legal title thereto and good and lawful right to sell the same and that as of such Closing Date (immediately prior to the transfer of title to Lessor) title thereto was free and clear of all Liens arising from, through or under Lessee.

(h) Representations and Warranties. The representations and warranties of each of the parties contained in this Participation Agreement and in any of the other Operative Documents shall be true and correct in all material respects on such Closing Date with the same effect as though made on and as of such Closing Date, and an officer's certificate, dated the Closing Date, of each of such parties (other than the Participants) to that effect shall have been delivered to such Participant (it being understood that in the case of the Participants, the purchase of the Note or Trust Certificate to be purchased by it pursuant hereto shall be deemed to constitute a confirmation by it that its representations and warranties contained herein are true and correct in all material respects on such Closing Date).

(i) No Default. No Unmatured Lease Default, Lease Event of Default, Unmatured Security Agreement Default or Security Agreement Event of Default shall exist as of such Closing Date.

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(j) No Event of Loss. No Event of Loss or event which with the passage of time would constitute a Event or Loss shall have occurred with respect to such Units.

(k) Taxes. All Taxes payable on or prior to such Closing Date in connection with (i) the execution, delivery, recording or filing of any of the Operative Documents, (ii) the issuance and sale of the Notes to be purchased on such Closing Date, (iii) the Equity Investment to be made by Owner Participant on such Closing Date, and (iv) the Units shall have been paid in full. All sales taxes and duties related to the transactions contemplated by the Operative Documents have been paid or otherwise provided for by Lessee.

(l) Delivery of Notes. Lessor shall have issued and sold to the Lenders their respective Tranche A Notes or Tranche B Notes, as the case may be, to be purchased by such Lenders pursuant to this Participation Agreement on such Closing Date.

(m) Governmental Actions. All Governmental Actions of third parties (including Governmental Authorities) required in connection with the execution, delivery and performance of the Operative Documents by the parties thereto shall have been received and shall be in full force and effect on such Closing Date.

(n) No Proceedings. No Governmental Action shall have been instituted nor shall any Governmental Action be threatened before any Governmental Authority, nor shall any order, judgment or decree have been issued or proposed to be issued by any Governmental Authority at the time of such Closing Date, to set aside, restrain, enjoin or prevent the completion and consummation of this Participation Agreement or the transactions contemplated hereby.

(o) Funding of Commitments. Each of the parties hereto shall have made the Advances and executed and delivered the documents and instruments that such party is required to execute or deliver on or prior to such Closing Date.

(p) Purchase Permitted by Applicable Law, etc. On each Closing Date, each Participant's purchase of its Notes shall be permitted by Applicable Laws (including, without limitation, Regulation T, U or X of the Board of Governors of the Federal Reserve System) and shall not subject the Participants to any tax, penalty, liability or other onerous condition under or pursuant to any Applicable Law. If requested by any Participant, it shall have received an Officer's Certificate by Lessee certifying as to such matters of fact as it may reasonably specify to enable it to determine whether such purchase is so permitted.

(q) Additional Collateral; Letter of Credit. (i) In addition to the Units of Equipment that are the subject of an Advance, as additional security for the benefit of the Lenders, on each Closing Date at the time of an Advance, subject to Clause (ii) below, Lessee shall transfer to Lessor additional collateral acceptable to the Participants ("Additional Collateral") with a net book value equal to at least 25% of the Equipment Cost with respect to the Advance to be made on such Closing Date. Such Additional Collateral (i) shall not be eligible for an Advance, (ii) shall be pledged and assigned to the Collateral Agent pursuant to the Operative Documents, and (iii) shall be considered "Equipment" for all purposes (other than an Advance) under the Operative Documents, but shall not be included in the "Total Equipment Cost". On the initial Closing Date and thereafter so long as the Tranche A Notes have not been syndicated pursuant to

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the Syndication Agreement, in lieu of the Additional Collateral, Lessee shall maintain to Collateral Agent, the Letter of Credit.

(r) Transaction Expenses. All Transaction Expenses and Commitment Fees shall have been paid.

(s) Equipment Approval. Lessor shall have approved all of the Equipment set forth in the Advance Request provided pursuant to Section 3.4(a) hereof.

SECTION 3.1. Advances.

(a) Subject to the conditions and terms hereof, the Lessor shall take the following actions at the written request of the Lessee from time to time during the Initial Lease Term:

(i) on the Initial Closing Date, the Lessor shall make an Advance (using funds provided by the Owner Participant and the Lenders) hereunder to the Lessee in the amount of \$31,065,891, the proceeds of which shall be paid to Lessee for the purpose of paying Equipment Costs as specified in the Advance Request; and

(ii) on each Closing Date during the Initial Lease Term, the Lessor shall make Advances (out of funds provided by the Owner Participants and the Lenders) to the Lessee or to such payees designated in writing by the Lessee for the purpose of paying (or reimbursing the Lessee for) Equipment Costs.

(b) Limitation on Advances. Notwithstanding any other provision hereof, (i) the Lessor shall not be obligated to make any Advance if, after giving effect thereto, (x) the aggregate outstanding amounts of the Tranche A Loans would exceed the aggregate Tranche A Loan Commitments, the aggregate outstanding amounts of the Tranche B Loans would exceed the aggregate Tranche B Loan Commitments, or the aggregate outstanding amount of the Equity Investment would exceed the aggregate Owner Participants' Commitments, (y) the Total Equipment Cost would exceed the Aggregate Commitment Amount or (z) the net book value of the Additional Collateral shall be less than 25% of the Total Equipment Cost, (ii) no Advance shall be made (x) after the Commitment Termination Date or (y) with respect to Additional Collateral.

(c) Acknowledgment of Advances. Each of the Lessee, the Lessor and the Guarantor hereby acknowledges and agrees, for the benefit of each Participant, that: (i) each Advance made hereunder is made for the benefit of, and at the request of, the Lessee, (ii) the entire amount of each Advance made hereunder is allocable to the Equipment and shall constitute part of the Equipment Cost and (iii) the Lessee shall pay in full on the Termination Date all of its obligations under the Lease and under all of the other Operative Documents, which obligations are intended to equal the aggregate outstanding amount of Advances made (or deemed made) hereunder, subject to the limitations on recourse set forth in Article XVII of the Lease.

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SECTION 3.2. Owner Participant's Commitment. Subject to the conditions and terms hereof, each Owner Participant shall make available to the Lessee (through the Lessor) at the request of the Lessee from time to time during the Initial Lease Term on any Closing Date an amount (each, an "Equity Investment") in immediately available funds equal to such Owner Participant's Applicable Equity Percentage of the amount of the Advance being funded on such Closing Date. Notwithstanding any other provision hereof, no Owner Participant shall be obligated to make available any Equity Investment if, after giving effect to the proposed Equity Investment, the aggregate outstanding Equity Investment of such Owner Participant shall exceed such Owner Participant's Commitment.

SECTION 3.3. Loan Commitment.

(a) Subject to the conditions and terms hereof, each Tranche A Lender shall make a Loan to the Lessor at the request of the Lessee, from time to time during the Initial Lease Term on any Closing Date (including, without limitation, on the Initial Closing Date) in a principal amount in immediately available funds equal to such Tranche A Lender's Applicable Loan Percentage of the amount of the Advance being funded on such Closing Date; provided that no Tranche A Lender shall be obligated to make any Tranche A Loan on a Closing Date if, after giving effect to such Tranche A Loan, the aggregate outstanding amount of the Equity Investment (including any Equity Investment to be made on such Closing Date) would be less than four percent (4%) of the sum of all Loans and Equity Investment outstanding at such time. Notwithstanding any other provision hereof, no Tranche A Lender shall be obligated to make any Tranche A Loan if, after giving effect to the proposed Tranche A Loan, the aggregate outstanding amount of the Tranche A Loans made by such Tranche A Lender would exceed such Tranche A Lender's Loan Commitment.

(b) Subject to the conditions and terms hereof, each Tranche B Lender shall make a Loan to the Lessor at the request of the Lessee, from time to time

during the Initial Lease Term on any Closing Date (including, without limitation, on the Initial Closing Date) in a principal amount in immediately available funds equal to such Tranche B Lender's Applicable Loan Percentage of the amount of the Advance being funded on such Closing Date; provided that no Tranche B Lender shall be obligated to make any Tranche B Loan on a Closing Date if, after giving effect to such Tranche B Loan, the aggregate outstanding amount of the Equity Investment (including any Equity Investment to be made on such Closing Date) would be less than four percent (4%) of the sum of all Loans and Equity Investment outstanding at such time. Notwithstanding any other provision hereof, no Tranche B Lender shall be obligated to make any Tranche B Loan if, after giving effect to the proposed Tranche B Loan, the aggregate outstanding amount of the Tranche B Loans made by such Tranche B Lender would exceed such Tranche B Lender's Loan Commitment.

SECTION 3.4. Procedures for Advances.

(a) General Procedures. With respect to each Advance made on a Closing Date, the Lessee shall give the Administrative Agent an Advance Request substantially in the form of Exhibit A-1 hereto (an "Advance Request") which Advance Request (except for the Advance Request with respect to the initial Closing Date) shall be delivered to the Administrative Agent, not later than 12:00 noon, New York time, ten (10) Business Days prior to the proposed Closing

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Date, specifying: (i) the proposed Closing Date, (ii) the amount of Advance requested, (iii) the proposed use of the proceeds of such Advance and (iv) a detailed list describing each Unit of Equipment to be financed on such Closing Date, provided that with respect to the Advance Request relating to the initial Closing Date, such Advance Request shall be delivered no later than the initial Closing Date. The Administrative Agent shall calculate the amounts of the Equity Investment, Tranche A Loans and Tranche B Loans required to fund the requested Advance. Each Advance Request delivered by the Lessee shall be irrevocable and binding on the Obligors.

(b) Amount of Advance; Closing Dates. Each Advance shall be in an amount not less than \$10,000,000 per Advance. There shall be no more than one Advance in any calendar quarter during the Initial Lease Term.

(c) Use of Proceeds of Advances. Except as the parties may otherwise agree in writing, Advances shall be made solely to provide the Lessee with funds with which to pay or reimburse itself for Equipment Costs.

SECTION 3.5. Repayment of Loans, Notes and Evidence of Debt.

The Lessor's obligation to repay (i) the Tranche A Loans shall be evidenced by the Tranche A Notes and (ii) the Tranche B Loans shall be evidenced by the Tranche B Notes. The Lessor shall repay all such Loans to the Administrative Agent for the benefit of the Lenders, together with all accrued and unpaid interest thereon, at the times and in the manner set forth in the Notes and this Participation Agreement. The Lessor shall pay and prepay the Notes in accordance with Article V hereof and such payments and prepayments shall be applied to the Loans in the manner set forth in Article III of the Security Agreement.

ARTICLE IV EQUITY RETURN; INTEREST; FEES

SECTION 4.1. Calculation of Basic Rent.

(a) Basic Rent shall be payable from time to time on each Payment Date in an amount equal to the sum of (a) all interest then due on the Loans, as calculated in accordance with Section 4.2 together with principal amortization as set forth in Schedule A to each such Note and (b) all Equity Return then due on the Equity Investment, as calculated in accordance with Section 4.3.

(b) In calculating such interest and Equity Return, the Tranche A Loans, the Tranche B Loans and Equity Investment made in connection with the Advances shall bear interest and Equity Return, as the case may be, using an Adjusted Eurodollar Rate plus the Applicable Margin. If any Loan and/or Equity Investment is to bear interest or Equity Return by reference to the Adjusted Eurodollar Rate and the Administrative Agent is unable to obtain an Adjusted Eurodollar Rate for the Interest Period, the Owner Participant and the Lenders shall make available Equity Investment and Loans, as the case may be, as Base

Rate Loans/Equity Investment. Such Equity Investment and Loans shall be maintained as Base Rate Loans/Equity Investment until the date on which the Administrative Agent shall be able to obtain an Adjusted

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Eurodollar Rate for such Equity Investment and the Loans for such Interest Period, at which time such Base Rate Loans/Equity Investment shall convert to Eurodollar Loans/Equity Investment.

SECTION 4.2. Interest on Loans.

(a) Each Tranche A Loan shall accrue interest during each Interest Period at a rate per annum equal to the then applicable Interest Rate for such Type of Loan. Each Tranche B Loan shall accrue interest during each Interest Period at a rate per annum equal to the then applicable Interest Rate for such Type of Loan. Subject to Section 4.1(b), all Loans shall be made and continued, subject to Sections 8.3 and 8.4, as Eurodollar Loans/Equity Investment.

(b) If all or a portion of (i) the principal amount of any Loan, (ii) any interest payable on any Loan or (iii) any other amount payable to the Lenders hereunder (whether in respect of interest, fees or other amounts) shall not be paid when due (whether at the stated maturity thereof, by acceleration or otherwise), then such overdue amount shall bear interest, payable on demand, at a rate per annum which is equal to the Overdue Rate (or if no rate is applicable, whether in respect of interest, fees or other amounts, then the sum of (x) 2.00% plus (y) the Base Rate). Without duplication of the foregoing, upon the occurrence and during the continuance of any Lease Event of Default, the principal of and, to the extent permitted by law, interest on the Loans and any other amounts owing hereunder or under the other Operative Documents shall bear interest, payable on demand, at a per annum rate of 2% greater than the rate which would otherwise be applicable (or if no rate is applicable, whether in respect of interest, fees or other amounts, then at the Base Rate plus a margin of 2% per annum).

(c) The Administrative Agent shall from time to time promptly provide notice to the Lessee of any change in the Interest Rate applicable to all or any of the Loans.

SECTION 4.3. Equity Return.

(a) The amount of the Equity Investment outstanding from time to time shall accrue yield ("Equity Return") at a rate per annum equal to the Equity Return Rate. Subject to Sections 4.1(b), 8.3 and 8.4, all Equity Investment shall be made and continued as Eurodollar Loans/Equity Investment.

(b) If all or a portion of (i) any Equity Investment, (ii) any Equity Return payable on any Equity Investment or (iii) any other amount payable to the Owner Participants hereunder (whether in respect of interest, fees or other amounts) shall not be paid when due (whether at the stated maturity thereof, by acceleration or otherwise), then such overdue amount shall bear interest, payable on demand, at a rate per annum which is equal to the Overdue Rate (or if no rate is applicable, whether in respect of interest, fees or other amounts, then the sum of (x) 2.00% plus (y) the Base Rate). Without duplication of the foregoing, upon the occurrence and during the continuance of any Lease Event of Default, the Equity Investment and, to the extent permitted by law, Equity Return on Equity Investment and interest on any other amounts owing hereunder or under the other Operative Documents shall bear interest, payable on demand, at a per annum rate of 2% greater than the rate which would otherwise be applicable (or if no rate is applicable, whether in respect of interest, fees or other amounts, then at the Base Rate plus a margin of 2% per annum).

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SECTION 4.4. Computation of Interest and Equity Return. Interest on the Loans and Equity Return on the Equity Investment shall be calculated on the basis of a 360-day year for the actual days elapsed at all times that the Interest Rate and Equity Return Rate are determined by reference to the Adjusted Eurodollar Rate and, at all other times, on the basis of a 365- (or 366-, as the case may be) day year for the actual days elapsed. Each determination of the Interest Rate or Equity Return Rate by the Administrative Agent pursuant to any provision of this Participation Agreement or any other Operative Document shall be binding on the Obligors and the Participants in the absence of manifest

error.

SECTION 4.5. Payment of Unused Commitment Fees. The Lessee agrees to pay to the Owner Participants and Lenders, during the Initial Lease Term for the period commencing on the second Closing Date and continuing through the Commitment Termination Date, a commitment fee (collectively, the "Unused Commitment Fees") at a per annum rate equal to 25 basis points times the sum of the average daily unused portion of the Owner Participant's Commitments and Loan Commitments, respectively, for such Owner Participant and Lender, which fees shall be payable to each Owner Participant and Lender pro rata in accordance with its Owner Participant's Commitment or Loan Commitment, as the case may be. The Unused Commitment Fees shall be payable by the Lessee in arrears on each Payment Date occurring after the second Closing Date and ending on the Commitment Termination Date. The Unused Commitment Fees shall be computed on the basis of the actual number of days (including the first day but excluding the last day) occurring during the period for which such Unused Commitment Fees are payable over a year of 360 days.

ARTICLE V
THE NOTES

SECTION 5.1. Form of Notes. The Tranche A Notes and Tranche B notes shall each be substantially in the forms of Exhibits B-1 and B-2, respectively, hereto.

SECTION 5.2. Terms of Notes.

(a) The Tranche A Notes shall be issued in one or more series ("Series") in an aggregate principal amount of \$91,850,000 each such series corresponding to a Closing Date and designated with a letter for the Series and a number for the number of the Note in such Series (e.g. "A-1"). Each Tranche A Note shall have a stated maturity of the Maturity Date. On each Closing Date, subject to satisfaction of the conditions precedent in Article II of the Participation Agreement, one or more Tranche A Notes (as may be specified by the Tranche A Lender) shall be issued to and registered in the name of the institution (or its nominee) named on Schedule II to the Participation Agreement and identified therein as the Tranche A Lender in the aggregate principal amount set forth therein. The Tranche B Notes shall be issued in one or more series in an aggregate principal amount of \$13,750,000 each such series corresponding to a Closing Date and designated with a letter for the Series and a number for the number of the Note in such Series (e.g. "B-1"). Each Tranche B Note shall have a stated maturity of the Maturity Date. On each Closing Date, subject to satisfaction of the conditions precedent in Article II of the Participation Agreement, one or more Tranche B Notes (as the case may be specified by the Tranche B Lender) shall be issued to and registered in the name of the institution (or its

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nominee) named on Schedule II to the Participation Agreement and identified therein as the Tranche B Lender in the aggregate principal amount set forth therein.

(b) The principal amount of each Note shall be due and payable in installments, payable on Payment Dates, as set forth on Schedule A attached to each thereof, provided, however, that, in all cases, the monthly installments of Basic Rent due pursuant to the Lease with respect to the Equipment shall be sufficient to pay the monthly installments of principal and interest due on the Notes issued in respect of the Equipment (provided, further, however, that the final principal payment for each Note shall in any and all events equal the then outstanding principal balance thereof).

(c) Each Note shall bear interest at the applicable Interest Rate on the unpaid principal amount thereof from time to time outstanding from and including the date thereof until such principal is paid in full, all as set forth in Article IV hereof. Accrued interest on each Note shall be payable in arrears on each Payment Date and on the date such Note is paid in full provided, however, that in the event that an Advance is made on a date other than a Payment Date, accrued interest on the Note with respect thereto shall be payable in arrears on the second succeeding Payment Date following the date of such Advance, rather than the first Payment Date following the date of such Advance. Notwithstanding the foregoing, each Note shall bear interest at the Overdue Rate on any principal thereof and, to the extent permitted by applicable law, on any

interest or other amounts due thereunder, not paid when due (whether at stated maturity, by acceleration or otherwise), payable on demand by the Lender thereof.

(d) The Notes shall be executed on behalf of Lessor by one of its Authorized Officers.

SECTION 5.3. Taxes; Withholding.

(a) Subject to the directions contained in clause (b) of this Section 2.04(b), Administrative Agent agrees, to the extent required by applicable law, to withhold from each payment due hereunder or under any Note, United States withholding taxes at the appropriate rate, and, on a timely basis, to deposit such amounts with an authorized depository and make such reports, filings and other reports in connection therewith, and in the manner, required under applicable law. Upon any such withholding, Administrative Agent shall forthwith notify the affected Lender, Lessor and Lessee of such withholding. Administrative Agent shall promptly furnish to each Lender (but in no event later than the date thirty (30) days after the due date thereof, a U.S. Treasury Form 1042S (or similar forms as at any relevant time in effect), if applicable, indicating payment in full of any Taxes withheld from any payments by Administrative Agent to such Persons together with all such other information and documents reasonably requested by the affected Lender and necessary or appropriate to enable such Lender to substantiate a claim for credit or deduction with respect thereto for income tax purposes of the country where such Lender is located.

(b) If any Person that is a "United States person" and that is entitled to be paid any amount by Administrative Agent pursuant to this Indenture (i) is an exempt recipient, or (ii) is not an exempt recipient and has furnished a properly completed and currently effective U.S. Treasury Form W-9 (or such successor U.S. Treasury Form as may be required by the United

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States Treasury Department to avoid withholding of United States federal income tax), no amount shall be withheld by Administrative Agent in respect of United States federal income tax.

(c) If any Person that is a Non-U.S. Person and that is entitled to be paid any amount by Administrative Agent pursuant to this Indenture (i) has furnished to Administrative Agent a properly completed and currently effective U.S. Treasury Form 4224, in duplicate, or Form W8ECI (or such successor U.S. Treasury Form as may be required by the United States Treasury Department to avoid withholding of United States federal income tax) during the calendar year, in which and prior to the date on which, such amount is to be paid and (ii) has not notified Administrative Agent of the inaccuracy or expiration of such U.S. Treasury Form, no portion of that amount shall be withheld by Administrative Agent in respect of United States federal income tax.

(d) Notwithstanding the provisions of paragraph (c) of this Section 5.3, if any Person that is a Non-U.S. Person and that is entitled to be paid any amount by Administrative Agent pursuant to this Participation Agreement (i) has furnished to Administrative Agent a properly completed and currently effective U.S. Treasury Form 1001 or Form W-8BEN (or such successor U.S. Treasury Form as may be required by the United States Treasury Department to reduce or eliminate the amount of United States federal income tax otherwise required to be held from such amount) and (ii) has not notified Administrative Agent of the inaccuracy or expiration of such U.S. Treasury Form, only the reduced portion, if any, of that amount required by applicable law or treaty shall be withheld by Administrative Agent in respect of United States federal income tax.

SECTION 5.4. Payments from Trust Estate Only. Except as expressly provided herein or in the Security Agreement, all payments to be made by Lessor under the Notes shall be made only from the income and the proceeds from the Trust Estate and only to the extent that Lessor shall have sufficient income or proceeds from the Trust Estate to enable Lessor to make payments in accordance with the terms hereof. Each Lender, by its acceptance of such Note, agrees that it will look solely to the income and proceeds from the Trust Estate to the extent available for distribution to it as herein provided and that none of Owner Participant, Lessor nor Administrative Agent is personally liable to it for any amounts payable or any liability under the Security Agreement or such Note, except as expressly provided herein or in the Security Agreement.

SECTION 5.5. Method of Payment. Principal and interest and other amounts due hereunder or under the Notes shall be payable in immediately available funds on the due date thereof, to Administrative Agent at Fleet National Bank, ABA # 011500010, Account Name: Fleet Capital Leasing, Account # 015552776700101, Attention: Leslie Tordoff, Reference: Wabash Statutory Trust-2000 (or such other account at such other financial institution as Administrative Agent may so specify from time to time to Lessor and Lessee) and Administrative Agent shall remit all such amounts so received by it to such address and in such manner (by wire transfer of immediately available funds if not otherwise specified) as set forth in Schedule II to this Participation Agreement (or as each Lender shall at any time otherwise specify in writing to Administrative Agent). If the payment was received prior to 12:00 P.M. Boston time by Administrative Agent on any Business Day, Administrative Agent shall make

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such payment on such Business Day; otherwise, Administrative Agent shall make payment promptly, but not later than 12:00 noon Boston time on the next succeeding Business Day. If any sum payable hereunder to any Lender falls due on a day which is not a Business Day, then such sum shall be payable on the next Business Day and (so long as payment is timely made on such next Business Day) no interest shall accrue on the amount of such payment from and after the scheduled date of payment to such next Business Day. Prior to the due presentment for registration of transfer of any Note, Lessor, Administrative Agent and Lessee may deem and treat the Person in whose name any Note is registered on the Note Register as the absolute owner and holder of such Note for the purpose of receiving payment of all amounts payable with respect to such Note and for all other purposes and neither Lessor, Administrative Agent nor Lessee shall be affected by any notice to the contrary.

SECTION 5.6. Application of Payments. Each payment of principal and interest or other amounts due on each Note shall be applied, in accordance with the provisions of Article III of the Security Agreement.

SECTION 5.7. Registration. Transfer and Exchange of Notes.

Administrative Agent agrees with Lessor that Administrative Agent shall keep a register (herein sometimes referred to as the "Note Register") in which provisions shall be made for the registration of Notes and the registration of transfers of Notes. The Note Register shall be kept at the Corporate Trust Office of Administrative Agent, and Administrative Agent is hereby appointed "Note Registrar" for the purpose of registering Notes and transfers of Notes as herein provided. Upon surrender for registration of transfer of any Note at the Corporate Trust Office, Lessor shall execute, and Administrative Agent shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Notes of a like aggregate principal amount and of the same series and the Notes so surrendered shall be canceled. At the option of any Lender, Notes held by such holder may be exchanged for other Notes of the same series of any authorized denominations, of like aggregate principal amount, upon surrender of the Notes to be exchanged at the Corporate Trust Office. Each new Note delivered upon transfer or exchange shall be in a principal amount of at least \$500,000 (or such lesser amount as shall equal the entire outstanding principal amount of all Notes held by any Lender) and dated the date of the surrendered Note. Whenever any Notes are so surrendered for exchange, Lessor shall execute, and Administrative Agent shall authenticate and deliver, the Notes which the Lender making the exchange is entitled to receive. All Notes issued upon any registration of transfer or exchange of Notes shall be the valid obligations of Lessor evidencing the same respective obligations, and entitled to the same security and benefits under this Indenture, as the Notes surrendered upon such registration of transfer or exchange. Every Note presented or surrendered for registration of transfer or exchange, shall (if so required by Administrative Agent) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to Administrative Agent duly executed by the holder thereof or his attorney duly authorized in writing. Administrative Agent shall make a notation on each new Note of the amount of all payments of principal previously made on the old Note or Notes with respect to which such new Note is issued and the date to which interest on such old Note or Notes has been paid. Lessor shall not be required to exchange any surrendered Notes as above provided during the three calendar day period preceding the due date of any payment on such Note.

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SECTION 5.8. Mutilated, Destroyed, Lost or Stolen Notes. If any Note shall become mutilated, destroyed, lost or stolen, Lessor shall, upon the written request of the affected Lender, execute and Administrative Agent shall authenticate and deliver, in replacement thereof, a new Note of the same series in the same principal amount, dated the date of the Note being replaced and issued under this Indenture. If the Note being replaced has become mutilated, such Note shall be surrendered to Administrative Agent, a photocopy thereof shall be furnished to Lessor by Administrative Agent and such Note shall be canceled by Administrative Agent. If the Note being replaced has been destroyed, lost or stolen, the affected Lender shall furnish to Lessor, Lessee and Administrative Agent such security or indemnity as may be required by them to hold Lessor, Lessee and Administrative Agent harmless and evidence satisfactory to Lessor, Lessee and Administrative Agent of the destruction, loss or theft of such Note and of the ownership thereof, provided, however, that if any Lender, any Affiliate of Lender, or any other institutional investor, or a nominee of any thereof is the owner of any such lost, stolen, destroyed, or mutilated Note, then the affidavit of the president, vice president, treasurer or assistant treasurer of such holder setting forth the fact of loss, theft, destruction or mutilation and of its ownership of the Note at the time of such loss, theft, destruction or mutilation shall be accepted as satisfactory evidence thereof and no security or indemnity shall be required as a condition to execution and delivery of a new Note other than the written agreement of such holder to indemnify Lessor and Administrative Agent for any claims or actions against and resulting from the issuance of such new Note.

SECTION 5.9. Payment of Expenses on Transfer. Upon the issuance of a new Note or Notes pursuant to Section 5.7 or 5.8 hereof, Lessor and/or Administrative Agent may require from the party requesting such new Note or Notes, without any right of reimbursement under any Operative Document, payment of a reasonable sum to reimburse Lessor and/or Administrative Agent for, or to provide funds for, the payment of any tax or other governmental charge in connection therewith by Lessor or Administrative Agent.

SECTION 5.10. The New Notes.

(a) Each new Note (herein, in this Section 5.10, called a "New Note") issued pursuant to Sections 5.7 and 5.8 hereof in exchange for or in substitution or in lieu of an outstanding Note (herein, in this Section 5.10, called an "Old Note") shall be dated the date of such Old Note. Administrative Agent shall mark on each New Note (i) the date to which principal and interest have been paid on such Old Note, (ii) all payments and prepayments of principal previously made on such Old Note which are allocable to such New Note, and (iii) the amount of each installment payment payable on any such New Note. Each installment payment payable on such New Note on any date shall bear the same proportion to the installment payment payable on such Old Note on such date as the original principal amount of such New Note bears to the original principal amount of such Old Note. Interest shall be deemed to have been paid on such New Note to the date on which interest shall have been paid on such Old Note, and all payments and prepayments of principal marked on such New Note, as provided in clause (ii) above, shall be deemed to have been made thereon.

(b) All New Notes issued in exchange for or in substitution or in lieu of Old Notes shall be valid obligations of Lessor evidencing the same aggregate amount of debt as the Old

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Notes and shall be entitled to the benefits and security of this Indenture to the same extent as the Old Notes.

(c) Upon the issuance of any Note pursuant to this Participation Agreement, Administrative Agent shall prepare two copies of an amortization schedule with respect to such Note setting forth the amount of the installment payments to be made on such Note after the date of issuance thereof and the unpaid principal balance of such Note after each such installment payment. Administrative Agent shall deliver, or send by first-class mail, postage prepaid, one copy of the applicable schedule to each Lender.

SECTION 5.11. Prepayments. Notes shall not be subject to prepayment except as provided in this Section 5.11, as follows:

(a) Voluntary Prepayments. The Lessee shall have the right to prepay an amount equal to the outstanding amount of the Notes and Equity Investment in whole at any time pursuant to the exercise of purchase option permitted under

Article XVII of the Lease at a price equal to the outstanding amount of the Notes and Equity Investment, together with accrued and unpaid interest and Equity Return and (until the third anniversary of the commencement of the Initial Lease Term) a premium in an amount as set forth in the Syndication Agreement; provided, however, that the Lessee shall also pay all Break Costs in connection with any such prepayment and all other amounts due and payable under and pursuant to the Operative Documents.

(b) Mandatory Prepayments.

(i) If at any time the sum of the aggregate amount of outstanding Loans and Equity Investment shall exceed the Aggregate Commitment Amount, the Lessee shall immediately make payment on the Notes or Equity Investment in an amount sufficient to eliminate such excess. Such payments shall be applied to Base Rate Loans/Equity Investment, then to Eurodollar Loans/Equity Investment, and with respect to each Type of Loans in direct order of their Interest Period maturities (if applicable).

(ii) The Tranche A Notes, Tranche B Notes of the series issued on a Closing Date, together with the related Equity Investment for any Unit shall be prepaid in whole or in part, together with accrued interest and Equity Return thereon to the date of prepayment upon the occurrence of an Event of Loss with respect to such Unit of Equipment (a "Casualty Unit") (unless pursuant to Section 10.2 of the Lease, a new Unit shall have been substituted for such Casualty Unit), on the date specified for payment of Termination Value with respect to such Event of Loss in Section 10.3 of the Lease, in an aggregate amount equal to the sum of (A) an amount equal, as to principal thereof, to the product obtained by multiplying the aggregate unpaid principal amount of the Tranche A Notes and Tranche B Notes of such series outstanding, together with the related Equity Investment as of such date by a fraction, the numerator of which shall be the Termination Value of such Casualty Unit and the denominator of which shall be the aggregate Termination Value of all Units of Equipment that were included in the Trust Estate immediately prior to such payment date assuming such Event of Loss had not occurred, (B) the aggregate amount of interest and Equity Return accrued and unpaid to such date on the principal amounts of the Tranche A Notes and Tranche B Notes and Equity

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Investment being prepaid and (C) all other amounts due and payable to the Lenders and Owner Participant hereunder or pursuant to any of the Operative Documents with respect to such Unit or Units.

(iii) If Lessee shall exercise its option under Article XVII of the Lease to purchase all but not less than all of the Equipment on the Expiration Date, then on such date, the Notes and the Equity Investment, together with accrued and unpaid interest and Equity Return and all other amounts due and owing the Participants under the Operative Documents, shall be paid.

(iv) If the "Syndication Period" (as defined in the Syndication Agreement) shall terminate for any reason set forth in Section 1(b) of the Syndication Agreement, other than clause (iii) of Section 1(b), then on the date of such termination, the Notes and the Equity Investment, together with accrued and unpaid interest and Equity Return, shall be paid.

(c) Prepayments Generally.

(i) In the event of any prepayment of less than the entire principal amount of Notes then outstanding pursuant to Section 5.11(b), (X) Lessor shall deposit, in immediately available funds in the account of Administrative Agent at the place and by the time and otherwise in the manner provided in Section 5.5 hereof, the respective amounts set forth in Section 5.11(b), (Y) Lessor will allocate the principal amount so to be prepaid among all outstanding Tranche A Notes, Tranche B Notes and Equity Investment pro rata according to the respective unpaid principal amounts of the Notes and Equity Investment and (Z) the amount required to be paid pursuant to Section 5.2 hereof in respect of the Tranche A Notes and Tranche B Notes shall be reduced on each Payment Date subsequent to the date of such prepayment by an amount equal to

the product of (A) the principal amount of Tranche A Notes and Tranche B Notes which would be due and payable on each Payment Date had such prepayment not been made and (B) a fraction, the numerator of which shall be the aggregate principal amount of the Tranche A Notes and Tranche B Notes so prepaid and the denominator of which shall be the entire principal amount of the Tranche A Notes and Tranche B Notes outstanding immediately prior to such prepayment.

(ii) No prepayment of any Notes or any purchase by Lessor of any Notes may be made except to the extent and in the manner expressly permitted by Article V of this Participation Agreement.

(iii) In the case of any prepayment of the Notes, notice thereof in writing to the Lenders to be prepaid shall be sent by Lessee by United States certified mail, postage prepaid, and received by each Lender and Administrative Agent at its address set forth in the Note Register, at least ten (10) days prior to the date fixed for prepayment. Such notice shall specify the date fixed for prepayment, the provision hereof under which such prepayment is being effected and that on the date fixed for prepayment there will become due and payable upon each Note or portion thereof so to be prepaid, at the place where the principal of the Notes to be prepaid is payable, the specified amount of principal

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thereof, together with the accrued interest to such date, and all other amounts due to the Lenders under the Operative Documents as is payable thereon, and after such date interest thereon shall cease to accrue.

(iv) On the date of any partial prepayment of any Note, Administrative Agent shall prepare two (2) copies of an amortization schedule with respect to such Note setting forth the amount of the installment payments to be made on such Note after the date of such partial prepayment and the unpaid principal balance of such Note after each such installment payment. Administrative Agent shall deliver, or send by first-class mail, postage prepaid, one such copy of the applicable schedule to each Lender.

ARTICLE VI COVENANTS

SECTION 6.1. Covenants of Obligors. Each Obligor covenants and agrees with Owner Participant, each Lender, Lessor and Collateral Agent that during the Term:

(a) (i) Each Obligor shall at all times maintain its corporate existence except as permitted by paragraph (ii) hereof. Each Obligor shall do or cause to be done all things necessary to preserve and keep in full force and effect its full corporate power and authority to perform its obligations under each Operative Document to which it is or will be a party;

(ii) Guarantor shall not (A) consolidate with or merge with or into any other Person (a "Merger") or (B) transfer, directly or indirectly, by sale, exchange, lease or other disposition, or pledge or otherwise encumber, or become the subject of, or engage in a leveraged buy-out (or any other form of corporate reorganization, consolidation or combination), in any single transaction or series of transactions to one or more Persons (a "Transfer"), all or substantially all of its assets without the consent of Owner Participant and, if the Lien of the Security Agreement shall not have been discharged pursuant to the terms thereof, Collateral Agent and the Lenders, unless:

(1) the Person that results from such Merger, if such Person is not Guarantor, or the Person to which such Transfer is made has assumed in writing all obligations of Guarantor, including the due and punctual performance and observance of each covenant and condition of this Participation Agreement and the other Operative Documents to be performed or observed by Lessee which assumption shall be in form and substance reasonably satisfactory to the Participants;

(2) immediately after giving effect to such Merger or

Transfer, no Unmatured Lease Default or Lease Event of Default shall have occurred and be continuing; and

(3) the entity that results from such Merger or the entity to which such Transfer is made is a Solvent corporation that is organized under the laws of a state of the United States or the District of Columbia.

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(b) Each Obligor shall furnish to Owner Participant, Lessor and (until the Lien of the Security Agreement shall have been discharged pursuant to the terms thereof) Collateral Agent, notice on or before the 30th day prior to any relocation of its chief executive office or any change in its name.

(c) Each Obligor shall, at its own expense (except where the expense thereof is expressly required to be paid by another party hereto), promptly and duly execute and deliver such further documents and assurances and take such further action as any party to this Participation Agreement may from time to time reasonably request in order to more effectively carry out the intent and purpose of this Participation Agreement and the other Operative Documents and to establish and protect the rights and remedies created or intended to be created in favor of any such Person hereunder and under the other Operative Documents.

(d) Upon reasonable prior notice to Lessee or Guarantor, as the case may be, such Obligor agrees to permit Owner Participant or any Lender (or such Persons as or Owner Participant or any Lender may designate), at their respective sole cost, expense and risk, at any time during normal business hours to discuss (subject to reasonable confidentiality arrangements and customary exceptions) such Obligor's financial condition and business affairs (subject to any restrictions on selective disclosure or disclosure of non-public information under the Securities Exchange Act of 1934 and related laws, after giving effect to any confidentiality arrangements accepted by such Person) and the status of the Equipment with appropriate officers of such Obligor, all at such times and as often as Owner Participant or any Lender may reasonably request, provided that during the continuance of an Unmatured Lease Default under Section 13.1 (a), (b), (i), or (g) of the Lease or any Lease Event of Default, such meetings shall be at Lessee's cost and expense.

(e) During the term of the Lease, Guarantor will furnish to the Participants, Lessor and Collateral Agent the following:

(i) as soon as available and in any event within 60 days after the end of each quarterly period, except the last, of each fiscal year, a copy of Guarantor's filing with the Securities and Exchange Commission for such quarterly period on Form 10Q, or if such filing is not made with the Securities and Exchange Commission, the consolidated balance sheet of Guarantor and its consolidated Subsidiaries as at the end of such period, together with the related consolidated statement of income of Guarantor and its Subsidiaries for the period beginning on the first day of such fiscal year and ending on the last day of such quarterly period, setting forth in each case in comparative form the figures for the corresponding periods of the previous fiscal year, all in reasonable detail and certified by the chief financial officer or corporate controller of Guarantor as being complete and correct, prepared in accordance with generally accepted accounting principles and fairly presenting Guarantor's financial condition and results of operations;

(ii) as soon as available and in any event within 120 days after the last day of each fiscal year, a copy of Guarantor's filing with the Securities and Exchange Commission for such annual period on Form 10K, or if such filing is not made with the Securities and Exchange Commission, the consolidated balance sheet, and related consolidated statements of income, retained income and cash flows, of Guarantor and its

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consolidated subsidiaries for such fiscal year, prepared and certified by Guarantor's nationally recognized external auditors setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail, and certified by the chief financial officer

or corporate controller of Guarantor as being complete and correct, prepared in accordance with generally accepted accounting principles and fairly presenting Guarantor's financial condition and results of operations;

(iii) within the period provided in subparagraph (ii) above, a certificate, signed by Authorized Officer of Guarantor, to the effect that the signer thereof is familiar with the terms and provisions of the Lease and Guaranty and that at the date of said certificate the signer is not aware, after due inquiry, of any default in compliance by Lessee or Guarantor with any of the covenants, terms or provisions of the Lease and each other Operative Document to which either is a party, or if the signer is aware of any such default, he shall disclose in such certificate the nature thereof and the nature of the action Lessee is taking or proposes to take with respect thereto;

(iv) such additional information as any Participant may reasonably request concerning the business or financial condition of Lessee or relating to the Equipment; and

(v) written notice specifying any condition which constitutes a Unmatured Lease Default or Lease Event of Default, and the nature and status thereof, promptly after any Authorized Officer of Lessee or Guarantor, as the case may be, acquires actual knowledge thereof.

(f) Minimum Consolidated Tangible Net Worth. Guarantor shall at all times maintain Consolidated Tangible Net Worth at an amount not less than the sum of (i) \$250,000,000 plus (ii) 25% of Consolidated Net Income computed on a cumulative basis for each of the elapsed fiscal quarters ending after December 31, 2000 plus (iii) 50% of the amount of net proceeds to Guarantor of any public or private offering of equity securities of Guarantor after the date hereof (other than pursuant to Guarantor's employee stock plans); provided that notwithstanding that Consolidated Net Income for any such elapsed fiscal quarter may be a deficit figure, no reduction as a result thereof shall be made with respect to the sum to be maintained pursuant hereto.

(g) Maximum Leverage Ratio. Guarantor shall not permit the ratio ("Leverage Ratio") of its Consolidated Funded Debt to Consolidated Total Capitalization at any time to exceed 0.60 to 1.

(h) Modifications to Covenants. If any of Guarantor's credit agreements which contain covenants similar to the covenants set forth in Sections 6.1(f) and (g) hereof are amended such that such corresponding covenants in such credit agreements become more restrictive than the covenant set forth in Sections 6.1(f) and (g) hereof, Lessee shall promptly notify each of the parties hereto of such amendment and hereby agrees that it shall promptly enter into an amendment of this Participation Agreement at the request of Required Lenders, satisfactory in all respect to the parties hereto (other than Lessee), which amendment shall amend Sections 6.1(f) and (g) and any other applicable provisions so that such provisions are as restrictive as the corresponding provisions in such credit agreements.

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SECTION 6.2. Covenants of Owner Participant. Owner Participant covenants and agrees with Lessee, each Lender, Lessor and Collateral Agent as follows:

(a) No Termination of Trust. During the Term, without the prior written consent of Lessee and (unless the Lien of the Security Agreement shall have been discharged pursuant to the terms thereof) Lenders and Collateral Agent, Owner Participant shall not terminate the Trust Agreement or the trust created pursuant thereto.

(b) Removal of Liens. Owner Participant will not directly or indirectly create, incur, assume or suffer to exist any Lessor Liens attributable to it on the Equipment, the Trust Estate or the Collateral Estate and, subject to a Permitted Contest, it will, at its own cost and expense, promptly take such action as may be necessary to discharge fully any such Lessor Liens.

SECTION 6.3. Covenants of Collateral Agent. Collateral Agent covenants and agrees with Lessee, the Lenders, Owner Participant and Lessor that (a) it will not directly or indirectly create, incur, assume or suffer to exist any Liens on the Equipment, the Trust Estate or the Collateral Estate that result

from any act, failure to act or claim against Collateral Agent and not related to the transactions contemplated by this Participation Agreement or any of the other Operative Documents, (b) it will, at its own cost and expense, promptly take such action in its individual capacity as may be necessary to discharge fully any such Liens on the Collateral Estate, and (c) it will not sell, transfer or otherwise dispose of all or any part of the Trust Estate where such sale, transfer or disposition would violate the Lease or the Security Agreement.

SECTION 6.4. Covenants of Trust Company. Trust Company covenants and agrees with Lessee, the Note Purchaser, Owner Participant and Collateral Agent that (a) it will not directly or indirectly create, incur, assume or suffer to exist any Lessor Liens attributable to it on the Equipment, the Trust Estate or the Collateral Estate, (b) it will, in its individual capacity and at its own cost and expense, promptly take such action in its individual capacity as may be necessary to discharge fully such Lessor Liens arising by, through or under it in its individual capacity on the Trust Estate, and (c) during the Term, it will not sell, transfer, assign or otherwise dispose of all or any part of the Trust Estate except to a successor trust company acting as trustee under the Trust Agreement.

SECTION 6.5. Covenant of Lessor. Lessor shall furnish to Lessee and (until the Lien of the Security Agreement shall have been discharged pursuant to the terms thereof) Collateral Agent and each Lender, notice on or before the 30th day prior to any name change or relocation of its chief executive office or principal place of business or regarding the books and records relating to the Equipment or the Trust Estate.

ARTICLE VII GENERAL INDEMNITY

SECTION 7.1. Indemnity.

(a) Indemnified Claims. Lessee hereby agrees to assume liability for, and does hereby agree to defend, indemnify, protect, save and keep harmless on an After-Tax Basis each Indemnitee from and against any and all liabilities, obligations, losses, damages, penalties, claims (including claims by any employee of Lessee or any of its contractors), actions, suits and

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related costs, claims and disbursements, including reasonable legal fees and claims and costs of investigation, of whatsoever kind and nature (for purposes of this Section collectively called "Claims"), imposed on, asserted against or incurred by any Indemnitee, in any way based on, relating to or arising out of:

(i) this Participation Agreement, the Lease (including any Lease Supplement) or any other Operative Document, or the transactions contemplated thereby (including any misrepresentation or breach of warranty or covenant by Lessee contained herein or therein or in any other document or certificate delivered by Lessee pursuant hereto) or any waivers, modifications, supplemental, or amendments thereto, or the enforcement thereof against Lessee;

(ii) the Equipment or any Unit or part thereof, or the selection, rejection, location, construction, design, manufacture, financing, acceptance, rejection, installation, ownership, purchase, delivery, non-delivery, lease, sub-leasing, transportation, possession, use, operation, condition substitution, sale, return or disposition of the Equipment or any Unit or part thereof (including, without limitation, latent and other defects, whether or not discoverable by the Indemnitee or Lessee, and any claim for patent, trademark or copyright infringement and any claim arising under any strict liability doctrine in tort);

(iii) any Environmental Claims in connection with, or alleged to be in connection with (whether or not in compliance with the terms of the Lease) the operation, use, possession, storage, abandonment or return of any Unit of Equipment, and any Environmental Claims (including Environmental Claims related to real property) in connection with, or alleged to be in connection with (whether or not in compliance with the terms of the Lease) the treatment, recycling, use, storage, transportation, disposal, presence, discharge, spillage, release or escape of any commodity loaded, stored or transported in any Unit prior to its return empty to Lessor in accordance with and in the condition

required by the Lease;

(iv) the offer, sale, delivery, resale or holding of the Notes or interests in the Trust Estate as contemplated by and pursuant to the terms of the Participation Agreement;

(v) any violation of law, rule, regulation or order by the Lessee or any of Person in connection with the use or operation of the any Unit; or

(vi) the acquisition or holding of any Notes being deemed to result in a "prohibited transaction" under ERISA or the Code.

(b) Lessee's Claims Excluded. The following are excluded from Lessee's agreement to indemnify under this Section 7.1:

(i) Claims with respect to any Unit to the extent attributable to acts or events occurring after (A) in the case of the exercise by Lessee of any purchase option with respect to such Unit, or the occurrence of a Event of Loss with respect to such Unit, the payment of all amounts due in connection with any such event and the discharge of the

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Security Agreement or (B) in all other cases with respect to any Unit, the later to occur of (x) the earlier to occur of the termination of the Lease and the expiration of the Lease Term, (y) the return of such Unit to the Lessor in accordance with the terms of Articles XII and XIV of the Lease or (z) the discharge of the Lien of the Security Agreement;

(ii) any Taxes (other than amounts in respect of Taxes necessary to hold such Indemnatee harmless on an After-Tax Basis and other than with respect to claims arising from a violation of ERISA), it being agreed that the indemnity for Taxes is in Section 8.1;

(iii) with respect to a particular Indemnatee, claims only to the extent resulting from the willful misconduct or gross negligence of such Indemnatee (other than gross negligence or willful misconduct imputed as a matter of law to such Indemnatee solely by reason of its interest in the Equipment) the inaccuracy of any representation made by such Indemnatee in the Operative Documents or any certificate delivered in connection therewith or the breach by such Indemnatee of its express obligations under the Operative Documents (other than any breach imputed as a matter of law to such Indemnatee solely by reason of its interest in the Equipment or as a result of Lessee's acts);

(iv) with respect to a particular Indemnatee, any Claim to the extent attributable to the offer, sale, disposition or transfer (voluntary or involuntary) by or on behalf of such Indemnatee of any interest in the Equipment, any Operative Document, the Trust Estate or the Notes or any similar security, other than a transfer by such Indemnatee of its interests in any Unit in connection with Article XI of the Lease or a transfer to the Lessee pursuant to Article XVII of the Lease or a transfer pursuant to Article XIII or XIV of the Lease arising by reason of Lease Event of Default;

(v) any cost, fee or expense expressly payable by a Person other than Obligor pursuant to the Lease or any other Operative Document;

(vi) with respect to a particular Indemnatee, Claims resulting from any prohibited transaction, within the meaning of ERISA or section 4975(c)(1) of the Code, other than, in case of the Owner Participant and a Note Purchaser, arising from the purchase and holding by the Owner Participant or a Note Purchaser, as the case may be, of its respective interest in the Trust Estate or the Notes in accordance with its representations and covenants under the Operative Documents; and

(vii) as to any Indemnatee that is a Lender, Claims resulting from any breach of a fiduciary duty under ERISA by such Indemnatee.

(c) Procedure. The Lessee shall notify each Indemnified Party of any

claim or liability that is, or is likely to result in, a Claim indemnifiable under this section of which it has actual knowledge. If any Indemnitee shall have knowledge of any Claim, it shall give prompt written notice thereof to Lessee; provided, however, that the failure of such Indemnitee to give such notice shall relieve Lessee of its obligations hereunder only if and to the extent such failure precludes a contest by Lessee hereunder. Lessee may, at its election and at its expense, in good faith and by appropriate legal proceedings, contest or defend an asserted claim or liability for which it is indemnifying under this Section 7.1 so long as, in the reasonable opinion of the

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Indemnitee, such defense is being diligently conducted by Persons reasonably satisfactory to the affected Indemnified Parties; provided, however, that Lessee shall have no such right (i) unless the Lessee shall deliver to the relevant Indemnified Party a written acknowledgment of the Lessee's obligation to indemnify such Indemnified Party with respect to such Claim, or (ii) if any Unmatured Lease Default or Lease Event of Default shall have occurred and be continuing; or (iii) if such Claim involves a possible imposition of any criminal liability or penalty or civil penalty on such Indemnified Party or (iv) if such proceedings will involve a material risk of the sale, forfeiture or loss of, or the creation of any Lien (other than a Permitted Lien) on the Equipment, the Trust Estate or any part of any thereof unless the Lessee shall have provided security for the Lessee's obligations under this Section with respect to such Claim reasonably satisfactory to the relevant Indemnified Parties with respect to such risk. Settlement of any dispute or Claim or action in the name of an Indemnitee shall not be finalized without such Indemnitee's prior written consent, which consent shall not be unreasonably withheld. The Lessee will provide the Indemnified Party with such information not within the control of such Indemnified Party, as is in the Lessee's control or is reasonably available to Lessee, which such Indemnified Party may reasonably request and shall otherwise cooperate with such Indemnified Party so as to enable such Indemnified Party to fulfill its obligations under this Section 7.1. Where the Lessee, or the insurers under a policy of insurance maintained by the Lessee, undertakes the defense of an Indemnified Party with respect to a claim, no additional legal fees or other expenses of such Indemnified Party in connection with the defense of such Claim shall be indemnified hereunder unless: (A) such fees or expenses were incurred at the request of the Lessee or (B) in the written opinion of independent counsel to such Indemnified Party an actual or potential conflict of interest exists where it is advisable for such Indemnified Party to be represented by separate counsel. In any of the above cases, the reasonable fees and expenses of such separate counsel shall be borne by the Lessee.

Subject to the requirements of any policy of insurance an Indemnified Party may participate at its own expense in any judicial proceeding controlled by the Lessee pursuant to the preceding provisions.

(d) Payment, Survival. Any amount payable to an Indemnified Party pursuant to this Section shall be paid within thirty (30) days after receipt of a written demand therefor from such Indemnified Party accompanied by a written statement describing in reasonable detail the Claims which are the subject of and basis for such indemnity and the computation of the amount so payable. Nothing in the foregoing sentence shall imply any excuse of the Lessee's obligations under this section to protect, defend, assume liability for, save and keep harmless the Indemnified Parties for the Claims herein provided. All the indemnities contained in this Section 6.1 shall continue in full force and effect, notwithstanding the expiration or other termination of the Lease, with respect to events occurring prior to return of the Units to Lessor pursuant to the Lease and are expressly made for the benefit of, and shall be enforceable by, each Indemnitee.

(e) Waiver of Certain Claims. Lessee hereby waives and releases any Claim now or hereafter existing against any Indemnitee arising out of death or personal injury to personnel of Lessee, loss or damage to property of Lessee, or the loss of use of any property of Lessee, which may result from or arise out of the condition, use or operation of the Equipment during the Lease Term, including without limitation any latent or patent defect whether or not discoverable.

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(f) Conflicting Provisions. The general indemnification provisions of

this Section 7.1 are not intended to waive or supersede any specific provisions of, or any rights, obligations or remedies of Lessee under the Lease, this Participation Agreement or any other Operative Document.

SECTION 7.2. No Impairment. Notwithstanding anything herein to the contrary, the actions or omissions of any Indemnatee not constituting gross negligence or willful misconduct shall not, in any way, impair the right of any other Indemnatee to indemnification under this Article.

ARTICLE VIII
GENERAL TAX INDEMNITY; OTHER INDEMNITIES

SECTION 8.1. Indemnity.

(a) Indemnity. Lessee agrees to pay, and indemnify and hold harmless each Indemnatee from, all license and registration fees and all taxes, assessments, rates, excises, permit fees, inspection fees, levies, imposts, duties, charges or withholdings of any nature whatsoever, including, sales, gross receipts, transfer, property, stamp, use, value-added, general and other taxes, together with any penalties, fines or interest thereon imposed against any Indemnatee, Lessee, the Equipment or any Unit or part thereof or interest therein by any federal, state or local government or taxing authority in the United States or by any foreign country or subdivision thereof, or by any international organization, upon or with respect to the Equipment or any Unit or part thereof, or the construction, manufacture, financing, acceptance, installation, ownership, purchase, delivery, lease, sub-leasing, rental, transportation, possession, use, operation, improvement, modification, substitution, replacement, maintenance, condition substitution, sale, return or disposition of the Equipment or any Unit or part thereof or interest therein or upon the rentals or upon, or with respect to the Lease, the Rent or other sums payable by Lessee under the Operative Documents or with respect to the other Operative Documents, any payment made pursuant to any such agreement, or the property, the income or other proceeds received with respect to any item of Equipment or otherwise on or with respect to the transactions contemplated by the Operative Documents (all such fees, taxes, assessments, rates, excises, levies, imposts, duties, charges and withholdings, and all penalties, additions to tax and interest imposed in connection therewith being hereinafter called "Taxes"); provided, however, that the foregoing indemnity shall not apply to:

(i) Taxes measured by net income (including any minimum or alternative minimum income taxes and any income taxes on or measured by items of tax preference), capital or net worth, and withholding in respect of any thereof, other than Taxes in the nature of or in lieu of sales, property, license, use or rental taxes and other than to the extent imposed by any foreign government or taxing authority as a result of (A) the operation, presence or registration in such jurisdiction of such Units, (B) the presence in such jurisdiction of a permanent establishment or fixed place of business of Lessee or any affiliate of Lessee, (C) the residence, nationality or place of management and control of Lessee or any affiliate of Lessee, (D) the payment from such jurisdiction by any Lessee or any affiliate of Lessee of any amount due by Lessee under any of the Operative

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Documents or (E) any combination of factors (A) - (D) above (hereinafter referred to as "Income Taxes");

(ii) Taxes imposed on an Indemnatee resulting from a voluntary sale, assignment, transfer or other disposition by such Indemnatee of any Unit of Equipment, the Trust Estate or interest therein or any interest in any trust holding such Equipment except if a Lease Event of Default shall have occurred and be continuing or due to the performance of an act under Articles VII, X, XII, XVI and XVII of the Lease or an act otherwise required by any Operative Document;

(iii) Taxes imposed on an Indemnatee resulting from an involuntary sale, assignment, transfer or other disposition by such Indemnatee of any Unit of Equipment, the Trust Estate or interest therein or any interest in any trust holding such Equipment if such involuntary sale, assignment, transfer or other disposition shall occur as a result of the bankruptcy or dissolution of such Indemnatee, except if a Lease Event of Default shall have occurred and be continuing and

such bankruptcy or dissolution is attributable to such Lease Event of Default;

(iv) Taxes in respect of any period after the expiration or early termination of this Lease so long as Lessee shall have discharged all its obligations under this Lease;

(v) Taxes that have been included in the cost of the Equipment and paid to the appropriate taxing authority;

(vi) Taxes in the nature of interest, penalties, fines or additions to tax resulting from the failure of an Indemnitee to timely provide notification of a Claim pursuant to Section 8.1(e) hereof, provided, however, that the failure of such Indemnitee to give such notice shall relieve Lessee of its obligations hereunder only if and to the extent such failure precludes a contest by Lessee hereunder; and

(vii) Taxes with respect to Claims arising under ERISA or section 4975 of the Code, it being agreed that indemnity for such Claims is in Section 7.1.

(b) Reports. In the event any reports with regard to Taxes (other than Income Taxes) are required to be made with respect to the Equipment or any Unit thereof, Lessee will, where permitted to do so under applicable rules or regulations, make and timely file such reports in such a manner as to show the interest of Lessor and any other Indemnitee therein as shall be reasonably satisfactory to each thereof or, where not so permitted, will, as soon as Lessee has knowledge thereof, notify Lessor and any other Indemnitee of such requirement and will assist in preparation of such reports by Lessor or any other Indemnitee in such manner as shall be reasonably satisfactory to each thereof. Unless otherwise required by law, Lessee shall be responsible for reporting the Equipment for ad valorem property tax purposes in the applicable states or localities and, unless otherwise required by law, no Indemnitee shall include the Equipment in any ad valorem or other similar tax returns filed by it in such states or localities.

(c) After-Tax Basis. Lessee further agrees that, with respect to any payment or indemnity to an Indemnitee under this Article VIII, and notwithstanding the proviso in Section 8.1(a), Lessee's indemnity obligations shall include any amount necessary to hold such

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Indemnitee harmless on an After-Tax Basis from all Taxes required to be paid by such Indemnitee with respect to such payment or indemnity (including any payments under this Section 8.1(c)). Payment shall be made by Lessee in immediately available funds no later than one (1) Business Day prior to the date on which the Indemnitee must transfer funds to pay such Taxes.

(d) Payment; Survival. All amounts payable by Lessee pursuant to this Section 8.1 shall be payable directly to the Indemnitee except to the extent paid to a governmental agency or taxing authority. All the indemnities contained in this Section 8.1 and the obligation, if any, of Lessee to make payments to each Indemnitee pursuant to this Section 8.1, shall continue in full force and effect, notwithstanding the expiration or other termination of the Lease in whole or in part, as to matters arising prior to the return of the Units of Equipment to Lessor in accordance with the Lease until all such obligations of Lessee and each Indemnitee have been met and such liabilities have been paid in full and are expressly made for the benefit of, and shall be enforceable by, each Indemnitee. Lessee's obligations under this Section 8.1 shall be that of primary obligor irrespective of whether the Indemnitee shall also be indemnified with respect to the same matter under some other agreement by another Person.

(e) Contest. If any claim is made against any Indemnitee, by commencement of proceedings against the Indemnitee or otherwise, for any Taxes as to which Lessee has an indemnity obligation pursuant to this Section 8.1, such Indemnitee shall promptly notify Lessee of such claim in writing; provided, however, the failure to give such notice shall relieve Lessee of its obligations hereunder only if such failure precludes a contest by Lessee hereunder. Lessee may, at its sole cost and expense, in good faith and by appropriate legal proceedings, contest or defend an asserted claim or liability for which it is indemnifying under this Section 8.1 (and has acknowledged liability in writing to the relevant Indemnified Parties) so long as in the reasonable opinion of the

Indemnified Person, such defense is being diligently conducted by Persons reasonably satisfactory to the affected Indemnitees; provided, however, if there has been a material adverse change in the business, assets, operations, prospects or condition (financial or otherwise) of Lessee, Lessee may only conduct such contest upon providing a letter of credit, bond or other security satisfactory in all respects to Lessor to cover the potential Taxes involved in such contest; and provided further, however, that Lessee may not conduct any contest or defense (i) involving Taxes not indemnified by Lessee hereunder or (ii) if such Indemnitee or Owner Participant shall have reasonably determined that the conduct of such contest or defense will result in any material danger of sale, forfeiture or loss of, or the creation of any Lien (except if Lessee shall have adequately bonded such Lien or otherwise made provision to protect the interests of such Indemnitee and Owner Participant in a manner reasonably satisfactory to them) on the Equipment or any Unit of Equipment or may otherwise interfere with timely payments of Rent.

(f) Verification. At the Lessee's request, the amount of any indemnity payment by the Lessee or any payment by an Indemnitee to the Lessee pursuant to this Section 8.1 shall be verified and certified by an independent public accounting firm mutually acceptable to the Lessee and such Indemnitee. The costs of such verification shall be borne by the Lessee unless such verification shall result in an adjustment in the Lessee's favor of the lesser of (i) \$50,000 or (ii) 20 percent of the payment as computed by such Indemnitee, in which case such fee shall be paid by such Indemnitee. In no event shall the Lessee have the right to review such Indemnitee's

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tax returns or receive any other confidential information from such Indemnitee in connection with such verification. Any information provided to such accountants by any Person shall be and remain the exclusive property of such Person and shall be deemed by the parties to be (and the accountants will confirm in writing that they will treat such information as) the private, proprietary and confidential property of such Person, and no Person other than such Person and the accountants shall be entitled thereto and all such materials shall be returned to such Person. Such accounting firm shall be requested to make its determination within 30 days of the Lessee's request for verifications and the computations of the accounting firm shall be final, binding and conclusive upon the Lessee and such Indemnitee. The parties agree that the sole responsibility of the independent public accounting firm shall be to verify the amount of a payment pursuant to the Lease and that matters of interpretation of the Lease are not within the scope of the independent accounting firm's responsibilities.

(g) Tax Ownership. Each Indemnitee represents and warrants that it will not, prior to the termination of the Lease, claim ownership of (or any tax benefits, including depreciation, predicated upon ownership of) the Equipment for any income tax purposes, it being understood that the Lessee is and will remain the owner of the Equipment for such income tax purposes until the termination of the Lease. If, notwithstanding the income tax intentions of the parties as set forth herein, any Indemnitee actually receives any income tax deductions, reductions in income tax or other income tax benefit as a result of any claim for, or recharacterization requiring such party to take, any tax benefits attributable to ownership of the Equipment for income tax purposes, and provided that no Lease Event of Default in continuing, such Indemnitee shall pay to the Lessee, together with an amount equal to any reduced Taxes payable by such Indemnitee as a result of such payment, the amount of such income tax savings actually realized by such Indemnitee (less the amount of any increase in income tax that is currently payable as a result of such claim or recharacterization), provided that the Lessee shall agree to reimburse such Indemnitee for any subsequent increase in such Indemnitee's income taxes resulting from such claim or recharacterization not taken into account in the payment made to the Lessee, up to the net amount paid to the Lessee by each Indemnitee. The parties agree that this Section 8.1(g) is intended to require a payment to the Lessee if and only if each Indemnitee shall have actually received an unanticipated tax savings with respect to the Equipment that would not have been received if each Indemnitee had advanced funds to the Lessee in the form of a loan secured by the Equipment in an amount equal to the Equipment Cost. Nothing in this Section 8.1 shall be construed to require any Indemnitee to take any affirmative action to realize any Tax savings or Tax benefit if in its reasonable judgment such action may have an adverse effect on such Indemnitee (including such action or Tax position being or being viewed as inconsistent with any other action or Tax position claimed by such Indemnitee

for the relevant period or periods).

(h) Delivery of Forms. On or before the date hereof or, if later, the date on which it acquires the rights and obligations of an Indemnitee pursuant to the Operative Documents, each Indemnitee which is not a United States person (within the meaning of Section 7701(a)(30) of the Internal Revenue Code of 1986) will deliver to the Guarantor and the Administrative Agent a fully completed and duly executed copy of the appropriate United States Internal Revenue Service Form W-8 confirming that such Indemnitee is entitled under Section 1442 of the Internal Revenue Code or any other applicable provision thereof or under any applicable tax treaty or convention to receive payments under the Operative Documents without deduction or withholding of United States federal income tax. So long as the Commitments are outstanding

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and until the obligations of the Obligors under the Operative Documents have been paid and performed in full, each Indemnitee shall also deliver a further copy of such Form W-8 or any successor forms thereto to the Guarantor upon the expiration, if any, of the form previously delivered by such Indemnitee hereunder, unless any change in law or regulation of the United States or any taxing authority thereof has occurred prior to the date on which such delivery would otherwise be required which renders such form inapplicable or which would prevent such Indemnitee from completing and delivering such form. Notwithstanding anything to the contrary in the Operative Documents, the Lessee and the Obligors shall not be required to gross-up any payment for withholding taxes imposed on any Indemnitee which has failed to comply with its obligations under this Section 8.1(h) if such compliance would have avoided such withholding taxes and the Lessee and the Obligors shall be entitled to withhold from any payments to such Indemnitee under this Agreement any such withholding taxes.

SECTION 8.2. Indemnity Payments in Addition to Lease Obligations. The Lessee acknowledges and agrees that the Lessee's obligations to make indemnity payments under this Article VIII are separate from, in addition to, and do not reduce, the Lessee's obligation to pay under the Lease that portion of the Equipment Cost constituting the Maximum Lessee Risk Amount.

SECTION 8.3. Eurodollar Rate Lending Unlawful. Notwithstanding any other provision herein, if the adoption of or any change in any Applicable Law or in the interpretation or application thereof occurring after the Closing Date shall make it unlawful for a Participant to make or maintain Eurodollar Loan(s)/Equity Investment(s) as contemplated by the Operative Documents (i) such Participant shall promptly give written notice of such circumstances to the Lessee and the other Participants (which notice shall be withdrawn whenever such circumstances no longer exist), (ii) the commitment of such Lenders or Owner Participant, as the case may be, hereunder to make Eurodollar Loan(s)/Equity Investment(s) shall forthwith be canceled and, until such time as it shall no longer be unlawful for such Participant to make or maintain Eurodollar Loan(s)/Equity Investment(s), such Participant shall then have a commitment only to make a Base Rate Loan/Equity Investment when a Eurodollar Loan/Equity Investment is requested and (c) such Participant's Loans and Equity Investment then outstanding as Eurodollar Loan(s)/Equity Investment(s), if any, shall be converted automatically to Base Rate Loan(s)/Equity Investment(s) on the respective last days of then current Interest Periods with respect to such Loans and Equity Investment or within such earlier period as required by law. If any such conversion of Eurodollar Loan(s)/Equity Investment(s) occurs on a day which is not the last day of then current Interest Period with respect thereto, the Lessee shall pay to such Participant such amounts, if any, as may be required pursuant to Section 8.6. In any such case, interest and principal (if any) shall be payable contemporaneously with the related Eurodollar Loan(s)/Equity Investment(s) of the other applicable Participants.

SECTION 8.4. Deposits Unavailable. If any of the Participants shall have determined that:

(a) Dollar deposits in the relevant amount and for the relevant Interest Period are not available to such Participant in its relevant market; or

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(b) by reason of circumstances affecting such Participant's relevant

market, adequate means do not exist for ascertaining the interest rate or Yield, as the case may be, applicable to such Participant's Loans or Equity Investment,

then, upon notice from such Participant to the Lessee and the other Participants (i) the obligations of the Participants to make Loans or Equity Investment, as the case may be, shall be suspended and (ii) each outstanding Loan or Equity Investment, as the case may be, shall begin to bear interest or accrue Yield at the Base Rate on the last day of the then current Interest Period applicable thereto.

SECTION 8.5. Increased Costs, Etc.

(a) If the adoption of or any change in any Applicable Law or in the interpretation or application thereof applicable to any Indemnitee, or compliance by any Indemnitee with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority, in each case made subsequent to the Initial Closing Date (or, if later, the date on which such Indemnitee becomes an Indemnitee):

(i) shall subject such Indemnitee to any Tax (other than withholding taxes) of any kind whatsoever with respect to any Eurodollar Loan(s)/Equity Investment(s), made or purchased by it or its obligation to make Eurodollar Loan(s)/Equity Investment(s) or maintain its commitment to make (or purchase) undivided interests in Eurodollar Loan(s)/Equity Investment, or change the basis of taxation of payments to such Indemnitee in respect thereof (except for excluded Taxes and changes in taxes measured by or imposed upon the overall gross or net income, franchise or other taxes (imposed in lieu of such net income tax), of such Indemnitee or its applicable lending office, branch, or any affiliate thereof); or

(ii) shall impose, modify or hold applicable any reserve, special deposit, compulsory loan or similar requirement against assets held by, deposits or other liabilities in or for the account of, Loans, Equity Investment, loans or other extensions of credit by, or any other acquisition of funds by, any office of such Indemnitee which is not otherwise included in the determination of the Adjusted Eurodollar Rate hereunder; or

(iii) shall impose on such Indemnitee any other condition (excluding any Tax of any kind) whatsoever in connection with the Operative Documents;

and the result of any of the foregoing is to increase the cost to such Indemnitee of making or maintaining Eurodollar Loan(s)/Equity Investment(s) or to reduce any amount receivable hereunder in respect thereof, then, in any such case, upon notice to the Lessee from such Indemnitee, the Lessee shall pay to such Indemnitee any additional amounts necessary to compensate such Indemnitee for such increased cost or reduced amount receivable. All payments required by this Section 8.5(a) shall be made by the Lessee within ten (10) Business Days after demand by the affected Indemnitee. Notwithstanding anything to the contrary contained herein, Lessee shall not be obligated to compensate any Indemnitee for any amounts pursuant to this Section 8.5 attributable to a period of time more than 90 days prior to the giving of notice by such Indemnitee of its intention to seek compensation under this Section 8.5. If any

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Indemnitee becomes entitled to claim any additional amounts pursuant to this subsection, it shall provide prompt notice thereof to the Lessee, certifying (x) that one of the events described in this clause (a) has occurred and describing in reasonable detail the nature of such event, (y) as to the increased cost or reduced amount resulting from such event and (z) as to the additional amount demanded by such Indemnitee and a reasonably detailed explanation of the calculation thereof. Such a certificate as to any additional amounts payable pursuant to this clause submitted by any Indemnitee to the Lessee shall be conclusive in the absence of manifest error. In determining any such amount, such Indemnitee may use any method of averaging and attribution that it (in its sole and absolute discretion) shall deem applicable. This covenant shall survive the termination of this Participation Agreement and the payment of the Loans and Equity Investment.

(b) Each Indemnitee shall use its reasonable efforts to reduce or

eliminate any claim for compensation pursuant to this Section 8.5, including, without limitation, a change within the United States in the office of such Indemnitee at which its obligations related to this Participation Agreement are maintained if such change will avoid the need for, or reduce the amount of, such compensation and will not, in the reasonable judgment of such Indemnitee, be otherwise disadvantageous to it.

SECTION 8.6. Funding Losses. During the Term of the Lease and thereafter, the Lessee agrees to indemnify each Indemnitee and to hold each Indemnitee harmless from any loss or expense which such Indemnitee may sustain or incur (other than through such Person's own gross negligence or willful misconduct) as a consequence of (i) default by the Lessee in making a borrowing of, conversion into or continuation of Loans or Equity Investment which are Eurodollar Loan(s)/Equity Investment(s) after the Lessee has delivered an Advance Request in accordance with the provisions of this Participation Agreement, (ii) default by the Lessee in making any prepayment of a Loan or Equity Investment which is a Eurodollar Loan/Equity Investment after the Lessee has given a notice thereof in accordance with the provisions of this Participation Agreement or (iii) the making of a prepayment of Loans or Equity Investment which are Eurodollar Loan(s)/Equity Investment(s) on a day which is not the last day of an Interest Period with respect thereto. Such indemnification may include an amount equal to the excess, if any, of (x) the amount of interest which would have accrued on the amount so prepaid, or not so borrowed, converted or continued, for the period from the date of such prepayment or of such failure to borrow, convert or continue to the last day of the applicable Interest Period (or, in the case of a failure to borrow, convert or continue, the Interest Period that would have commenced on the date of such failure) in each case at the applicable rate of interest for such Loan or Equity Investment which is a Eurodollar Loan/Equity Investment provided for herein (excluding, however, the Applicable Margin included therein, if any) over (y) the amount of interest (as reasonably determined by such Indemnitee) which would have accrued to such Indemnitee on such amount by placing such amount on deposit for a comparable period with leading banks in the interbank eurodollar market. This covenant shall survive the termination of this Participation Agreement or any other Operative Document and the payment of the Loans, Equity Investment and all other amounts payable under the Operative Documents.

SECTION 8.7. Capital Adequacy.

(a) If the adoption of any applicable law, rule or regulation regarding capital adequacy, or any change therein, or any change in the interpretation or administration thereof by

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any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Indemnitee with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, in each case made subsequent to the Initial Closing Date (or, if later, the date on which such Indemnitee becomes an Indemnitee pursuant to this Participation Agreement) has or will have the effect of reducing the rate of return on either Indemnitee's or its parent company's capital by an amount such Indemnitee deems to be material, as a consequence of its commitments or obligations hereunder to a level below that which such Indemnitee or its parent company could have achieved but for such adoption, effectiveness, change or compliance (taking into consideration such Indemnitee's or its parent company's policies with respect to capital adequacy), then, upon notice from such Indemnitee, the Lessee shall pay to such Indemnitee such additional amount or amounts as will compensate such Indemnitee and its parent company for such reduction (it being understood that such parent company shall not be reimbursed to the extent its subsidiary Indemnitee is reimbursed by the Lessee in connection with the same or a similar law, rule, regulation, change, request or directive applicable to such Indemnitee). All payments required by this Section 8.7 shall be made by the Lessee within 10 Business Days after demand by the affected Indemnitee. Notwithstanding anything to the contrary contained herein, Lessee shall not be obligated to compensate any Indemnitee for any amounts pursuant to this Section 8.7 attributable to a period of time more than 90 days prior to the giving of notice by such Indemnitee of its intention to seek compensation under this Section 8.7. If any Indemnitee becomes entitled to claim any additional amounts pursuant to this clause, it shall provide prompt notice thereof to the Lessee certifying (x) that one of the events described in this clause (a) has occurred and describing in reasonable detail the nature of such event, (y) as to the

increased cost or reduced amount resulting from such event and (z) as to the additional amount demanded by such Indemnatee and a reasonably detailed explanation of the calculation thereof (including the method by which such Indemnatee allocated such amounts to the Lessee). Such a certificate as to any additional amounts payable pursuant to this clause submitted by such Indemnatee to the Lessee shall be conclusive in the absence of manifest error; provided, however, that the method by which such Indemnatee allocated such amount to the Lessee must have been applied in good faith and must have been a method generally used by such Indemnatee for such purpose. This covenant shall survive the termination of this Participation Agreement or any other Operative Document and the payment of the Loans, Equity Investment and all other amounts payable under the Operative Documents.

(b) Each Indemnatee shall use its commercially reasonable efforts to reduce or eliminate any claim for compensation pursuant to this Section 8.7, including, without limitation, a change in the office of such Indemnatee at which its obligations related to the Operative Documents are maintained if such change will avoid the need for, or reduce the amount of, such compensation and will not, in the reasonable judgment of such Indemnatee, be otherwise disadvantageous to it.

ARTICLE IX
REPRESENTATIONS AND WARRANTIES

SECTION 9.1. Representations and Warranties of the Obligors. Each of the Guarantor, and the Lessee represents and warrants to each Participant that as of the Initial Closing Date:

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(a) Corporate or Partnership Existence and Standing. Each of the Guarantor and Lessee is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization and is in good standing and has all requisite authority to conduct its business in each jurisdiction in which its business is conducted, except where failure to have such good standing or authority would not have a Material Adverse Effect.

(b) Authorization and Validity. Each of the Guarantor and the Lessee has the power and authority to execute and deliver the Operative Documents to which it is or will be a party and to perform its obligations thereunder. The execution and delivery by the Guarantor and the Lessee of the Operative Documents to which it is or will be a party and the performance of its obligations thereunder have been duly authorized by proper proceedings, and the Operative Documents constitute legal, valid and binding obligations of the Guarantor and the Lessee, enforceable against such Persons in accordance with their terms, except as enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally.

(c) No Conflict; Government Consent. The execution, delivery and performance by each of the Guarantor and the Lessee of the Operative Documents to which it is or will be a party will not violate any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on it, or conflict with any organizational document or Material Agreement of it, or require any government approval except where such violation, conflict or lack of approval would not have a Material Adverse Effect or result in the creation or imposition of any Lien in, of or on the Property of it or any of its Subsidiaries pursuant to the terms of any such Material Agreement.

(d) Financial Statements. The September 30, 2000 consolidated financial statements of the Guarantor and its Subsidiaries were prepared in accordance with GAAP in effect on the date such statements were prepared and fairly present the consolidated financial condition and operations of the Guarantor and its Subsidiaries at such date and the consolidated results of their operations for the period then ended.

(e) Material Adverse Change. As of the Initial Closing Date there has been no change since September 30, 2000 in the business, Property, financial condition or results of operations of the Guarantor and its Subsidiaries which could reasonably be expected to have a Material Adverse Effect other than certain restructuring charges to be taken in the fourth calendar quarter of 2000 up to \$50,000,000 on a pre-tax basis.

(f) Taxes. The Guarantor and its Subsidiaries have filed all United

States federal tax returns and all other tax returns or reports which are required to be filed and have paid all taxes due pursuant to said returns or pursuant to any assessment received by the Guarantor or any of its Subsidiaries, except such taxes, if any, as are being contested in good faith and as to which adequate reserves have been provided. No tax liens have been filed and no claims are being asserted with respect to any such taxes which could reasonably be expected to have a Material Adverse Effect. The charges, accruals and reserves on the books of the Guarantor and its Subsidiaries in respect of any taxes or other governmental charges are adequate in all material respects. The Guarantor knows of no pending investigation of the Guarantor or any of its

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Subsidiaries by any taxing authority, nor of any pending but unassessed tax liability which, in either case, could reasonably be expected to have a Material Adverse Effect.

(g) Litigation and Contingent Obligations. Except as disclosed in the Guarantor's most recent Form 10-K or 10-Q, or Form 8-K filed subsequent to its most recent Form 10-K or 10-Q filed with the SEC, there is no litigation, arbitration, governmental investigation, proceeding or inquiry pending or, to the knowledge of an officer of the Guarantor, threatened against or affecting the Guarantor or any of its Subsidiaries (including, without limitation, any such action involving Environmental Laws) which, in either case, could reasonably be expected to have a Material Adverse Effect.

(h) ERISA. The Unfunded Liabilities of all Single Employer Plans do not in the aggregate exceed \$100,000,000. Neither the Guarantor nor any other member of the Controlled Group has incurred, or is reasonably expected to incur, any withdrawal liability to Multiemployer Plans in excess of \$100,000,000 in the aggregate. Except for such matters as would not singly or in the aggregate have or reasonably be expected to have a Material Adverse Effect, each Single Employer Plan complies in all material respects with all applicable requirements of law and regulations, no Reportable Event has occurred with respect to any Single Employer Plan, neither the Guarantor nor any other members of the Controlled Group has withdrawn from any Multiemployer Plan with respect to which it has any unsatisfied liability or initiated steps to do so, and no steps have been taken to reorganize or terminate any Single Employer Plan.

(i) Regulation U. Margin stock (as defined in Regulation U) constitutes less than 25% of those assets of the Guarantor and its Subsidiaries which are subject to any limitation on sale, pledge, or other restriction hereunder. The Guarantor is not engaged principally, and does not as one of its important activities engage, in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulations U or X of the Board of Governors of the Federal Reserve System), and no part of the proceeds of any extension of credit under this Agreement will be used to purchase or carry any such margin stock or to extend credit to others for the purpose of purchasing or carrying any such margin stock other than the purchase of margin stock from time to time in connection with transactions (i) authorized by the board of directors of the Guarantor, (ii) either (a) authorized by the board of directors or other governing body of the Person which stock is being acquired or (b) involving less than 5% of the stock of any Person and (iii) which would not cause the Guarantor to fail to be in compliance with the following sentence. Neither the Guarantor nor any Person acting on its behalf has taken or will take any action which could reasonably be expected to cause this Agreement or any of the Notes to violate any of said Regulations U or X, or any other regulation of the Board of Governors of the Federal Reserve System or to violate the Securities Exchange Act of 1934, in each case as now in effect or as the same may hereafter be in effect.

(j) Environmental Matters. The Guarantor, each of its Subsidiaries, and their respective Properties are in compliance with all Environmental Laws except where the failure to be in compliance could not reasonably be expected to have a Material Adverse Effect and neither the Guarantor nor any of its Subsidiaries is subject to any liability or obligation for remedial action thereunder or in connection therewith which could reasonably be expected to have a Material Adverse Effect. There are no Hazardous Materials located on or under any of the

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Property of the Guarantor or any of its Subsidiaries (other than petroleum products which are located thereon in the ordinary course of business and in a manner which does not constitute a violation of applicable Environmental Law) which could reasonably be expected to have a Material Adverse Effect. Neither the Guarantor nor any of its Subsidiaries has caused or permitted any Hazardous Material to be disposed of on or under or released from any of its Properties which disposal or release could reasonably be expected to have a Material Adverse Effect.

(k) Investment Company Act. None of the Guarantor nor any Principal Subsidiary thereof is an "investment company" or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended.

(l) Public Utility Holding Company Act. Each of the Guarantor and each of its Principal Subsidiaries is not subject to, or is exempt from, regulation as a "holding company", a "subsidiary company" of a "holding company", or an "affiliate" of a "holding company", in each case as such terms are defined in PUHCA.

(m) Full Disclosure. All information heretofore furnished by the Guarantor and the Lessee to the Administrative Agent or any Participant for purposes of or in connection with this Participation Agreement or any of the other Operative Documents or any transaction contemplated hereby or thereby, taken as a whole is, and all such information hereafter furnished by the Guarantor and the Lessee to the Administrative Agent or any Participant, taken as a whole, will be, true and accurate in all material respects on the date as of which such information is stated or certified.

(n) Use of Equipment. The Equipment and the contemplated use thereof by the Lessee and its agents, assignees, employees, lessees, licensees and tenants will comply in all material respects with all Applicable Law (including, without limitation, Environmental Laws) and all Insurance Requirements, except for such Applicable Law as the Lessee shall be contesting in good faith by appropriate proceedings that do not involve (i) any material risk of (a) foreclosure, sale, forfeiture or loss of, or imposition of any material Lien on, the Equipment or any part thereof, (b) the impairment of the ownership, use, operation or maintenance of the Equipment or any part thereof or (c) any civil liability being incurred by any Participant or the Administrative Agent or (ii) any risk of criminal liability being incurred by any Participant or the Administrative Agent.

(o) No Proceedings with Respect to Equipment. There is no action, suit or proceeding (including any proceeding with respect to a condemnation or under any Environmental Law) pending or, to the best of its knowledge, threatened with respect to the Guarantor, the Lessee or any Unit which adversely affects the use, operation, title to or value of such Unit.

(p) Licenses, Approvals, Necessary Permits, etc. All licenses, approvals, authorizations, consents, permits including proof and dedication, applicable to the Lessee required for: (x) the acquisition of the Equipment and (y) the operation of the Equipment, have, in each case, either been obtained from the appropriate Governmental Authorities having jurisdiction or from private parties, as the case may be, or will be obtained from the appropriate

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Governmental Authorities having jurisdiction or from private parties, as the case may be, prior to commencing any such construction, use or operation for which such license, approval, authorization, consent or permit is required.

(q) Perfection of Liens; Transfer of Title. The Security Agreement creates a valid and enforceable Lien on the Collateral Estate in favor of the Collateral Agent, for the ratable benefit of the Lenders, and, upon the filing of the Security Interest Filings in the offices set forth on Exhibit C hereto and each other office specified in an Advance Request, and the filing of applications for new certificates of title as set forth herein, the Collateral Agent will have a first priority perfected Lien on the Collateral Estate. No filing, recording, registration or notice to any Governmental Authority will be necessary to establish, perfect and give record notice of the Lien on the Collateral Estate in favor of the Collateral Agent, as applicable, in each case, except for the filing of the Security Interest Filings described in the preceding sentence. There are no fees payable to any Governmental Authority with

respect to the filing and recordation described in this clause (q), except for those fees which the Lessee has described hereinabove. Each Bill of Sale transfers to Lessor valid title to the Equipment described on the schedule attached thereto free and clear of any all encumbrances, liens, charges or defects. With respect to all Units of Equipment with respect to which certificates of title have been issued, such certificates of title shall be amended in accordance with Applicable Law to show Lessee as the owner of such Equipment and to show Collateral Agent as lienholder thereof specifically as follows:

"Fleet Capital Corporation, as Collateral Agent for the Lenders, as assignee of Wabash Statutory Trust-2000
One Financial Plaza
2nd Floor RI DE 03702C
Providence, RI 02903
Attn: Steve Aalvik, Senior Vice President"

No filing or recordation must be made, no notice must be given, and no other action must be taken with respect to any state or local jurisdiction or any person in order to preserve to Lessor the rights transferred by the Bill of Sale.

(r) Patents, Trademarks. There are no patents, patent rights, trademarks, service marks, trade names, copyrights, licenses or other intellectual property rights with respect to the Equipment that are necessary for the operation of the Equipment, except to the extent that the Lessee has, or can obtain in the ordinary course of business as and when needed, rights in respect thereof without payment of royalties or other licensing payments (other than those made in the ordinary course of business) which rights may be freely leased, licensed or otherwise provided to, or obtained by, the Lessor or any successor owner, lessee, user or operator of the Equipment or any part thereof.

(s) Subjection to Government Regulation. None of the Administrative Agent or any Participant will become subject to ongoing regulation of its operations by any other Governmental Authority solely by reason of entering into the Operative Documents or the consummation or performance of the transactions contemplated thereby, except for regulation

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the applicability of which depends upon the existence of facts in addition to the ownership of, or the holding of any interest in, the Equipment.

(t) Insolvency. None of the Guarantor or the Lessee is entering into the Operative Documents with the actual intent to hinder, delay or defraud its current or future creditors, nor does the Guarantor or the Lessee intend to or believe that it will incur, as a result of entering into this Participation Agreement and the transactions contemplated hereby, debts beyond its ability to repay. Neither the Guarantor nor the Lessee is as of the date of this Participation Agreement "insolvent" as that term is defined in 11 U.S.C. Section 101(34), nor will the consummation of the transactions contemplated by this Participation Agreement render any Obligor insolvent (giving effect to the fair valuation of its assets) or result in any Obligor having unreasonably small capital for the conduct of its business.

(u) No Transfer Taxes. No sales, use, excise, transfer or other tax, fee or imposition shall result from the sale, transfer, lease, sublease or purchase of any portion of the Equipment and other Equipment, except such taxes, fees or impositions that will have been paid in full on or prior to the each Closing Date related thereto or which are covered under the indemnity provided by the Lessee herein.

(v) No Casualty. No fire or other casualty with respect to the Equipment or any Unit has occurred which fire or other casualty has materially and adversely affected the use, value, operation or useful life of the Equipment or any Unit and no Event of Loss has occurred with respect to any Unit.

(w) Insurance. The Lessee or the Guarantor has obtained or arranged on behalf of the Lessor, insurance coverage covering the Equipment which meets the requirements of the Lease, and such coverage is in full force and effect. The Guarantor carries insurance with reputable insurers or maintains a program of self-insurance in respect of its material assets, in such manner, in such

amounts and against such risks as is customarily maintained by other Persons of similar size engaged in similar business.

(x) Liens. The Equipment is free and clear of all Liens other than Permitted Equipment Liens.

(y) Consent to Transactions. Each of the Lessee and the Guarantor consent to (i) assignments by Lessor to the Collateral Agent of the Lease and the Guaranty contained in the Security Agreement and (ii) the other transactions contemplated hereby and by the Operative Documents.

(z) Location of Principal Place of Business and Chief Executive Office. The principal place of business and chief executive office of Lessee is at the following address:

Apex Trailer Leasing & Rentals, L.P.
12913 Flushing Meadows Drive
St. Louis, MO 63131

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Lessee keeps or will keep its company records concerning the Equipment and the Operative Documents at such chief executive office or, after thirty (30) days prior written notice to Administrative Agent, as such other office specified in such notice.

SECTION 9.2. Representations and Warranties of Lessor. Lessor represents and warrants to each of the other parties hereto as of the Initial Closing Date as follows:

(a) Due Organization, etc. Lessor is a duly organized and validly existing "Statutory Trust" as such term is defined in Section 34-501(2) of the Statutory Trust Act (as such term is defined in the Trust Agreement) under the laws of the State of Connecticut, is in good standing under the laws of the State of Connecticut and has the power and authority to carry on its business as now conducted and to enter into and perform its obligations under this Participation Agreement, each Operative Document to which it is a party and each other agreement, instrument and document executed and delivered prior to the Closing Date in connection with, or as contemplated by, each such Operative Document.

(b) Authorization; No Conflict. The execution, delivery and performance of each Operative Document to which it is a party has been duly authorized by all necessary action on its part and neither the execution and delivery thereof by Lessor, nor the consummation of the transactions contemplated thereby by Lessor, nor compliance by it with any of the terms and provisions thereof (i) requires or will require any approval (which approval has not been obtained) of any party or approval or consent of any trustee or holders of any indebtedness or obligations of Lessor, (ii) contravenes or will contravene any Applicable Law applicable to or binding on it as of the date hereof, (iii) does or will contravene or result in any breach of or constitute any default under, or result in the creation of any Lessor Lien upon any of the Equipment, the Trust Agreement, any indenture, mortgage, chattel mortgage, deed of trust, conditional sales contract, bank loan or credit agreement or other agreement or instrument to which it or its properties may be bound or (iv) does or will require any action by any Authority.

(c) Enforceability, etc. Each Operative Document to which it is a party has been duly executed and delivered by it and constitutes, or upon execution and delivery will constitute, a legal, valid and binding obligation enforceable against it in accordance with the terms thereof (except as may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights generally and general principles of equity).

(d) Litigation. No litigation, investigation or proceedings of or before any arbitrator or Governmental Authority is pending or, to its knowledge, threatened by or against Lessor (a) with respect to any of the Operative Documents or any of the transactions contemplated hereby or thereby, or (b) which could reasonably be expected to have a Material Adverse Effect with respect to the Lessor.

(e) Assignment. Lessor has not assigned or transferred any of its right, title or interest in or under the Lease, any Operative Document or any of

the Equipment, except in accordance with the Operative Documents.

(f) No Default. No Security Agreement Default or Security Agreement Event of Default attributable to it has occurred and is continuing.

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(g) Principal Place of Business. Lessor's principal place of business, chief executive office and office where the documents, accounts and records relating to the transactions contemplated by this Agreement and each other Operative Document are kept are located at c/o State Street Bank and Trust Company of Connecticut, 225 Asylum Street, Goodwin Square, Hartford, Connecticut 06103, Attention: Corporate Trust Department.

(h) Lessor Liens. The Equipment is free and clear of all Lessor Liens attributable to Lessor.

(i) Activities. Since the date of its formation, the Lessor has not engaged in any activity other than that contemplated by the Trust Agreement or any other Operative Document or entered into any commitment or incurred any Debt, other than pursuant to the Operative Documents to which it is a party.

(j) Assets and Subsidiaries. The Lessor has no assets other than the Trust Estate and has no subsidiaries.

(k) Investment Company Act; Public Utility Holding Company Act. Lessor is not (i) an "investment company" or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940, as amended, (ii) a "holding company," a "public utility company" or a "subsidiary company" of a "holding company" within the meaning of PUHCA, or (iii) subject to any other Applicable Law which purports to restrict or regulate its ability to borrow money.

SECTION 9.3. Representations and Warranties of the Trustee and the Trust Company. The Trust Company (only with respect to representations and warranties relating to the Trust Company) and the Trustee hereby severally represent and warrant that, as of the Initial Closing Date:

(a) Due Incorporation; etc. The Trust Company is a national banking association duly organized, validly existing and in good standing under the laws of the United States of America, has the corporate power and authority, as the Trustee and/or in its individual capacity to the extent expressly provided herein or in the Trust Agreement, to enter into and perform its obligations under the Trust Agreement, this Participation Agreement and each of the other Operative Documents to which it is or will be a party.

(b) Due Authorization, Enforceability, etc.

(1) (i) The Trust Agreement has been duly authorized, executed and delivered by the Trust Company, and (ii) assuming the due authorization, execution and delivery of the Trust Agreement by the Owner Participants party thereto, the Trust Agreement constitutes the legal, valid and binding obligation of the Trust Company, enforceable against it in its individual capacity or as Trustee, as the case may be, in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, arrangement, moratorium or other laws relating to or affecting the rights of creditors generally and by general principles of equity.

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(2) (i) This Participation Agreement has been duly authorized, executed and delivered by the Trustee and the Trust Company, and (ii) assuming the due authorization, execution and delivery of this Participation Agreement by each party hereto other than the Trustee and the Trust Company, this Participation Agreement constitutes a legal, valid and binding obligation of the Trustee and the Trust Company, enforceable against the Trust Company or the Trustee, as the case may be, in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, arrangement, moratorium or other laws relating to or affecting the

rights of creditors generally and by general principles of equity.

(3) (i) Each of the Operative Documents to which the Trust Company or the Trustee is or will be a party has been or when executed and delivered will be duly authorized, executed and delivered by the Trust Company or the Trustee, and (ii) assuming the due authorization, execution and delivery of each of the Operative Documents by each party thereto other than the Trust Company or the Trustee, each of the Operative Documents to which the Trust Company or the Trustee is or will be a party constitutes or when executed and delivered will constitute a legal, valid and binding obligation of the Trust Company or the Trustee, as the case may be, enforceable against the Trust Company or the Trustee in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, arrangement, moratorium or other laws relating to or affecting the rights of creditors generally and by general principles of equity.

(c) Non-Contravention. The execution and delivery by the Trust Company, in its individual capacity or as Trustee, as the case may be, of the Trust Agreement, this Participation Agreement and the other Operative Documents to which it is or will be a party, the consummation by the Trust Company, in its individual capacity or as Trustee, as the case may be, of the transactions contemplated hereby and thereby, and the compliance by the Trust Company, in its individual capacity or as Trustee, as the case may be, with the terms and provisions hereof and thereof, do not and will not (i) contravene any Applicable Law of the State of Connecticut or the United States governing the banking or trust powers of the Trust Company, the Trust Agreement or the organizational documents of the Trust Company, or (ii) contravene the provisions of, or constitute a default by the Trust Company under, or result in the creation of any Lessor's Lien attributable to it in its individual capacity and unrelated to the transactions contemplated by the Operative Documents upon the Trust Estate under any indenture, mortgage or other material contract, agreement or instrument to which the Trust Company is a party or by which the Trust Company or its property is bound.

(d) Governmental Actions. Assuming the representations and warranties of Lessee contained in Sections 9.1 are true, no authorization or approval or other action by, and no notice to or filing or registration with, any Governmental Authority of the State of Connecticut or the United States governing the banking or trust powers of the Trust Company is required for the due execution, delivery or performance by the Trust Company or the Trustee, as the case may be, of the Trust Agreement, this Participation Agreement or the other Operative Documents to which

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the Trust Company or the Trustee is or will be a party, other than any such authorization or approval or other action or notice or filing as has been duly obtained, taken or given.

(e) Litigation. There is no pending or, to the actual knowledge of the Trust Company, threatened, action, suit, investigation or proceeding against the Trust Company either in its individual capacity or as the Trustee, as the case may be, before any Governmental Authority of the State of Connecticut or the United States governing its banking and trust powers which, if determined adversely to it, would materially adversely affect the ability of the Trust Company, in its individual capacity or as Trustee, as the case may be, to perform its obligations under the Trust Agreement, this Participation Agreement or the other Operative Documents to which it is or will be a party or would materially adversely affect the Equipment or any interest therein or which would question the validity or enforceability of any Operative Document to which the Trust Company, in its individual capacity or as the Trustee, is or will be a party.

(f) Liens. The Trust Estate is free of any Lessor Liens attributable to the Trust Company or the Trustee.

SECTION 10.1. Payment of Costs and Expenses.

(a) The Lessee shall pay, or cause to be paid, from time to time all Transaction Expenses in respect of each Closing Date from the proceeds of Advances or otherwise.

(b) The Lessee shall pay or cause to be paid when due (i) the fees described in Section 4.5 and in the Syndication Agreement, (ii) all reasonable out-of-pocket expenses of the Trustee, the Administrative Agent and the Participants (including reasonable attorneys' fees and legal expenses of one special counsel representing the Administrative Agent, the Lessor, and the Lenders, under this Participation Agreement and the other Operative Documents), (iii) all costs and expenses (including reasonable attorneys' fees and legal expenses) incurred by the Administrative Agent, the Trustee, or any Participant in entering into any future amendments or supplements with respect to any of the Operative Documents, whether or not such amendments or supplements are ultimately entered into, or giving of waivers of consents hereto or thereto, (iv) all costs and expenses (including reasonable attorneys' fees and legal expenses) incurred by the Administrative Agent, the Trustee or any Participant in connection with any purchase or sale of any part of the Equipment by the Lessee or the Lessor, respectively, or any other Person pursuant to the Lease, (v) all costs and expenses (including reasonable attorneys' fees and legal expenses) incurred by the Administrative Agent, the Trustee or any Participant in connection with any substitution, exchange, purchase or sale of any Equipment by the Lessee or the Lessor, respectively, or any other Person pursuant to the Lease, and (vi) all costs and expenses (including reasonable attorneys' fees and legal expenses) incurred by any of the other parties hereto in respect of (x) the enforcement of any of their rights or remedies against the Lessee, or the Guarantor under any of the Operative Documents or (y) the negotiation of any restructuring or "work-out" with the Lessee, or the Guarantor, whether or not consummated, of any obligations of the Lessee, or the Guarantor under the Operative Documents.

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SECTION 10.2. Brokers' Fees and Stamp Taxes. The Lessee shall pay during the Term of the Lease any brokers' fees and any and all stamp, transfer and other similar taxes, fees and excises, if any, including any interest and penalties, which are payable in connection with the transactions contemplated by this Participation Agreement and the other Operative Documents.

SECTION 10.3. Related Obligations. The Lessee shall pay, without duplication of any other obligation of the Lessee to pay any such amount under the Operative Documents, before the due date thereof, all costs, expenses and other amounts (other than principal and interest on the Loans which are payable to the extent otherwise required by the Operative Documents) required to be paid by the Lessor under the Operative Documents in respect of or attributable to the Loans or Equity Investment made in respect thereof.

ARTICLE XI
TRANSFERS OF PARTICIPANTS' INTERESTS

SECTION 11.1. Assignments by Participants.

(a) Assignment by the Lenders. Any Tranche A Lender or Tranche B Lender may, without the consent of any Obligor, sell, assign or transfer all or part of its rights and obligations under, this Participation Agreement and the other Operative Documents to (x) any other Tranche A Lender or Tranche B Lender, as applicable, or (y) any Affiliate of any Tranche A Lender or Tranche B Lender, as applicable, that is a Qualified Financial Institution, or (z) any other Qualified Financial Institution. The parties to each such assignment shall execute and deliver to the Administrative Agent, for its acceptance and recording in the Note Register, an assignment in substantially the form of Exhibit E (an "Assignment of Notes"), together with a processing and recordation fee of \$3,000.

Upon its receipt of an Assignment of Notes executed by an assigning Lender and by an assignee who is a Qualified Financial Institution, together with the applicable processing and recordation fee, the Administrative Agent shall (i) accept such Assignment of Notes, (ii) record the information contained therein in the Note Register, (iii) give prompt notice thereof to the Lessee and the Lessor, and (iv) within five (5) Business Days after its receipt of such notice, the Lessor, at its own expense, shall execute and deliver to the

assignee in exchange for the surrendered Tranche A Notes and Tranche B Notes a new Tranche A Note and Tranche B Note, respectively, to the order of such assignee in an aggregate principal amount equal to the aggregate principal amount of such surrendered Tranche A Notes and Tranche B Notes, which shall be dated the effective date of such Assignment of Notes.

The Administrative Agent shall maintain at its address a copy of each Assignment of Notes delivered to and accepted by it in the Note Register. The entries in the Note Register shall be conclusive and binding for all purposes, absent manifest error, and the Lessee, the Lessor, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Note Register as a Tranche A Lender and/or a Tranche B Lender hereunder for all purposes of this Participation Agreement. The Note Register shall be available for inspection by the Lessee, the Lessor, the Lenders, the Administrative Agent, or the Collateral Agent at any reasonable time and from time to time upon reasonable prior notice.

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(b) Assignments by the Owner Participants. Each Owner Participant may sell, assign or transfer all or part of its rights and obligations pursuant to the Trust Certificates, this Participation Agreement and the other Operative Documents to which it is a party to a Qualified Financial Institution or an Affiliate of a Qualified Financial Institution (but only if such Affiliate satisfies the requirements of clauses (a), (d) and (e) of the definition of "Qualified Financial Institution").

(c) Effectiveness of Assignments. Upon delivery to the Lessee, the Lessor and the Administrative Agent of an assignment and assumption agreement pursuant to which the obligations and rights being assigned are accepted and assumed subject to the terms hereof, which agreement shall be in form and substance reasonably satisfactory to the Lessee and the Administrative Agent (an "Assignment Agreement"), and the receipt of any applicable consents required hereunder in connection therewith, from and after the effective date specified in each Assignment Agreement, the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment Agreement, have the rights and obligations of a Participant under this Participation Agreement and the other Operative Documents, and the assigning Participant shall, to the extent of the interest assigned by such Assignment Agreement release and be released from its rights and obligations under this Participation Agreement and the other Operative Documents.

(d) Disclosure of Information. Any Lender or Owner Participant may, in connection with any assignment or participation or proposed assignment of participation pursuant to this Section 11.1, disclose to the assignee or participant or proposed assignee or participant, any information relating to the Lessee, or the Guarantor furnished to such Person (as the case may be) by or on behalf of the Lessee, or the Guarantor; provided, that prior to any such disclosure of any confidential information relating to the Lessee, or the Guarantor, the assignee or participant or proposed assignee or participant shall agree in writing with the Lessee, Guarantor and the Administrative Agent to preserve the confidentiality of any confidential information relating to the Lessee, or the Guarantor, or the transactions contemplated by this Participation Agreement (including, without limitation, the general structure of this transaction) received by it from such assignee or participant (as the case may be). Notwithstanding the foregoing, any Lender or Owner Participant may disclose any confidential information relating to the Lessee, or the Guarantor as may be required by an order of any court or administrative agency or by any statute, rule, regulation or order of any governmental authority or pursuant to the request of any regulatory or other governmental authority (but in such case such Lender or Owner Participant shall make commercially reasonable efforts to give the Lessee at least one (1) Business Day's notice before making such disclosure), or to any auditors, advisors or counsel of such Lender or Owner Participants or the Lessor and otherwise as may be agreed to by Lessee.

SECTION 11.2. Participants. The Participants may, at any time, sell to one or more financial institutions (each, a "Sub-Participant") participating interests in all or a portion of its rights and obligations under this Participation Agreement, its Notes or its Equity Investments; provided, however, that (a) no participation contemplated in this Section 11.2 shall relieve the applicable Participant from any of its obligations hereunder or under the other Operative Documents; (b) the Participant shall remain solely responsible for the

performance of its obligations hereunder and under the other Operative Documents; (c) the Obligors and the other parties hereto shall continue to deal solely and directly with the Participant in connection with

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their respective obligations hereunder and under the other Operative Documents; (d) no Sub-Participant (unless such Sub-Participant is also a Participant) shall be entitled to require the Participant to take or refrain from taking any action hereunder or under the other Operative Documents, except that such Participant may agree with any Sub-Participant that such Participant will not, without the Sub-Participant's consent, take any actions of the type described in Section 13.5(b)(vi) or agree to any amendment, waiver or modification that would (x) reduce the principal amount of any Loan or Equity Investments, or the Interest Rate or Equity Return Rate applicable to or fees payable in respect of, such Loan or Equity Investments participated in by such Sub-Participant or (y) extend the Maturity Date; and (e) the Lessee shall not be required to pay any amount under this Participation Agreement that is greater than the amount which it would have been required to pay had no participating interest been sold.

SECTION 11.3. Pledge Under Regulation A. Anything in this Article XI to the contrary notwithstanding, each Participant may without the consent of the Lessee assign and pledge all or any portion of its Notes or Equity Investment, as applicable, held by it to any Federal Reserve Bank or to the United States Treasury as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any operating circular issued by the Federal Reserve System and/or the Federal Reserve Bank or otherwise.

ARTICLE XII THE ADMINISTRATIVE AGENT

SECTION 12.1. Appointment. Each Participant hereby irrevocably designates and appoints the Administrative Agent as the agent of such Participant under this Participation Agreement and the other Operative Documents, and each such Participant irrevocably authorizes the Administrative Agent, in such capacity, to take such action on its behalf under the provisions of this Participation Agreement and the other Operative Documents and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Participation Agreement and the other Operative Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Participation Agreement, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein and in the other Operative Documents, or any fiduciary relationship with any Participant or any other party to the Operative Documents, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Participation Agreement or any other Operative Document or otherwise exist against the Administrative Agent.

SECTION 12.2. Delegation of Duties. The Administrative Agent may execute any of its duties under this Participation Agreement and the other Operative Documents by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of its agents or attorneys-in-fact selected by it with reasonable care.

SECTION 12.3. Exculpatory Provisions. Neither the Administrative Agent (in its capacity as such) nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates shall be (a) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Participation Agreement or any other Operative Document, except for its or such Person's own willful misconduct or gross negligence (or negligence in the handling of funds) or (b) responsible in any manner to any of the Participants or any other party to the Operative Documents for any recitals, statements, representations or warranties made by any Obligor or the Lessor or any officer of any Obligor or the Lessor contained in this Participation Agreement or any other Operative

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Document or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, this Participation Agreement or any other Operative Document, or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Participation Agreement or any other Operative Document or for any failure of any Obligor or the Lessor to perform its obligations hereunder or thereunder. The Administrative Agent shall not be under any obligation to any Participant or any other party to the Operative Documents to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Participation Agreement or any other Operative Document, or to inspect the properties, books or records of any Obligor or the Lessor.

SECTION 12.4. Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any Note, writing, resolution, notice, consent, certificate, affidavit, letter, facsimile message, statement, order or other document or other written communication believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Obligors), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent may deem and treat the payee of any Note as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been delivered to the Administrative Agent in accordance with Section 11.1(c). The Administrative Agent shall be fully justified in failing or refusing to take any action under this Participation Agreement or any other Operative Document unless it shall first receive the advice or concurrence of the Required Participants, or it shall first be indemnified to its satisfaction by the applicable Participants against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Participation Agreement and the other Operative Documents in accordance with a request of the Required Participants, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Participants and all future holders of the applicable Notes or Certificates.

SECTION 12.5. Notice of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Unmatured CAA Default, Unmatured Lease Default, CAA Event of Default or Lease Event of Default unless the Administrative Agent has received notice from a Participant or the Lessor referring to this Participation Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that the Administrative Agent receives such a notice, the Administrative Agent shall promptly give notice thereof to the Participants, the Lessor and the Lessee. Subject to the Excepted Rights, the Administrative Agent shall take such action with respect to such Default or Event of Default as shall be directed by the Required Participants; provided, however, that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with

respect to such Default or Event of Default as it shall deem advisable in the best interests of the Participants.

SECTION 12.6. Non-Reliance on Administrative Agent and Other Participants. Each Participant expressly acknowledges that neither the Administrative Agent nor the Lease Arranger, nor any of their respective officers, directors, employees, agents, attorneys-in-fact or Affiliates, has made any representations or warranties to it and that no act by the Administrative Agent or the Lease Arranger hereinafter taken, including any review of the affairs of any Obligor or the Lessor, shall be deemed to constitute any representation or warranty by the Administrative Agent or the Lease Arranger to any Participant. Each Participant represents to the Administrative Agent and the Lease Arranger that it has, independently and without reliance upon the Administrative Agent, the Lease Arranger or any other Participant, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business,

operations, property, financial and other condition and creditworthiness of the Obligors and the Lessor and made its own decision to enter into this Participation Agreement. Each Participant also represents that it will, independently and without reliance upon the Administrative Agent, the Lease Arranger or any other Participant, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Participation Agreement and the other Operative Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Obligors and the Lessor. Except for notices, reports and other documents expressly required to be furnished to the Participants by the Administrative Agent hereunder, neither the Administrative Agent nor the Lease Arranger shall have any duty or responsibility to provide any Participant with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of the Obligors or the Lessor which may come into the possession of the Administrative Agent, the Lease Arranger or any of their respective officers, directors, employees, agents, attorneys-in-fact or Affiliates.

SECTION 12.7. Indemnification. Other than with respect to indemnification provided to the Administrative Agent in accordance with Section 12.4, the Administrative Agent agrees that any claim for indemnification by any Participant which may arise hereunder or under any other Operative Document shall be limited to such amounts that such Participant receives from the Obligors with respect to such claim.

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SECTION 12.8. Administrative Agent in Its Individual Capacity. Each Participant acknowledges that Fleet Capital Corporation is acting as Administrative Agent hereunder. Fleet Capital Corporation and its Affiliates may make loans to, issue letters of credit for the account of, accept deposits from, acquire equity interests in and generally engage in any kind of banking, trust, financial advisory, underwriting or other business with the Obligors, the Lessor and their respective Affiliates as though it was not the Administrative Agent hereunder and under the other Operative Documents and without notice to or consent of the Participants. Each Participant acknowledges that, pursuant to such activities, Fleet Capital Corporation or its Affiliates may receive information regarding the Obligors, the Lessor or their respective Affiliates (including information that may be subject to confidentiality obligations in favor of the Obligors, the Lessor or such Affiliates) and acknowledges that such Persons shall be under no obligation to provide such information to them.

SECTION 12.9. Successor Administrative Agent. The Administrative Agent may resign at any time by giving written notice thereof to the Participants and the Lessee and may be removed at any time with or without cause by the Required Participants. Upon any such resignation or removal, the Required Participants shall have the right to appoint a successor Administrative Agent. If no successor Administrative Agent shall have been so appointed by the Required Participants, and shall have accepted such appointment, within thirty (30) days after the retiring Administrative Agent's giving of notice of resignation or the Required Participants' removal of the retiring Administrative Agent, then the retiring Administrative Agent may, on behalf of the Participants, appoint a successor Administrative Agent, which shall be a Qualified Financial Institution or be otherwise acceptable to the Lessee and the Required Participants. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations under this Participation Agreement. After any retiring Administrative Agent's resignation or removal hereunder as Administrative Agent, the provisions of this Article XII shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement. So long as no Unmatured Lease Default or Lease Event of Default shall have occurred and be continuing, then no successor Administrative Agent shall be appointed under this Section 12.9 without the prior written consent of the Lessee, which consent shall not be unreasonably withheld or delayed.

MISCELLANEOUS

SECTION 13.1. Survival of Agreements. The representations, warranties, covenants, indemnities and agreements of the parties provided for in the Operative Documents, and the parties' obligations under any and all thereof, shall survive the execution and delivery of this Participation Agreement, the transfer of any or all of the Equipment to the Lessor, any disposition of any interest of the Lessor or any Participant in the Equipment and the payment of the Notes and Equity Investment and any disposition thereof and shall be and continue in effect notwithstanding any investigation made by any party and the fact that any party may waive compliance with any of the other terms, provisions or conditions of any of the Operative

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Documents. Except as otherwise expressly set forth herein or in the other Operative Documents, the indemnities of the parties provided for in the Operative Documents shall survive the expiration or termination of any thereof for a period not to exceed one year after the later of (x) the Expiration Date and (y) the payment in full in cash of the entire Equipment Cost.

SECTION 13.2. No Broker, etc. Each of the parties hereto represents to the others that it has not retained or employed any broker, finder or financial adviser to act on its behalf in connection with this Participation Agreement or the transactions contemplated herein or in the other Operative Documents, nor has it authorized any broker, finder or financial adviser retained or employed by any other Person so to act. Any party who is in breach of this representation shall indemnify and hold the other parties harmless from and against any liability arising out of such breach of this representation.

SECTION 13.3. Notices. Unless otherwise specifically provided herein, all notices, consents, directions, approvals, instructions, requests and other communications required or permitted by the terms hereof to be given to any Person shall be given in writing by United States mail, by nationally recognized courier service and any such notice shall become effective five (5) Business Days after being deposited in the mails, certified or registered return receipt requested with appropriate postage prepaid or one Business Day after delivery to a nationally recognized courier service specifying overnight delivery and shall be directed to the address of such Person as indicated on Schedule II. From time to time any party may designate a new address for purposes of notice hereunder by written notice to each of the other parties hereto in accordance with this Section.

SECTION 13.4. Counterparts. This Participation Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

SECTION 13.5. Amendments.

(a) The provisions of this Participation Agreement may from time to time be amended, modified or waived, provided, however, that such amendment, modification or waiver is in writing and consented to by the Lenders, the Owner Participants, the Lessor, and the Lessee.

(b) Neither any Operative Document nor any of the terms thereof may be terminated (except upon payment in full of the Equipment Cost and accrued Basic Rent and all other amounts due and owing by the Obligors under the Operative Documents, or effective exercise and consummation of the Lessee's return of the Equipment in accordance with Article XVII of the Lease and payment in full of all amounts due in accordance therewith), amended, supplemented, waived or modified without the written agreement or consent of the Required Participants (regardless of whether the Lenders and the Owner Participants are parties thereto); provided, however, that:

(i) no such termination, amendment, supplement, waiver or modification shall without written agreement or consent of each Participant (a) modify any of the provisions of this Section 13.5, change the definition of "Required Participants" or

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modify or waive any requirement under any Operative Document that any particular action be taken by all Participants or (b) extend the Maturity Date or Expiration Date;

(ii) no such termination, amendment, supplement, waiver or modification shall without written agreement or consent of the Lenders modify or waive any requirement under any Operative Document that any particular action be taken by the Lenders, no such termination, amendment, supplement, waiver or modification shall without written agreement or consent of the Owner Participants modify or waive any requirement under any Operative Document that any particular action be taken by or consented to by the Owner Participants and no such termination, amendment, supplement, waiver or modification shall without written agreement or consent of the Lessor modify or waive any requirement under any Operative Document that any particular action be taken by or consented to by the Lessor;

(iii) no such termination, amendment, supplement, waiver or modification shall without written agreement or consent of each Participant amend, modify, waive or supplement any of the provisions of Article V of this Participation Agreement and Article III of the Security Agreement;

(iv) no such termination, amendment, supplement, waiver or modification shall without written agreement or consent of each affected Participant reduce, modify, amend or waive any Commitment Fees, other fees or indemnities in favor of any Participant, including without limitation amounts payable pursuant to Articles VII and VIII (except that any Person may consent to any reduction, modification, amendment or waiver of any Commitment Fee or other fee or indemnity payable to it);

(v) no such termination, amendment, supplement, waiver or modification shall without written agreement or consent of each affected Participant (a) modify, postpone, reduce or forgive, in whole or in part, any payment of Rent (other than pursuant to the terms of any Operative Document), any Loan or Equity Investment, the Equipment Cost, Maximum Lessee Risk Amount, Termination Value, amounts due pursuant to Article VII of the Lease, interest or Equity Return or, subject to clause (iv) above, any other amount payable under the Lease, or this Participation Agreement or (b) modify the definition or method of calculation of Rent (other than pursuant to the terms of any Operative Document), Loans or Equity Investment, Equipment Cost, Maximum Lessee Risk Amount, Commitment Fees or any other definition which would affect the amounts to be advanced or which are payable under the Operative Documents;

(vi) no such termination, amendment, supplement, waiver or modification shall without written agreement or consent of each Participant (a) release the Lessee from its Obligations under the Operative Documents or permit any assignment of the Lease by the Lessee releasing the Lessee from its Obligations under the Operative Documents or changing the absolute and unconditional character of such obligations, in each case, except as expressly permitted by the Operative Documents, (b) release the Guarantor from its obligations under the Guaranty or (d) except as expressly permitted or required under the Operative Documents, release the Equipment from the Lien of the Security Agreement or release or terminate any Security Interest Filings covering the Equipment;

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(vii) no such termination, amendment, supplement, waiver or modification shall, without the written agreement or consent of the Lessor and Owner Participant, be made to the definitions of "Excluded Amounts" or "Excepted Rights";

(viii) no such termination, amendment, supplement, waiver or

modification that would increase the obligations of the Lessee thereunder or deprive the Lessee of any of its rights thereunder or alter the rights of the Lessee to its detriment shall be effective against the Lessee without the written agreement or consent of the Lessee;

(ix) no such termination, amendment, supplement, waiver or modification shall be made to any provision of Article XII without the written agreement or consent of the Administrative Agent;

notwithstanding the foregoing, so long as no Event of Default shall have occurred and be continuing, no such termination, amendment, supplement, waiver or modification shall be made to the Lease, the Guaranty or this Agreement which would have a material adverse effect on the interests of the Lessor or of any Owner Participant in and to the Collateral Estate without the prior written agreement or consent of the Lessor and Owner Participants;

SECTION 13.6. Headings, etc. The Table of Contents and headings of the various Articles and Sections of this Participation Agreement are for convenience of reference only and shall not modify, define, expand or limit any of the terms or provisions hereof.

SECTION 13.7. Parties in Interest. Except as expressly provided herein, none of the provisions of this Participation Agreement is intended for the benefit of any Person except the parties hereto. The Lessee shall not assign or transfer any of its rights or obligations under the Operative Documents except in accordance with the terms and conditions thereof.

SECTION 13.8. GOVERNING LAW. THIS PARTICIPATION AGREEMENT SHALL IN ALL RESPECTS BE GOVERNED BY THE LAW OF THE COMMONWEALTH OF MASSACHUSETTS (EXCLUDING ANY CONFLICT-OF-LAW OR CHOICE-OF-LAW RULES WHICH MIGHT LEAD TO THE APPLICATION OF THE INTERNAL LAWS OF ANY OTHER JURISDICTION) AS TO ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE.

SECTION 13.9. Severability. Any provision of this Participation Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 13.10. Liability Limited.

(a) The parties hereto agree that except as specifically set forth herein or in any other Operative Document, the Trustee shall have no personal liability whatsoever to any other Participant, the Lessee, the Guarantor or their respective successors and assigns for any claim or obligation based on or in respect hereof or any of the other Operative Documents (including, without limitation, the repayment of the Loans) or arising in any way from the transactions

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contemplated hereby or thereby and recourse, if any, shall be solely had against the Trust Estate (it being acknowledged and agreed by each party hereto that all such personal liability of the Trustee is expressly waived and released as a condition of, and as consideration for, the execution and delivery of the Operative Documents by the Trustee); provided, however, that the Trustee shall be liable in its individual capacity (a) for its own willful misconduct or gross negligence, (b) breach of any of its representations, warranties or covenants under the Operative Documents, or (c) for any Tax based on or measured by any fees, commission or compensation received by it for acting as the Trustee as contemplated by the Operative Documents. It is understood and agreed that the Trustee shall have no personal liability under any of the Operative Documents as a result of acting pursuant to and consistent with any of the Operative Documents.

(b) No Participant shall have any obligation to the other Participant or to the Lessee, or the Guarantor with respect to transactions contemplated by the Operative Documents, except those obligations of such Participant expressly set forth in the Operative Documents or except as set forth in the instruments

delivered in connection therewith, and no Participant shall be liable for performance by any other party hereto of such other party's obligations under the Operative Documents except as otherwise so set forth.

SECTION 13.11. Further Assurances. The parties hereto shall promptly cause to be taken, executed, acknowledged or delivered, at the sole expense of the Lessee, all such further acts, conveyances, documents and assurances as the other parties may from time to time reasonably request in order to carry out and preserve the security interests and liens (and the priority thereof) intended to be created pursuant to this Participation Agreement, the other Operative Documents, and the transactions thereunder (including, without limitation, the preparation, execution and filing of any and all Uniform Commercial Code financing statements and other filings or registrations which the parties hereto may from time to time request to be filed or effected); provided, however, that the Lessee shall not be required to pay expenses pursuant to this Section to the extent arising from a breach or alleged breach by the Lenders or the Owner Participants of any agreement entered into in connection with the assignment or participation of any Loan or Equity Investment. The Lessee, at its own expense and without need of any prior request from any other party, shall take such action as may be necessary (including any action specified in the preceding sentence), or as so requested, in order to maintain and protect all security interests provided for hereunder or under any other Operative Document.

SECTION 13.12. SUBMISSION TO JURISDICTION. THE LESSEE HEREBY SUBMITS TO THE NONEXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF THE COMMONWEALTH OF MASSACHUSETTS FOR PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS PARTICIPATION AGREEMENT OR ANY OF THE OTHER OPERATIVE DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY. THE LESSEE IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF THE VENUE OF ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT AND ANY CLAIM THAT ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

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SECTION 13.13. Setoff. Each Participant, the Administrative Agent and the Collateral Agent shall, upon the occurrence of any Lease Event of Default, have the right to appropriate and, apply to the payment of the Lessee's obligations under the Lease as security for the payment of such obligations, any and all balances, credits, deposits, accounts or moneys of the Lessee then or thereafter maintained with such Participant, the Administrative Agent or the Collateral Agent. The rights of the Participants, Administrative Agent and Collateral Agent under this Section are in addition to other rights and remedies (including other rights of setoff under applicable law or otherwise) which such Person may have.

SECTION 13.14. WAIVER OF JURY TRIAL. THE PARTIES HERETO VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS PARTICIPATION AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY OF THE PARTIES HERETO. THE PARTIES HERETO HEREBY AGREE THAT THEY WILL NOT SEEK TO CONSOLIDATE ANY SUCH LITIGATION WITH ANY OTHER LITIGATION IN WHICH A JURY TRIAL HAS NOT OR CANNOT BE WAIVED. THE PROVISIONS OF THIS SECTION 13.14 HAVE BEEN FULLY NEGOTIATED BY THE PARTIES HERETO AND SHALL BE SUBJECT TO NO EXCEPTIONS. EACH OBLIGOR ACKNOWLEDGES AND AGREES THAT IT HAS RECEIVED FULL AND SUFFICIENT CONSIDERATION FOR THIS PROVISION (AND EACH OTHER PROVISION OF EACH OTHER OPERATIVE DOCUMENT TO WHICH IT IS A PARTY) AND THAT THIS PROVISION IS A MATERIAL INDUCEMENT FOR EACH OF THE LESSOR AND THE LENDERS ENTERING INTO THIS PARTICIPATION AGREEMENT AND EACH SUCH OTHER OPERATIVE DOCUMENT.

SECTION 13.15. Cooperation in Minimizing Certain Taxes. The Lessor, the Administrative Agent and the Owner Participants hereby agree to take such actions as Lessee may reasonably request from time to time to minimize any sales or related taxes with respect to the Equipment, including, to the extent commercially reasonable, obtaining resale certificates from applicable taxing authorities. The Lessor shall execute and deliver powers of attorney granting the Lessee the power to file state sales and related tax returns and forms relating to the Equipment. None of the Lessor, the Administrative Agent or the Owner Participants shall be obligated to incur any out-of-pocket expenses in connection with the matters described in this Section 13.15. Nothing contained in this Section 13.15 shall negate, limit or supersede the provisions of Section

8.1; provided that none of such Persons shall be required to take any action that, in such Person's sole discretion, would be adverse to it.

SECTION 13.16. Intent. It is the intent of the parties that: (a) the Lease constitutes an operating lease from the Lessor to the Lessee for purposes of the Lessee's financial reporting, (b) the Lease and other transactions contemplated hereby will result in the Lessee being recognized as the owner of the Equipment for Federal and state income tax and bankruptcy purposes, (c) the Security Agreement grants to the Lessor a Lien on all of the Lessee's interest in the Equipment, which Lien shall, upon the recording of the Financing Statements, create a valid first priority security interest in and Lien in favor of the Lessor on all of the right, title and interest of the Lessee in the Equipment securing the payment of all Obligations, subject only to

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Permitted Equipment Liens, (d) each Participant shall be treated for Federal and state income tax purposes and bankruptcy purposes as having lent directly to the Lessee amounts provided by each to fund each Advance, and (e) the obligations of the Lessee to pay Basic Rent and any part of the Equipment Cost shall be treated as payments of interest and principal, respectively, for Federal and state income tax and bankruptcy purposes. Each of the parties hereto agrees that it will not, nor will it permit any Affiliate to at any time, take any action or fail to take any action with respect to the preparation or filing of any income tax return, including an amended income tax return, to the extent that such action or such failure to take action would be inconsistent with the intention of the parties expressed in this Section 13.16.

Specifically, without limiting the generality of the foregoing, the parties hereto intend and agree that in the event of any insolvency or receivership proceedings or a petition under the United States bankruptcy laws or any other applicable insolvency laws or statute of the United States of America or any State or Commonwealth thereof affecting the Lessee, the Guarantor or any Participant or any collection actions, the transactions evidenced by the Operative Documents shall be regarded as loans made by the Participants to the Lessee.

SECTION 13.17. Amounts Due Under Lease. Anything else herein or elsewhere to the contrary notwithstanding, it is the intention of the Lessee, the Lessor, the Owner Participants and the Lenders that: (i) the amount and timing of installments of Basic Rent due and payable from time to time from the Lessee under the Lease shall be equal to the aggregate payments due and payable as interest on the Loans and Equity Return on the Equity Investment on each Payment Date; (ii) if the Lessee elects or becomes obligated to purchase the Equipment under the Lease, then the Loans, the Equity Investment, all accrued and unpaid interest, Equity Return and fees thereon and all other obligations of the Lessee owing to the Owner Participants and the Lenders shall be due and payable in full by the Lessee as provided in the or the Lease; and (iii) if the Lessee properly elects to return all of the Equipment under Article XVII of the Lease, the Lessee shall only be required to pay to the Lessor the proceeds of the sale of the Equipment, the Maximum Lessee Risk Amount and any amounts due pursuant to Articles VII and VIII hereof and Article XVII of the Lease.

[Remainder of page intentionally left blank;
signature pages follow]

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IN WITNESS WHEREOF, the parties hereto have caused this Participation Agreement to be duly executed by their respective officers thereunto duly authorized as of the day and year first above written.

APEX TRAILER LEASING & RENTALS, L.P.,
as Lessee

By: Wabash National Corporation,
General Partner

By: -----

Name:
Title:

WABASH NATIONAL CORPORATION,
as Guarantor

By: -----

Name:
Title:

WABASH STATUTORY TRUST - 2000

By: STATE STREET BANK AND TRUST
COMPANY OF CONNECTICUT,
NATIONAL ASSOCIATION, not in its
individual capacity but solely
in its capacity as trustee

By: -----

Name:
Title:

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STATE STREET BANK AND TRUST COMPANY OF
CONNECTICUT, NATIONAL ASSOCIATION, not in
its individual capacity, except as
provided herein, but solely as Trustee

By: -----

Name:
Title:

FLEET CAPITAL CORPORATION,
as Tranche A Lender

By: -----

Name:
Title:

FLEET CAPITAL CORPORATION,
as Tranche B Lender

By: -----

Name:
Title:

FLEET CAPITAL CORPORATION,
as Owner Participant

By: -----
Name:
Title:
FLEET CAPITAL CORPORATION,
as Administrative Agent

By: -----
Name:
Title:

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FLEET CAPITAL CORPORATION,
as Collateral Agent

By: -----
Name:
Title:

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SCHEDULE I
TO PARTICIPATION AGREEMENT

NOTICE INFORMATION, WIRE INSTRUCTIONS AND FUNDING OFFICES

LESSEE:

Apex Trailer Leasing & Rental, L.P.
Attn: Mark Old
12913 Flushing Meadows Drive
St. Louis, MO 63131
with a copy to:

Gambs Mucker & Bauman
10 North Fourth Street
P.O. Box 1608
Lafayette, IN 47902
Attn: Bob Bauman
Wire Transfer Instructions:

Bank One, Chicago, IL
ABA #071000013
Account #56-90021
For the account of Wabash National Corporation
REF: Wabash Statutory Trust - 2000

ADMINISTRATIVE AGENT:

Fleet Capital Corporation
One Financial Plaza, 2nd Floor RI DE 03702C
Providence, RI 02903
Attn: Steve Aalvik, Senior Vice President
Wire Transfer Instructions:

Fleet Capital Corporation
ABA #: 011500010
Account Name: Fleet Capital Leasing

Account #: 01552 776700101
Attn: Leslie Tordoff
REF: Wabash Statutory Trust - 2000

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LESSOR:

Wabash Statutory Trust - 2000
c/o State Street Bank and Trust Company of Connecticut,
National Association,
225 Asylum Street
Goodwin Square
Attn: Corporate Trust Department
Wire Transfer Instructions:

State Street Bank and Trust Company
ABA#: 011-000-028
Account #: 9903-990-1
Attn: Peter Murphy
Ref: APEX/Wabash Statutory Trust - 2000

TRANCHE A LENDER:

Fleet Capital Corporation
One Financial Plaza, 2nd Floor RI DE 03702C
Providence, RI 02903
Attn: Steve Aalvik, Senior Vice President
Bank: Fleet Capital Corporation
ABA Number: 011500010
Account Name: Fleet Capital Leasing
Account Number: 01552 776700101
Attn: Leslie Tordoff
Ref: Wabash Statutory Trust - 2000

TRANCHE B LENDER:

Fleet Capital Corporation
One Financial Plaza, 2nd Floor RI DE 03702C
Providence, RI 02903
Attn: Steve Aalvik, Senior Vice President

Wire Transfer Instructions:

Bank: Fleet Capital Corporation
ABA Number: 011500010
Account Name: Fleet Capital Leasing
Account Number: 01552 776700101
Ref: Wabash Statutory Trust - 2000

Schedule I

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OWNER PARTICIPANT:

Fleet Capital Corporation
One Financial Plaza, 2nd Floor RI DE 03702C
Providence, RI 02903
Attn: Steve Aalvik Senior Vice President
Facsimile No.: (401) 278-8022

Wire Transfer Instructions

Bank: Fleet Capital Corporation
ABA Number: 011500010
Account Name: Fleet Capital Leasing
Account Number: 01552 776700101
Ref: Wabash Statutory Trust - 2000

COLLATERAL AGENT:

Fleet Capital Corporation
One Financial Plaza, 2nd Floor RI DE 03702C
Providence, RI 02903
Attn: Steve Aalvik, Senior Vice President

Wire Transfer Instructions

Bank: Fleet Capital Corporation
ABA Number: 011500010
Account Name: Fleet Capital Leasing
Account Number: 01552 776700101
Attn: Leslie Tordoff
Ref: Wabash Statutory Trust - 2000

Schedule I

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SCHEDULE II
TO PARTICIPATION AGREEMENT

COMMITMENTS

PARTICIPANT	TRANCHE A LOAN COMMITMENT	TRANCHE B LOAN COMMITMENT	OWNER PARTICIPANT'S COMMITMENT
Fleet Capital Corporation	25,940,019	3,883,236	1,242,636

Tranche A Lenders' Percentage:	83.5%
Tranche B Lenders' Percentage:	12.5%
Equity Percentage:	4%

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EXHIBIT A-1

FORM OF ADVANCE REQUEST

TO: WABASH STATUTORY TRUST - 2000,
as Lessor

Re: Lease Financing for Apex Trailer Leasing & Rentals, LP

This Advance Request is delivered to you pursuant to Section 3.4(a) of the Participation Agreement dated as of December 29, 2000 (as amended, supplemented, amended and restated or otherwise modified from time to time, the "Participation Agreement"), among APEX TRAILER LEASING & RENTALS, LP, as Lessee, WABASH NATIONAL CORPORATION, as Guarantor, WABASH STATUTORY TRUST - 2000, as Lessor, STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION, not in its individual capacity, except as provided therein, but solely as Trustee, FLEET CAPITAL CORPORATION as Tranche A Lender, Tranche B Lender, Owner Participant, Collateral Agent and Administrative Agent.

Capitalized terms used but not otherwise defined herein have the respective meanings specified in Appendix A to the Participation Agreement.

The Lessee hereby notifies you that the Lessee requests the making of an Advance in the amount of \$_____ (the "Advance Amount") on _____, 2000 (the "Proposed Closing Date").

In connection with the requested Advance, the Lessee hereby represents, warrants and certifies to you as follows:

(a) The Advance Amount represents the Equipment Cost of the Equipment to be financed on the Proposed Closing Date.

(b) Set forth on Schedule A hereto is a detailed list describing (i) each Unit of Equipment to be financed or constituting Additional Collateral, if any, on the Proposed Closing Date and (ii) the Letter of Credit, if any, to be provided on the Proposed Closing Date.

(c) No item for which payment is to be made from the proposed Advance has heretofore been paid or reimbursed to the Lessee from the proceeds of any prior Advance.

(d) On the Proposed Closing Date (both immediately before and after giving effect to the making of such Advance and the application of the proceeds thereof), the representations and warranties of the Lessee contained in the Participation Agreement and in each of the other Operative Documents are true and correct.

Exhibit A-1

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(e) On the Proposed Closing Date, no Lease Event of Default has occurred and is continuing and no Unmatured Lease Default of which the Lessee has knowledge and that has not been previously disclosed to the Participants has occurred and is continuing. No Unmatured Lease Default or Lease Event of Default will occur as a result of, or after giving effect to, the Advance requested hereby.

(f) The Advance requested hereby will comply with the limitations on Advances set forth in Section 3.1(b) of the Participation Agreement.

(g) All of the conditions precedent set forth in Article II of the Participation Agreement applicable to the Advance requested hereby have been satisfied or waived.

(h) The Lessee has delivered to the Administrative Agent all Security Interest Filings relating to the Equipment necessary or desirable to perfect the interests of the Lessor, the Administrative Agent, the Collateral Agent and the Participants under the Security Agreement, and Schedule C attached hereto represents a complete list of the jurisdictions in which Security Interest Filings have been made up until the date of this notice.

Please wire transfer the proceeds of the Advance to the accounts specified on Schedule B attached hereto or as otherwise notified by the Lessee in written notice to the Administrative Agent.

[Signature page follows]

Exhibit A-1

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The Lessee has caused this Advance Request to be executed and delivered by its duly Authorized Officer as of this ____ day of _____, 2000.

APEX TRAILER LEASING & RENTALS, L.P.

By: _____, its general partner

By: _____

Name:
Title:

Exhibit A-1

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Detailed List of Each Unit of Equipment to be financed on Proposed Closing Date:

Schedule A

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SCHEDULE B
TO ADVANCE REQUEST

PAYMENT INSTRUCTIONS

Bank One, Chicago, IL
ABA #071000013
Account #56-90021
For the account of Wabash National Corporation
Ref: Wabash Statutory Trust-2000

Schedule B

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SCHEDULE C
TO ADVANCE REQUEST

JURISDICTIONS OF SECURITY INTEREST FILINGS

Secretary of State of Missouri
Secretary of State of Connecticut
Secretary of State of Indiana
Secretary of State of Missouri

Schedule C

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EXHIBIT B-1

Series [A-1]

TRANCHE A NOTE

U.S. \$ _____

December ___, 2000

FOR VALUE RECEIVED, the undersigned WABASH STATUTORY TRUST - 2000, a Connecticut statutory trust (the "Lessor"), promises to pay to the order of _____ ("Tranche A Lender") pursuant to that certain Participation Agreement dated as of December ___, 2000 among Lessor, WABASH NATIONAL CORPORATION, a Delaware corporation, STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION, not in its individual capacity but solely as Trustee, FLEET CAPITAL CORPORATION, a Delaware corporation, in its capacity as Collateral Agent ("Collateral Agent"), Fleet, in its capacity as Tranche B Lender, Fleet, in its capacity as Owner Participant, Fleet, in its capacity as Administrative Agent ("Administrative Agent") (as amended, modified or supplemented from time to time, the "Participation Agreement") on the Maturity Date the principal sum of _____ U.S. DOLLARS (U.S.\$ _____) or, if less, the aggregate unpaid principal amount of all Tranche A Loans made by Tranche A Lenders pursuant to the Participation Agreement.

Lessor also promises to pay interest on the unpaid principal amount hereof from time to time outstanding from the date hereof until the Maturity Date (whether by acceleration or otherwise) and, after the Maturity Date, until paid, at the rates per annum and on the dates specified in the Participation Agreement and to make payments of principal in arrears, on the Payment Dates and

in the amount set forth on the amortization schedule attached hereto as Exhibit A.

Payments of both principal and interest are to be made without setoff or counterclaim in lawful money of the United States of America in same day or immediately available funds to the account of Administrative Agent specified in Schedule I to the Participation Agreement (or to such other account as Administrative Agent may from time to time designate in a written notice to Lessor).

This Tranche A Note is one of the Tranche A Notes referred to in, and evidences Tranche A Loans made under, the Participation Agreement, to which reference is made for a description of the security for this Tranche A Note and for a statement of the terms and conditions on which Lessor is permitted and required to make prepayments and repayments of principal of the indebtedness evidenced by this Tranche A Note and on which such indebtedness may be declared to be or automatically become immediately due and payable and is subject, without limitation, to the restrictions on recourse set forth in Section 13.10 of the Participation Agreement.

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Administrative Agent is authorized to endorse the schedule attached hereto in accordance with the provisions of the Participation Agreement.

Capitalized terms used but not otherwise defined herein have the respective meanings specified in Appendix A to the Participation Agreement.

All parties hereto, whether as makers, endorsers, or otherwise, severally waive presentment for payment, demand, protest and notice of dishonor.

All payments of principal amount, interest and other amounts hereunder to be made by Lessor shall be made only from the income and proceeds from the Trust Estate and only to the extent that Lessor shall have sufficient income or proceeds from the Trust Estate to make such payments in accordance with the terms of Article V of the Trust Agreement. Any judgment against Lessor with respect to amounts due under this Tranche A Note shall be enforceable against Lessor only to the extent of the interest of Lessor in the Trust Estate and any such judgment shall not be enforceable by execution or be a Lien on any of the assets of Lessor or the Trustee other than the interest of Lessor in the Trust Estate.

THIS TRANCHE A NOTE HAS BEEN DELIVERED IN BOSTON, MASSACHUSETTS AND SHALL BE DEEMED TO BE A CONTRACT MADE UNDER AND GOVERNED BY THE INTERNAL LAWS OF THE COMMONWEALTH OF MASSACHUSETTS.

WABASH STATUTORY TRUST - 2000

By: STATE STREET BANK AND TRUST
COMPANY OF CONNECTICUT,
NATIONAL ASSOCIATION, not in its
individual capacity but solely in its
capacity as Trustee

By: _____
Name:
Title:

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EXHIBIT A

[Amortization Schedule]

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TRANCHE A NOTE

Date	Amount of Loan Made		Interest Period (If Applicable)	Amount of Principal Repaid		Unpaid Principal Balance		Total	Notation Made By
	Base Rate	Adjusted Eurodollar Rate		Base Rate	Adjusted Eurodollar Rate	Base Rate	Adjusted Eurodollar Rate		

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EXHIBIT B-2

Series [A-1]

TRANCHE B NOTE

U.S. \$ _____

December ____, 2000

FOR VALUE RECEIVED, the undersigned WABASH STATUTORY TRUST - 2000, a Connecticut statutory trust (the "Lessor"), promises to pay to the order of _____ ("Tranche B Lender") pursuant to that certain Participation Agreement dated as of December ____, 2000 among Lessor, WABASH NATIONAL CORPORATION, a Delaware corporation, STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION, not in its individual capacity but solely as Trustee, FLEET CAPITAL CORPORATION, a Delaware corporation, in its capacity as Collateral Agent ("Collateral Agent"), Fleet, in its capacity as Tranche A Lender, Fleet, in its capacity as Owner Participant, Fleet, in its capacity as Administrative Agent ("Administrative Agent") (as amended, modified or supplemented from time to time, the "Participation Agreement") on the Maturity Date the principal sum of _____ U.S. DOLLARS (U.S.\$ _____) or, if less, the aggregate unpaid principal amount of all Tranche B Loans made by Tranche B Lenders pursuant to the Participation Agreement.

Lessor also promises to pay interest on the unpaid principal amount hereof from time to time outstanding from the date hereof until the Maturity Date (whether by acceleration or otherwise) and, after the Maturity Date, until paid, at the rates per annum and on the dates specified in the Participation Agreement and to make payments of principal arrears, on the Payment Dates and in the amount set forth on the amortization schedule attached hereto as Exhibit A.

Payments of both principal and interest are to be made without setoff or counterclaim in lawful money of the United States of America in same day or immediately available funds to the account of Administrative Agent specified in Schedule I to the Participation Agreement (or to such other account as Administrative Agent may from time to time designate in a written notice to Lessor).

This Tranche B Note is one of the Tranche B Notes referred to in, and evidences Tranche B Loans made under, the Participation Agreement, to which reference is made for a description of the security for this Tranche B Note and for a statement of the terms and conditions on which Lessor is permitted and required to make prepayments and repayments of principal of the indebtedness evidenced by this Tranche B Note and on which such indebtedness may be declared to be or automatically become immediately

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due and payable and is subject, without limitation, to the restrictions on recourse set forth in Section 13.10 of the Participation Agreement.

Administrative Agent is authorized to endorse the schedule attached hereto in accordance with the provisions of the Participation Agreement.

Capitalized terms used but not otherwise defined herein have the respective meanings specified in Appendix A to the Participation Agreement.

All parties hereto, whether as makers, endorsers, or otherwise, severally waive presentment for payment, demand, protest and notice of dishonor.

All payments of principal amount, interest and other amounts hereunder to be made by Lessor shall be made only from the income and proceeds from the Trust Estate and only to the extent that Lessor shall have sufficient income or proceeds from the Trust Estate to make such payments in accordance with the terms of Article V of the Trust Agreement. Any judgment against Lessor with

respect to amounts due under this Tranche B Note shall be enforceable against Lessor only to the extent of the interest of Lessor in the Trust Estate and any such judgment shall not be enforceable by execution or be a Lien on any of the assets of Lessor or the Trustee other than the interest of Lessor in the Trust Estate.

THIS TRANCHE B NOTE HAS BEEN DELIVERED IN BOSTON, MASSACHUSETTS AND SHALL BE DEEMED TO BE A CONTRACT MADE UNDER AND GOVERNED BY THE INTERNAL LAWS OF THE COMMONWEALTH OF MASSACHUSETTS.

WABASH STATUTORY TRUST - 2000

By: STATE STREET BANK AND TRUST
COMPANY OF CONNECTICUT,
NATIONAL ASSOCIATION, not in its
individual capacity but solely in its
capacity as Trustee

By: _____
Name:
Title:

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EXHIBIT A

[Amortization Schedule]

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TRANCHE B NOTE

Date	Amount of Loan Made		Interest Period (If Applicable)	Amount of Principal Repaid		Unpaid Principal Balance		Total	Notation Made By
	Base Rate	Adjusted Eurodollar Rate		Base Rate	Adjusted Eurodollar Rate	Base Rate	Adjusted Eurodollar Rate		

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EXHIBIT C

SECURITY INTEREST FILING JURISDICTIONS

Secretary of State of Missouri
Secretary of State of Indiana
Secretary of State of Connecticut
Secretary of State of Delaware

Exhibit C

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EXHIBIT D

FORM OF ASSIGNMENT OF NOTES

ASSIGNMENT OF NOTES

Dated _____, _____

Reference is made to the Participation Agreement dated as of December 29, 2000 (as amended, supplemented, amended and restated or otherwise modified from time to time, the "Participation Agreement"), among APEX TRAILER LEASING & RENTALS, LP, as Lessee, WABASH NATIONAL CORPORATION, as Guarantor, WABASH STATUTORY TRUST - 2000, as Lessor, STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION, not in its individual capacity, except as provided therein, but solely as Trustee, FLEET CAPITAL CORPORATION as Tranche A Lender, Tranche B Lender, Owner Participant, Collateral Agent and Administrative Agent. Capitalized terms used herein and not otherwise defined shall have the meaning ascribed thereto in Appendix A to the Participation Agreement.

_____ (the "Assignor") and _____ (the "Assignee") agree as follows:

1. The Assignor hereby sells and assigns, without recourse, to the Assignee, and the Assignee hereby purchases and assumes from the Assignor, without recourse, a portion of the Assignor's rights and obligations under the Participation Agreement and the other Operative Documents as of the Effective Date (as defined below) which portion represents the principal amount of the Tranche A Notes and Tranche B Notes specified on Schedule 1 and the corresponding rights and obligations of the Assignor under the Participation Agreement and the other Operative Documents (the "Assigned Interest"). After giving effect to such sale and assignment, the principal amount of the Assignee's Tranche A Notes and Tranche B Notes and the amount of the Assignee's undrawn Tranche A Loan Commitment and Tranche B Loan Commitment will be as set forth in Section 2 of Schedule 1. The effective date of this sale and assignment shall be the date specified in Section 3 of Schedule 1 hereto (the "Effective Date").

2. On the Effective Date, the Assignee will pay to the Assignor, in immediately available funds, at such address and account as the Assignor shall advise the Assignee, \$_____, and the sale and assignment contemplated hereby shall thereupon become effective. From and after the Effective Date, the Assignor agrees that the Assignee shall be entitled, to the extent provided in the Participation Agreement, to all rights, powers and privileges of the Assignor under the Participation Agreement, the Tranche A Notes and Tranche B Notes and the other Operative Documents to the extent of the Assigned Interest, including without limitation (i) the right to receive all payments in respect of the Assigned Interest for the period from and after the Effective Date, whether on account of principal, interest, fees, indemnities in respect of claims arising after the Effective Date, increased costs, additional amounts or otherwise; (ii) the right to vote and to instruct the Administrative Agent, the Lessor, or the Collateral Agent under the Operative Documents based on the Assigned Interest; and (iii)

Exhibit D

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the right to receive notices, requests, demands and other communications. The Assignor agrees that it will promptly remit to the Assignee any amount received by it in respect of the Assigned Interest (whether from the Lessor, the Administrative Agent, the Collateral Agent or otherwise) in the same funds in which such amount is received by the Assignor.

3. The Assignor (i) represents and warrants that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest and the collateral therefor are, at the time of this assignment, free and clear of any adverse claim created by or arising as a result of any claim against the Assignor and is not subject to any assignment or transfer; (ii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Participation Agreement or the other Operative Documents or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Participation Agreement, the other Operative Documents or any other instrument or document furnished pursuant thereto; (iii) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Lessee or the Guarantor, or the performance or observance by the Lessee or the Guarantor of any of its obligations under the Participation Agreement, the other Operative Documents or any other instrument or document furnished pursuant thereto; and (iv) attaches its Tranche A Notes and Tranche B Notes and requests that the Lessor issue new Tranche A Notes and Tranche B Notes

in accordance with the terms of the Participation Agreement.

4. The Assignee (i) confirms that it is a Qualified Financial Institution, and it has received a copy of the Participation Agreement and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment of Notes; (ii) agrees that it will, independently and without reliance upon the Administrative Agent, the Lessor, the Assignor or any other Purchaser and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Participation Agreement, the Tranche A Notes and Tranche B Notes and the other Operative Documents; (iii) appoints or authorizes the Administrative Agent to take such actions as agent on its behalf and to exercise such powers under the Participation Agreement and the other Operative Documents as are delegated to the Administrative Agent by the terms thereof, together with such powers as are incidental thereto; (iv) agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Participation Agreement, the Tranche A Notes and Tranche B Notes and the other Operative Documents are required to be performed by it as a holder of Tranche A Notes and Tranche B Notes; (v) specifies as its purchasing offices (and address for notices) the offices set forth beneath its name on the signature pages hereof; and (vi) attaches the forms prescribed by the Internal Revenue Service of the United States of America certifying as to the Assignee's status for purposes of determining exemption from United States withholding taxes with respect to all payments to be made to the Assignee under the Participation Agreement (and the other Operative Documents) or such other documents as are necessary to indicate that all such payments are subject to such rates at a rate reduced by an applicable tax treaty.

5. Following the execution of this Assignment of Notes, it will be delivered to the Administrative Agent for acceptance and recording by the Administrative Agent. Upon such acceptance and recording, as of the Effective Date, (i) the Lessor shall issue new Tranche A Notes and Tranche B Notes pursuant to Section 5.7 of the Participation Agreement, (ii) the

Exhibit D

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Assignee shall be a party to the Participation Agreement and, to the extent provided in this Assignment of Notes, have the rights and obligations of a holder of Notes thereunder and the other Operative Documents and (iii) the Assignor shall, to the extent provided in this Assignment of Notes, relinquish its rights and be released from its obligations under the Participation Agreement, the Tranche A Notes and Tranche B Notes and the other Operative Documents.

6. Upon such acceptance, recording and consent, from and after the Effective Date, the Administrative Agent shall make all payments under the Operative Documents in respect of the Assigned Interest (including, without limitation, all payments of principal or interest) to the Assignee. The Assignor and Assignee shall make all appropriate adjustments in payments under the Operative Documents for periods prior to the Effective Date directly between themselves.

7. THIS ASSIGNMENT OF NOTES SHALL BE GOVERNED BY AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF _____ WITHOUT GIVING EFFECT TO ANY PROVISIONS RELATING TO CONFLICTS OF LAW.

Exhibit D

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IN WITNESS WHEREOF, the parties hereto have caused this Assignment of Notes to be executed by their respective officers thereunto duly authorized, as of the date first above written.

[NAME OF ASSIGNOR],

By: _____

Name:
Title:

[LENDING OFFICE (and address for notices):

Address: _____]

[NAME OF ASSIGNEE],

By: _____

Name:
Title:

Accepted this _____ day of _____, ____.

FLEET CAPITAL CORPORATION, as
Administrative Agent under
the Participation Agreement

By: _____

Name:
Title:

Exhibit D

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Schedule 1

to

Assignment of Notes

Dated _____, ____

Section 1

- (a) Total Principal Amount of Assignor's Outstanding Tranche A Notes and Tranche B Notes prior to the Effective Date: \$ _____
- (b) Amount of Assigned Interest with respect to Tranche A Notes and Tranche B Notes: \$ _____
- (c) Principal Amount of Tranche A Notes and Tranche B Notes Retained by the Assignor: \$ _____
- (d) Assignor's undrawn Tranche A Loan Commitment after giving effect to this Assignment of Notes \$ _____
- (e) Assignor's undrawn Tranche B Loan Commitment after giving effect to this Assignment of Notes \$ _____

Section 2

- (a) Total Principal Amount of Assignee's Outstanding Tranche A Notes and Tranche B Notes after giving effect to this Assignment of Notes: \$ _____
- (b) Assignee's undrawn Tranche A Loan Commitment \$ _____
- (c) Assignee's undrawn Tranche B Loan Commitment \$ _____

Effective Date: _____, 20__

EXECUTION COPY

THIS LEASE HAS BEEN ASSIGNED BY LESSOR TO FLEET CAPITAL CORPORATION, AS COLLATERAL AGENT PURSUANT TO THAT SECURITY AGREEMENT, DATED AS OF DECEMBER 29, 2000, FOR THE BENEFIT OF THE TRANCHE A LENDER AND THE TRANCHE B LENDER REFERRED TO THEREIN. TO THE EXTENT, IF ANY, THAT THIS LEASE CONSTITUTES CHATTEL PAPER (AS SUCH TERM IS DEFINED IN THE UNIFORM COMMERCIAL CODE IN ANY APPLICABLE JURISDICTION), NO SECURITY INTEREST IN THIS LEASE MAY BE CREATED THROUGH THE TRANSFER OR POSSESSION OF ANY COUNTERPART HEREOF OTHER THAN COUNTERPART NO. 1.

Equipment Lease

Between

WABASH STATUTORY TRUST - 2000,
as Lessor

and

APEX TRAILER LEASING & RENTALS, L.P.,
as Lessee

Dated as of December 29, 2000

This is Counterpart No. _____

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EXHIBIT B -- Form of Sublease

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EQUIPMENT LEASE

EQUIPMENT LEASE, dated as of December 29, 2000 (this "Lease"), between WABASH STATUTORY TRUST - 2000, a Connecticut statutory trust, as Lessor

("Lessor"), and APEX TRAILER LEASING & RENTALS, L.P., a Delaware limited partnership, as Lessee ("Lessee").

RECITALS:

WHEREAS, subject to the terms and conditions set forth herein and in that certain Participation Agreement, dated as of December 29, 2000, among Lessee, Lessor, Wabash National Corporation, as Guarantor, State Street Bank and Trust Company of Connecticut, National Association, as Trustee, Fleet Capital Corporation, as Owner Participant, Tranche A Lender and Tranche B Lender and Fleet Capital Corporation, as Administrative Agent and Collateral Agent (as amended, modified, restated or supplemented from time to time, the "Participation Agreement"), Lessor wishes to purchase the Units of Equipment from Lessee and to lease such Units of Equipment to Lessee and Lessee wishes to lease the Units of Equipment from Lessor on the Initial Closing Date and each subsequent Closing Date.

WHEREAS, capitalized terms used in this Lease and not otherwise defined herein shall have the respective meanings indicated in Appendix A attached to the Participation Agreement. Where any provision in this Lease refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

NOW THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
LEASE AND DELIVERY OF EQUIPMENT; TERM

Section 1.1. Intent to Lease and Hire. Upon the purchase of each Unit of Equipment by Lessor from Lessee and the other sellers thereof pursuant to and subject to the terms and conditions of the Participation Agreement, Lessor hereby agrees that it shall, commencing on the first day of the Initial Lease Term, lease and demise to Lessee such Unit to Lessee and Lessee hereby agrees that it shall lease and let such Unit from Lessor for the Term of this Lease, on and subject to the terms and conditions set forth herein and in the applicable Lease Supplement.

Section 1.2. Lease Supplement. Lessee hereby agrees that Lessee's execution and delivery of a Lease Supplement, in the form attached hereto as Exhibit A, with respect to any Unit shall conclusively establish that, as between Lessor and Lessee, but without limiting or otherwise affecting Lessee's or Lessor's rights, if any, against any manufacturer of such Unit, such Unit is acceptable to and irrevocably accepted by Lessee under this Lease and shall be evidence that such Unit has been subjected to this Lease pursuant to the terms hereof, notwithstanding any defect with respect to design, manufacture, condition or in any other

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respect, and that such Unit (i) is in good order and condition and conforms to the specifications applicable thereto and to all Applicable Laws, and (ii) to Lessee's knowledge, is in compliance with all manufacturing specifications and warranties. By its execution and delivery of any Lease Supplement, Lessee represents and warrants to Lessor and each Participant that it has inspected the Equipment to which such Lease Supplement relates and that it has no knowledge of any defect in any Unit covered thereby. Lessor hereby appoints Lessee as its agent for acceptance of each of the Units of Equipment. Lessor shall not be liable to Lessee for any failure or delay in obtaining any Unit of Equipment or making delivery thereof.

Section 1.3. Initial Term. The base term of this Lease for each Unit (the "Initial Lease Term") shall begin on the Initial Closing Date or Closing Date applicable to such Unit as specified in the Lease Supplement applicable to such Unit (respectively, the "Term Commencement Date") and shall terminate with respect to such Unit on June 30, 2002 (the "Initial Lease Term Expiration Date"), subject to earlier termination pursuant to Articles X, XIII and XVII. Subject and pursuant to the terms of Section 1.4, Lessee may elect one or more Renewal Terms at the end of the Initial Lease Term or any expiring Renewal Term with respect to all Units of Equipment then subject to this Lease. The Termination Value payable during the Initial Lease Term in respect of any Unit of Equipment suffering an Event of Loss shall be as determined on Schedule I to the applicable Lease Supplement.

Section 1.4. Renewal Terms. So long as no Unmatured Lease Default or Lease Event of Default shall have occurred and be continuing, Lessee may, as provided in Section 17.2 hereof, renew this Lease as to all, but not less than all of the Units for one or more consecutive one year renewal terms (each one-year term, a "Renewal Term"), provided, however, that (i) Lessee only may elect one Renewal Term at a time and (ii) notwithstanding anything to the contrary contained herein, Lessee only shall be entitled to elect a total of four (4) Renewal Terms. Such Renewal Term shall commence upon the day following the Initial Lease Term Expiration Date or upon the day following the expiration of the immediately preceding Renewal Term, as the case may be. The Termination Value payable during the Renewal Term in respect of any Unit of Equipment suffering an Event of Loss shall be in an amount as determined on Schedule I to the applicable Lease Supplements.

Section 1.5. Right, Title and Interest. The Equipment is leased to the Lessee without any representation or warranty, express or implied, by the Lessor and subject to the rights of parties in possession, the existing state of Lessor's right, title and interest (including, without limitation, all Liens other than Lessor Liens) and all Applicable Law. The Lessee shall in no event have any recourse against the Lessor for any defect in or exception to Lessor's right, title and interest to the Equipment other than resulting from Lessor Liens attributable to the Lessor.

Section 1.6. Delivery; Inspection And Acceptance By Lessee. Upon delivery of each Unit of Equipment, Lessee shall inspect and accept the Equipment and shall execute and deliver to Lessor a Lease Supplement containing a complete description of the Unit of Equipment accepted; whereupon, as between Lessor and Lessee, the same shall be deemed to have been finally accepted by Lessee pursuant to this Lease. All expenses incurred in connection with Lessor's purchase of the Equipment (including shipment, delivery and installation) shall be the responsibility of Lessee and shall be paid upon demand. If Lessee shall, for reasonable cause,

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refuse to accept delivery of any Unit of Equipment, Lessee will be assigned all rights and shall assume all obligations of Lessor as purchaser of the Equipment.

ARTICLE II RENT

Section 2.1. Rent.

(a) During the Initial Lease Term and each Renewal Term with respect to each Unit of Equipment, Lessee shall, on each Payment Date, pay to Lessor Basic Rent for such Unit of Equipment, all as set forth in the Participation Agreement.

(b) Lessee's inability or failure to take possession of all or any portion of a Unit of Equipment upon the entering into of the initial Lease Supplement for such Equipment shall not delay or otherwise affect Lessee's obligation to pay Rent for such Equipment in accordance with the terms of this Lease.

Section 2.2. Payment of Rent. Rent shall be paid absolutely net to each Person entitled thereto, so that this Lease shall yield to such Person the full amount thereof, without setoff, deduction or reduction.

Section 2.3. Supplemental Rent. Lessee shall pay to Lessor or any other Person entitled thereto any and all Supplemental Rent promptly as the same shall become due and payable, and if Lessee fails to pay any Supplemental Rent, Lessor and such other Persons shall have all rights, powers and remedies provided for herein or by law or equity or otherwise. Lessee shall pay to Lessor, as Supplemental Rent, among other things, on demand, to the extent permitted by Applicable Law, interest at the applicable Overdue Rate on any installment of Basic Rent with respect to any Unit of Equipment not paid when due for the period for which the same shall be overdue and on any payment of Supplemental Rent not paid when due or demanded by Lessor for the period from the due date or the date of any such demand, as the case may be, until the same shall be paid. The expiration or other termination of Lessee's obligations to pay Basic Rent hereunder shall not limit or modify the obligations of Lessee with respect to Supplemental Rent. Unless expressly provided otherwise in this Lease, in the event of any failure on the part of Lessee to pay and discharge any Supplemental

Rent as and when due, Lessee shall also promptly pay and discharge any fine, penalty, interest or cost which may be assessed or added under any agreement to which Lessee is a party or which is authorized in writing by Lessee with a third party for nonpayment or late payment of such Supplemental Rent, all of which shall also constitute Supplemental Rent.

Section 2.4. Method of Payment. Notwithstanding anything to the contrary in any of the Operative Documents, each payment of Rent, or other amounts payable by Lessee to Lessor under this Lease or any other Operative Document (other than payments of Supplemental Rent that are Excluded Amounts) shall be made by Lessee to the Administrative Agent as agent of Lessor under the Participation Agreement (or, if all Loans and all other amounts owing to the Lenders under the Operative Documents have been paid in full and all Commitments of the Lenders have been permanently terminated, to the Owner Participant) prior to 11:00 A.M., eastern standard time, to the account specified in Section 5.5 of the Participation Agreement, in

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immediately available funds consisting of lawful currency of the United States of America on the date when such payment shall be due. Payments received after 11:00 A.M., eastern standard time on the date due shall, for the purpose of Section 13.1(a), hereof be deemed received on such day; provided, however, that for the purposes of the second sentence of Section 2.3 hereof, such payments shall be deemed received on the next succeeding Business Day and subject to interest at the Overdue Rate as provided in such Section 2.3. In the event the Lessee makes a Rent payment on a day other than a Payment Date (if otherwise required), Lessee shall pay any Break Costs associated with such payment. All payments of Supplemental Rent payable directly to the Trustee, which are Excluded Amounts, shall be made to the Trustee to the account specified in Section 18.1 hereof.

ARTICLE III NET LEASE

This Lease is a net lease and Lessee acknowledges and agrees that Lessee's obligations hereunder shall be absolute and unconditional under any and all circumstances and shall be paid without notice or demand and without any abatement, reduction, suspension, diminution, deferral, setoff, defense, counterclaim or recoupment whatsoever, including, without limitation, any abatement, reduction, suspension, diminution, deferral, setoff, defense, counterclaim or recoupment due or alleged to be due to, or by reason of, any past, present or future claims which Lessee may have against Lessor, Owner Participant, any assignee, Administrative Agent, Collateral Agent, any vendor or manufacturer of the Equipment or any part or Unit thereof, any Lender or any other Person, either under this Lease or otherwise, for any reason whatsoever, nor, except as otherwise expressly provided herein, shall this Lease terminate, or the obligations of Lessee be otherwise affected for any reason whatsoever, including any defect in or damage to or loss of possession or loss of use or destruction of the Equipment or any part or Unit thereof, the condition, design, operation or fitness for use thereof, any Liens or rights of others with respect to the Equipment or any part or Unit thereof, any prohibition or interruption of or other restriction against Lessee's use, operation or possession of the Equipment or any part or Unit thereof, or any interference with such use, operation or possession by any Person or entity (including confiscation, requisition or other taking by any Governmental Authority, any Person acting under Governmental Authority or otherwise, or action of any public or private Person, or for any other reason whatsoever), the invalidity or unenforceability or lack of due authorization of this Lease, or any other Operative Document, any defect in the title to, compliance with plans or specifications for condition, design or fitness for use of all or any of the Equipment, any insolvency of or any bankruptcy, reorganization or other proceeding against Lessee, Lessor or any other Person, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention and agreement of the parties hereto, and the basis of the bargain, that (to the extent permitted by Applicable Law) Rent and other amounts payable by Lessee hereunder shall continue to be payable in full in all events in the manner and at the times herein provided unless and until the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease. To the extent permitted by Applicable Law, Lessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel or quit this Lease or surrender any Unit of Equipment except in accordance with the express terms hereof. Each Rent or other payment made by Lessee hereunder shall be final and

Lessee shall not seek to recover all or any part of such payment (except for any excess payment made in error) from

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Lessor, Owner Participant, Administrative Agent, Collateral Agent, or any Lender for any reason whatsoever.

Without limiting the generality of the foregoing, Lessee covenants that it will remain obligated under this Lease in accordance with its terms, and will not take any action to terminate (except in accordance with the express provisions hereof), rescind or avoid this Lease for any reason, notwithstanding any insolvency, bankruptcy, reorganization or other proceeding affecting Lessor or Owner Participant, or any property of Lessor or Owner Participant, or any action which may be taken by any receiver, trustee or liquidation (or other similar official) or by any court.

Nothing in this Article III or in any other provision of this Lease shall preclude any separate, independent claim (not by way of abatement or reduction of any amount at any time payable by Lessee hereunder) by Lessee for the breach of any representation, covenant, undertaking or agreement made herein and in any other Operative Document for the benefit of Lessee by Lessor, Owner Participant or any other Person.

ARTICLE IV OWNERSHIP AND MARKING OF EQUIPMENT

Section 4.1. Retention of Title. Lessor, as between Lessor and Lessee, shall and hereby does retain full legal title to the Equipment notwithstanding the delivery thereof to and possession and use thereof by Lessee.

Section 4.2. Duty to Number and Mark Equipment. Lessee will cause each Unit of Equipment to be kept marked with its reporting marks and numbered with one of its unit numbers as set forth in Annex A to each Lease Supplement, and will, from and after each Closing Date, keep and maintain plainly, distinctly, permanently and conspicuously such other markings as from time to time may be required by law in order to protect the title of Lessor to such Unit of Equipment and its rights under this Lease. Lessee will replace promptly any such unit numbers or reporting marks that may be removed, defaced, obliterated or destroyed. Lessee will not change the reporting marks or unit number of any Unit of Equipment unless and until a statement of new reporting marks and unit numbers to be substituted therefor shall have been delivered to Collateral Agent and Lessor and filed, recorded or deposited in all applicable public offices.

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Section 4.3. Prohibition Against Certain Designations. Except as above provided, Lessee will not allow the name of any Person to be placed on any Unit of Equipment as a designation that might be interpreted as a claim of ownership; provided, however, that Lessee may cause the Equipment to be lettered with the names or initials or other insignia customarily used by Lessee or its affiliates or a Sublessee on similar equipment used by Lessee or its Affiliates or a Sublessee of the same or a similar type for convenience of identification of Lessee or its affiliates or a Sublessee to use the Equipment under this Lease.

ARTICLE V DISCLAIMER OF WARRANTIES; QUIET ENJOYMENT

Section 5.1. Disclaimer of Warranties; Warranty Assignments.

(a) LESSEE ACKNOWLEDGES AND AGREES THAT (I) THE EQUIPMENT AND EACH UNIT THEREOF IS OF A SIZE, DESIGN, CAPACITY AND MANUFACTURE SELECTED BY AND ACCEPTABLE TO LESSEE, (II) LESSEE IS SATISFIED THAT THE EQUIPMENT AND EACH UNIT THEREOF IS SUITABLE FOR ITS PURPOSES, (III) NEITHER LESSOR NOR ANY PARTICIPANT IS A MANUFACTURER OR A DEALER IN PROPERTY OF SUCH KIND, (IV) THE EQUIPMENT AND EACH UNIT THEREOF IS LEASED HEREUNDER SUBJECT TO ALL APPLICABLE LAWS AND GOVERNMENTAL REGULATIONS NOW IN EFFECT OR HEREAFTER ADOPTED AND THE STATE AND CONDITION OF EVERY PART THEREOF WHEN THE SAME FIRST BECAME SUBJECT TO THIS LEASE WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND BY LESSOR OR ANY PARTICIPANT, AND (V) AS BETWEEN LESSOR, ANY PARTICIPANT AND LESSEE, LESSEE LEASES THE EQUIPMENT AND EACH ITEM THEREOF, ON AN "AS-IS, WHERE-IS" BASIS WITHOUT WARRANTY OR REPRESENTATION EITHER EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, WARRANTIES OR REPRESENTATIONS REGARDING THE

TITLE, CONDITION, FITNESS FOR A PARTICULAR PURPOSE DESIGN, DESCRIPTION, OPERATION OR MERCHANTABILITY THEREOF, IT BEING AGREED THAT ALL SUCH RISKS, AS BETWEEN LESSOR, ANY PARTICIPANT AND LESSEE, ARE TO BE BORNE BY LESSEE. The provisions of this Section have been negotiated by Lessor and Lessee and are intended to be a complete exclusion and negation of any representations or warranties of Lessor or Owner Participant, express or implied, with respect to the Equipment or any Unit thereof that may arise pursuant to any law now or hereafter in effect, or otherwise.

(b) Unless a Lease Event of Default shall have occurred and be continuing and (except for any Lease Event of Default arising under Section 13.1(g) hereof) Lessor shall have thereafter sent written notice to Lessee revoking the authority granted by this sentence, and so long as the Equipment shall be subject to this Lease and Lessee shall be entitled to possession of the Equipment hereunder, Lessor authorizes Lessee, at Lessee's expense, to assert for Lessor's account, all rights and powers of Lessor under any manufacturer's, vendor's or dealer's warranty on the Equipment or any part thereof; provided, however, that Lessee shall indemnify, protect, save, defend and hold harmless Lessor from and against any and all claims, and all costs, expenses, damages, losses and liabilities incurred or suffered by Lessor in connection therewith, as a result of, or incident to, any action by Lessee pursuant to the foregoing authorization, and that Lessee shall provide Lessor with prior written notice of any action Lessee proposes to take

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on Lessor's behalf pursuant to the foregoing authorization. Any payments made by any such vendor or manufacturer pursuant to such warranty for any Unit of Equipment shall be payable to Lessee so long as no Unmatured Lease Default or Lease Event of Default shall have occurred and be continuing and after the occurrence and during the continuance of an Unmatured Lease Default or a Lease Event of Default shall be paid to the Collateral Agent so long as the Lien of the Security Agreement shall not have been discharged and, thereafter, shall be paid to Lessor. Such payment is to be used to repair or replace damaged components in accordance with Article X hereof, if feasible, and if not used, such amount shall be paid promptly to Lessor, provided, that, so long as the Lien of the Security Agreement shall not have been discharged, such amount shall be paid promptly to Collateral Agent.

(c) Lessor shall have no responsibility or liability to Lessee or any other Person with respect to any of the following: (i) any liability, loss or damage caused or alleged to be caused directly or indirectly by any Unit of Equipment or by any inadequacy thereof or deficiency or defect therein or by any other circumstances in connection therewith; (ii) the use, operation or performance of any Unit of Equipment or any risks relating thereto; (iii) loss of business or anticipated profits or consequential damages; or (iv) the delivery, operation, servicing, maintenance, repair, improvement or replacement of any Unit of Equipment. Lessee's delivery of a Lease Supplement shall be conclusive evidence as between Lessee, any Lender, Owner Participant and Lessor that all Units of Equipment described therein are in all the foregoing respects satisfactory to Lessee, and Lessee will not assert any claim of any nature whatsoever against Lessor or any Participant based on any of the foregoing matters.

Section 5.2. Quiet Enjoyment. So long as no Lease Event of Default shall have occurred and be continuing, and subject to Lessor's rights under Article XI hereof, Lessor agrees that, following the execution and delivery of each Lease Supplement, Lessee shall be entitled to the quiet use and enjoyment of the Equipment subject to such Lease Supplement in accordance with this Lease and such Lease Supplement. Such right of quiet enjoyment is independent of, and shall not affect Lessor's rights otherwise to initiate legal action to enforce the obligations of Lessee under this Lease.

ARTICLE VI
SUBSTITUTION AND EXCHANGE OF
UNITS OF EQUIPMENT

(a) Subject to the provisions of subsection (d) hereof, and so long as no Unmatured Lease Default or Lease Event of Default shall have occurred and be continuing, Lessee may (i) subject to the conditions hereof, sell a Unit or group of Units of Equipment (such group, a "Pool") during each calendar quarter provided that on the last day of such calendar quarter Lessee shall, in accordance with this Article VI, substitute new equipment for the Units of Equipment that have been sold and (ii) substitute or exchange any Unit or Pool

of Equipment for another Unit or Pool of Equipment that is substantially similar to the Unit or Pool of Equipment to be replaced in accordance with the terms of this Article VI (such new Unit or Pool of Equipment, collectively referred to as "Replacement Units"). If the Lessee shall elect or be required to substitute or exchange any Unit or Pool of Equipment pursuant to the preceding sentence, the Lessee shall, except as otherwise provided herein, on the last day of each calendar quarter, at its sole cost and expense, deliver to the Lessor without cost to the Lessor full warranty

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bills of sale for the Replacement Units specifically identifying such Replacement Units (accompanied by a certificate of the Lessee, signed by a Responsible Officer of the Lessee, stating that such Replacement Units comply with the requirements of this Article VI), which Replacement Units meet (or will meet when the substitution or exchange is completed) the following conditions:

(1) they shall be free and clear of all Liens other than Permitted Equipment Liens and would in all other respects comply with the requirements of this Lease;

(2) each Replacement Unit or Pool of Replacement Units shall have a utility, expected residual value and remaining useful life at least equal to the Unit or Pool of Equipment, as the case may be, to be replaced and be in as good condition and operating order as such Unit or Pool of Equipment, assuming that such Unit or Pool of Equipment had been maintained in accordance with this Lease provided, however, that the number of Replacement Units shall not exceed 150% of the number of Units being replaced;

(3) the Replacement Unit or Pool of Replacement Units, as the case may be, shall have a Fair Market Sales Value and net book value at least equal to the then current Fair Market Sales Value and net book value of the Unit or Pool of Equipment that is being replaced and Lessor shall have the right to verify such values prior to the proposed substitution;

(4) title to all Replacement Units has vested in the Lessor pursuant to documentation reasonably acceptable to the Lessor;

(5) the Lessee shall execute and make all Security Interest Filings necessary or desirable to protect the interests of the Lessor, the other Participants, the Administrative Agent and the Collateral Agent in the Replacement Units concurrently with consummating such substitution or exchange;

(6) the Lessee and the Lessor shall enter into a Lease Supplement subjecting such Replacement Units to the Lease; and

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(7) the Lessee shall have furnished to Owner Participant and each Lender (so long as the Lien of the Security Agreement shall not have been discharged) an opinion of counsel to the effect that (A) the Bills of Sale and Lease Supplement have been duly authorized, executed, and delivered and constitute legal, valid and binding obligations of the Lessee (except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and by general principles of equity), (B) the Bills of Sale are effective to transfer, and do transfer, title to the Replacement Units to the Lessor, and (C) all filings, recordings and other action necessary or appropriate to perfect and protect the Lessor's and Collateral Agent's (so long as the Lien of the Security Agreement shall not have been discharged) respective interests in the Replacement Units, including without limitation the Security Interest Filings,

have been accomplished.

Notwithstanding anything to the contrary contained herein, if, during any calendar quarter, Lessee shall sell Units of Equipment, the aggregate Equipment Cost of which exceeds \$1,000,000 (and for which Replacement Units have not been substituted), Lessee shall promptly notify Lessor and shall be required to substitute Replacement Units for the Units which have been sold within ten (10) days following the last sale of Units (which together with such Units previously sold equal \$1,000,000 or more) rather than on the last day of the applicable calendar quarter, as provided above; provided further, however, that if, during any calendar quarter, Lessee contemplates a sale of Units, the aggregate Equipment Cost of which, when added to the aggregate Equipment Cost of all other Units previously sold during such calendar quarter (and for which Replacement Units have not been substituted), would exceed \$2,000,000, Lessee shall provide Lessor not less than ten (10) days prior notice of such sale and Lessee shall not consummate such sale unless, on the date of such sale, Lessee provides Replacement Units to Lessor in accordance with this Article VI.

(b) Upon transfer of the Replacement Units to Lessor and compliance with the requirements of paragraph (a): (i) each Replacement Unit shall become the property of the Lessor; (ii) the Lessor will be subrogated to all claims of the Lessee, if any, against third parties to the extent the same relate to physical damage to or loss of such Replacement Units and (iii) the substituted or exchanged property shall no longer be subject to this Lease, and the Lessor shall release any security interests, including, without limitation, the filing of any UCC termination statements or any other termination documentation with respect to any Security Interest Filing made in respect of such Replacement Units and Lessor shall promptly convey the replaced Unit to Lessee without recourse, representation or warranty as to any matter whatsoever except as to the absence of all Lessor's Liens. For all purposes hereof, the Replacement Units shall, after such transfer, (A) be part of the Equipment leased hereunder, be subject to the relevant Lease Supplement and all other Operative Documents as Units of Equipment, and (B) be deemed to be the Units of Equipment that were replaced. No such substitution or exchange shall result in any change in Basic Rent.

(c) The Lessee shall pay, on an After-Tax Basis, all costs and expenses (including reasonable attorneys' fees and disbursements) incurred by the Lessor, the Administrative Agent,

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the Collateral Agent and the Participants, and all taxes, fees and other governmental charges payable in connection with the substitution or exchange, whether or not such substitution or exchange is consummated and with respect to any documentation required to evidence such substitution or exchange in accordance with the terms hereof.

(d) Except as provided in subsection (a) above, at least ten (10) Business Days prior to the last day of each calendar quarter, Lessee shall provide written notice to Lessor of each substitution event that Lessee intends to complete on the last day of such calendar quarter. In the event that, pursuant to subsection (a) above, Lessee has substituted Equipment more than once per each quarterly period, which quarterly periods shall begin on January 1, 2001, Lessee shall pay to Lessor an administrative fee in the amount of \$2,500 for each separate substitution event (excluding the first substitution) during such quarterly period. Notwithstanding anything to the contrary contained in this Article VI, in no event shall Lessee be allowed to complete a substitution of Units of Equipment during a calendar quarter if the Equipment Cost of the Units of Equipment with respect to which a substitution is contemplated, when added to the Equipment Cost of all other Units of Equipment that already have been substituted during such calendar quarter and the immediately preceding three (3) calendar quarters exceeds, or will exceed after giving effect to the contemplated substitution, 25% of the Equipment Cost of all Units subject to the Lease during such annual period.

Lessee agrees to comply with all Applicable Laws of any Governmental Authority (including all Environmental Laws) with respect to the inspection, use, maintenance, operation and overhaul of each Unit of Equipment subject to this Lease, including, without limitation, procuring and maintaining in effect all licenses, registrations, certificates, permits, approvals or consents required by any Authority. Subject to the provisions of Sections 8.1, in case any equipment or appliance is required to be altered, added, replaced or modified on any Unit of Equipment in order to comply with such Applicable Laws, Lessee agrees to make such alterations, additions, replacements and/or modifications at its own expense and title thereto shall immediately be vested in Lessor.

ARTICLE VIII
USE AND MAINTENANCE OF EQUIPMENT

Section 8.1. Use and Maintenance of Equipment.

(a) Lessee shall (i) use the Equipment solely in conduct of its business, for the purpose for which the Equipment was designed, in a careful and proper manner (and shall not permanently discontinue use of the Equipment) and (ii) operate, maintain, service and repair the Equipment, and maintain all records and other materials relating thereto in accordance and consistent with (1) all maintenance and operating manuals or service agreements, including Supply Contracts, whenever furnished or entered into, including any subsequent amendments or replacements thereof, issued by the manufacturers of the Equipment; (2) the requirements of all insurance policies; (3) any purchase or sales agreement relating to such Equipment so as to preserve all of Lessee's and Lessor's rights thereunder, including all rights to any warranties,

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indemnities or other rights or remedies, (4) all Applicable Laws and (5) the prudent practice of other similar companies in the same business as Lessee, but in any event, to no lesser standard than that employed by Lessee for comparable equipment to be in good repair and operating condition and in at least the same condition as when delivered to Lessee hereunder, except for ordinary wear and tear resulting despite Lessee's full compliance with the terms hereof. Lessee (x) shall at all times, maintain records indicating the principal place of garage of each Unit of Equipment subject to this Lease and shall provide copies of such records to Lessor upon three (3) Business Days notice from Lessor and (y) shall not attach or incorporate the Equipment to or in any other item of or a part of such other item of equipment.

(b) Lessee, within a reasonable time, will replace any parts of the Equipment which become worn out, lost, destroyed, damaged beyond repair or otherwise permanently rendered unfit for use, with new or reconditioned replacement parts which are free and clear of all Liens, encumbrances or rights of others and have a value, utility and remaining useful life at lease equal to the parts replaced. Title to all such parts, improvements and additions to the Equipment immediately shall vest in Lessor, without cost or expense to Lessor or any further action by any Equipment and subject to the terms of this Lease as if originally leased hereunder. Except to the extent the same are replaced in accordance with this Article VIII, Lessee shall not detach or otherwise remove any parts originally or from time to time attached to the Equipment, if such parts are essential to the operation of the Equipment or cannot be detached from the Equipment without materially interfering with the operation of the Equipment or adversely affecting the value, utility and remaining useful life which the Equipment would have had without the addition thereof. Lessee shall not make any material alterations to the Equipment that would adversely affect the value, utility or remaining useful life of such Equipment without the prior written consent of Lessor.

(c) Lessee shall not operate or locate any Unit of Equipment, or suffer any Unit of Equipment to be operated or located, in any area excluded from coverage by any insurance policy required by the terms of Section 10.1 hereof. Lessee shall at no time assign, or permit any sublessee to assign, any Unit of Equipment for the transport or storage of any Hazardous Materials. Lessee shall promptly, and in all events within ten (10) Business Days after the occurrence of such event, notify Lessor, Owner Participant and any Lender of any breach by Lessee or any sublessee of the covenants or restrictions set forth in the immediately preceding sentence of this paragraph. Not later than thirty (30) day's after receipt of such notice, Lessor shall be entitled to declare an Event of Loss with respect to any Unit subject to such breach, in which event Lessee shall comply with the requirements of Article X hereof. Lessee agrees that it

will not discriminate against any Unit of Equipment (as compared to other similar equipment owned or leased by Lessee) with respect to its use, operation or maintenance in contemplation of the expiration or termination of this Lease.

(d) Lessee shall also maintain all records, logs and other materials required by the Department of Transportation or any other Governmental Authority having jurisdiction over the Equipment or Lessee to be maintained in respect of the Equipment.

(e) At all times during the Term of this Lease, the Equipment will be and remain in the possession and control of Lessee, subject to the terms of Article XVI hereof. Lessee shall not operate the Equipment or permit the Equipment to be operated or located outside of the

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contiguous forty-eight states of the United States, Alaska and Canada; provided, however, that Lessee shall be allowed incidental operation of the Equipment in Mexico, provided, further, that at no time shall Lessee allow Units of Equipment representing more than 3% of the Total Equipment Cost to be located or operated in Mexico. Lessee shall not use, and will not permit any other Person to use any Equipment or allow the same to be used, for any unlawful purpose. Lessee shall use and operate the Equipment or cause it to be used and operated only by personnel authorized by Lessee (subject to Article XVI hereof), and Lessee shall use every reasonable precaution to prevent loss or damage to each Unit of Equipment from fire and other hazards.

Section 8.2. Additions and Improvements. Any parts installed or replacements made by Lessee upon any Unit of Equipment pursuant to additions, improvements or pursuant to Lessee's obligation to maintain and keep the Equipment in good order, condition and repair under this Article VIII shall in either case be considered accessions to such Unit of Equipment and title thereto immediately shall be vested in Lessor without cost or expense to Lessor. Lessee shall make no other additions or improvements to any Unit of Equipment unless the same are readily removable without causing damage to such Unit of Equipment, and provided that such additions, modifications and improvements do not diminish the condition, Fair Market Sales Value, utility, remaining useful life or expected residual value of such Unit of Equipment. Title to any such readily removable additions or improvements shall remain with Lessee. If Lessee shall at its cost cause such readily removable additions or improvements to be made to any Unit of Equipment, then, prior to the return of such Unit of Equipment to Lessor hereunder of the delivery of such Unit to a third party purchaser of such Unit, Lessee shall notify Lessor whether it intends to remove such readily removable additions and improvements and, thereafter, Lessee shall remove the same at its own expense without causing any damage to such Unit of Equipment; provided, however, that Lessor may, by delivery of written notice to Lessee prior to any such removal, elect to purchase any such readily removable additions for a price equal to the Fair Market Sales Value thereof. In the event that such removal causes damage to the applicable Unit of Equipment, Lessee shall promptly repair any such damage prior to the return of the Unit of Equipment to the Lessor or to such third-party purchaser. Title to any readily removable addition or improvement which has not been so removed by Lessee from any Unit of Equipment when such Unit is returned to Lessor pursuant to this Lease or delivered to a third party purchaser of such Unit shall thereupon be vested in Lessor or such purchaser.

ARTICLE IX LIENS ON THE EQUIPMENT

Section 9.1. Liens on the Equipment. Lessee represents and warrants to Lessor that at the time a Unit of Equipment is accepted by it under this Lease, such unit will be free and clear of all Liens except (i) Lessor's Liens and (ii) Permitted Equipment Liens. Lessee will not directly or indirectly create, incur, assume or suffer to exist any Lien on or with respect to any Unit of the Equipment, title thereto or any interest therein except (i) Lessor's Liens and (ii) Permitted Equipment Liens. Lessee shall promptly, at its own expense, take such action as may be necessary to duly discharge any such Lien (and any claim which if unpaid might constitute or become such a Lien) not excepted above if the same shall arise at any time with respect to any Unit of the Equipment. Lessee shall notify Lessor upon becoming aware of any tax or other Lien (other than any Lien excepted above) that shall attach to the Equipment or any Unit thereof.

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Section 9.2. Security Interest Filings; Certificates of Title; Lien Notations.

Lessee shall perform the following actions to ensure that Collateral Agent shall have a first priority perfected Lien on all Equipment subject to this Lease:

(i) On or prior to the Closing Date for any Unit or replacement pursuant to Article VI, Lessee shall cause all Security Interest Filings to be filed in all appropriate filing offices.

(ii) Within fourteen (14) days of the initial Closing Date, Lessee shall cause to be completed and filed with all necessary Governmental Authorities applications for new certificates of title with respect to each Unit of Equipment subjected to this Lease on such initial Closing Date, which new certificates of title shall show Lessee as the owner of such Units of Equipment and shall show Collateral Agent as lienholder thereof specifically as follows:

"Fleet Capital Corporation, as Collateral Agent for the Lenders,
as assignee of Wabash Statutory Trust-2000
One Financial Plaza
2nd Floor RI DE 03702C
Providence, RI 02903
Attn: Steve Aalvik, Senior Vice President"

Upon such filings, Lessee shall certify in writing to Collateral Agent that such filings have been made. Within thirty (30) days of the initial Closing Date, Lessee shall, subject to the Limited Power of Attorney, possess all of the new certificates of title, provided, however, that so long as Lessee shall be diligently proceeding to obtain such new certificates of title from such Governmental Authorities, Lessee shall not be required to possess such certificates of title until sixty (60) days following the initial Closing Date. Upon receipt of such new certificates of title, Lessee shall certify in writing to Collateral Agent that it possesses such new certificates of title.

(iii) On or prior to the Closing Date for any Unit (other than the initial Closing Date) or replacement pursuant to Article VI, Lessee shall cause to be completed and filed with all necessary Governmental Authorities applications for new certificates of title with respect to each Unit of Equipment subjected to this Lease on such Closing Date, which new certificates of title shall comply with clause (ii) above. Upon such filings, Lessee shall certify in writing to Collateral Agent that such filings have been made. Within thirty (30) days of such Closing Date, Lessee shall, subject to the Limited Power of Attorney, possess all of the new certificates of title, provided, however, that so long as Lessee shall be diligently proceeding to obtain such new certificates of title from such Governmental Authorities, Lessee shall not be required to possess such certificates of title until sixty (60) days following such Closing Date. Upon receipt of such new certificates of title, Lessee shall certify in writing to Collateral Agent that it possesses such new certificates of title.

(iv) Lessee will, from time to time, do and perform any other act and will execute, acknowledge, deliver, file, register and record (and will refile, reregister or re-record whenever required) any and all further instruments, required by law or reasonably requested by Lessor or Owner Participant, for the purpose of protecting Lessor's title to any Unit of

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Equipment to the satisfaction of Lessor's or Owner Participant's counsel or for the purpose of carrying out the intention of this Lease (including any such filings and recordings as shall be necessary to evidence any change in the name of Lessee or any merger or consolidation thereof (and, at Lessor's expense, any such filings and recordings as shall be necessary to evidence any change in the name of Lessor or a successor trustee under the Trust Agreement)). Lessee will pay all costs, charges and expenses incident to any such re-recording or re-depositing of any such instruments or incident to the taking of such action.

ARTICLE X
INSURANCE; PAYMENT FOR EVENT OF LOSS

Section 10.1. Insurance Requirements.

(a) Lessee will at all times after delivery and acceptance of each Unit of Equipment, at its own expense, carry and maintain or cause to be carried and maintained (i) all-risk physical damage insurance with extended coverage in an amount not less than the greater of (x) the full replacement cost and (y) the Termination Value of all Units then subject to the Lease and (ii) public liability insurance, including but not limited to third-party personal injury, death and property damage (including contractual liability insurance), in amounts not less than \$5,000,000 in the aggregate and \$1,000,000 per occurrence, and with no deductible, in each case against such risks and in such amounts as is customarily maintained by Lessee in respect of other equipment owned or leased by Lessee similar to the Equipment, and from financially sound and reputable insurance companies of recognized national standing having a credit rating of at least Best A-/IX, and in any event such coverage shall be in accordance with customary standards and practices in the industry in which Lessee operates. Notwithstanding the foregoing, Lessee may self-insure with respect to all risk physical damage insurance.

(b) Such insurance policies shall: (i) name and insure Lessor, Trust Company, Owner Participant, Collateral Agent, Administrative Agent and each Lender as additional insureds (each an "Additional Insured") under the comprehensive liability insurance and, insure Collateral Agent as loss payee under the physical damage insurance, with the understanding that any obligation imposed on Lessee, including the liability to pay premiums, shall be the sole obligation of Lessee and not that of Lessor, (ii) provide that the insurer waive its right of subrogation, set-off or counterclaim or any other deduction, whether by attachment or otherwise against each Additional Insured, (iii) provide that all such insurance is without right of contribution from any other insurance which might otherwise be maintained by any Additional Insured, (iv) provide therein or by endorsement that thirty (30) days prior written notice of cancellation or modification in a manner materially adverse to any Additional Insured shall be given to each Additional Insured, as the case may be, and ten (10) days prior written notice of cancellation for nonpayment shall be given to each Additional Insured, (v) provide that there is no recourse against each Additional Insured for payment of premium, commissions, direct calls, assessments or advances, and (vi) provide that the interests of each Additional insured shall not be invalidated by any action or inaction of Lessee or any other Person. Prior to each Closing Date and annually thereafter at each policy anniversary date, Lessee shall furnish each Additional Insured with certificates or other satisfactory evidence of maintenance of the insurance so required and shall furnish certificates evidencing renewals thereof as soon as practicable but in no event later than five (5) Business Days prior to such renewal. Lessee shall

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furnish written notice to Lessor, Owner Participant, Collateral Agent, Administrative Agent and each Lender of any notice of cancellation, material modification, termination or lapse for non-payment of premiums with respect to any of the liability insurance provided pursuant to this Section within five (5) Business Days after the earlier of (x) the date upon which Lessee receives such notice from the insurance company providing such insurance and (y) the date upon which Lessee has actual knowledge of any such cancellation, material modification, termination or lapse for non-payment of premiums.

(c) Nothing in this Section 10.1 shall prohibit any Additional Insured from obtaining insurance for its own account at its cost, and any proceeds payable thereunder shall be as provided in the insurance policy relating thereto; provided, however, that no such insurance may be obtained that would limit or otherwise adversely affect the coverage of any insurance to be obtained or maintained by Lessee pursuant to this Section 10.1.

(d) If Lessee shall fail to maintain insurance as herein provided in Section 10.1, Lessor may at its option provide such insurance and, in such event, Lessee shall upon demand from time to time reimburse Lessor for the cost thereof together with interest from the date of payment thereof at the Overdue Rate, on the amount of the cost to Lessor of such insurance which Lessee shall have failed to maintain. If after Lessor has provided such insurance, Lessee then obtains the coverage provided for in Section 10.1 which was replaced by the insurance provided by Lessor, and Lessee provides Lessor with evidence of such coverage reasonably satisfactory to Lessor, Lessor shall cancel the insurance it has provided pursuant to the first sentence of this Section 10.1(d). In such event, Lessee shall reimburse Lessor for all costs to Lessor of cancellation, including without limitation any short rate penalty, together with interest from the date of Lessor's payment thereof at the Overdue Rate.

Section 10.2. Casualty.

(a) In the case of a Casualty affecting any Unit of Equipment that is not an Event of Loss, any insurance proceeds shall be applied in accordance with this Section 10.2(a). If the loss (or losses from a single incident or cause) covered by said physical damage insurance is less than \$500,000, the proceeds of such insurance shall be payable to Lessee provided that no Unmatured Lease Default or Lease Event of Default shall have occurred and be continuing and, after the occurrence and continuance of an Unmatured Lease Default or a Lease Event of Default, such proceeds shall be paid to Collateral Agent so long as the Lien of the Security Agreement shall not have been discharged and thereafter shall be paid to Lessor. If such loss equals or exceeds \$500,000, the proceeds of such insurance shall be payable to Collateral Agent or, if the Lien of the Security Agreement shall have been discharged, Lessor; provided that Collateral Agent or Lessor, as the case may be, shall, so long as no Unmatured Lease Default or Lease Event of Default has occurred or is then continuing (i) remit all such insurance proceeds to Lessee at such time as Lessee either (A) provides Lessor evidence that the damage has been repaired and the Equipment has been restored to good working order and condition or (B) has paid to Lessor or Collateral Agent, as the case may be, the amounts otherwise due to Lessor or Collateral Agent, as the case may be, on loss of such Equipment or has effected substitution for such Equipment pursuant to Section 10.3 hereof or (ii) upon receipt of an invoice from the Person making such repair and evidence that the damage has been repaired and the Equipment has been restored to good working order and condition, pay that portion of the insurance proceeds to such Person in

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satisfaction of such invoice and remit the remainder of all such insurance proceeds to Lessee. Any balance remaining after compliance with this Section 10.2(a) with respect to such loss or damage shall be retained by Lessor, and after the occurrence and during the continuance of an Unmatured Lease Default or a Lease Event of Default such payments shall be paid to Collateral Agent so long as the Lien of the Security Agreement shall not have been discharged and thereafter shall be paid to Lessor.

(b) If an Unmatured Lease Default or Lease Event of Default has occurred and is continuing, any amounts which otherwise would be payable to Lessee hereunder shall be retained by Lessor (or Collateral Agent, so long as the Lien of the Security Agreement is outstanding) for application in satisfaction of Lessee's obligations hereunder upon the exercise of remedies pursuant to Section 13.2, unless prior thereto, the Unmatured Lease Default or Lease Event of Default is cured or waived.

Section 10.3. Substitution or Payment of Termination Value upon an Event of Loss. If an Event of Loss occurs with respect to a Unit or Units of Equipment during the Term, Lessee shall, within thirty (30) days after Lessee receives notice of (or otherwise obtains knowledge of) the occurrence of such Event of Loss, inform Lessor, Owner Participant and Collateral Agent in regard thereto and of its election to perform one of the following options (it being agreed that if Lessee shall not have given notice of such election within thirty (30) days after Lessee receives notice of (or otherwise obtains knowledge of) such occurrence or if a Unmatured Lease Default or a Lease Event of Default shall then have occurred and be continuing, Lessee shall be obligated to perform the option set forth in the following subparagraph a(i);

(i) substitute Replacement Units for such Unit or Units of Equipment in accordance with the provisions of Article VI hereof; provided however, that if Lessee shall not perform its obligation to effect such replacement under this subparagraph (a)(i) during the period of time provided in Article VI hereof, then on the next succeeding Payment Date after the end of such period, Lessee shall pay to Lessor or, so long as the Lien of the Security Agreement shall not have been discharged, Collateral Agent or, in the case of Supplemental Rent, to the Person entitled thereto, (A) the Termination Value for such Unit (computed as of such Payment Date by multiplying the Equipment Cost with respect to such Unit, as set forth on Annex A to the applicable Lease Supplement, with the applicable Termination Value Percentage set forth on Schedule I to such Lease Supplement opposite such Payment Date), plus (B) the Basic Rent and any Supplemental Rent due for such Unit of Equipment on such Payment Date, plus (C) all accrued and unpaid Basic Rent and any Supplemental Rent owing for such

Unit of Equipment through any prior Payment Date; or

(ii) on the Payment Date next following such notice of such Event of Loss, Lessee shall pay (A) the Termination Value for such Unit (computed as of such Payment Date), plus (B) the Basic Rent and any Supplemental Rent due for such Unit of Equipment on such Payment Date, plus (C) all accrued and unpaid Basic Rent and any Supplemental Rent owing for such Unit of Equipment through any prior Payment Date.

Section 10.4. Rent Termination. Upon (but not until) payment of all sums required to be paid pursuant to Section 10.3 hereof in respect of any Unit or Units of Equipment with respect to

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which an Event of Loss has occurred, the obligation to pay Rent for such Unit or Units of Equipment shall terminate, but Lessee shall continue to pay Rent for all other Units of Equipment.

Section 10.5. Disposition of Equipment. Upon payment of the Termination Value as provided in Section 10.3 hereof, title to the Unit or Units of Equipment suffering an Event of Loss shall vest in Lessee, as evidenced by a bill of sale from Lessor transferring such Unit or Units to Lessee on an "as is, where is" basis without representation or warranty, express or implied, except as to the absence of Lessor Liens. Any proceeds up to the Termination Value payable in respect of an Event of Loss shall be applied to Lessee's obligation to pay such Termination Value or, if Lessee has previously paid such Termination Value, to reimburse Lessee for such payment. Any proceeds in excess of the Termination Value payable in respect of an Event of Loss shall be allocated and paid to Lessee.

Section 10.6. Termination Value. The Termination Value of each Unit of Equipment shall be an amount determined as of the date the Termination Value is to be paid as provided in this Article X (and not the date of the Event of Loss).

Section 10.7. Risk of Loss. Lessee shall bear and hereby assumes the risk of loss, damage, theft, destruction, confiscation or requisition, partial or complete, of or with respect to each Unit of Equipment from and after the Closing Date with respect to such Units and continuing until the expiration of the Term and, except as hereinabove in this Article X provided, shall not be released from its obligations hereunder in the event of any Event of Loss, with respect to any Unit of Equipment from and after the date hereof and continuing until payment of the Termination Value and all Rent and other sums due on and prior to the date of payment of such Termination Value in respect of such Unit of Equipment has been made. So long as no Lease Event of Default has occurred and is continuing, Lessee shall be entitled to make all claims and proofs of loss, damage theft, taking, destruction, confiscation or requisition, partial or complete, with respect to each Unit of Equipment and take all other steps necessary to collect the proceeds thereof.

Section 10.8. Eminent Domain. If during the Term of this Lease the use of any Unit of Equipment is subject to a Condemnation which has not yet become an Event of Loss or for a stated period which does not constitute an Event of Loss, Lessee's obligation to pay all installments of Rent and other sums shall continue for the duration of such Condemnation unless and until the same shall become an Event of Loss. So long as no Unmatured Lease Default or Lease Event of Default shall have occurred and be continuing, Lessee shall be entitled to receive and retain for its own account all sums payable for any such period by such Governmental Authority as compensation for such Condemnation.

ARTICLE XI INSPECTION; REPORT

(a) Lessor, Collateral Agent, any Lender and Owner Participant each shall have the right, but not the obligation, during normal business hours, at their respective sole cost and expense, except as provided below, by their respective authorized representatives to (i) inspect the Equipment; (ii) audit Lessee's books and records with respect thereto; (iii) perform title

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verifications and (iv) take extracts of books and records pertaining to the

Equipment. Lessee shall make available to Lessor, Collateral Agent, any Lender and Owner Participant the Equipment and Lessee's books and records with respect thereto, with such frequency as shall be reasonable; provided, however, that (a) such inspections and audits shall not interfere with Lessee's normal operation of the Units, and (b) any person exercising the right of inspection under this section will comply with reasonable rules and restrictions regarding access to property on which the Equipment may be located. Lessee shall pay the actual costs and expenses of one such audit of Lessee's books and records per each calendar quarter beginning with the first calendar quarter provided that Lessor shall have the right to perform such audits more frequently than once per quarter. During the continuance of a Unmatured Lease Default related to the Equipment or any Lease Event of Default, such inspections and audits shall be at Lessee's sole cost and expense, provided, further that if certain Units of Equipment are subject to any Sublease, Lessee shall inform Lessor, Owner Participant, Collateral Agent and each Lender of the location of such Units of Equipment and to whom it is sublet and shall use reasonable efforts to permit Lessor and each Participant to inspect the same.

(b) Within 10 Business Days of the end of each calendar quarter, Lessee shall provide to Lessor and Collateral Agent, a report indicating the sale and substitution activity of Units for the prior calendar quarter in a form satisfactory in form and scope to Lessor and Collateral Agent which may be embodied in the notice required to be delivered pursuant to Article VI(d) hereof.

ARTICLE XII
RETURN OF THE EQUIPMENT UPON EXPIRATION OF TERM

Section 12.1. Return Conditions. (a) Upon the expiration or earlier termination of the Term of this Lease, Lessee shall, unless Lessee has paid Termination Value and other amounts with respect thereto pursuant to Section 17.2(c) of or has timely exercised its purchase option with respect thereto pursuant to Section 17.1 hereof, at its own expense, return all Units of Equipment to Lessor. Upon the return of such Equipment, Lessee shall at its own cost and expense have taken all necessary action to assure that each Unit of Equipment shall: (i) be in the same condition as when delivered to Lessee hereunder, ordinary wear and tear resulting from proper use thereof excepted, (ii) be in such operating condition as is capable of the Unit performing at its originally intended use, (iii) have been used, operated, serviced and repaired in accordance with, and otherwise complying with, Article VIII hereof, (iv) be free and clear of all Liens whatsoever except Permitted Equipment Liens; (v) meet the standards (including all safety and environmental standards) then in effect for equipment of the same type and age as the Equipment, (vi) have attached or affixed thereto, all parts to which Lessor has title hereunder and have removed therefrom all parts and property to which Lessee has title thereto (unless Lessor has exercised its option to purchase the same pursuant to the terms hereof), (vii) be capable of performing the functions for which it was designed, with necessary certifications - in full force and effect, (viii) at Lessor's election, either (x) be returned empty but suitable for transporting the commodity last carried or (y) be cleaned in such manner as to be suitable for human entry and inspection, (ix) be in compliance with all Applicable Laws, (x) be free of any marks, special paint or insignia, other than those required by Section 4.2 hereof and (xi) in any event be in a condition in compliance with all provisions of this Lease and any requirements specified for such Unit in the Lease Supplement applicable to such Unit.

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(b) In addition to and not in limitation of the foregoing, that portion each Unit of Equipment comprised of any trailer or refrigeration unit shall be in "good and efficient working order" and shall comply with the following requirements:

(i) General Condition. All equipment originally furnished with any Unit of Equipment, or the substantial equivalent thereof, shall be installed and intact, without alterations or modifications other than as recommended by the manufacturer and approved in writing by the Lessor. All decals, numbers and other customer identification shall be removed from each unit by Lessee or Lessee's agent in a manner satisfactory to the Lessor. Lessee shall pay any reasonable costs if Lessor effects such removal after surrender. The cost of physical damage repairs shall not exceed \$50 for any Unit of Equipment.

(ii) Bodies. Lessee shall repair to the manufacturer's

specifications, any holes or perforations to walls, interior liner, insulation materials, door seals and floors.

(iii) Refrigeration Equipment. Refrigeration units shall be in good working order, the compressor shall operate to factory specified capacities and BTU ratings, diesel engine oil pressure shall register a minimum of 40lbs. The refrigeration unit engine will pull its rated load at factory specified RPM without excessive exhaust or oil leakage and there shall be no oil in the cooling system nor water in the oil. The foregoing items shall be tested and checked by an authorized dealer of the manufacturer of the refrigeration unit.

(iv) Tires and Brakes. Brake drums or rotors shall not be cracked and brake linings shall have an average of 50% remaining wear with no less than 35% on any one lining. Tires shall be of matched generic type and tread design, will have an average of 50% remaining tread with no less than 35% remaining on any one tire.

(v) Documents and Records. Upon surrender Lessee shall submit to Lessor, with each Unit of Equipment, maintenance and repair records, mileage records, diagrams, records, logs and other similar documents and all inspection, modification and overhaul records, or copies of all of the foregoing, in the Lessee's possession or the possession of any third-party maintenance organization. Lessee shall also submit registration certificates, clear certificates of title, current Federal highway use tax payment receipts and each Unit of Equipment shall have current Federal Highway Inspection documentation status records at time of return.

Lessee shall return the Equipment by delivering it to such place within the continental United States as Lessor shall specify.

(c) Upon the request of Lessor, and at Lessor's sole expense, Lessee shall cooperate with Lessor in obtaining the valid and effective issuance, or, as the case may be, transfer or amendment of all governmental action necessary or, in the reasonable opinion of Lessor, desirable for the ownership of any Unit of Equipment by Lessor or any transferee, sublessee or assignee thereof.

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Section 12.2. Inspection of Equipment. If Lessee shall return the Equipment to Lessor pursuant to Section 17.2(b), during the last ninety (90) days of the Term of this Lease, Lessee shall, at the request of Lessor, make reasonable arrangements for the inspection of the Units. Lessor and Lessee each agree, if requested by the other, that a representative thereof will perform jointly with the other an inspection of the Equipment, or an appropriate representative sampling thereof, to insure compliance with the provisions of Section 12.1 at such time and location and following such inspection standards as shall be mutually agreeable to Lessor and Lessee. If pursuant to such inspection any Unit of Equipment is deemed not in the condition required by Section 12.1, Lessee, at its expense and risk, shall within thirty (30) days thereafter make such repairs and perform such work as shall be necessary to place such Unit of Equipment in the condition required by Section 12.1. Lessee will provide Lessor with notice when such Unit of Equipment has been repaired so as to be in the condition required by Section 12.1. Upon such redelivery of an Unit of Equipment, Lessee agrees to provide to Lessor originals or true, correct, complete and legible copies of all manuals, drawings, diagrams, records, logs and other materials and inspection, modification, overhaul and maintenance records applicable thereto and then in the possession of Lessee.

Section 12.3. Specific Performance. The assembling, delivery in the required condition, storage, insurance and transporting of the Equipment as herein before provided are of the essence of this Lease, and upon application to any court of equity having jurisdiction thereover, Lessor shall be entitled to a decree against Lessee requiring specific performance of the covenants of Lessee to so assemble, deliver in the required condition, store, insure and transport the Equipment.

ARTICLE XIII LEASE DEFAULT

Section 13.1. Events of Default. Any of the following events shall constitute a Lease Event of Default hereunder:

(a) Lessee shall fail to make payment of (i) any Basic Rent within five (5) days of the date due or (ii) any Early Termination Payment, Termination Value, or Maximum Lessee Risk Amount on the date due therefor; or

(b) Lessee shall fail to make payment of any Supplemental Rent (other than any Supplemental Rent referred to in clause (a) of this Section 13.1) due and payable within five (5) days after receipt of written notice thereof; or

(c) Lessee shall fail to observe or perform any of its obligations under Section 17.3 after giving notice of its election to return the Equipment pursuant to Section 17.2; or any insurance required to be maintained pursuant to Article X of this Lease shall fail to be in full force and effect; or

(d) Guarantor shall default under any of its obligations under the Guaranty or fail to assume or perform any term, covenant or condition of the Guaranty; or

(e) any Obligor shall fail to observe or perform any term, covenant or condition applicable to it under any Operative Document to which it is party (other than those described in

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the foregoing clause (a), (b), (c) or (d) of this Section 13.1, which defaults shall be subject to cure periods only as set forth in such clauses) and, in each such case, such failure shall remain unremedied for thirty (30) days after the earlier of (x) written notice thereof and (y) the date on which the applicable Obligor shall have knowledge thereof; provided, however, that if such failure is capable of cure and the applicable Obligor shall have commenced to cure such failure within such thirty-day period, then such cure period shall be extended from thirty (30) days to ninety (90) days so long as the applicable Obligor is at all times during such extended period diligently taking action reasonably satisfactory to the Lessor and Lenders to cure or remedy such failure; or

(f) any representation or warranty made or deemed made by any Obligor herein or in any Operative Document or which is contained in any certificate, document or financial or other statement furnished at any time under or in connection with any Operative Document shall prove to have been incorrect, false or misleading in any material respect on or as of the date made or deemed made and either (i) the fact or condition which made such representation of warranty incorrect, false or misleading is not curable or remediable or (ii) the fact or condition which made such representation of warranty incorrect, false or misleading shall not have been cured or remediated within thirty (30) days after the earlier of (x) written notice thereof and (y) the date on which the applicable Obligor shall have knowledge thereof; or

(g) (i) any Obligor shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets, or any Obligor shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against any Obligor any case, proceeding or other action of a nature referred to in clause (i) above which (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismitted, undischarged or unbonded for a period of sixty (60) days; or (iii) there shall be commenced against any Obligor any case, proceeding other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within sixty (60) days from the entry thereof; or (iv) any Obligor shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) above; or (v) any Obligor shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

(h) any Operative Document or any Lien granted under any Operative Document shall, taken as a whole, terminate, cease to be effective against, or cease to be the legal, valid, binding and enforceable obligation of any Obligor; or

(i) any Lien (other than a Permitted Equipment Lien) shall be filed, levied or otherwise attached against any Unit of Equipment, and such Lien shall not be removed, bonded or satisfied within ten (10) days of Lessee's knowledge thereof,

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(j) by order of a competent court or governmental authority, Lessee shall suspend all or substantially all of its commercial operations for thirty (30) days or more, or Lessee shall voluntarily suspend all or substantially all of its commercial operations;

(k) any Obligor shall directly or indirectly contest the effectiveness, validity, binding nature of enforceability of any Operative Document or any Lien granted under any Operative Document; or

(l) the termination of any necessary permit or any other license or permit which termination materially affects Lessee's ability to meet its financial or performance obligations under the Operative Documents; or

(m) any judgments or orders for the payment of money in excess of \$1,000,000 shall be rendered against Lessee or Guarantor, and either such judgement is not discharged within sixty (60) days following the rendering thereof or there shall be any period during which a stay of enforcement of such judgment or order, by reason of an appeal or a bond pending appeal, shall not be in effect; or

(n) all or a material part of the Equipment is destroyed or suffers an actual or constructive loss or material damage in connection with any Casualty or Condemnation, and in any such case, the Equipment ceases to be operational for a period beyond the Expiration Date or beyond the later of (i) one hundred eighty (180) days after the receipt of any insurance awards or condemnation proceeds in connection with such Casualty or Condemnation and (ii) three hundred sixty (360) days after the occurrence of such Casualty or Condemnation, unless, in any such case, Lessee shall have submitted to the Lessor a plan of restoration or repair of the Equipment and the Lessor, in its sole discretion (after consultation with the other Participants) shall have consented to such plan of restoration or repair.

Section 13.2. Remedies. Upon the occurrence of any Lease Event of Default of the type described in clause (g) of Section 13.1, all Commitments shall automatically terminate and the Termination Value for all Equipment then outstanding, together with all accrued Basic Rent, Supplemental Rent and fees and other obligations of Lessee accrued under the Operative Documents, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by Lessee. Upon the occurrence of any Lease Event of Default other than a Lease Event of Default of the type described in clause (g) of Section 13.1, and at any time thereafter during the continuance of such event, the Lessor may, and at the request of the Required Participants shall, by notice to Lessee, take either or both of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately, and (ii) declare the Total Equipment Cost then outstanding to be due and payable in whole (or in part in which case any portion of the Total Equipment Cost not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the Total Equipment Cost (or the portion thereof so declared to be due and payable), together with all accrued Basic Rent, Supplemental Rent and all fees and other obligations of Lessee accrued under the Operative Documents, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by Lessee. In addition, upon the occurrence of any Lease Event of Default and at any time thereafter so long as such Lease Event of Default is continuing, the Lessor may, and at

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the request of the Required Participants shall, do one or more of the following as the Lessor or the Required Participants in its (or their) sole discretion shall determine, without limiting any other right or remedy the Lessor may have on account of such Lease Event of Default:

(a) The Lessor may, by notice to Lessee, rescind or terminate this

Lease as to any Unit of the Equipment or all of the Equipment as of the date specified in such notice; provided, however (i) no reletting, reentry or taking of possession of the Equipment (or any Unit thereof) by the Lessor will be construed as an election on the Lessor's part to terminate this Lease unless a written notice of such intention is given to Lessee, (ii) notwithstanding any reletting, reentry or taking of possession, the Lessor may at any time thereafter elect to terminate this Lease for a continuing Lease Event of Default and (iii) no act or thing done by the Lessor or any of its agents, representatives or employees and no agreement accepting a surrender of any Unit of the Equipment shall be valid unless the same be made in writing and executed by the Lessor;

(b) The Lessor may (i) demand that Lessee, and Lessee shall upon the written demand of the Lessor, return the Equipment promptly to the Lessor in the manner and condition required by, and otherwise in accordance with all of the provisions of, Articles VIII, IX and XII hereof as if the Equipment were being returned at the end of the Initial Lease Term, and the Lessor shall not be liable for the reimbursement of Lessee for any costs and expenses incurred by Lessee in connection therewith and (ii) without prejudice to any other remedy which the Lessor may have for possession of the Equipment, and to the extent and in the manner permitted by Applicable Law, enter upon the Equipment and take immediate possession of (to the exclusion of Lessee) the Equipment or any part thereof and expel or remove Lessee and any other Person who may be occupying the Equipment, by summary proceedings or otherwise, all without liability to Lessee for or by reason of such entry or taking of possession, whether for the restoration of damage to property caused by such taking or otherwise and, in addition to the Lessor's other damages, Lessee shall be responsible for all costs and expenses incurred by the Administrative Agent, the Collateral Agent, the Lessor, the Owner Participant and/or the Lenders in connection with any reletting, including, without limitation, reasonable brokers' fees and all costs of any alterations or repairs made by the Administrative Agent, the Lessor or any Lender;

(c) As more fully set forth in the Security Agreement, the Lessor may sell all or any Unit of the Equipment at public or private sale, as the Lessor may determine;

(d) The Lessor may, at its option, elect not to terminate this Lease and continue to collect all Basic Rent, Supplemental Rent, and all other amounts due to the Lessor (together with all costs of collection) and enforce Lessee's obligations under this Lease as and when the same become due, or are to be performed, and at the option of the Lessor, upon any abandonment of the Equipment by Lessee or re-entry of same by the Lessor, the Lessor may enforce, by suit or otherwise, all other covenants and conditions hereof to be performed or complied with by Lessee hereunder and to exercise all other remedies permitted by Applicable Law;

(e) Unless the Equipment has been sold in its entirety, the Lessor may, whether or not the Lessor shall have exercised or shall thereafter at any time exercise any of its rights under clause (b), (c) or (d) of this Section 13.2 with respect to the Equipment or any Unit thereof, demand, by written notice to Lessee specifying a date (a "Termination Date") not earlier than five (5) Business Days after the date of such notice, that Lessee purchase the Equipment or a

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Unit or Units of Equipment on such Termination Date for a price equal to the Termination Value of such Unit or Units plus all accrued and unpaid Basic Rent and all other amounts due and owing under the Operative Documents with respect to such Unit or Units;

(f) The Lessor may exercise any other right or remedy that may be available to it under Applicable Law, including any and all rights or remedies under the Security Agreement Documents, or proceed by appropriate court action (legal or equitable) to enforce the terms hereof or to recover damages for the breach hereof. Separate suits may be brought to collect any such damages for any period(s), and such suits shall not in any manner prejudice the Lessor's right to collect any such damages for any subsequent period(s), or the Lessor may defer any such suit until after the expiration of the Initial Lease Term, in which event such suit shall be deemed not to have accrued until the expiration of the Initial Lease Term;

(g) The Lessor may retain and apply against the Total Equipment Cost

and all other amounts due and owing by Lessee under the Operative Documents all sums which the Lessor would, absent such Lease Event of Default, be required to pay to, or turn over to, Lessee pursuant to the terms of this Lease and upon payment in full of the Total Equipment Cost plus all accrued and unpaid Basic Rent and all other amounts due and owing under the Operative Documents from such sums, the Equipment shall be conveyed to Lessee;

(h) If a Lease Event of Default shall have occurred and be continuing, the Lessor, to the extent permitted by Applicable Law, as a matter of right and with notice to Lessee, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers of the Equipment, and Lessee hereby irrevocably consents to any such appointment. Any such receiver(s) shall have all of the usual powers and duties of receivers in like or similar cases and all of the powers and duties of the Lessor in case of entry, and shall continue as such and exercise such powers until the date of confirmation of the sale of the Equipment, unless such receivership is sooner terminated;

(i) To the maximum extent permitted by law, Lessee hereby waives the benefit of any appraisal, valuation, stay, extension, reinstatement and redemption laws now or hereafter in force and all rights of marshaling in the event of any sale of the Equipment, or any interest therein;

(j) The Lessor shall be entitled to enforce payment of the indebtedness and performance of the obligations secured hereby and to exercise all rights and powers under this instrument or under any of the other Operative Documents or other agreement or any laws now or hereafter in force, notwithstanding some or all of the obligations secured hereby may now or hereafter be otherwise secured, whether by mortgage, security agreement, pledge, lien, assignment or otherwise. Neither the acceptance of this instrument nor its enforcement, shall prejudice or in any manner affect the Lessor's right to realize upon or enforce any other security now or hereafter held by the Lessor, it being agreed that the Lessor shall be entitled to enforce this instrument and any other security now or hereafter held by the Lessor in such order and manner as the Lessor may determine in its absolute discretion. No remedy herein conferred upon or reserved to the Lessor is intended to be exclusive of any other remedy herein or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. Every

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power or remedy given by any of the Operative Documents to the Lessor or to which it may otherwise be entitled, may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by the Lessor. In no event shall the Lessor, in the exercise of the remedies provided in this instrument (including, without limitation, in connection with the assignment of rents to Lessor, or the appointment of a receiver and the entry of such receiver onto all or any part of the Equipment), be deemed a "mortgagee in possession", and the Lessor shall not in any way be made liable for any act, either of commission or omission, in connection with the exercise of such remedies.

Lessee acknowledges and agrees that upon the declaration of a Lease Event of Default the amount due and owing by it to the Lessor hereunder shall be the Total Equipment Cost plus all other amounts then owing under the Operative Documents (including all accrued and unpaid Contingent Payments) and that, to the maximum extent permitted by law, Lessee waives any right to contest the Total Equipment Cost plus such other amounts as the liquidated sum due upon acceleration of this instrument.

If, pursuant to the exercise by the Lessor of its remedies pursuant to this Section 13.2, the Total Equipment Cost, all accrued and unpaid Basic Rent and all other amounts due and owing from Lessee under this Lease and the other Operative Documents have been paid in full, then the Lessor shall remit to Lessee any excess amounts received by the Lessor and, at the sole cost and expense of Lessee, return the Equipment to Lessee. The obligation to deliver such excess to Lessee shall survive this Lease.

Lessee shall be liable, except as otherwise provided above, for any and all unpaid Rent due hereunder before or during the exercise of any of the foregoing remedies and for all reasonable legal fees and other costs and expenses incurred by reason of the occurrence of any Unmatured Lease Default or Lease Event of Default or the exercise of Lessor's remedies with respect

thereto, including the repayment in full of any costs and expenses of investigation and of repairing or modifying any Unit of Equipment in order to cause it to be in compliance with all maintenance and regulatory standards imposed by this Lease.

No receipt of money by Lessor from Lessee after a termination of this Lease by Lessor shall reinstate, continue or extend this Lease or affect any notice theretofore given to Lessee or operate as a waiver of the right of Lessor to enforce the payment of Basic Rent, Supplemental Rent, and any other amounts due from Lessee hereunder, it being agreed that after the commencement of suit for possession of the Equipment, or after final order or judgment for the possession of the Equipment, Lessor may demand, receive and collect any moneys due or thereafter falling due without in any manner affecting such suit, order judgment, all such moneys collected being deemed payments on account of the use and possession of the Equipment or, at the election of Lessor, on account of Lessee's liability hereunder.

Lessor, without further notice, may, but shall be under no obligation to, retake such Units of Equipment wherever found, without Lessor incurring any liability by reason of such retaking, whether for the restoration of damage to property caused by such retaking or otherwise.

Section 13.3. Waivers. Lessee waives the following, to the fullest extent permitted by law: (a) any notice of re-entry or the institution of legal proceedings to obtain re-entry or

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possession; (b) any right of redemption, re-entry or repossession except as expressly provided herein; (c) the benefit of any laws now or hereafter in force exempting property from liability for rent or for debt or limiting the Lessor with respect to the election of remedies; and (d) any other rights which might otherwise limit or modify any of the Lessor's rights or remedies under this Article XIII, provided, however, in no event shall Lessor be entitled to recover damages in duplication of damages previously recovered by Lessor. Lessee hereby waives any and all existing or future claims of any right to assert any offset against the Rent payments due hereunder, and agrees to make the Rent payments regardless of any offset or claim which may be asserted by Lessee or on its behalf in connection with the lease of the Equipment. Except as otherwise provided in this Lease, Lessee, to the full extent effective under Applicable Law, hereby waives all statutory or other legal requirements for any notice of any kind, any other requirements with respect to the enforcement of Lessor's rights under this Lease and any and all rights of redemption. No delay or omission to exercise any right, power or remedy accruing to Lessor upon any breach or Unmatured Lease Default by Lessee under this Lease shall impair any such right, power or remedy of Lessor, nor shall any such delay or omission be construed as a waiver of any breach or Unmatured Lease Default, or of any similar breach or Unmatured Lease Default thereafter occurring. No waiver by Lessor of any Lease Event of Default shall in any way be or be construed to be, a waiver of any future or subsequent Lease Event of Default. The failure of Lessor to insist upon the strict performance of any provision or to exercise any option, right, power or remedy contained in this Lease shall not be construed as a waiver or relinquishment thereof for the future. Receipt by Lessor of any Basic Rent or Supplemental Rent or any other sum payable hereunder with knowledge of the breach of any provision contained in this Lease shall not constitute a waiver of such breach, and no waiver by Lessor of any provision of this Lease shall be deemed to have been made unless made under signature of an authorized representative of Lessor, provided, that any breach or Unmatured Lease Default once so waived in writing, shall not be deemed to be continuing for any purposed of this Lease.

Section 13.4. Notice of Lease Event of Default. Lessee also agrees to furnish to Lessor, Owner Participant, Collateral Agent and each Lender, promptly upon becoming aware of any condition which constituted or constitutes a Unmatured Lease Default or a Lease Event of Default under this Lease, written notice specifying such condition and the nature and status thereof.

ARTICLE XIV RETURN OF EQUIPMENT UPON DEFAULT

Section 14.1. Lessee's Duty to Return. If Lessor shall terminate this Lease pursuant to Article XIII hereof, Lessee shall forthwith deliver possession of the Equipment to Lessor. For the purpose of delivering possession of any Unit of Equipment to Lessor as above required, Lessee shall at its own cost, expense

and risk (except as hereinafter stated):

(a) forthwith deliver such Unit to places in the continental United States as Lessor shall reasonably designate in accordance with Article XII hereof; or

(b) permit Lessor to store such Units of Equipment for one year on the premises of Lessee without charge for insurance, rent or storage, and during such period of storage Lessee

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shall continue to maintain all insurance required by Section 10.1 hereof and maintain the Units of Equipment as provided hereby and thereafter deliver such Units as provided in clause (a).

Section 14.2. Lessor Appointed Lessee's Agent. Without in any way limiting the obligation of Lessee under the foregoing provisions of this Article XIV, Lessee hereby irrevocably appoints Lessor as the agent and attorney-in-fact of Lessee, with full power and authority (which power is coupled with an interest), at any time during the continuance of a Lease Event of Default while Lessee is obligated to deliver possession of any Units of Equipment to Lessor and is not doing so in a commercially reasonable manner, to demand and take possession of such Unit in the name and on behalf of Lessee from whosoever shall be at the time in possession of such Unit.

ARTICLE XV ASSIGNMENT BY LESSOR

For the purpose of providing funds for financing the purchase of the Equipment, Lessee acknowledges and agrees that (i) Lessor has assigned, transferred, conveyed, sold and/or encumbered this Lease, the Equipment and the Rent payments (other than Excluded Amounts) hereunder to Collateral Agent, subject to the terms and conditions of the Security Agreement, (ii) that Lessee shall pay directly to Collateral Agent all Rent payments (other than Excluded Amounts) and other sums due or to become due under this Lease and (iii) that the Equipment leased hereunder has been mortgaged by Lessor under the Security Agreement in favor of Collateral Agent, and that, subject to the terms and conditions of the Security Agreement, Collateral Agent shall be entitled to exercise the rights and privileges of Lessor hereunder. The rights of Collateral Agent under the Security Agreement and the rights of any Person under any further such assignment, transfer or conveyance shall be subject to Lessee's right to possess and use the Equipment so long as no Lease Event of Default has occurred and is continuing.

ARTICLE XVI ASSIGNMENTS BY LESSEE; USE AND POSSESSION

Section 16.1. Lessee's Rights to the Equipment & Sublease. So long as no Lease Event of Default shall have occurred and be continuing, Lessee shall be entitled to the possession and use of the Equipment in accordance with the terms of the Lease. Without the prior written consent of Lessor and Collateral Agent, Lessee shall not assign, transfer or encumber its leasehold interest under this Lease in respect of any Unit of Equipment, except as permitted in this Article XVI. LESSEE ALSO SHALL NOT, WITHOUT THE PRIOR WRITTEN CONSENT OF LESSOR (SUCH CONSENT NOT TO BE UNREASONABLY WITHHELD OR DELAYED) ENTER INTO ANY SUBLEASE WITH RESPECT TO, PART WITH THE POSSESSION OR CONTROL OF, OR SUFFER OR ALLOW TO PASS OUT OF ITS POSSESSION OR CONTROL, ANY UNIT OF EQUIPMENT. No sale, assignment or sublease, whether authorized in this Section or in violation of the terms hereof, shall relieve Lessee of its obligations, and Lessee shall remain primarily liable hereunder. Any unpermitted sale, assignment, transfer, encumbrance, delegation or sublease by Lessee shall be void ab initio. Notwithstanding the foregoing, Lessee may, subject to the following terms and conditions, sublease the Equipment to unrelated third parties (each such party a "Sublessee") only in the ordinary course of business as Lessee normally leases such Equipment, pursuant to the terms and

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provisions hereof and pursuant to written subleases satisfying the conditions hereof (hereinafter referred to as a "Sublease" and, collectively, the "Subleases").

On the date hereof, each of Lessee's Subleases are in the form attached hereto as Exhibit B. Prior to the second Closing Date, each new Sublease entered into after the second Closing Date shall (a) be for a term not extending beyond the Term hereof, (b) prohibit sub-subleasing, or the loss of possession or control of the Equipment in any way, other than in the manner contemplated by this Section, by the Sublessee, (c) expressly provide that the rights of any Sublessee who receives possession by reason of a Sublease shall be subject and subordinate to each and every term, condition and provision of this Lease, including Lessor's right of repossession pursuant to Articles XIII and XIV of this Lease and to terminate such Sublease upon such repossession, (d) provide that such Sublease is freely assignable by Lessee, and (e) prohibit Sublessee from carrying Hazardous Materials on any Unit of Equipment. No Sublease shall in any way discharge or diminish any of Lessee's obligations hereunder, and Lessee shall remain primarily liable hereunder for the performance of all the terms, conditions and provisions of this Lease to the same extent as if such Sublease had not occurred. Upon entering into any Sublease with a term exceeding twelve months, Lessee shall deliver to Lessor, at Lessor's request, a copy thereof and, at Lessor's request, assign such Sublease to Lessor as security for Lessee's obligations hereunder. Upon Lessor's request, Lessee shall provide to Lessor a report indicating: (i) the status of any Sublease account which is more than thirty (30) days delinquent, (ii) the location of the principal garage of each Unit of the Equipment, and (iii) the Sublessee of each Unit of the Equipment. Lessor shall have the right at any time and from time to time to conduct a complete field inspection of all of the Equipment, whether the Equipment is located on Lessee's premises or on the premises of any Sublessee to whom Lessee has leased any or all of the Equipment hereunder.

Section 16.2. Additional Provisions Regarding Subleases.

(a) Notwithstanding the provisions of any Sublease, Lessee hereby acknowledges that it is now and continues to be obligated and bound by all of the provisions of this Lease, including but not limited to the provisions relating to the obligation to pay Rent, notwithstanding any delegation of duties or other term of the Sublease. Any such delegation shall be effective only as between Lessee and Sublessee. Lessee further acknowledges that it is not authorized to dispose of the Equipment (except by sublease in accordance with the terms of Section 16.1 or by sale or substitution in accordance with Article VI hereof).

(b) Notwithstanding the assignment granted by Lessee to Lessor pursuant to Section 18.10 hereof, Lessee shall cause Sublessee to pay Lessee all rental and other sums payable under the Subleases until Lessor delivers to Lessee notice of an Unmatured Lease Default or Lease Event of Default under this Lease. Upon giving such notice to Lessee, Lessor may notify Sublessee (or, if requested by Lessor, Lessee shall notify Sublessee) to pay directly to Lessor all rental and other sums payable and to become payable under the Subleases. Upon Sublessee's receipt of such notice, Lessee hereby authorizes and directs Sublessee to pay Lessor all rental and other sums payable and to become payable under the Subleases; provided, however, that so long as no Unmatured Lease Default or Lease Event of Default has then occurred, Lessor shall retain only such of the rentals herein assigned as are required from time to time to discharge Lessee's obligations under this Lease and shall remit any excess to Lessee. If any remittance is

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received by lessee relating to such Subleases, such remittances immediately will be delivered to Lessor bearing the endorsement "Pay to the order of Wabash Statutory Trust - 2000. If the remittance is in a form which precludes an endorsement, Lessee shall hold all such funds in trust for Lessor and immediately pay the amount of the remittance to Lessor. Lessee hereby appoints Lessor its attorney-in-fact to negotiate any remittance which is received by Lessor from Sublessee after a Lease Event of Default and made payable to Lessee. Notwithstanding the foregoing, if Lessee receives the proceeds of any insurance maintained by a Sublessee as a result of a Casualty suffered by subleased Equipment, Lessee immediately will remit such insurance proceeds to Lessor.

(c) Lessee agrees that at any time and from time to time, upon the written request of Lessor, Lessee will promptly and duly execute deliver or cause to be duly executed and delivered any and all further instruments and documents as Lessor may deem desirable to perfect its security interest in the Subleases, Inventory and Accounts Receivable. Lessee shall deliver to Lessor the original certificates of title with respect to the Equipment, subject to the provisions of the Limited Power of Attorney; and shall retain possession of all

original executed copies of the Subleases (provided, however, that upon a Lease Event of Default, Lessor may require Lessee to deliver to Lessor the original executed Subleases).

(d) Upon Lessor's request, Lessee shall provide to Lessor a report indicating: (i) the status of any Sublease account which is more than thirty (30) days delinquent, (ii) the location of the principal garage of each Unit of the Equipment, and (iii) the Sublessee of each of the Equipment. Lessor shall have the right at any time and from time to time to conduct a complete field inspection of all of the Equipment, whether the Equipment is located on Lessee's premises or on the premises of any Sublessee to whom Lessee has leased any or all of the Equipment hereunder.

ARTICLE XVII
EARLY TERMINATION OPTION; END OF TERM OPTIONS

Section 17.1. Early Termination Option for all of the Equipment.

(a) At any time during the Term of this Lease, and so long as no Lease Event of Default shall have occurred and be continuing hereunder, Lessee shall have the option to terminate this Lease with respect to all but not less than all of the Equipment. To exercise such option, Lessee shall give Lessor an irrevocable written notice of Lessee's intention to terminate this Lease, which notice shall (i) state that Lessee desires to terminate this Lease as to the Equipment and refer specifically to this Section 17.1, and (ii) specify the date for such termination (which shall be the Payment Date not less than forty (40) nor more than seventy-one (71) days after the date of such notice, but in no event after the Expiration Date, (such date, the "Early Termination Date"). Upon such election and satisfaction of the terms and conditions set forth in this Section 17.1, this Lease shall terminate on the Early Termination Date. Notwithstanding the foregoing, in the event Lessee shall fail to perform its obligations in strict conformance with this Section 17.1, this Lease and each of the obligations and duties of Lessee shall continue as if such notice shall never have been delivered unless otherwise agreed to by Lessor and Lessee shall be responsible for all costs and expenses incurred by Lessor, Owner Participant, Collateral Agent, Administrative Agent and any Lenders in connection therewith.

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(b) For purposes of this Section 17.1, "Early Termination Payment" means an amount equal to (i) the Termination Value of all but not less than all of the Equipment computed as of the Early Termination Date, plus (ii) all Basic Rent then due and owing with respect to the Equipment, plus (iii) all other Rent due for the Equipment on the Early Termination Date, plus (iv) all accrued and unpaid Rent owing for periods prior to the Early Termination Date, plus (v) any Break Costs associated with such early termination.

(c) Upon payment in full of the Early Termination Payment and satisfaction of all other conditions set forth herein in connection with a termination of this Lease with respect to the Equipment pursuant to this Section 17.1, Lessor shall convey to Lessee or its designee its title thereto pursuant to one or more instruments reasonably satisfactory to the parties thereto but subject to the following sentence. Lessor's sale of the Equipment hereunder shall be on an as-is, where-is basis, without any recourse to, or representation or warranty by, Lessor except as to its ownership thereof and the absence of any Lien placed on the Equipment by or through Lessor, Owner Participant, any Lender or any successor thereto. Lessee shall pay, or reimburse Lessor for the payment of, all applicable Taxes imposed as a result of such sale, and all fees, costs and expenses of such sale incurred by Lessor, and any other amounts for which, if not paid, Lessor will be liable or which, if not paid, would constitute a Lien on the Equipment and such obligation shall survive the termination of this Lease.

Section 17.2. End of Term Options. At the end of the Initial Lease Term and each Renewal Term, as the case may be, Lessee shall have the option to either (a) renew this Lease pursuant to Section 1.4 hereof (except at the end of the fourth Renewal Term), (b) return all but not less than all of the Equipment in accordance with Article XII hereof, in which case, Lessee shall be obligated to market the Equipment in accordance with the provisions of Section 17.3 hereof or (c) purchase all but not less than all of the Equipment for a purchase price equal to the Termination Value of all Equipment and the Basic Rate due and payable for the Equipment on the last day of the Term of this Lease and all Supplemental Rent due on such date. Lessee shall notify Lessor of its election in writing at least 180 days prior to the expiration of the Initial Lease Term

or Renewal Term, as the case may be. In the event that Lessee fails to deliver a notice to Lessor pursuant to this Section 17.2, Lessee shall be deemed (i) during the Initial Lease Term and the first three (3) Renewal Terms, to have elected to renew this Lease and (ii) during the fourth Renewal Term, to have elected to purchase all but not less than all of the Equipment pursuant to Section 17.2(c) hereof on the last day of the Initial Lease Term or Renewal Term, as the case may be.

Section 17.3. Lessee Marketing Obligations. (a) In the event that Lessee shall have elected to return the Equipment, provided that no Lease Event of Default has occurred and is continuing and provided that Lessor has not otherwise notified Lessee, Lessee, subject to the terms and conditions hereof and in consultation with Lessor, shall be obligated to market the Equipment during the Marketing Period, provided, however, that the marketing obligations shall terminate upon a sale of the Equipment in accordance with Section 17.3(b). During the Marketing Period, Lessee, as agent for Lessor, at its own cost and expense, shall use diligent efforts, either by itself or through a nationally recognized firm of semi-trailer inventory marketers reasonably satisfactory to Lessor (the "Marketing Agent"), to solicit bona fide bids for the Equipment from prospective purchasers who are financially capable of purchasing the Equipment for cash on an as-is, where-is basis, without recourse or warranty. Upon the request

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of Lessor and at Lessee's sole cost and expense, Lessee shall provide Lessor with a written report describing in reasonable detail Lessee's efforts during the Marketing Period to obtain bona fide bids for the purchase of the Equipment, including, without limitation, a list of all brokers retained and Persons approached for the purpose of soliciting bids to purchase the Equipment. All bids received by Lessor or Lessee prior to the end of the Marketing Period shall be certified by Lessor or Lessee, as the case may be, in writing, stating the name and address of the bidder and the amount of such bid. During the Marketing Period, Lessor shall have the right, but not the obligation, to solicit bona fide bids for the Equipment from prospective purchasers simultaneous with Lessee's obligations to market the Equipment hereunder.

(b) Marketing Sales. Not later than the expiration of the Marketing Period and not earlier than the expiration of the Lease and with the prior written consent of Lessor, Lessee, as agent for Lessor, shall sell the Equipment to the cash bidder submitting the highest bid. Lessor's obligation to sell the Equipment is subject to the following: (i) Lessor shall have actually received (x) the proceeds from the sale of the Equipment in immediately available funds, which funds shall be applied in accordance with the provisions of Section 17.3(c) hereof; and (y) the deficiency payment, if any, which is payable under Section 17.3(c) hereof; (ii) Lessee shall have the right to match the amount of such bid, acquire ownership of the Equipment and compel the release of this Lease and the Lease Supplement by paying to Lessor the amount of such bid plus such deficiency, if any, in immediately available funds, which shall be applied in accordance with the provisions of Section 17.3(c) hereof; and (iii) Lessor shall not be obligated to agree to any proposed sale of the Equipment or to terminate this Lease or the Lease Supplement if the Net Proceeds of Sale for the Equipment will be less than the Maximum Lessor Risk Amount applicable to the Equipment at such time and in such case Lessor shall have the right to require Lessee to return the Equipment in accordance with Article XII hereof provided, however, that any election by Lessor to withhold such consent shall not reduce or alleviate Lessee's obligation to pay the Maximum Lessee Risk Amount pursuant to Section 17.3(c) hereof.

(c) Marketing Period Adjustment. (i) This Section 17.3(c)(i) shall apply only to a sale of the Equipment to a third party or Lessee during the Marketing Period pursuant to Section 17.3(b) hereof. If the Net Proceeds of Sale for the Equipment are less than the Termination Value, Lessee shall, at the time of such sale, pay to Lessor in immediately available funds an amount equal to the deficiency between such Net Proceeds of Sale and Termination Value as an adjustment to the Rent payable under this Lease, provided, however, that if no Unmatured Lease Default or Lease Event of Default shall have occurred and be continuing hereunder, the amount of the deficiency payable by Lessee with respect to the Equipment shall not exceed the Maximum Lessee Risk Amount. If the Net Proceeds of Sale for the Equipment equal or exceed Termination Value, Lessor shall pay the amount of any such excess to Lessee solely from any such proceeds.

(ii) If, upon the expiration of the Marketing Period, a sale of the Equipment to a third party or to Lessee pursuant to Section

17.3(b) hereof has not been consummated or Lessee has not made all payments to Lessor required pursuant to Section 17.3(c)(i) hereof, then Lessee shall, on the last day of the Marketing Period, pay to Lessor, in immediately available funds, as an adjustment to the Rent payable under this Lease the following amounts: the sum of (A) either (x) if on the last day of the Marketing Period no Unmatured Lease Default or Lease Event of Default shall have occurred and be

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continuing hereunder, an amount equal to the Maximum Lessee Risk Amount, or (y) if on the last day of the Marketing Period an Unmatured Lease, Default or Lease Event of Default shall have occurred and be continuing hereunder, the Termination Value of the Equipment and (B) the Basic Rent due and payable for the Equipment on the last day of the Marketing Period and all Supplemental Rent. In the event Lessee shall pay the amounts set forth in (A)(x) and (B), if Lessor shall subsequently sell the Equipment to a third party after the expiration of the Marketing Period, Lessor shall remit to Lessee the excess of the Net Proceeds of Sale over all amounts owed the Lenders and the Owner Participant under the Operative Documents. Lessee shall remain liable for the payment of, and upon the consummation by Lessor of the sale of the Equipment after the expiration of the Marketing Period, Lessee shall pay, or reimburse Lessor for or Lessor shall deduct from any amounts remitted to Lessee, all applicable Taxes imposed as a result of such sale, all fees, costs and expenses, including without limitation, all applicable asset management expenses, sale expenses and interest carrying costs of such sale incurred by Lessor, and any other amounts for which, if not paid, Lessor will be liable or which, if not paid, would constitute a Lien on the Equipment, and such obligation shall survive the termination of this Lease.

(d) Payments and Obligations During Marketing Period. During the Marketing Period, Lessee covenants and agrees that Lessee shall continue to observe all of its obligations under this Lease, including its obligation to pay Rent.

(e) Termination Provisions. If no sale of the Equipment has been effected during the Marketing Period, then:

(i) Lessee shall, forthwith provide to the Lessor or its designee all records and all other information, documentation and manuals relating to the maintenance, storage and insurance of the Equipment delivered to it, Guarantor or the Marketing Agent by Lessee or otherwise developed during the Marketing Period (including, without limitation, names and addresses of all service providers utilized during the Marketing Period, and the terms and conditions, and documentation, relating thereto);

(ii) Lessee shall, or shall cause the Marketing Agent, if any, to thereafter consult in good faith with Lessor or its designees as to offerees of the Equipment contacted, amounts offered for the Equipment and for other non-proprietary marketing information developed over the Marketing Period in connection with the attempted disposition of the Equipment;

(iii) Lessee, Guarantor and any Marketing Agent shall forthwith relinquish all control over, and deliver to Lessor or its designees, the Equipment and all books and records relating thereto and cease all marketing efforts with respect to the Equipment; and

(iv) Lessee shall forthwith pay all accrued and unpaid sums required to be paid under Section 17.3(d) hereof to the extent arising and accrued during the Marketing Period.

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Upon satisfaction of the obligations set forth in clauses (i) through (iv) above, Lessee shall have no further obligations hereunder, except those which by their terms survive the termination of this Lease.

(f) Miscellaneous Marketing Matters.

(i) Further Assurances. Upon, or at any time after, the termination of the Marketing Period, Lessee shall perform such acts as shall be reasonably requested of it by Lessor in order to carry out the provisions of Section 17.3(d) hereof.

(ii) Certain Indemnities. During the Marketing Period, Lessee shall continue to indemnify and hold harmless the Indemnitees as provided in Articles VII and VIII of the Participation Agreement and such indemnities shall survive the expiration or earlier termination of this Lease and of the Term and the Marketing Period.

(iii) Marketing Agent. All reasonable fees and expenses of any Marketing Agent shall be borne by Lessee and the Marketing Agent shall have no claim or Lien on the Equipment or any Unit thereof with respect thereto.

ARTICLE XVIII
MISCELLANEOUS

Section 18.1. Payments to Lessor.

All payments to be made to Lessor under the Operative Documents by wire transfer of immediately available funds shall be made to:

State Street Bank and Trust Company
ABA #: 011-000-028
Account #: 9903-990-1
Attn: Peter Murphy
Ref: APEX/Wabash Statutory Trust-2000

All payments to be made to Collateral Agent under the Operative Documents by wire transfer of immediately available funds shall be made to:

Fleet National Bank
ABA #: 011500010
Account Name: Fleet Capital Leasing
Account #: 015552 776700101
Attn: Leslie Tordoff
Ref: Wabash Statutory Trust-2000

Section 18.2. Right of Lessor to Perform. If Lessee shall fail to comply with any of its covenants herein contained, Lessor may, but shall not be obligated to, make advances to perform the same and to take all such action as may be necessary to obtain such performance. Any payment so made by Lessor and all costs and expenses (including, reasonable attorneys' fees and expenses) incurred in connection therewith shall be payable by Lessee to Lessor upon demand as

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Supplemental Rent hereunder, with interest thereon at the Overdue Rate. No such action shall be deemed a repossession of any of the Equipment, and no such advance, performance or other act shall be deemed to relieve Lessee from any default hereunder.

Section 18.3. Covenant of Quiet Enjoyment. During the Term and so long as no Unmatured Lease Default or Lease Event of Default shall have occurred and be continuing, Lessor covenants and agrees that Lessee shall have the right to uninterrupted use and enjoyment of each Unit subject hereto on the terms and conditions provided herein without any interference from Lessor or Owner Participant or those claiming through or against Lessor (other than claims of mechanics, suppliers, materialmen and laborers for work or services performed or materials furnished in connection with the Equipment or any Unit thereof arising out of the right of Lessor to perform for Lessee as set forth in Section 18.2 hereof), including, but not limited to, any assignee or lender or mortgagee of Lessor or Owner Participant. For purposes of this Section 18.3, the delivery of notices of default or nonperformance delivered to Lessee under and pursuant to Section 13.1 shall not be deemed to constitute a violation of this Section 18.3.

Section 18.4. Estoppel Certificates. Each party hereto agrees that at any time and from time to time during the term of this Lease, it will promptly, but in no event later than 21 days after request by the other party hereto, execute, acknowledge and deliver to such other party or to any prospective purchaser, assignee or mortgagee designated by such other party, a certificate

stating, to the best of such party's knowledge, (a) that this Lease is unmodified and in full force and effect (or if there have been any modifications, that this Lease is in full force and effect as modified, and setting forth any modifications); (b) the date to which Basic Rent, Supplemental Rent and other sums payable hereunder have been paid; (c) whether or not there is an existing Unmatured Lease Default by Lessee in the payment of Basic Rent or any other sum of money due or required to be paid hereunder, and whether or not there is any other existing Unmatured Lease Default by Lessee with respect to which a notice of default has been served or of which the signer has actual knowledge, and, if there is any such Unmatured Lease Default, specifying the nature and extent thereof; and (d) whether or not there are any setoffs, defenses or counterclaims against enforcement of the obligations to be performed hereunder existing in favor of the party executing such certificate.

Section 18.5. No Merger. Lessee agrees that there shall be no merger of this Lease or of any sublease under this Lease or of any leasehold or subleasehold estate hereby or thereby created with the ownership interest in the Equipment or any part thereof by reason of the fact that the same person, firm, corporation or other entity may acquire or own or hold, directly or indirectly, (a) this Lease or any sublease or any leasehold or subleasehold estate created hereby or thereby or any interest in this Lease or any such sublease or in any such leasehold or subleasehold estate and (b) (i) the ownership interest in the Equipment or any part thereof or (ii) the beneficial interest in the Equipment. This Lease shall not be terminated for any cause except as expressly provided herein and any instrument of transfer shall so provide.

Section 18.6. Third-party Beneficiaries. Nothing in this Lease shall be deemed to create any right in any Person not a party hereto (other than Owner Participant, Collateral Agent, Administrative Agent and each Lender and the permitted successors and assigns of any such Person and any party hereto) and this instrument shall not be construed in any respect to be a contract in whole or in part for the benefit of a third party except as aforesaid.

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Section 18.7. Execution in Counterparts. This Lease, and any lease supplemental hereto, may be executed in several counterparts, each of which so executed shall be deemed to be an original and in each case such counterparts shall constitute but one and the same instrument. To the extent, if any, that this Lease and the Lease Supplements shall constitute chattel paper (within the meaning of any applicable Uniform Commercial Code provision), no security interest in this Lease and the Lease Supplements may be created through the transfer or possession of any counterpart other than the original counterpart, which shall be identified for such purposes as the counterpart containing the receipt therefor executed by Collateral Agent as mortgagee under the Security Agreement on the signature pages hereof or thereof.

Section 18.8. Currency. All amounts and moneys referred to in this Lease shall be construed to mean money which at the time is lawful money of the United States of America.

Section 18.9. Notices. Unless otherwise specifically provided herein, all notices, consents, directions, approvals, instructions, requests and other communications required or permitted by the terms hereof to be given to any Person shall be given in writing by United States mail, by nationally recognized courier service and any such notice shall become effective five (5) Business Days after being deposited in the mails, certified or registered return receipt requested with appropriate postage prepaid or one Business Day after delivery to a nationally recognized courier service specifying overnight delivery and shall be directed to the address of such Person as indicated on Schedule I to the Participation Agreement. From time to time any party may designate a new address for purposes of notice hereunder by written notice to each of the other parties hereto in accordance with this Section.

Section 18.10. Grant of Security Interest. Lessee shall be the owner of the Equipment on the certificates of title with respect thereto. The Equipment shall be subject to this Lease. As security for its obligations under this Lease, Lessee does hereby grant to Lessor a first priority security interest in, and assigns, sets over and transfers to Lessor, its successors and assigns, all of its right, title and interest in, to, under and with respect to: (i) the Equipment, including any Replacement Units, (ii) all books and records relating to the Equipment; (iii) all property that may, from time to time, be subjected to this Lease and the Lien hereof by a Lease Supplement or otherwise; (iv) any

and all Subleases and all extensions and renewals thereof; (v) all rent and any and all other sums of whatever nature due, now or hereafter, under or pursuant to the Subleases (including without limitation, the price paid pursuant to the exercise by any Sublessee of any purchase option contained in any Sublease) or in connection with the Equipment; (vi) to the extent the Equipment covered by this Lease may constitute or be deemed to be Lessee's inventory ("Inventory"), such Inventory, which shall mean all Equipment offered or furnished under any contract of service or intended for lease, any and all additions, attachments, accessories, rentals, accounts and contracts with respect to the Equipment which may now exist or hereafter arise, together with all rights thereunder and all rental and other payments and purchase options due and to become due thereunder, any and all proceeds payable for such property, all insurance, bonds and/or other proceeds of the property and all returned or repossessed Equipment now or at any time or times hereafter in possession of or under the control of Lessee or Lessor; (vii) all accounts receivable now owned by Lessee or hereafter acquired or owned by Lessee, solely to the extent that such accounts arise or result from any lease or other disposition of any of the Equipment or the Inventory, including, but not limited to, any Sublease or any right of Lessee to payment for Equipment leased whether or not evidenced

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by an instrument or chattel paper, and whether or not such right has been earned by performance (such accounts, "Accounts Receivable"); (viii) all proceeds of any insurance maintained with respect to any of the foregoing, all proceeds of any condemnation, expropriation or requisition payable with respect to any of the foregoing and all proceeds payable or received with respect to an Event of Loss, and (ix) all other products and proceeds of the foregoing. Lessor shall continue to retain the security interests granted herein in all of the foregoing, as security for the prompt payment when due of Rent and all other sums due and owing to Lessor pursuant to the terms of this Lease and the performance and observance by Lessee of all the agreements, covenants and provisions herein, until Lessee shall have made such payments and shall have duly performed and observed all such agreements and covenants and provisions then required hereunder. Notwithstanding anything to the contrary contained herein, Lessor shall not exercise the rights granted to it hereunder unless and until an Unmatured Lease Default or Lease Event of Default has occurred and is continuing.

Section 18.11. Headings, etc. The Table of Contents and headings of the various Articles and Sections of this Participation Agreement are for convenience of reference only and shall not modify, define, expand or limit any of the terms or provisions hereof.

Section 18.12. GOVERNING LAW. THIS LEASE SHALL IN ALL RESPECTS BE GOVERNED BY THE LAW OF THE COMMONWEALTH OF MASSACHUSETTS (EXCLUDING ANY CONFLICT-OF-LAW OR CHOICE-OF-LAW RULES WHICH MIGHT LEAD TO THE APPLICATION OF THE INTERNAL LAWS OF ANY OTHER JURISDICTION) AS TO ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE.

Section 18.13. Severability. Any provision of this Lease that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 18.14. Liability Limited.

(a) The parties hereto agree that except as specifically set forth herein or in any other Operate Document, the Trustee shall have no personal liability whatsoever to any other Participant, the Lessee, the Guarantor or their respective successors and assigns for any claim or obligation based on or in respect hereof or any of the other Operative Documents (including, without limitation, the repayment of the Loans) or arising in any way from the transactions contemplated hereby or thereby and recourse, if any, shall be solely had against the Trust Estate (it being acknowledged and agreed by each party hereto that all such personal liability of the Trustee is expressly waived and released as a condition of, and as consideration for, the execution and delivery of the Operative Documents by the Trustee); provided, however, that the Trustee shall be liable in its individual capacity (a) for its own willful misconduct or gross negligence, (b) breach of any of its representations, warranties or covenants under the Operative Documents, or (c) for any Tax based on or measured by any fees, commission or compensation received by it for acting

as the Trustee as contemplated by the Operative Documents. It is understood and agreed that the Trustee shall have no personal liability under any of the

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Operative Documents as a result of acting pursuant to and consistent with any of the Operative Documents.

Section 18.15. Further Assurances. The parties hereto shall promptly cause to be taken, executed, acknowledged or delivered, at the sole expense of the Lessee, all such further acts, conveyances, documents and assurances as the other parties may from time to time reasonably request in order to carry out and preserve the security interests and liens (and the priority thereof) intended to be created pursuant to this Lease, the other Operative Documents, and the transactions thereunder (including, without limitation, the preparation, execution and filing of any and all Uniform Commercial Code financing statements and other filings or registrations which the parties hereto may from time to time request to be filed or effected); provided, however, that the Lessee shall not be required to pay expenses pursuant to this Section to the extent arising from a breach or alleged breach by the Lenders or the Owner Participant of any agreement entered into in connection with the assignment or participation of any Loan or Equity Investment. The Lessee, at its own expense and without need of any prior request from any other party, shall take such action as may be necessary (including any action specified in the preceding sentence), or as so requested, in order to maintain and protect all security interests provided for hereunder or under any other Operative Document.

Section 18.16. SUBMISSION TO JURISDICTION. THE LESSEE HEREBY SUBMITS TO THE NONEXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF THE COMMONWEALTH OF MASSACHUSETTS FOR PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS PARTICIPATION AGREEMENT OR ANY OF THE OTHER OPERATIVE DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY. THE LESSEE IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF THE VENUE OF ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT AND ANY CLAIM THAT ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

Section 18.17. WAIVER OF JURY TRIAL. THE PARTIES HERETO VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS PARTICIPATION AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY OF THE PARTIES HERETO. THE PARTIES HERETO HEREBY AGREE THAT THEY WILL NOT SEEK TO CONSOLIDATE ANY SUCH LITIGATION WITH ANY OTHER LITIGATION IN WHICH A JURY TRIAL HAS NOT OR CANNOT BE WAIVED. THE PROVISIONS OF THIS SECTION 18.16 HAVE BEEN FULLY NEGOTIATED BY THE PARTIES HERETO AND SHALL BE SUBJECT TO NO EXCEPTIONS. EACH OBLIGOR ACKNOWLEDGES AND AGREES THAT IT HAS RECEIVED FULL AND SUFFICIENT CONSIDERATION FOR THIS PROVISION (AND EACH OTHER PROVISION OF EACH OTHER OPERATIVE DOCUMENT TO WHICH IT IS A PARTY) AND THAT THIS PROVISION IS A MATERIAL INDUCEMENT FOR EACH OF THE LESSOR AND THE

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LENDERS ENTERING INTO THIS PARTICIPATION AGREEMENT AND EACH SUCH OTHER OPERATIVE DOCUMENT.

Section 18.18. Nature of Transaction. Lessee and Lessor intend that the transactions evidenced by this Lease and the Operative Documents constitute operating leases pursuant to FASB 13 for accounting purposes. To the extent that this Lease and the Operative Documents reflect the lease form alone, they do so for convenience only. For purposes of all income, franchise and other taxes imposed upon or measured by income, Lessee and Owner Participant intend that this Lease and the transaction contemplated by the Operative Documents shall be treated as a loan to Lessee secured by the Equipment, with Lessee as owner of the Equipment, and that all payments to Lessor hereunder of Basic Rent, Termination Value, Net Proceeds of Sale or any deficiency pursuant to Section 17.3 shall be treated as payments of principal and interest, as appropriate. Guarantor and the Owner Participant may only take deductions, credits, allowances and other reporting positions on their respective returns, reports and statements which are consistent with such treatment, unless required to do otherwise by an appropriate taxing authority or pursuant to a clear change in Applicable Law (an "Inconsistent Position"); provided, however, that if (i) an appropriate Governmental Authority or a clear change in Applicable Law requires

the Owner Participant or Guarantor to take an Inconsistent Position, such party shall promptly notify the other party and (ii) Owner Participant is required to take an Inconsistent Position (or does so pursuant to a notice from the Guarantor) other than due to a change in Applicable Law, Owner Participant shall pay to the Guarantor, or Guarantor shall pay to Owner Participant, as the case may be, such amount or from time to time such amounts, as calculated by Owner Participant in its sole good faith discretion, as will put Owner Participant in the same position on an After-Tax Basis as if all of its taxes referred to in the first sentence of this Section 18.17 were calculated in accordance with the treatment set forth therein.

[Remainder of page intentionally left blank;
signature pages follow.]

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IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the date first set forth above.

LESSOR:

WABASH STATUTORY TRUST-2000, a
Connecticut Statutory Trust

By: State Street Bank and Trust Company
of Connecticut, National Association,
not in its individual capacity but solely as
Trustee

By: _____
Name:
Title:

LESSEE:

APEX TRAILER LEASING & RENTALS, L.P., a Delaware
limited partnership

By: Wabash National Corporation, a
Delaware corporation, its
general partner

By: _____
Name:
Title:

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EXHIBIT A

[Form of Lease Supplement]

LEASE SUPPLEMENT NO. ____

Between

WABASH STATUTORY TRUST - 2000,

as Lessor

and

APEX TRAILER LEASING & RENTALS, L.P.,

as Lessee

Dated as of _____, 20__

THIS LEASE SUPPLEMENT NO. ____ HAS BEEN MANUALLY EXECUTED IN COUNTERPARTS. TO THE EXTENT, IF ANY, THAT THIS LEASE SUPPLEMENT NO. ____ CONSTITUTES CHATTEL PAPER (AS SUCH TERM IS DEFINED IN THE UNIFORM COMMERCIAL CODE AS IN EFFECT IN ANY APPLICABLE JURISDICTION), NO SECURITY INTEREST IN THIS LEASE SUPPLEMENT NO. ____ MAY BE CREATED THROUGH THE TRANSFER OR POSSESSION OF ANY COUNTERPART OF THIS LEASE SUPPLEMENT NO. ____ OTHER THAN COUNTERPART NO. 1.

This is Counterpart No. ____.

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LEASE SUPPLEMENT NO. __, dated _____, 20__, between WABASH STATUTORY TRUST - 2000, a Connecticut business trust ("Lessor"), and APEX TRAILER LEASING & RENTALS, L.P., a Delaware limited partnership ("Lessee").

W I T N E S S E T H:

WHEREAS, Lessor and Lessee have heretofore entered into that certain Equipment Lease, dated as of December 29, 2000 (herein called the "Lease") (all capitalized terms used herein without definition shall have the meanings specified in Appendix A to the Participation Agreement dated as of December 29, 2000 by and among Lessee, Guarantor, Lessor, Lenders, Fleet Capital Corporation, as Owner Participant and Fleet Capital Corporation, as Administrative Agent and Collateral Agent (as the same may be amended, modified or supplemented from time to time, the "Participation Agreement")). The Lease provides for the execution and delivery from time to time of Lease Supplements, each substantially in the form hereof for the purpose of leasing specific Units of Equipment under the Lease as and when delivered by Lessor to Lessee in accordance with the terms thereof;

WHEREAS, the Lease relates to the Units of Equipment described below;

NOW, THEREFORE, in consideration of the premises and other good and sufficient consideration, Lessor and Lessee hereby agree as follows:

2. Lessor has hereby delivered and leased to Lessee under the Lease, and Lessee has accepted and leased from Lessor under the Lease, as of the date hereof, the Units of Equipment more particularly identified on Annex A attached hereto.

3. The aggregate Equipment Cost for the Equipment leased hereunder is \$ _____ (1)

4. The aggregate amount of Advances attributable to the Equipment leased hereunder is \$ _____ (1)*

5. The aggregate principal amount of Loans attributable to the Equipment leased hereunder is \$ _____. (2)

6. The aggregate amount of Equity Investments attributable to the Equipment leased hereunder is \$ _____. (3)

(1) The aggregate Equipment Cost for the Equipment leased hereunder and the aggregate amount of the Advances attributable to the Equipment leased hereunder shall be the same amount and shall be determined as set forth in the definition of the "Equipment Cost".

(2) The aggregate principal amount of the Loans attributable to the Equipment leased hereunder shall be equal to 96% of the Equipment Cost for the Equipment leased hereunder.

(3) The aggregate amount of Equity Investments attributable to the Equipment leased hereunder shall be equal to 4% of the Equipment Cost of the Equipment leased hereunder.

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7. The amount of the Additional Collateral or the amount of the Letter of Credit is \$ _____.

8. The Equipment Cost for each Unit of Equipment described on Annex A shall be the amount set forth opposite such Unit of Equipment on Annex A.(4)

9. The Initial Lease Term for the Equipment leased hereunder shall commence on the date hereof and, except as otherwise provided in the Lease, shall end on June 30, 2002.

10. Lessee hereby confirms its agreement to pay Lessor, in accordance with the terms of Article I of the Lease, Basic Rent and Supplemental Rent for the Equipment leased hereunder throughout the Initial Lease Term and any Renewal Term in accordance with Article I of the Lease.

11. The Maximum Lessee Risk Percentage with respect to the Equipment leased hereunder, as of each Payment Date, is set forth on Schedule I attached hereto.

12. The Maximum Lessor Risk Percentage with respect to the Equipment leased hereunder, as of each Payment Date, is set forth on Schedule I attached hereto.

13. All of the terms and provisions of the Lease are hereby incorporated by reference in this Lease Supplement to the same extent as if fully set forth herein.

14. This Lease Supplement may be executed in any number of counterparts (and each of the parties hereto shall not be required to execute the same counterpart). Each counterpart of this Lease Supplement, including a signature page executed by each of the parties hereto, shall be an original counterpart of this Lease Supplement, but all of such counterparts together shall constitute one instrument.

15. This Lease Supplement shall in all respects be governed by, and construed in accordance with, the laws of the State of New York, including all matters of construction, validity and performance.

(4) The sum of the Equipment Costs for all Units of Equipment described on Annex A shall equal the Equipment Cost for the Equipment leased hereunder.

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IN WITNESS WHEREOF, Lessor and Lessee have caused this Lease Supplement to be duly executed on the day and year first above written.

WABASH STATUTORY TRUST - 2000, Lessor

By: State Street Bank and Trust Company
of Connecticut, National Association, not
in its individual capacity but solely as
Trustee

By: _____

Name:
Title:

APEX TRAILER LEASING & RENTALS, L.P., Lessee

By: _____
Name:
Title:

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ANNEX A

DESCRIPTION OF LEASED EQUIPMENT

Unit of Leased Equipment -----	Unit Markings -----	Principal Garage -----	Equipment Cost -----
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Schedule I

Payment Dates Occurring After Term Commencement Date	Termination Value Percentage*	Maximum Lessee Risk Percentage*	Maximum Lessor Risk Percentage*
--	----------------------------------	------------------------------------	------------------------------------

1
2
3
4
5
6
7
8
9
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.
72

*expressed as percentage of Equipment Cost of the Equipment (after payment of Basic Rent on corresponding Payment Date).

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Exhibit B

[Attach Form of Sublease]

SUBSIDIARIES OF THE COMPANY AND
OWNERSHIP OF SUBSIDIARY STOCK

NAME OF SUBSIDIARY -----	STATE/COUNTRY OF INCORPORATION -----	% OF SHARES OWNED BY THE COMPANY (*) -----
Wabash International, Inc. (Foreign Sales Corp.)	U.S. Virgin Islands	100%
Wabash National GmbH	Germany	100%
Fruehauf Trailer Services, Inc.	Delaware	100%
WNC Cloud Merger Sub, Inc.	Arkansas	100%
Cloud Oak Flooring Company, Inc.	Arkansas	100%
Wabash Funding Corp.	Missouri	100%
Wabash National L.P.	Delaware	100%
Apex Trailer Leasing & Rentals, L.P.	Delaware	100%
Wabash National Services L.P.	Delaware	100%
WTSI Technology Corp.	Delaware	100%
Wabash Technology Corp.	Delaware	100%
RoadRailer Bimodal Ltd.	United Kingdom	100%
Wabash do Brazil	Brazil	100%
RoadRailer Technology Development Company, Ltd.	China	81%
National Trailer Funding LLC	Delaware	100%
Continental Transit Corp	Indiana	100%
FTSI Canada, Ltd.	Canada	100%

* Includes both direct and indirect ownership by the parent, Wabash National Corporation

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our report included in this Form 10-K, into the Company's previously filed Registration Statement File Nos. 33-49256, 33-65988, 33-90826, 333-29309 and 333-54714.

ARTHUR ANDERSEN LLP

Indianapolis, Indiana,
March 23, 2001.