

\$8,680,000

CERTIFICATES OF PARTICIPATION

Series 1992 (Panhandle Rail Line Project)

**Evidencing Proportionate Interests in Base Rent to be Paid by the
STATE OF OHIO DEPARTMENT OF TRANSPORTATION**

Dated: April 15, 1992

Due: April 15, as shown below

The Series 1992 Certificates constitute proportionate interests in Base Rent, as hereinafter defined, to be paid by the State of Ohio Department of Transportation ("Department") under the Railroad Lease with CAPRAIL 1, INC. ("CAPRAIL") pursuant to which use of a rail line is being leased to the Department.

CAPRAIL will assign its right, title and interest in and under the Railroad Lease, including rights to Lease Payments, and grant a mortgage to The Central Trust Company, N.A. ("Trustee"). The Series 1992 Certificates are payable from Base Rent to be paid by the Department and received by the Trustee as assignee of all of CAPRAIL's rights as lessor under the Railroad Lease. The Department is not a party to the Series 1992 Certificates. The Department is required to make lease payments (the "Lease Payments"), which include payments of Base Rent, from appropriated funds during the initial term of the Railroad Lease and any renewal thereof. The initial term of the Railroad Lease expires on June 30, 1993 and, subject to the appropriation of sufficient funds to make Lease Payments during each renewal period and the certification of the availability thereof by the Director of Budget and Management of the State of Ohio, the Railroad Lease may be renewed by the Department for successive renewal periods, each of two years or less, through April 15, 2012. The State of Ohio ("State") is under no obligation to make appropriations to renew the Railroad Lease. If the Railroad Lease is renewed successively through April 15, 2012, the payments of Base Rent are designated to be sufficient, in both time and amount, to pay when due the principal and interest with respect to the Series 1992 Certificates.

The renewal of the Railroad Lease, and the obligation of the State to make Lease Payments, including payments of Base Rent, are subject to and dependent upon lawful appropriations being made for such purpose and certification of the availability of such appropriations by the Director of Budget and Management. The Series 1992 Certificates, the Railroad Lease and the obligation to make Lease Payments, including payments of Base Rent, under the Railroad Lease do not represent or constitute a debt of the Department or the State or a pledge of the faith and credit of the Department or the State. If the Railroad Lease terminates, the Series 1992 Certificates will have limited marketability. (See "INVESTMENT CONSIDERATIONS" and "SECURITY FOR THE SERIES 1992 CERTIFICATES — Effect of Nonappropriation" herein.)

The Series 1992 Certificates are issued under the provisions of the Trust Agreement between CAPRAIL and the Trustee. The Series 1992 Certificates are being issued under the Trust Agreement as fully registered certificates of participation and, when issued, will be registered in the name of Cede & Co. as nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 1992 Certificates. Beneficial ownership interests in the Series 1992 Certificates will be recorded in book-entry-only form in denominations of \$5,000 or any integral multiple thereof. Principal of, premium, if any, and interest on the Series 1992 Certificates is payable directly to Cede & Co., for redistribution to DTC Participants and in turn to Beneficial Owners as described herein. Purchasers will not receive physical delivery of certificates representing their ownership interests in the Series 1992 Certificates purchased. For so long as any purchaser is the Beneficial Owner of a Series 1992 Certificate, such purchaser must maintain an account with a broker or dealer who is, or acts through, a DTC Participant to receive payments of the principal of, premium, if any, and interest on such Series 1992 Certificates.

The proceeds of the issuance of the Series 1992 Certificates will be used by CAPRAIL to: (i) acquire the Conrail Weirton Panhandle Line (the "Panhandle Line"), which extends east from Columbus, Ohio to near Mingo Junction, Ohio, (ii) fund the Capital Maintenance Account for the repair, replacement and modification of the Railroad, (iii) fund the Reserve Account and (iv) pay the costs of issuance of the Series 1992 Certificates.

The Series 1992 Certificates are subject to optional, extraordinary and mandatory redemption, including mandatory sinking fund redemption, prior to maturity as described herein.

In the opinion of Peck, Shaffer & Williams, Bond Counsel, under existing laws and assuming compliance with certain covenants, the interest portion of the Base Rent payments made by the State of Ohio Department of Transportation under the hereinafter-described Lease and received by the Certificate Owners is excludable from gross income for federal income tax purposes upon the conditions and subject to the limitations set forth herein under "TAX STATUS" and such interest will not be a preference item for purposes of determining other individual or corporate alternative minimum tax; however, such interest paid to certain corporate holders of the hereinafter-described Certificates may be subject to alternative minimum tax, environmental tax and foreign branch profits tax under certain circumstances described under "TAX STATUS" herein. In the opinion of Bond Counsel, such interest on the Certificates, is exempt from taxes levied by the State of Ohio and its subdivisions as described under "TAX STATUS" herein. Bond Counsel expresses no opinion as to whether the interest portion of payments, if any, to the Certificate Owners from funds provided by the Financial Guaranty Bond described herein and after the date of the termination of the Railroad Lease would be excludable from gross income for Federal income tax purposes or be exempt from Ohio taxes as described under "Tax Status" herein.

AMOUNTS, MATURITIES, INTEREST RATES AND PRICES OR YIELDS

Year	Principal Amount	Interest Rate	Price/Yield	Year	Principal Amount	Interest Rate	Price/Yield	Year	Principal Amount	Interest Rate	Price/Yield
1993	\$215,000	4.00%	100%	1997	\$265,000	5.40%	100%	2001	\$335,000	6.10%	100%
1994	230,000	4.50	100	1998	280,000	5.60	100	2002	355,000	6.20	100
1995	240,000	5.00	100	1999	300,000	5.80	100				
1996	255,000	5.20	100	2000	315,000	6.00	100				

\$5,890,000 6.50% Term Certificates Due April 15, 2012 @ 6.65% (Approximate Price — 98.353%)
(Accrued Interest to be added)

Payment of principal of and interest on the Series 1992 Certificates when Due for Payment which is unpaid by reason of Nonpayment (as such terms are defined in the Financial Guaranty Bond) will be guaranteed by a Financial Guaranty Bond to be issued by Capital Guaranty Insurance Company simultaneously with the delivery of the Series 1992 Certificates.

CAPITAL GUARANTY

The Series 1992 Certificates are offered when, as and if executed and delivered by the Trustee and received by the Underwriter, subject to prior sale, and to the approval of legality by Peck, Shaffer & Williams, Bond Counsel, Cincinnati, Ohio, and certain other conditions. Certain legal matters will be opined upon for the Underwriter by its counsel. Schwartz, Kelm, Warren & Rubenstein, Columbus, Ohio, for the Department by its counsel, Kohrman, Jackson & Krantz, Cleveland, Ohio, for the Trustee by its counsel, Frost & Jacobs, Cincinnati, Ohio and for CAPRAIL by its counsel Reese, Pyle, Drake & Meyer, Newark, New Jersey, Newark, Ohio and Rea, Cross & Aschmloss, Washington, D.C. It is expected that the Series 1992 Certificates in definitive form will be available for delivery in New York, NY, on or about April 16, 1992.

Smith Barney, Harris Upham & Co.
Incorporated

Armacon Securities, Inc.

Dated: April 8, 1992