

WILMER, CUTLER & PICKERING

1666 K STREET, N. W.

WASHINGTON, D. C. 20006

CABLE ADDRESS: WICRING WASH., D. C.

INTERNATIONAL TELEX: 440-239

TELEX: 89-2402

TELEPHONE 202 872-6000

EUROPEAN OFFICE

1 COLLEGE HILL

LONDON, EC4R 2RA, ENGLAND

TELEPHONE 01-236-2401

TELEX: 651 883242

CABLE ADDRESS: WICRING LONDON

ALLEN H. HARRISON, JR.

DIRECT LINE (202)

872-6093

14709

PRODUCTION NO. _____, FILED 1425

June 18, 1985 19 1985-19 15 PM

INTERSTATE COMMERCE COMMISSION

Dear Mr. Bayne:

On behalf of C.I.T. Leasing Corporation, as agent for C.I.T. Corporation, I submit for filing and recording under 49 U.S.C. § 11303(a) and the regulations promulgated thereunder, one enclosed executed counterpart and two copies of a primary document, not previously recorded, entitled Railcar Lease made as of August 15, 1984.

New Member

The parties to the said enclosed document are:

C.I.T. Leasing Corporation, as agent for
C.I.T. Corporation - Lessor
135 West 50th Street
New York, New York 10020

Spring Creek Coal Company - Lessee
Suite 1300
101 Southwest Main Street
Portland, Oregon 97204-3221

100 OFFICE OF THE SECRETARY
JUN 19 10 36 PM '85
MOTOR OPERATING UNIT

Harold Siegel

The said document relates to a lease of 204 triple pocket, open top hopper cars.

The rolling stock covered consists of two hundred and four (204) 3,600-cubic feet, 100-ton capacity, triple pocket, open top hopper cars identified by Lessee's numbers as listed in Exhibit A to the Railcar Lease.

A short summary of the document to appear in the Index is as follows:

"Covers 204 open top hopper cars, see Exhibit A for numbers"

Enclosed is our firm check in the amount of ten dollars (\$10) in payment of the filing fee.

Charles F. [Signature]

5-170A041

No. _____
Date JUN 19 1985
Fee \$ 10.00

ICC Washington, D.C.

Once this filing has been made, keep the executed counterpart for the ICC file, and please return to bearer the stamped two copies of the document together with the fee receipt, the letter from the ICC acknowledging the filing, and the two extra copies of this letter of transmittal.

Very truly yours,

Allen H. Harrison, Jr.
Attorney for the purpose of
this filing for:
C.I.T. Leasing Corporation,
as agent for C.I.T. Corporation

Honorable James H. Bayne
Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Enclosures

AHH/iw

BY HAND

Interstate Commerce Commission
Washington, D.C. 20423

6/19/85

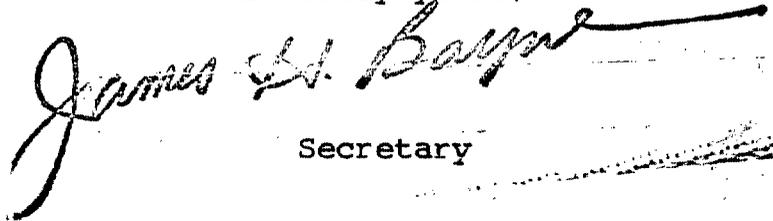
OFFICE OF THE SECRETARY

Allen H. Harrison, Jr., Atty
Wilmer Cutler & Pickering
1666 K. St. N.W.
Washington, D.C. 20006

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 6/19/85 at 10:45am and assigned re-
recording number(s). 14419-A & 14709

Sincerely yours,


Secretary

Enclosure(s)

SE-30
(7/79)

JUN 19 1985 - 9 45 PM

RAILCAR LEASE

INTERSTATE COMMERCE COMMISSION

THIS LEASE, made and entered into as of this 15th day of August, 1984, by and between C.I.T. Leasing Corporation, a Delaware Corporation, as agent for C.I.T. Corporation, a New York Corporation, hereinafter called "Lessor", and Spring Creek Coal Company, a Montana corporation, hereinafter called "Lessee".

1. Equipment and Rent: Lessor agrees to furnish to the Lessee, and the Lessee agrees to accept and use, upon the terms and conditions herein set forth, the following described railcars (hereafter "Cars"), for the transportation of coal in accordance with all present DOT requirements and in compliance with now existing AAR rules of interchange:

<u>Number of cars</u>	<u>Description</u>	<u>Car Nos.</u>
204	3,600 cubic foot, 100 ton capacity, triple pocket open top hopper railcars built in 1968 by Bethlehem Steel	See Exhibit A

Lessee agrees to pay Lessor the following lease charges (hereafter "Rent") for the use of the Cars:

<u>Term</u>	<u>Rent</u>
INITIAL HERE  Rent Commencement Date through December 31, 1984	\$7.86 \$6.17 per Car per day
INITIAL HERE  January 1, 1985 through Rent Termination Date	\$239.00 \$185.00 per Car per month

"Rent Commencement Date" shall mean the date of delivery of each Car as hereafter provided in Article 2. "Rent Termination Date" shall mean the date each Car is returned to Lessor at the end of the term of this Lease, as hereafter provided in Article 5, or, if the Purchase Option set forth in Article 17 is exercised by Lessee, the date the purchase option price is paid by Lessee to Lessor.

Lessee has accepted the first 200 Cars provided under this Lease, and as to those Cars Lessee is subject to the terms of this Lease. However, Lessee shall

not be obligated to accept any additional Cars under this Lease, but shall be subject to the terms of this Lease as to any Cars accepted. Once the remaining 4 Cars are tendered to Lessee, pursuant to Article 2, Lessee shall have the Cars inspected and may reject any Car which Lessee in good faith believes will be uneconomical to maintain and operate during the term of this Lease. Lessee shall advise Lessor within 7 days of Lessor's tender of the final 4 Cars, specifying which Cars have been accepted and which rejected. Lessee may give such notice to Lessor by telex, telephone, telegram or other electronic means, to be followed within 10 days by a written confirmation pursuant to Article 16. Lessee shall not be liable to Lessor for Rent or any other costs of any nature on Cars rejected within 7 days after tender.

Payment of Rent shall be made to Lessor at the address specified in Article 16, or to such other place as Lessor may direct. Rent for the period ending December 31, 1984 shall be paid on January 1, 1985. Rent for the period commencing January 1, 1985 shall be paid on the last day of each month in arrears, and during this period Rent for any Car for any partial month shall be prorated on a daily basis.

Reference is made to that Railcar Operating Lease Agreement (the "Operating Lease") entered into between Lessor and Lessee as of August 3, 1984 covering 140 of the 204 cars subject to this Lease. Upon the execution of this Lease, by the parties hereto, this Lease shall supersede the Operating Lease in all respects as to the Cars subject thereto, and said Operating Lease shall, at such time, be cancelled retroactive to August 3, 1984. Lessor is authorized to release the Operating Lease by recording a Release with the Interstate Commerce Commission in the form attached hereto.

Lessee shall not be entitled to any abatement of Rent, reduction thereof or set-off, counterclaim, recoupment or defense against Rent or any other amount payable hereunder for any reason whatsoever, including, but not limited to, abatements, reductions, set-offs, counterclaims, recoupments or defenses due or alleged to be due by reason of any past, present or future claims of Lessee against Lessor or any other person for any reason whatsoever, except as otherwise provided in Article 4 below; nor shall this Lease terminate or the obligations of Lessee be otherwise affected by reason of any damage to or loss of possession or loss of use or destruction of all or any of such Cars from whatever cause and of whatever duration, except as otherwise provided in Article 4 below, or the prohibition of or other restriction against Lessee's use of all or any such Cars, or the interference with such use by any person or entity or the invalidity or unenforceability or lack of due authorization of this Agreement or any insolvency of or the bankruptcy, reorganization or similar proceeding against Lessee.

Lessor covenants that so long as Lessee is not in default hereunder, Lessee shall have and enjoy an unconditional right quietly to enjoy and use all Cars free from any disturbance or interruption of possession arising as a result of any action or inaction, failure of title, or conduct of or by Lessor, or of or by any assignee of its rights hereunder.

2. Delivery of Cars: Each Car will be delivered to Lessee free of transportation charge to one of the following destinations, at the option of Lessee:

(a) To Spring Creek Coal Company, Decker, Montana, Burlington Northern delivery, or

(b) To Spring Creek Coal Company, Miles City, Montana, Burlington Northern delivery, or,

(c) If a free move is available to Lessor for the Cars Lessee has not already accepted, to the rail siding of Spring Creek Coal Company's customer in East Grand Forks, Moorhead or Crookston, Minesota or Drayton, North Dakota..

3. Warranties and Representation: LESSOR MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND RESPECTING THE CARS WHETHER STATUTORY, WRITTEN, ORAL OR IMPLIED AND LESSOR HAS NOT MADE AND DOES NOT HEREBY MAKE, NOR SHALL IT BE DEEMED BY VIRTUE OF HAVING LEASED THE CARS PURSUANT TO THIS LEASE TO HAVE MADE, ANY REPRESENTATION OR WARRANTY AS TO THE MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, DESIGN OR CONDITION OF, OR AS TO THE QUALITY OF THE WORKMANSHIP IN, THE CARS, ALL OF WHICH ARE EXPRESSLY DISCLAIMED AND LESSOR SHALL NOT BE LIABLE, IN CONTRACT, TORT OR OTHERWISE, ON ACCOUNT OF ANY DEFECT, WHETHER HIDDEN, LATENT OR OTHERWISE DISCOVERABLE OR NONDISCOVERABLE RESPECTING ANY CAR.

4. Responsibility for Damage or Destruction of Cars: If any of the Cars are lost, destroyed, or damaged beyond economic repair in the opinion of Lessee (except when the Car is in the possession of Lessor), Lessee agrees to pay Lessor the settlement value of the Car computed under Rule 107 of the Interchange Rules adopted by Association of American Railroads (hereafter "A.A.R. Code of Rules") within 60 days of advising Lessor of such occurrence. Rent with respect to any Car shall abate upon the date Lessor is advised that such Car has been lost, destroyed, or damaged beyond economic repair.

If any Car becomes worn out beyond economic repair, upon ten days prior written notice to Lessor, Lessee may pay Lessor a settlement value for such Car equal to the discounted amount of the remaining rentals and the discounted amount of the purchase option, both discounted ~~at 12% monthly in arrears~~ monthly based on a 12% annual rate. Rent on any such Car shall abate upon payment to Lessor of the settlement value for such Car.

Upon payment by Lessee to Lessor of the settlement value of any Car as hereinabove provided, so long as Lessee is not in default hereunder, such Car shall become the property of the Lessee. In order to facilitate the sale or other disposition of any Car which becomes Lessee's property as hereinbefore provided, Lessor shall, upon request of Lessee, execute and deliver to Lessee or to Lessee's vendee, assignee or nominee, a bill of sale for such Car, warranting title free and clear of all liens, security interests, and other encumbrances (except such as may have arisen by, through or under Lessee during the term of this Lease) and such other documents as may be required to release such Car from the terms and scope of this Lease and from any other lien or encumbrance of Lessor's making, undertaking or sufferance, in such forms as may be reasonably required by the Lessee.

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5. Return of Cars: Lessee agrees, immediately upon the expiration or termination of this Lease and without demand by Lessor, to return each of the Cars to Lessor uncontaminated and in the same condition as received, less reasonable wear and tear, and free of liens arising by, through or under Lessee, at Miles City, Montana or at another point mutually agreed upon along the routes on which Lessee operates the Cars, and to pay Rent on each Car until such return. Rent for each Car shall cease when that Car is returned in the above condition or is placed in storage at the request of Lessor as stipulated below. Within 10 days after the last Car has been returned or placed in storage, Lessor shall inspect the Cars and certify whether they are in the same condition as received by Lessee, less reasonable wear and tear. Any Cars not in such condition shall be repaired at Lessee's expense or purchased pursuant to the second paragraph of Article 4. Lessee shall provide up to 90 days' free storage for any or all Cars at the request of Lessor at the expiration or termination of this Lease. Lessee agrees to transport the Cars to any point on the tracks of the Burlington Northern Railroad at the expiration of this Lease or of the 90-day storage period, if a free move is available to Lessee on the Burlington Northern Railroad. If such free move is not available, Lessee agrees to pay up to \$250.00 per Car to Lessor for the actual cost of transporting the Cars to the point designated by Lessor.

6. Maintenance: Notwithstanding provisions to the contrary in Section 6 of the Operating Lease, Lessee agrees to maintain at its own expense each of the Cars in good condition and repair, in conformity with all applicable laws and regulations including the A.A.R. Code of Rules and FRA Railroad Freight Car Safety Standards; provided, however that Lessor shall be responsible for, and shall pay for the initial renewal of air ~~break~~^{brake} equipment where needed to meet FRA certification requirements, and initial re-stenciling of the Cars.

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In the case of damage caused to any Car which is the responsibility under A.A.R. rules of a railroad and not repaired by such railroad, Lessee shall perform the necessary repairs at its sole cost and expense and submit such documents as are necessary to recover the cost of such repair in accordance with A.A.R. rules. Lessee will perform all necessary administrative tasks in connection with such counterbilling. Lessee will be solely entitled to any sum so recovered.

Lessee will, at Lessor's request, take such reasonable action as Lessor may specify to modify operating conditions within Lessee's control which in Lessor's reasonable opinion are causing undue and avoidable wear or damage to the Cars.

Neither party to this Lease will alter materially the physical structure or allow any third party to alter materially the physical structure of any of the Cars without the other party's written consent.

7. Freight and Other Charges: Lessor shall not be obligated for the payment of any switching, freight, or other charges incurred by the movement or the holding of the Cars, either loaded or empty, during the term of this Lease, all of which will be paid by Lessee. Lessor shall have no right or claim to any per diem, demurrage or other car hire charges arising out of the use of the Cars and all such charges, as applicable, shall belong and be payable to Lessee.

8. Lettering of Cars: Lessee will supply reporting marks for the Cars in accordance with the A.A.R. Code of Rules as indicated in Exhibit A. Lessee agrees to keep and maintain on the sides of each Car in letters not less than one-half inch in height the words "OWNERSHIP SUBJECT TO A SECURITY AGREEMENT FILED WITH THE INTERSTATE COMMERCE COMMISSION".

9. Responsibility for Taxes: Lessee agrees to assume responsibility for, and to pay, all taxes, costs, fines and assessments of every kind levied upon the Cars during the term of this Lease, and to file all reports relating thereto; provided, however, that Lessee shall not be responsible for federal or state taxes based upon the income of Lessor or for taxes, costs, fines and assessments of any kind owing from or related to periods prior to the term of this Lease.

10. Responsibility for Lading: Lessor shall not be liable for any loss of, or damage to, commodities, or any part thereof, loaded or shipped in the Cars, however such loss or damage shall be caused, or shall result. The Lessee agrees to assume responsibility for, and to indemnify Lessor against, and to save it harmless from, any such loss or damage or claim therefor.

11. Indemnification: Once Cars have been delivered to Lessee pursuant to Article 2, and until such Cars are returned to Lessor (or placed in storage) pursuant to Article 5 or purchased by Lessee pursuant to Article 17, Lessee agrees to indemnify and save Lessor harmless from any and all claims, demands, causes of action, costs, and expenses, including attorney fees, arising directly or indirectly out of the use, custody, control, operation, delivery or transportation of the Cars, whether in contract, tort, strict liability in tort or otherwise. In any personal injury action(s) arising directly or indirectly out of the foregoing, wherein Lessor is named as a defendant, Lessee agrees, if Lessor so requests, to undertake the defense and costs associated therewith immediately upon tender of such defense, including payment of any judgment directed against Lessor jointly or severally. Lessee also agrees to pay and indemnify Lessor from and against any and all penalties, fines, and levies arising from the use, custody, control, operation, delivery or transportation of said Cars under this Lease. Lessee shall have the right to self-insure in order to fulfill its indemnity obligations as described above. Lessee's obligations hereunder shall survive the termination or expiration of this Lease.

12. Assignment: Lessee shall be entitled to the possession and use of the Cars in accordance with the terms of this Lease. Except as herein provided, Lessee will not assign, transfer, encumber or otherwise dispose of this lease, the Cars or any part thereof, without the prior written consent of Lessor. Lessee will not permit or suffer any encumbrances or liens to be entered or levied upon any Car, other than such as may arise by, through, or under lessor or any assignee of Lessor's rights hereunder. Because of Lessee's need to allow railroads and other shippers to use the Cars to test load coal purchased from Lessee, Lessor grants Lessee the right to sublease no more than 110 cars from time to time for such test loadings for a period not to exceed three months per occurrence, provided that the Cars are used only in the United States or Canada. Lessee shall continue to be responsible for any subleased Cars subject to the terms and conditions of this Lease. Except as hereinabove provided, Lessee shall not sublet any Car without the prior written consent of Lessor, which shall not be unreasonably withheld. Notwithstanding any of the above, lessee may sublet the cars to any subsidiary company of its parent company, Nerco Inc., without lessors consent.

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Lessee acknowledges and understands that Lessor may, without notice to Lessee, assign its interest under this Agreement and in and to the Cars to a bank or other lending institution as security for one or more loans. Lessee agrees, in the event of any such assignment and upon notice thereof from Lessor, and only in the event of such assignment to one or more such assignees: (i) to recognize such assignment; (ii) to make all payments of Rent and other amounts due under the Lease as so assigned directly to the assignee identified in such notice or to its designee; (iii) to accept the directions or demands of such assignee in place of those of the Lessor; (iv) to surrender the Cars to such assignee upon termination of this Lease; (v) that, in the event of such assignment and except as otherwise provided in Articles 4, 5, 6 and 13, Lessee's obligations hereunder with respect to payment of Rent shall not be subject to any reduction, abatement, defense, setoff, counterclaim or recoupment for any reason whatsoever; (vi) except as otherwise provided in Articles 4 (with respect to any Car which becomes Lessee's property) 5,6, 13 and 14, not to terminate this Lease; provided, however, nothing contained in this Article 12 shall relieve Lessor from its obligations to Lessee hereunder, nor shall any assignee hereof be relieved of the obligation to release its interests in any Car to facilitate Lessor's obligations contained in the second paragraph of Article 4 hereof.

13. Default: An event of default shall occur if: (a) Lessee fails to pay when due any instalment of Rent and such failure continues for a period of 10 days after receipt of written notice of non-payment from Lessor, (b) Lessee shall fail to perform or observe any covenant, condition or agreement to be performed or observed by it hereunder and such failure continues uncured for 30 days after written notice thereof to Lessee by Lessor, (c) Lessee ceases doing business as a going concern, makes an assignment for the benefit of creditors, admits in writing its inability to pay its debts as they become due, files a voluntary petition in bankruptcy, is adjudicated a bankrupt or an insolvent, files a petition seeking for itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar arrangement under any present or future statute, law or regulation or files an answer admitting the material allegations of a petition filed against it in any such proceeding, consents to or acquiesces in the appointment of a trustee, receiver, or liquidator of it or of all or any substantial part of its assets or properties, or if it or its shareholders shall take any action looking to its dissolution or liquidation, (d) within 60 days after the commencement of any proceedings against Lessee seeking reorganization, arrangement, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, such proceedings shall not have been dismissed, or if within 60 days after the appointment without Lessee's consent or acquiescence of any trustee, receiver or liquidator of it or of all or any substantial part of its assets and properties, such appointment shall not be vacated, or (e) Lessee attempts to remove, sell, transfer, encumber, part with possession or sublet the equipment or any item thereof, other than as permitted herein.

Upon the occurrence of an event of default, Lessor shall have all the rights and remedies provided by applicable law and by this Lease.

Notwithstanding that this Lease is a lease and title to the equipment is at all times in Lessor, Lessor may nevertheless at its option choose those rights and remedies of a secured party under the Uniform Commercial Code. In addition, Lessor at its option, may: (a) declare the present value of all unpaid Rent and other sums due and to become due hereunder immediately due and payable; (b) proceed by appropriate court action or actions or other proceedings either at law or in equity to enforce performance by Lessee of any and all covenants of this Lease and to recover damages for the breach thereof; (c) demand that Lessee deliver the Cars forthwith to Lessor at Lessee's expense at such place as Lessor may designate; and (d) without notice or liability or legal process, enter by itself and/or its agents into any premises of or under control or jurisdiction of Lessee or any agent of Lessee where the Cars may be or by Lessor is believed to be, and repossess all or any item thereof, disconnecting and separating all thereof from any other property and using all force necessary or permitted by applicable law so to do, Lessee hereby expressly waiving all further rights to possession of the Cars and all claims for injuries suffered through or loss caused by such repossession.

If an event of default occurs and Lessor elects to accelerate unpaid Rent due and to become due under (a) above, and such Rent is paid by Lessee to Lessor, then Lessee shall retain its right of quiet enjoyment as to the Cars under the last paragraph of Section 1 hereof, and upon expiration of the Lease term, the Cars shall be returned to Lessor as set forth in Section 5 hereof.

Notwithstanding recovery of the Cars by Lessor, Lessor shall, nevertheless, also be entitled to recover immediately as liquidated damages for loss of the bargain and not as a penalty any unpaid rent that accrued on or before the occurrence of the event of default plus an amount equal to the difference between the present value, as of the date of the occurrence of such event of default, of the aggregate rent reserved hereunder for the unexpired term of this Lease as specified in (a) of the second paragraph of this Section and the then present value of the aggregate rental value of all Cars for such unexpired term which the Lessor reasonably estimates to be obtainable for the use of all of the Cars during such unexpired term. If any statute governing the proceeding in which such damages are to be proved specifies the amount of such claim, Lessor shall be entitled to prove as and for damages for the breach an amount equal to that allowed under such statute. The provisions of this paragraph shall be without prejudice to any rights given to the Lessor by such statute to prove for any amounts allowed thereby. Should any proceedings be instituted by or against Lessor for monies due to Lessor hereunder and/or for possession of any or all of the Cars or for any other relief, Lessee shall pay a reasonable sum as attorneys' fees.

No remedy of Lessor hereunder shall be exclusive of any remedy herein or by law provided, but each shall be cumulative and in addition to every other remedy.

For purposes of this Section 13, the present value at any date of each rental payment, included in the aggregate rent reserved hereunder for the unexpired term of this lease, shall mean an amount which, with interest thereon

at 10% per annum compounded monthly from such date to the date on which such rental payment would become due and payable, will equal the amount of such rental payment.

In addition to any remedies provided in this lease, Lessor shall have all the rights provided to a Lessor under Section 1168 of Title 11 of the United States Code and any successor provisions thereto.

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14. Term of Lease: This Lease shall remain in full force and effect, with regard to each of the Cars, until ~~March 31, 1988.~~ ~~This~~ March 31, 1987. This Lease shall be binding upon and inure to the benefit of the parties, their legal representatives, and successors and assigns.

15. OT5 Authority: Lessee will, before delivery of any Car, obtain any permission or authority which may be necessary for the operation of the Cars under AAR Circular OT5 and will maintain any OT5 permission in force throughout the term of this Lease.

16. Notice: Any notice to be given under this Lease shall be given by certified mail in the following manner:

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(a) Notices from Lessor to Lessee shall be sent to:

Spring Creek Coal Company
101 Southwest Main Street, Suite 1300
Portland, Oregon 97204-3221
Attention: Manager of Marketing

Nerco Inc.
111 SW Columbia, Suite 800
Portland, Oregon 97201
Attention: Treasurer

(b) Notices from Lessee to Lessor shall be sent to:

C.I.T. Leasing Corporation
135 West 50th Street
New York, New York 10020
Attention: Mr. Stephen O'Neill

17. Purchase Option: At the expiration of this lease, if Lessee has paid in full all Rent due and to be due hereunder, and be not then in default hereunder, Lessee shall have the option to purchase all, but not less than all, of the Cars upon giving to Lessor written notice of its intention to do so not less than thirty (30) days prior to such expiration date, for a price of \$2,500 for each Car.

18. Execution: This Lease may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same contract. This Lease may be signed in separate counterparts as long as each party hereto shall have signed at least one counterpart.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed and delivered the day and year first about written.

ATTEST: *L. Esmerene Corn*
Assistant Secretary



SPRING CREEK COAL COMPANY

By: *Ray Mettler*
Title: *VP & Controller*
Date: *as of 3/31/85*

ATTEST: *Joe [unclear]*
Assistant Secretary



C.I.T. LEASING CORPORATION,
as agent for C.I.T. CORPORATION

By: *[Signature]*
Title: *Pres.*
Date: *3/31/85*

STATE OF New York)
)
COUNTY OF New York)

I, Ira Finkelson, a Notary Public in and for the State and County aforesaid, do hereby certify that Nikita Zdanow and Leo Sheer of CIT Leasing Corporation, a Delaware corporation, whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such President and Asst. Secretary respectively, they signed, sealed and delivered the aforesaid instrument and caused the corporate seal of said corporation to be affixed thereto, pursuant to authority of its Board of Directors, as their free and voluntary act and as the free and voluntary act and deed of said corporation for the uses and purposes therein set forth.

Given under my hand and notarial seal this 10th day of June 1985.

Ira Finkelson
Notary Public

My commission expires _____

IRA FINKELSON
Notary Public, State of New York
No. 60-6297225
Qualified in Westchester County
Commission Expires March 30, 1986



**EXHIBIT A
EQUIPMENT DESCRIPTION**

<u>Description</u>	<u>Number of Cars</u>	<u>Car Markings</u>
3,600 cubic foot, 100 ton capacity, triple pocket open top hopper railcars built in 1968.	204	See Below

	523058	523104	523142	523186	523233	523301	523348	523389
523004	069	108	143	190	236	302	349	393
005	070	110	145	191	242	303	352	394
007	071	113	146	192	243	306	353	395
008	073	114	151	195	245	307	354	398
012	076	115	152	196	246	308	356	399
017	077		153	197	247	310	358	
019	079	120	154	198	248	312	359	
020	080	121	155	200	250	315	360	
022	082	122	157	203	252	317	362	
023	083	123	158	208	262	318	363	
024	086	125	163	209	264	319	364	
026	087	126	165	210	265	320	365	
028	088	129	167	211	266	321	366	
029		131	168	212	274	323	369	
030	090	132	170	213	276	325	370	
034	091	133	171	216	282	329	371	
036	092	134	172	217	284	332	373	
044	095	135	173	218	286	334	374	
					286	335		
045	096	136	176	220	289	337	375	
048	097	137	178	222	291	339	382	
052	098	138	180	228	292	340	383	
053	099	139	181	229	293	342	386	
054	100	140	182	230	298	343	387	
055	101	141	183	232	299	345	388	

Initial: R

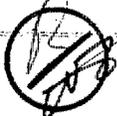
Initial: AW

Secretary of the Interstate
Commerce Commission
Washington, D.C.

Re: Railcar Operating Lease Agreement Dated
as of August 3, 1984 between C.I.T.
Corporation, Acting Through Its Agent,
C.I.T. Leasing Corporation, as Lessor,
and Spring Creek Coal Company, as Lessee

Dear Sir:

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C.I.T. LEASING CORPORATION, as agent for C.I.T. Corporation,
a New York corporation, (the "Lessor"), and SPRING CREEK
COAL COMPANY, a ^{Montana} ~~Pennsylvania~~ corporation, (the "Lessee")
executed and entered into that certain Railcar Operating
Lease Agreement as described above, covering the railroad
equipment described on Schedule A attached hereto (the
"Equipment").

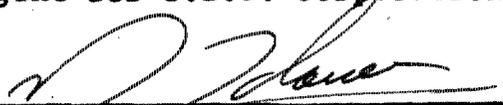
The Railcar Operating Lease Agreement was filed with the
Interstate Commerce Commission on August 30, 1984 at 3:15 p.m.
and assigned Recordation No.14419.

The Railcar Operating Lease Agreement has been superseded
in its entirety by a Railcar Lease dated as of August 15,
1984 covering the Equipment, which is submitted for recording
simultaneously herewith, and all amounts due and owing to
Lessor pursuant to the terms and conditions of the Railcar
Operating Lease Agreement have been paid in full.

In consideration of the full payment of all amounts due or
owing to Lessor under the Railcar Operating Lease Agreement,
and the execution by the parties of a Lease Agreement
superseding the Railcar Operating Lease Agreement as to
all of the Equipment, the Lessor does hereby cancel and
terminate the Railcar Operating Lease Agreement.

C.I.T. LEASING CORPORATION,
As Agent for C.I.T. Corporation

By: _____



Title: _____

Pres.

Attest: _____


Assistant Secretary