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DEC 9 1982
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Washington, D. C.

RECORDATION NO. 13862

DEC 9 - 1982 - 10 AM

INTERSTATE COMMERCE COMMISSION

Agatha L. Mergenovich
Secretary
Interstate Commerce Commission
Washington, D.C.

Dear Ms. Mergenovich:

Enclosed for recordation under the provisions of Section 11303(a) of Title 49 U.S. Code are the original and two counter-parts of an Equipment Lease Agreement dated as of November 30, 1982. This Equipment Lease Agreement is a primary document.

A general description of the railroad cars covered by the enclosed document and intended for use related to interstate commerce is set forth in Schedule A attached to this letter and made a part hereof.

The names and addresses of the parties to the Equipment Lease Agreement are as follows:

Lessor:	Westinghouse Credit Corporation One Oxford Centre Pittsburgh, Pennsylvania 15219
Lessee:	United States Steel Corporation 600 Grant Street Pittsburgh, Pennsylvania 15230

The undersigned is the Attorney for the Lessor mentioned in the enclosed document and has knowledge of the matters set forth therein.

Please return the original and one copy of the Equipment Lease Agreement to Janice Wajda, Chapman and Cutler, 111 West Monroe Street, Chicago, Illinois 60603.

Also enclosed is a check in the amount of \$50.00 covering the required recording fee.

A short summary of the enclosed primary document to appear in the Index follows:

Equipment Lease Agreement between Westinghouse Credit Corporation, as Lessor, One Oxford Centre, Pittsburgh, Pennsylvania 15219 and United States Steel Corporation, 600 Grant Street, Pittsburgh, Pennsylvania 15230 covering 20, 50-Cubic Yard, 100 Ton Capacity DIFCO Air Side Dump Cars.

FEE OPERATION BR.
I.C.C.

DEC 9 11 02 AM '82

RECEIVED

Very truly yours,

CHAPMAN AND CUTLER

By *Harry Ed*
Its *Partner*
Attorney as Aforesaid

Counterpart - J. Kuyler

Enclosures

SCHEDULE A

DESCRIPTION OF EQUIPMENT

20 50-Cubic Yard, 100-Ton Capacity DIFCO Air Side Dump Cars

Car No.

Initial Location

USSX 2556 through 2575 inclusive

Mt. Iron, Minnesota

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

Janice Wajda
Chapman and Cutler
111 West Monroe Street
Chicago, Illinois 60603

December 9, 1982

Dear

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 12/9/82 at 11:10AM , and assigned re-
recording number(s). 13862

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

RECORDATION NO. 13882
DEC 9 - 1982 10 AM
INTERSTATE COMMERCE COMMISSION

EQUIPMENT LEASE AGREEMENT

THIS EQUIPMENT LEASE AGREEMENT ("Lease"), is dated of the 30th day of November, 1982, and is by and between Westinghouse Credit Corporation, a Delaware corporation ("Lessor") and United States Steel Corporation, a Delaware corporation ("Lessee").

WITNESSETH:

1. Lease. Lessor hereby agrees, subject to satisfaction of the conditions hereinafter set forth and the closing conditions set forth in Exhibit B, to lease to Lessee and Lessee hereby agrees to lease from Lessor each item of equipment, (individually called an "Item of Equipment" and collectively the "Equipment") described in Exhibit A attached hereto and made a part hereof.

2. Term. (a) Subject to provision 2(b) hereof, the term ("Term") of this Lease shall be fifteen (15) years commencing on the date hereof ("Commencement Date"). The word "Term" as used herein shall include any extensions of the original term pursuant to the terms of this Lease.

(b) Provided that no Event of Default or no event, which, but for the lapse of time or the giving of notice or both, would be an Event of Default, shall have occurred and be continuing, Lessee shall have the right to terminate this Lease with respect to all but not less than all of the Items of Equipment as of any Termination Date (but in no event prior to November 30, 1987) upon not less than one hundred eighty (180) days' written notice prior to such Termination Date if Lessee shall have determined in good faith that the Equipment is obsolete in or surplus to its business. Lessee shall use its best efforts during the period prior to such Termination Date to obtain bids for the purchase of the Equipment, and Lessor may, but is not obligated to, solicit additional bids for the purchase of the Equipment. Lessor agrees to sell the Equipment to the highest cash bidder without recourse or warranty other than for liens or claims resulting from or arising out of acts of Lessor or claims of Lessor's creditors (but excluding therefrom any warranty with respect to Lessee's rights hereunder or to liens or claims resulting from or arising out of Lessee's obligations hereunder). Such sale shall take place on such Termination Date at which time, and upon receipt by Lessor in immediately available funds of the full sale price of the Equipment together with the payments to be made by Lessee as provided below, Lessor agrees to transfer to the purchaser

all of Lessor's right, title and interest in and to the Equipment. In no event shall Lessee or any affiliate of Lessee be the purchaser of the Equipment.

On such Termination Date, Lessee shall pay Lessor in immediately available funds the installment of rent due and payable plus the amount, if any, by which the Termination Value of the Equipment computed as of such Termination Date exceeds the sale price after deduction from such sale price of Lessor's reasonable out-of-pocket costs and expenses, if any, arising in connection with such sale. If no such sale occurs on the Termination Date as above provided, or if Lessee does not make the above required payment, this Lease shall continue in full force and effect as though no notice of termination had been given by Lessee. In the event of any such sale and receipt by Lessor of the above-described amounts, all obligations of Lessee under this Lease with respect to the Equipment after such Termination Date shall cease except for such obligations which, by the terms hereof, expressly survive the termination of this Lease.

Notwithstanding the foregoing, (i) Lessee may elect by written notice at any time prior to such Termination Date and before Lessor or Lessee shall have entered into a binding contract to sell the Equipment as described in this Section 2(b), to rescind its notice of termination, which election may be made not more than three (3) times in the aggregate during the Term of this Lease, whereupon this Lease will continue in full force and effect as though no notice of termination had been given by Lessee, and Lessee shall pay Lessor's reasonable out-of-pocket costs and expenses incurred in anticipation of the notice of termination which was rescinded; provided, however, that Lessee shall have thereafter the right to terminate this Lease as provided above as of any subsequent Termination Date, and (ii) in the event Lessee has elected to terminate this Lease with respect to the Equipment by sale thereof to the highest bidder, Lessor may, at its option, on written notice to Lessee at least thirty (30) days prior to such Termination Date, refuse to sell its interest in the Equipment and accept possession thereof on such Termination Date pursuant to the delivery terms of such rejected highest bid. In the event of such refusal by Lessor, the obligations of Lessee to pay, as provided above, any part of the Termination Value as to the Equipment shall cease, and this Lease shall terminate for any period after such Termination Date except for obligations which, by the terms hereof, expressly survive the termination of this Lease.

For purposes hereof, "Termination Date" shall mean any date from and after November 30, 1987 on which a payment of rent is due hereunder and "Termination Value" shall mean the Stipulated Loss Value (as hereinafter defined) applicable to such rental payment date.

3. Rent. Lessee shall pay Lessor rent for each Item of Equipment throughout the Term in thirty (30) consecutive semiannual payments equal to 6.34952 percent of Lessor's Cost thereof (as set forth in Exhibit A), payable in arrears. The first payment shall be due and payable May 30, 1983 and subsequent payments shall be due every six months thereafter. All payments of rent shall be made without deduction or offset, in the amounts and at the times set forth above. In the event Lessee shall be in default in the payment of any sum of money to be paid under this Lease, whether rent or otherwise, the Lessee shall pay Lessor, as additional rent, to the extent permitted by applicable law, interest on such unpaid sum from its due date to date of payment by Lessee at a rate equal to 110% of the Prime Rate or the maximum amount permitted by applicable law, whichever is lower (the "Overdue Rate"). Rent and all other amounts payable to Lessor hereunder shall be payable to Lessor by wire transfer to Lessor's account number 195-1107 at Mellon Bank, N.A., Mellon Square, Pittsburgh, Pennsylvania (or at such other place as Lessor may from time to time designate in writing). Any payments due hereunder on a day which is not a business day shall be due and payable on the first business day immediately following such day.

4. Taxes Against Lessor or Equipment. Lessee agrees to assume liability for and indemnify Lessor on an after-tax basis against any and all liabilities, losses, expenses and costs of any kind whatsoever which are in the nature of taxes or other governmental charges imposed by any governmental authority, including any which Lessor may be required to collect (any of the foregoing, being referred to hereinafter as a "Tax"), on or with respect to this Lease or the Equipment or the acquisition, operation, control, maintenance, ownership, possession, use, financing, insuring and disposition thereof, excluding, however, (i) United States Federal income taxes (including any Taxes on or measured by items of tax preference), (ii) Taxes imposed by any state or local taxing authority which are based upon or measured by net income (including any Taxes on or measured by items of tax preference), (iii) franchise taxes and taxes on doing business (including those based on gross receipts), (iv) Taxes resulting from any voluntary transfer by Lessor of any interest in any Item or this Lease or any involuntary transfer of any such interest in connection with any bankruptcy or other proceeding for the relief of debtors in which Lessor is the debtor or any foreclosure by a creditor of Lessor, and (v) any interest, penalties or additions to tax resulting from the failure of Lessor to file returns it is required to make which are proper and timely. Lessee shall have the responsibility for preparing and filing any and all reports and returns relating to the Equipment other than Lessor's Federal income tax returns and state and local income, gross receipts and franchise tax returns and any other tax returns which are required by law to

be filed only by Lessor. Lessor shall promptly advise Lessee in writing of any claim or proceeding of which Lessor has knowledge which could give rise to indemnification hereunder. Lessee may, at its option and expense, contest any such claim or proceeding in the name of Lessor or otherwise in any manner which will not, in the reasonable opinion of Lessor, adversely affect or endanger the title to any Item or the interest of Lessor therein, and Lessor shall cooperate with Lessee in connection with such contest. Any amount for which Lessee is liable and payment is due pursuant to this Section 4 shall be paid within thirty (30) days of receipt of the written notice from Lessor described in the second preceding sentence, unless Lessee shall have given written notice of its intention pursuant to the immediately preceding sentence to contest such claim or proceeding, in which case notice shall be given promptly upon final conclusion of such contest. If any such contest involves payment of the Tax in question, Lessee shall advance the amount thereof to Lessor on an interest-free basis. If Lessor shall realize any tax savings from any amount with respect to which Lessee has indemnified Lessor pursuant to this Section 4, Lessor shall pay to Lessee the amount of such savings together with the amount of any additional tax saving to Lessor arising from any payment pursuant to this sentence.

Lessee shall advise Lessor as to state and local sales and use tax applications for the taxing jurisdiction applicable to the locations of the Equipment and shall provide Lessor appropriate exemption certificates, including direct pay permit authorizations where applicable. In states where rentals may be subject to sales and use tax, Lessee shall provide Lessor with the necessary certificates to permit the Lessor to purchase the Equipment exempt from a direct sales or use tax. In the event in any state an exemption from payment of sales and use tax is available, Lessor shall cooperate with Lessee in executing and filing all requests, certificates or other instruments necessary to obtain such exemption.

5. Lessee's Failure to Pay Taxes, Etc. Should Lessee fail to make any payment or do any act as herein provided, then Lessor shall have the right, but not the obligation, without releasing Lessee from any obligation hereunder, to make or do the same, and to pay, purchase, contest or compromise any Lien (as hereinafter defined) not permitted hereunder which in Lessor's judgment appears to affect the Equipment or Lessor's rights with respect thereto, and in exercising any such rights, incur any liability and expend whatever amounts which it reasonably deems necessary therefor. All sums so incurred or expended by Lessor shall be without demand immediately due and payable by Lessee and shall bear interest at the Overdue Rate from the date so incurred or expended by Lessor to the date Lessor is reimbursed therefor by Lessee.

6. Use and Ownership. Lessee shall use, operate, maintain and store the Equipment in a careful and proper manner and shall comply with all laws, ordinances and regulations in any way relating to the possession, use, operation or maintenance of the Equipment. Lessee shall use the Equipment only in the manner contemplated by the manufacturer thereof. Lessee agrees to pay all costs incurred in connection with the use and operation of each Item of the Equipment, during the Term thereof, including but not limited to, repairs, maintenance, storage and servicing, except to the extent that such costs are paid by the manufacturer.

Lessee acknowledges and agrees that it does not have and will not acquire legal title to the Equipment, it being expressly understood that this Lease is an agreement of lease only. The Equipment is and shall at all times remain the sole and exclusive property of Lessor. The only interest Lessee shall have in the Equipment is that of a lessee hereunder. Upon request of Lessor, Lessee shall affix to each Item of Equipment and keep and maintain, plainly and distinctly, permanently and conspicuously upon each such Item of Equipment the following words:

"Owned by Westinghouse Credit Corporation
Owner-Lessor"

Lessee shall keep the Equipment free from any markings or labeling which might be interpreted as a claim of ownership thereof by Lessee or any party other than Lessor or its assigns, except as is customary for leased equipment of this type. Lessee shall not (i) remove an Item of Equipment from the initial location of such Item of Equipment as set forth in Exhibit A hereto or (ii) transfer possession of the Equipment in any manner. Upon demand by Lessor, Lessee promptly shall give Lessor written notice of the exact location of the Equipment.

7. Additions and Improvements. Lessee shall not make any alterations, additions or improvements to the Equipment; provided, Lessee shall be (i) required to make alterations required by any governmental law or regulation, or (ii) permitted to make any other alterations with the written consent of Lessor. All such alterations, additions or improvements so permitted (except severable additions, as hereinafter provided) shall become the property of Lessor and shall be free of all Liens. If requested by Lessor, Lessee shall provide a bill of sale to Lessor for all such alterations, additions or improvements. Lessee shall, from time to time, be permitted to make additions to any Item of Equipment which are readily removable without causing material damage to such Item and which do not impair the utility of such Item ("severable addition") and Lessee shall, provided no Event of Default has occurred and is continuing, be permitted to

remove such severable addition prior to returning the Item in accordance with Section 15 hereof except if such severable addition is required pursuant to (i) above.

8. Maintenance and Repair. Lessee, at its sole cost and expense, shall keep the Equipment in good operating order, repair, condition and appearance and shall furnish any and all parts, mechanisms or devices required to keep the Equipment in good mechanical and working order.

9. Delivery and Acceptance. Prior hereto, Lessee shall have made at its expense all necessary inspections and tests of the Equipment to determine whether each Item of Equipment conforms to the Lessee's specifications. Upon execution hereof by Lessee, the Equipment described herein shall be deemed to conform to Lessee's specifications, shall be deemed to be in good condition and without defects and shall be deemed to be an Item of Equipment subject to the terms of this Lease; provided, however, nothing herein shall prejudice any of Lessee's rights against the seller or manufacturer of the Equipment.

10. Inspection; Lessee Reports. Lessor shall at all times during normal business hours, upon reasonable advance notice, have the right to enter the premises where the Equipment may be located for the purpose of inspecting and examining the Equipment, its condition, use, and operation to ensure compliance by Lessee with its obligations hereunder, provided, that Lessor shall have no duty to inspect and shall not incur any liability or obligation by reason of not making any such inspection.

Lessee shall immediately notify Lessor of any accident connected with the Equipment which results in bodily injury or in property damage in excess of 10% of the Stipulated Loss Value in effect at the time, including in such report the time, place and nature of the accident, the damage caused to property, the names and addresses of persons injured and of witnesses, and such other information as may be relevant to such accident.

Lessee agrees to give Lessor the following:

(i) Within sixty (60) days after the end of each calendar quarter other than the last quarter of a fiscal year, Lessee's quarterly report to the Securities Exchange Commission on Form 10-Q and, if not included therein, a consolidated balance sheet of Lessee and its consolidated subsidiaries as of the end of such calendar quarter, and consolidated statements of income, stockholders' equity and changes in financial position of Lessee and its consolidated subsidiaries for the period from the beginning of the current fiscal year to the end of such calendar quarter, setting forth

in each case in comparative form the figures for the corresponding period of the previous fiscal year, all in reasonable detail and certified, subject to changes resulting from year-end audit adjustments, by the principal financial or accounting officer of Lessee;

(ii) Within one hundred twenty (120) days after the end of each fiscal year of Lessee, Lessee's annual report to the Securities Exchange Commission on Form 10-K and, if not included therein, a consolidated balance sheet of Lessee and its consolidated subsidiaries as of the end of such year, and a consolidated statement of income, stockholders' equity and changes in financial position of Lessee and its consolidated subsidiaries for such year, setting forth in each case in comparative form the consolidated figures for the previous fiscal year, all in reasonable detail, and accompanied by an opinion thereon of independent public accountants selected by Lessee, which opinion shall state that (x) such financial statements have been prepared in accordance with generally accepted accounting principles and practices applied (except as otherwise specified in such opinion) on a basis consistent with that of the preceding fiscal year, and present fairly the financial condition of Lessee and its consolidated subsidiaries as at the end of such fiscal year and the results of operation for the period then ended, and (y) the audit by such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards;

(iii) As soon as available, Lessee's annual and quarterly reports and annual proxy statements to its shareholders;

(iv) Within ninety (90) days after the end of each calendar year, a certificate of an appropriate officer of Lessee, stating that a review of the activities of Lessee during such calendar year has been made under such officer's direction with a view to determining whether Lessee has kept, observed, performed and fulfilled all of its obligations under this Lease, and that, to the best knowledge, information and belief of such officer, there has occurred no Event of Default and no event which, but for the lapse of time or the giving of notice or both, would be an Event of Default, or, if any such Event of Default or event has occurred, specifying the nature thereof, the period of continuance thereof and what action Lessee has taken or proposes to take with respect thereto; and

(v) Such other materials or information as Lessor may reasonably request.

11. Warranties. LESSOR IS NOT A MANUFACTURER OF THE EQUIPMENT OR A DEALER IN SIMILAR EQUIPMENT AND HAS NOT INSPECTED THE EQUIPMENT PRIOR TO DELIVERY TO AND ACCEPTANCE BY

LESSEE. LESSOR BY VIRTUE OF HAVING LEASED THE EQUIPMENT UNDER THIS LEASE OR BY VIRTUE OF ANY NEGOTIATIONS IN RESPECT OF THIS LEASE HAS NOT MADE AND DOES NOT MAKE ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO CONDITION, COMPLIANCE WITH SPECIFICATIONS, QUALITY, DURABILITY, SUITABILITY, MERCHANTABILITY OR FITNESS FOR USE OR FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE EQUIPMENT. THE EQUIPMENT IS LEASED HEREUNDER BY LESSOR "AS-IS".

Lessor hereby represents to Lessee that Lessor has the full right and authority to enter into this Lease on the terms herein stated, and that this Lease constitutes the legal, valid and binding obligations of Lessor enforceable in accordance with its terms. Conditioned upon Lessee performing all of the terms, covenants and conditions hereof including, without limitation, Section 21 hereof, Lessor, its successors and assigns will not disturb Lessee's peaceable and quiet possession and use of the Equipment during the Term of this Lease.

Lessor hereby authorizes Lessee during the Term of this Lease to assert for the Lessor's account all of its right, title and interest in, under and to any warranty in respect of the Equipment issued by the manufacturer or seller thereof, and agrees to execute and deliver such further instruments as may be reasonably necessary to enable Lessee to enforce such warranty. All claims or actions on any warranty shall be made or prosecuted by Lessee, at its sole cost and expense, and Lessor shall have no obligation whatsoever to make any claim on such warranty. Any recovery under such a warranty shall be applied first to restore the Equipment; second, to pay the reasonable out-of-pocket expenses Lessee incurs in enforcing such warranty claim; and third, to pay any balance to Lessor. Lessor further authorizes Lessee to obtain whatever service to the Equipment the manufacturer customarily renders, provided that no such service shall be at the cost or expense of the Lessor.

12. Insurance; Stipulated Loss Value. Lessee shall have the right to self-insure. In the event at any time during the Term or any renewal term of this Lease, Lessee shall maintain public liability, casualty or excess liability insurance with respect to the Equipment, Lessee shall cause Lessor to be named as or have the benefits of an additional insured thereunder. Lessee shall notify Lessor of any proposed reduction in the Lessee's catastrophe liability coverage below \$100 million at least thirty (30) days prior to such reduction becoming effective. Nothing in this Section 12 shall be deemed to limit the right of Lessor to maintain, at its own cost and expense, any liability or casualty insurance for its benefit.

For purposes of this Lease, the term "Stipulated Loss Value" for an Item of Equipment as of any date of computation shall be the product of (x) the Lessor's Cost for such Item of Equipment as set forth in Exhibit A and (y) that Stipulated Loss Factor set forth in Exhibit C opposite the applicable rental payment with respect to such Item of Equipment. The applicable rental payment shall be that rental payment which includes the rental for the date of computation.

13. Risk, Event of Loss, Condemnation.

(a) Risk: Commencing on the Commencement Date and continuing until the expiration of the Term of this Lease and the return by Lessee of the Equipment to Lessor pursuant to the provisions hereof, Lessee assumes the entire risk of any Event of Loss (as defined below) and no such Event of Loss shall relieve Lessee of any of its obligations hereunder.

(b) Definition - Event of Loss: For purposes of this Section an "Event of Loss" with respect to an Item of Equipment shall mean any of the following events: (i) the actual or constructive total loss of such Item of Equipment; or (ii) when such Item of Equipment shall become lost, stolen, destroyed, damaged beyond repair or permanently rendered unfit for its intended use for any reason whatsoever; or (iii) the condemnation, confiscation or seizure of, or requisition of title to or use of, such Item of Equipment which shall have continued for six (6) months; or (iv) the termination, for any reason whatsoever, of this Lease by operation of law.

(c) Deprivation Constituting an Event of Loss: Upon the occurrence of an Event of Loss, Lessee shall pay or cause to be paid to Lessor, on the rental payment date immediately following such Event of Loss (i) rent applicable to such Item of Equipment plus (ii) the Stipulated Loss Value for such Item of Equipment. Any amounts not paid when due under the preceding sentence shall bear interest at the Overdue Rate. At such time as Lessor has received the amounts provided for above, the obligation of Lessee to pay rent hereunder with respect to such Item of Equipment shall terminate and Lessor will transfer to Lessee, without recourse or warranty, "as is, where is", all of Lessor's right, title and interest, in and to the Item of equipment with respect to which such Event of Loss occurred.

(d) Deprivation Not Constituting an Event of Loss: In the event of damage to any Item of Equipment not constituting an Event of Loss, Lessee shall remain obligated to make all payments of rent and other amounts due with respect to such Item of Equipment which may become due hereunder in the same manner as if such damage had not occurred. Lessee shall repair and restore such Item of Equipment to the condition it was in immediately prior to the occurrence which gave rise to

such payment (assuming such Item of Equipment was maintained in accordance with the terms of this Lease).

(e) Application of Payments: Upon the occurrence of any Event of Loss, Lessor shall be entitled to and shall receive the entire award, judgment, settlement, insurance proceeds, if any, or payments and all installments thereof which shall be credited to Lessee's obligations under 13(c). Lessee hereby assigns to Lessor any right or interest Lessee may have or may hereafter acquire in any such award or payment except to the extent provided in the immediately preceding sentence.

14. Indemnity. Lessee agrees to defend at its own cost and to indemnify and hold harmless Lessor, its successors and assigns, and their respective agents and employees, from and against any and all losses, claims, patent infringements, costs, expenses, (including attorneys' fees) damages and liabilities (including those for strict liability in tort), however, caused, resulting directly or indirectly in any manner from the assignment of Lessee's purchase order or agreement to purchase; ownership; purchase; Lessee's failure, delay or refusal to accept delivery; lease; possession; return; disposition; or directly or indirectly from or pertaining to the use, condition (including without limitation latent or other defects whether or not discoverable) or operation of the Equipment or the performance of this Lease (including without limitation such losses, claims, costs, expenses, damages and liabilities arising from the death or injury to agents or employees of Lessee or Lessor or any third person, or damage to the property of Lessee or Lessor, their agents or employees, or any third person and all claims for strict liability in tort) except for such damages, losses, expenses or liabilities arising out of the gross negligence or willful misconduct of Lessor, its agents or employees. This indemnification shall survive the expiration or other termination of this Lease and is for the benefit of and enforceable by the Lessor.

15. Return of Equipment. Upon the expiration or earlier termination of this Lease with respect to any or all of the Items of Equipment, the Lessee, at its own risk and expense, will return such Item(s) of Equipment then subject to this Lease to the Lessor at the site of the last use of such Item at a railroad head together with specifications, operating manuals and other warranties and documents furnished by the manufacturer or seller. Such Equipment shall be free and clear of all mortgages, liens, security interest charges, encumbrances and claims (except those created by Lessor). If Lessor shall so require, the Lessee shall provide free storage and continue to self-insure for such Item(s) of Equipment for a period not exceeding ninety (90) days from the expiration date or the last day of the Term therefor.

Upon return of such Item(s) of Equipment, Lessor or its agent shall inspect the Equipment; if in the Lessor's opinion the Equipment is not in compliance with the conditions hereinafter described, a mutually acceptable independent appraiser (or if no such appraiser has been selected within 15 days prior to the expiration or earlier termination of the Lease, The American Appraisal Company) shall be appointed by the Lessor to inspect the Equipment for the purpose of determining the repairs, additions or replacements, if any, which are necessary to place the Equipment in the condition hereinafter described.

At the time of return, the Item(s) of Equipment shall:

(i) Be in good appearance and free of all advertising or insignia placed thereon by Lessee; and

(ii) Be mechanically and structurally sound, free from excessive rust and corrosion; and in the same good order and condition as when delivered to Lessee hereunder, with no missing or damaged parts, normal wear and tear excepted.

Lessee shall pay for all repairs and replacements necessary to place the equipment in the condition described herein which shall be effectuated immediately.

In the event any necessary repairs or replacements are not completed within forty-five days from the expiration or early termination date, Lessee shall pay to Lessor, interim rent equal to the daily rent equivalent of the periodic rent set forth herein covering the Equipment, for each day in excess of the Term, until such repairs and replacements are completed and the Items of Equipment involved are returned to Lessor, for each Item involved. Said payment shall be made on the date said Items of Equipment are returned to Lessor, (but not less frequently than monthly).

16. Default, Remedies, Damages.

(a) Defaults: The following events shall constitute Events of Default:

(1) Lessee shall fail to make any payment to Lessor or to third parties, when due under this Lease and such failure to pay shall continue for period of ten (10) or more days after the due date thereof; or

(2) Lessee shall fail to perform or observe any other covenant, condition or agreement to be performed or observed by it hereunder and such failure shall continue unremedied for a period of thirty (30) days after the

earlier to occur of (i) written notice thereof to Lessee by Lessor or (ii) a responsible officer (i.e., a corporate officer or his designee who, in the normal performance of his operational responsibilities, has knowledge of the requirements of this Lease) shall have obtained actual knowledge of such failure of performance or observance;

(3) Any representation or warranty made by Lessee herein or in any certificate furnished to Lessor in connection herewith shall prove to be incorrect in any material respect when made;

(4) Lessee shall (i) apply for or consent to the appointment of a trustee, receiver, liquidator, custodian or the like of itself or its property, (ii) be unable, or admit in writing the inability, to pay its debts as they mature, (iii) make an assignment for the benefit of creditors, (iv) commence a voluntary case under a chapter of the Bankruptcy Reform Act of 1978, as amended, or file a petition or answer seeking reorganization or an agreement with creditors or to take advantage of any insolvency law or other law providing for the relief of debtors or an answer admitting the material allegations of a petition filed against it in any bankruptcy, reorganization or insolvency proceeding, or (v) take any corporate action for the purpose of effecting any of the foregoing; or

(5) An involuntary case under a chapter of the Bankruptcy Reform Act of 1978, as amended, shall be commenced, or any other proceeding shall be instituted without the application, approval or consent of Lessee seeking in respect of Lessee reorganization, dissolution, winding up, liquidation, a composition or arrangement with creditors, a readjustment of debts, the appointment of a trustee, receiver, liquidator, custodian or the like of Lessee or of all or any substantial part of its assets or other like relief or the issuance of a writ of attachment, execution or similar process in a material amount against any material part of the property of Lessee and Lessee shall either fail to contest such proceeding in good faith or such proceedings shall continue for any period of thirty (30) consecutive days.

(b) Remedies: Upon the occurrence of any Event of Default and at any time thereafter so long as the same shall be continuing, Lessor, at its option, may declare this Lease in default and Lessor may do one or more of the following with respect to the Equipment or any Item of Equipment as Lessor in its sole discretion shall elect, to the extent permitted and subject to compliance with any mandatory requirements of applicable law:

(1) Proceed by appropriate court action or actions either at law or in equity, to enforce

performance by Lessee of the applicable covenants of this Lease and to recover damages for the breach thereof;

(2) Repossess with or without notice and sue for the rentals due hereunder as they accrue without notice and at Lessee's costs and expenses;

(3) Repossess and without terminating the Lease hold the Item of Equipment until Lessee shall have complied with all obligations under the Lease;

(4) Repossess with or without notice and sell, relet, use, hold or otherwise dispose of the Item of Equipment;

(5) Without repossessing, declare all accrued and unpaid rentals immediately due and payable;

(6) Repossess the Equipment and terminate the Lease.

(c) Damages: Lessor and Lessee agree that the measure of damages is impossible to determine in the absence of prior agreement. Therefore, the parties agree that as damages for the loss of a bargain and not as a penalty in the case of sale or reletting after repossession Lessor shall be entitled to:

(i) Sale: Where a sale with respect to an Item of Equipment has occurred, the excess, if any, of the Stipulated Loss Value with respect to such Item of Equipment at the time of sale over the Net Proceeds of Sale with respect to such Item of Equipment. Where a sale has not yet occurred, the excess of the then Stipulated Loss Value with respect to such Item of Equipment at the time of determination (such time to be specified by the Lessor) over the then Fair Market Sales Value with respect to such Item of Equipment.

(ii) Re-lease: Where a re-lease with respect to an Item of Equipment has occurred, the deficiency between the aggregate rentals due under the re-lease with respect to such Item of Equipment Discounted at the Discount Rate and the greater of (a) the Stipulated Loss Value at re-lease, or (b) the aggregate remaining unpaid lease rentals with respect to such Item of Equipment due hereunder Discounted at the Discount Rate. Where a re-lease with respect to such Item of Equipment has not yet occurred, the deficiency between the Aggregate Fair Market Rental Value with respect to such Item of Equipment Discounted at the Discount Rate and the greater of (a) the Stipulated Loss Value with respect to such Item of Equipment at time of determination (such time to be specified by the Lessor), or (b) the aggregate remaining unpaid lease rentals thereunder Discounted at the Discount Rate, and

(iii) In addition to either (i) or (ii) above, Lessor shall be entitled to: (a) the unpaid rent from default until sale, re-lease or determination by Lessor of damages, and (b) interest on all amounts due including rent and damages from date due until payment at the Overdue Rate.

For purposes of this Lease the following definitions apply:

(1) Discounted: Reduction to present value as of the date of sale, re-lease or determination of damages, whichever is applicable, at the Discount Rate and at a frequency equal to the frequency of rental payments under this Lease.

(2) Aggregate Fair Market Rental or Aggregate Fair Market Sales Value: The fair market rental value or fair market sales value of an Item of Equipment as determined by a recognized independent appraiser selected by Lessor.

(3) Net Proceeds of Sale: The consideration received by Lessor upon sale of an Item of Equipment less all expenses associated directly or indirectly with sale including but not limited to refurbishing, repair, advertising, freight, financing costs.

(4) Discount Rate: A rate equal to ten percent (10%) per annum.

(5) Prime Rate: a rate of interest equal to the prime rate quoted from time to time by Mellon Bank NA, Pittsburgh, Pennsylvania.

(d) Each and every power and remedy herein specifically given to Lessor, shall be in addition to every other power and remedy specifically so given or now or hereafter existing at law or in equity, and each and every power or remedy may be exercised from time to time or simultaneously and so often and in such order as may be deemed expedient by Lessor. All such powers and remedies shall be cumulative to the extent permitted by applicable law, and the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No delay or omission of Lessor in the exercise of any such power or remedy and no renewal or extension of any payments due hereunder shall impair any such power or remedy or shall be construed to be a waiver of any default or an acquiescence therein. In the event that Lessor shall bring any suit or action to enforce any of its rights hereunder, then in such suit or action Lessor may recover reasonable expenses, including attorneys' fees, and the amount thereof shall be included in such judgment.

Lessee hereby appoints Lessor, Lessee's irrevocable agent and attorney-in-fact to execute all documents deemed necessary to release, terminate and void Lessee's interest in the Equipment and to file said documents for recordation with appropriate agencies provided that an Event of Default has occurred and Lessor in its discretion deems use of this agency necessary to effect any remedy Lessor chooses to take.

17. Assignment by Lessee. Lessee shall not transfer, assign, pledge, sublet or hypothecate this Lease, the Equipment or any part thereof or any interest therein, without the prior written consent of Lessor. Consent to any of the foregoing acts shall not be deemed to be consent to any subsequent similar act. Notwithstanding the foregoing, Lessee shall have the right to assign this Lease or sublet all or any part of the Equipment to any of its wholly-owned subsidiaries without the consent of Lessor, provided Lessee shall notify Lessor of such assignment or subletting within 30 days thereof. Any such assignment shall in no way relieve Lessee of any obligations under this Lease and Lessee's obligations shall remain those of a principal and not a guarantor. Any sublease or assignment to a wholly owned subsidiary shall, by the terms thereof, terminate upon any change in the ownership of such subsidiary such that it is no longer a directly or indirectly wholly owned subsidiary.

18. Assignment by Lessor. Lessor may assign, pledge or in any other way transfer this Lease and the Equipment in whole or in part, or any interest therein without notice to Lessee and Lessee shall execute such consents thereto as may be required by Lessor.

19. Personal Property. The Equipment shall remain personal property regardless of whether it becomes affixed or attached to real property or permanently rests upon any real property or any improvement thereon, and Lessee shall do all acts and enter into all agreements necessary to insure that the Equipment remains personal property.

Lessee shall keep the Equipment free and clear of any liens, charges, encumbrances or claims of the owner or owners of any interest in the real estate on which it is installed and any purchaser of or present or future creditor obtaining a lien on such real estate, and if appropriate or required by Lessor shall obtain and deliver to the Lessor on the Commencement Date a waiver of any such liens or claims as to the Equipment in recordable form satisfactory to Lessor.

20. Liens. Lessee shall not directly or indirectly create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance, security interest, right or claim of any kind ("Lien") on, or with respect to, any Item of Equipment, title thereto or any interest therein, except:

(i) the respective rights of Lessor and Lessee under the Lease;

(ii) Liens which result from claims against or acts of Lessor not related to its interest in the Equipment;

(iii) Liens for taxes either not yet due or being contested in good faith and by appropriate proceedings so long as such proceedings do not involve any danger of the sale, forfeiture or loss of any Item or Equipment or any interest therein; and

(iv) inchoate materialmen's, mechanics', workmen's, repairmen's, employees', or other like Liens arising in the ordinary course of business and securing obligations which are not delinquent, or which are being contested by Lessee in good faith and by appropriate proceedings so long as such proceedings do not involve any danger of the sale, forfeiture or loss of such Item or any interest therein.

Lessee will promptly notify Lessor in writing of the existence of any Lien not excepted above, if the same shall arise at any time, and will promptly, at Lessee's expense, cause any such Lien to be duly discharged, dismissed and removed or fully bonded as soon as possible, but in any event within thirty days after the existence of the same shall have first become known to Lessee.

21. Prohibition Against Setoff, Counterclaim, Etc. Lessee's obligation to pay all amounts due hereunder shall be absolute and unconditional and shall not be affected by any circumstance whatever, including, without limitation (i) any setoff, counterclaim, defense, or other right which Lessee may have against Lessor, (ii) any defect in the condition, design, operation, or fitness for use of, or any damage to or loss or destruction of, the Equipment, or any interruption or cessation in the use of possession thereof by Lessee for any reason whatsoever, or (iii) any insolvency, bankruptcy, reorganization or similar proceedings by or against Lessee or Lessor.

22. Representation, Warranties and Covenants of Lessee. Lessee represents, warrants and covenants as of the date hereof: (i) that it is a duly organized corporation existing under the laws of Delaware and is qualified under the laws of such states in which the leasing of any Item of Equipment in such state requires such qualification, with necessary power and qualifications to perform this Lease, (ii) that this Lease has been duly authorized by all necessary corporate action on the part of Lessee and will not contravene

or breach any legal, organizational or contractual regulation binding upon Lessee, (iii) that this Lease constitutes a valid, binding and enforceable obligation of Lessee and is enforceable in accordance with its terms except as may be limited by applicable bankruptcy or insolvency laws or by general principles of equity, (iv) that there are no suits or proceedings pending or threatened against Lessee which may have a material adverse effect on Lessee's financial condition or business, and (v) that no material adverse change in Lessee's financial condition as represented in its most recent financial statements submitted to Lessor has occurred.

23. Notices. All notices required under the terms and provisions hereof shall be in writing and addressed (i) if to Lessee:

United States Steel Corporation
600 Grant Street
Pittsburgh, Pennsylvania 15230

Attention: Vice President, Purchasing

With copy to: General Manager-Leasing, Financial Services
United States Steel Corporation
600 Grant Street
Pittsburgh, Pennsylvania 15230

or at such other address as Lessee shall from time to time designate in writing to Lessor, or (ii) if to Lessor:

Westinghouse Credit Corporation
One Oxford Centre
Pittsburgh, Pennsylvania 15219

Attention: Manager - Leveraged Leasing

or at such other address as Lessor shall from time to time designate in writing to Lessee.

24. Conditions Precedent. As conditions precedent to Lessor's duties under this Lease, in addition to the closing conditions set forth on Exhibit B, Lessee shall furnish Lessor on or before the Commencement Date the following, all of which shall be in form satisfactory to Lessor: (a) an opinion of counsel for Lessee with respect to those representations set forth in Section 22 (i) through (iv) inclusive hereof and with respect to such other matters as Lessor may reasonably require, (b) Lessee's management authority authorizing this Lease and Lessee's performance hereunder certified by the Secretary or any Assistant Secretary of Lessee, and (c) such other documents and evidences of authority for Lessee as Lessor may reasonably require.

25. Miscellaneous. This Lease shall in all respect be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania including all matters of construction, validly, effect and performance.

No delay or omission to exercise any right, power or remedy accruing to Lessor upon any breach or 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 default, or of any similar breach or default thereafter occurring; nor shall any waiver of a single breach or default be deemed a waiver of any subsequent breach or default; nor shall consent by Lessor to any act of Lessee be deemed to be consent to any subsequent similar act.

Any provision of this Lease which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating 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.

No term or provision of this Lease may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against which the enforcement of the change, waiver, discharge or termination is sought. This Lease shall constitute an agreement of lease, and nothing herein shall be construed as conveying to Lessee any right, title or interest in any Item of Equipment except as a lessee only.

26. Recording, Registration and Filing. Lessee shall, at its expense, accomplish all recordings, registrations, filings and re-filings of this Lease, required by law or reasonably requested by Lessor to protect Lessor's title and interests in the Equipment, and shall furnish Lessor with evidence satisfactory to Lessor of each such recording, registration, filing and re-filing.

27.1. Federal Income Tax Indemnity. In entering into this Lease and the transactions contemplated hereby, it is the intention of the parties hereto that such transactions will result in making available to the Lessor the following tax benefits (the "Tax Benefits") for the purpose of determining its liability for Federal income tax:

(a) The Lessor will be the purchaser and owner of the Equipment;

(b) The Lessor will be entitled to deductions under section 168(a) of the Internal Revenue Code of 1954, as amended (the "Code") (the "Accelerated Cost Recovery

Deductions") in respect of each Item of Equipment in the percentages specified for "5-year property" in section 168(b)(1)(A) of the Code applied against an "unadjusted basis" for such Unit (within the meaning of section 168(d) of the Code) of no less than the Lessor's Cost thereof;

(c) The Lessor will be entitled in respect of each Item of Equipment to the credit allowed by Section 38 of the Code for "new section 38 property" equal to 10% of the Lessor's Cost thereof;

(d) The Lessor shall not be required in any taxable year to recognize as income relating to the Lease any amount other than the rent or any interest payments payable hereunder, proceeds arising from the sale, loss or other disposition of the Equipment or income tax indemnity payments;

(e) All fees and expenses borne by the Lessor will be amortizable or depreciable at a rate not less rapid than straight-line over the term of the Lease; and

(f) All amounts includible in gross income by the Lessor from payments received under the Lease will be treated as income derived from or allocable to sources within the United States.

27.2. The Lessee represents and warrants that for Federal income tax purposes:

(a) The Federal income tax basis of each Item of Equipment to the Lessor will be the Lessor's Cost of such Item of Equipment plus all other costs properly includible in basis under Section 1012 of the Code;

(b) Each Item of Equipment is "5-year property" within the meaning of Section 168(c)(2)(B) of the Code entitling the Lessor to a cost recovery deduction of 15% of the basis of such Item of Equipment in the Lessor's taxable year in which such Item of Equipment is placed in service, 22% in the immediately subsequent taxable year, and 21% in each of the three taxable years immediately subsequent thereafter;

(c) At the time the Lessor becomes the owner of each Item of Equipment, such Item will not have been used by any person so as to preclude "the original use of such property" within the meaning of Section 48(b) of the Code from commencing with the Lessor;

(d) No Item of Equipment will be "used predominantly outside the United States" within the meaning of Section 168(f)(2)(D) of the Code during any taxable year of the Lessor, any portion of which year occurs during the Term;

(e) Neither Lessee nor any of its affiliates will claim that it is the owner of any Item of Equipment nor will Lessee or any of its affiliates file any returns or documents inconsistent with the receipt by Lessor of the Tax Benefits;

(f) At the time the Lessor becomes the owner of each Item, the fair market value thereof will not be less than the Lessor's Cost thereof;

(g) At the time the Lessee becomes the owner of each Item of Equipment, such Item of Equipment will require no improvements, modifications or additions (other than ancillary items of equipment of a kind that are customarily furnished by purchasers or lessees of property identical to such Item of Equipment) in order for such Item of Equipment to be rendered complete for its intended use by Lessee;

(h) The Lessor will be entitled under the provisions of Section 168(f)(10) of the Code to the Accelerated Cost Recovery Deductions in respect of the Equipment in accordance with Subparagraph (b) above;

(i) A reasonable estimate of the residual value of each Item of Equipment at the end of the original fifteen year Term of the Lease (the "Original Term") is an amount (determined without regard to the effect of inflation or deflation and assuming that such Item of Equipment is redelivered to the Lessor as provided in the Lease) not less than 20% of the Lessor's Cost thereof;

(j) A reasonable estimate of the remaining useful life of each Item of Equipment at the end of the Original Term is a period not less than 20% of the total reasonably estimated useful life of such Item of Equipment;

27.3. (a) A "Loss of Tax Benefits" shall have occurred only if the Lessor shall lose, or shall lose the right to claim, or shall not claim (as a result of a reasonable and good faith determination by Lessor's tax counsel that such claim is not allowable), or shall suffer a disallowance of, or shall be required to recapture all or any portion of, the Tax Benefits with respect to all or part of any Item due to any one or more of the following:

(i) the sale or other disposition of such Item of Equipment or the interest of the Lessor therein after the occurrence of an Event of Default under the Lease;

(ii) the incorrectness of any representation or warranty made by Lessee herein; or

(iii) any act or failure to act by Lessee or any entity under common control with Lessee;

(b) Upon the occurrence of any Loss of Tax Benefits, the Lessee shall pay to the Lessor, on each rental payment date under this Lease commencing with the date determined under Section 27.5(b) and thereafter, such sums which (after deduction of all income taxes required to be paid by the Lessor on the receipt of such sums under the laws of any Federal, state or local government or taxing authority of the United States), when taken together with the portion of the rent installments due on such dates, will maintain Lessor's Net Return (as hereinafter defined).

If the Lessor is required to include in its gross income any part of the rent in any taxable year or portion thereof prior to the taxable year in which such rent would otherwise be accruable in accordance with the Lessor's present method of accounting, or if the Lessor is required to include in its gross income any amount as a result of any alteration, replacement, modification or addition of or to any part of any Item of Equipment, then the Lessee shall pay to the Lessor at the time specified for payments hereinafter, such lump sum which (after deduction of all taxes required to be paid by the Lessor on the receipt of such lump sum under the laws of any Federal, state or local government or taxing authority of the United States) will maintain the Lessor's Net Return.

(c) If the Lease is terminated with respect to any Item prior to the time Lessee is obligated to make payments to the Lessor as set forth in paragraph (b) of this Section 27.3 (either because no such payment obligation had become fixed prior to such termination or because the due date of such payment or payments pursuant to said paragraph (b) shall occur following such termination), then Lessee shall pay to the Lessor, in lieu of such payment or payments pursuant to said paragraph (b), 30 days after the earlier of a Final Determination or a Tax Payment in respect of such Item, such lump sum which (after deduction of all income taxes required to be paid by the Lessor on the receipt of such lump sum under the laws of the United States) will maintain Lessor's Net Return in respect of such Item.

(d) In all cases where a calculation of amounts required to maintain the "Lessor's Net Return" is to be made, such calculation shall be made by the Lessor in such manner as will, in the reasonable opinion of the Lessor, cause the rates and amounts of the Lessor's after-tax economic yields and cash flows to at least equal the rates and amounts of after-tax economic yields and cash flows that would have been realized by the Lessor had the event giving rise to such calculation not occurred, minimizing each as much as possible without reducing either below the prior level. Each notice to Lessee from the

Lessor setting forth the results of any such calculation shall be accompanied by a letter from the Lessor setting forth the reasons for such calculation and stating that such calculation was made using the same assumptions originally utilized by Lessor in structuring this transaction; provided, however, that upon written request by the Lessee the Lessor shall deliver a certificate of the Lessor's independent certified public accountants confirming that the amounts set forth in such notice have been reviewed for accuracy by such accountants and that the computations made by the Lessor, as set forth in such notice, are accurate and have been determined in good faith compliance with the provisions of this Agreement, with all fees and expenses of such accountants to be paid by the Lessee. In the case of any material discrepancy, the Lessor shall, at the request of Lessee, consult with Lessee with respect thereto; provided, however, Lessee shall have no right under any circumstances whatever to inspect the tax returns or any other document of the Lessor in order to confirm the basis or accuracy of the calculations so made or any determination by the Lessor, and the determination of amounts required to maintain the Lessor's Net Return shall be made by the Lessor in a written statement furnished to Lessee. If the initial notice to Lessee from the Lessor is later determined by the Lessor in accordance with the provisions of this Section to have been in error, the Lessor shall promptly refund to Lessee any amounts paid as a result of such error, with interest at the Tax Payment Rate.

27.4. Anything in Section 27.3 to the contrary notwithstanding, Lessee shall not be required to make any payment to the Lessor in respect of any Loss of Tax Benefits if such Loss of Tax Benefits shall have occurred as a direct result of the occurrence of one or more of the following events (hereinafter called "Excluded Events"):

(a) an Event of Loss or termination pursuant to Section 2(b) hereof with respect to any Item, if Lessee shall have paid the amounts stipulated hereunder;

(b) a voluntary transfer or other voluntary disposition by Lessor of any interest in any Item or the voluntary reduction by Lessor of its interest in the rentals from such Item under the Lease, unless an Event of Default under the Lease shall have theretofore occurred and then be continuing;

(c) the failure of the Lessor timely to claim any Tax Benefit in its Federal income tax return for the appropriate year (unless the Lessor's tax counsel shall have reasonably and in good faith determined that such Tax Benefit is not properly allowable) or the failure of the Lessor to follow proper procedure or to make any necessary elections in claiming any Tax Benefit which is properly allowable;

(d) the failure of the Lessor to have sufficient income to benefit from any Tax Benefit so lost; and

(e) any interest, penalties or additions to tax resulting from the failure of the Lessor to file returns which are proper and timely.

27.5. (a) In the event that (i) the Internal Revenue Service proposes an adjustment in the Federal income taxes of the Lessor which, if successful, would require Lessee to indemnify the Lessor pursuant to this Section, and (ii) the amount of the indemnity which Lessee would be required to pay in the aggregate in respect of such adjustment would exceed \$2,000, then, if requested by Lessee within 30 days of being notified by the Lessor of such proposed adjustment the Lessor hereby agrees to exercise its best efforts (which are to be determined in its sole discretion to be reasonable, proper and consistent with the overall tax interests of the Lessor) to avoid requiring Lessee to pay such indemnity; provided, however, that in no event is the Lessor obligated to undertake, nor may Lessee require the Lessor to undertake, any proceedings beyond the level of the Appeals Office of the Internal Revenue Service; and provided, further, that the Lessor shall determine in its sole and reasonable discretion the nature of all actions to be taken to contest such proposed adjustment including (x) whether any action to contest such proposed adjustment shall initially be by way of judicial or administrative proceedings, or both, (y) whether any such proposed adjustment shall be contested by resisting payment thereof or by paying the same and seeking a refund thereof, and (z), if the Lessor shall elect to undertake judicial action with respect to such proposed adjustment, the court or other judicial body before which such action shall be commenced. The Lessor shall have full control over any contest pursuant to this Section and shall have no obligation to appeal any judicial determination. At any time, whether before or after commencing to take any action otherwise required pursuant to this Section, the Lessor may decline to take such action as is otherwise required by this Section by notifying Lessee in writing that Lessee is relieved of its obligation to indemnify the Lessor with respect to such proposed adjustment or such portion thereof as may be specified in such notice.

(b) Notwithstanding anything to the contrary in this Section 27.5, the Lessor shall not be required to take any action pursuant to this Section 27.5 unless (i) the Lessor shall have received an opinion of independent tax counsel reasonably acceptable to the Lessor that the basis in law and in fact in favor of the allowance of the item proposed to be adjusted is greater than the basis in law and in fact to the contrary, and (ii) Lessee shall have agreed to indemnify the Lessor in a manner reasonably satisfactory to the Lessor for any liability or loss which the Lessor may incur as a result of

contesting any such proposed adjustment and shall have agreed to pay to the Lessor on demand all costs and expenses which the Lessor may incur in connection with contesting such proposed adjustment (including fees and disbursements of its counsel).

The Lessor may, at its option, take such action prior to making payment of any tax, interest and penalty attributable to the disallowance or recapture with respect to the Lessor of all or any portion of the Tax Benefits with respect to any Item (a "Tax Payment") or may make such Tax Payment and then sue for a refund. If the Lessor takes such action prior to making a Tax Payment, the sums payable hereunder need not be paid by Lessee while such action is pending, provided, however, that Lessee shall pay the liabilities and expenses relating to such action when and as the same shall become due. In such cases, if the Final Determination (as such term is defined in subsection (c) of this Section 27.5) shall be adverse to the Lessor, the sums payable hereunder shall be computed by the Lessor as of the date of such Final Determination and Lessee shall (i) within 30 days after the date of such Final Determination pay to the Lessor an amount equal to the sum of all taxes, interest and penalties paid or payable by the Lessor as a result of such Final Determination, plus an additional amount sufficient to pay all Federal income taxes of the Lessor resulting from the receipt of such payment and such additional amount, plus interest thereon at the Prime Rate plus 1% per annum (the "Tax Payment Rate") from the date such payments are made by the Lessor to the date Lessee reimburses the Lessor therefor; and (ii) on the rental payment date next succeeding such Final Determination, commence payment of the sums payable pursuant to Section 27.3(b) hereof. If the Lessor makes a Tax Payment prior to contesting the matter and then either sues for a refund or does not contest such Tax Payment because the Lessor is not required to do so in accordance with the terms of this paragraph, the sums payable pursuant to Section 27.3(b) hereof shall commence to be payable by Lessee on the first rental payment date after such Tax Payment is made, and, within 30 days of the date of such Tax Payment, Lessee shall pay to the Lessor as an additional payment hereunder an amount which, after deduction of all taxes required to be paid by the Lessor in respect of the receipt of such amount under the laws of the United States, shall be equal to such Tax Payment, plus interest thereon at the Tax Payment Rate from the date such Tax Payment was made by the Lessor to the date Lessee reimburses the Lessor therefor. If the Lessor sues for a refund after making such Tax payment, and if the Final Determination shall be in favor of the Lessor, no future payments shall be due hereunder in respect of such matter (or an appropriate reduction shall be made if the Final Determination is partly in favor of and partly adverse to the Lessor). Upon receipt by the Lessor of a refund of any amounts paid by it in respect of which amounts it shall have previously been paid an equivalent

amount by Lessee, Lessor shall pay Lessee such amount together with any interest received by it on such amount plus any additional net tax benefits or minus any net tax detriments realized by the Lessor as the result of such receipt and such payment.

(c) "Final Determination", for purposes of this Lease, means a final decision of the Appeals Office of the Internal Revenue Service or of any court of competent jurisdiction to which the Lessor elects, in its sole discretion, pursuant to Section 27.5(a) hereof, to appeal.

(d) In undertaking its obligations under this Section 27.5, the Lessor agrees that it will conduct its negotiations and adjudications concerning any Loss of Tax Benefits reasonably and in good faith. Lessor also agrees that in the conduct of its negotiation and adjudications it will not be influenced by the indemnified nature of any Loss of Tax Benefits hereunder.

27.6. For purposes of this Section 27, the term "Lessor" shall include the affiliated group (within the meaning of Section 1504 of the Code) of which the Lessor is a member.

28. Options.

(a) Fair Market Value Purchase Option. Lessee is hereby granted an option, which option shall not be assignable, to purchase AS-IS-WHERE-IS, all but not less than all of the Equipment at the expiration of the Term for an amount equal to the Fair Market Value for the Equipment, F.O.B. buyer's place of business.

The exercise of said option is conditioned upon the happening of the following conditions precedent: (a) Lessee has performed all of the terms and conditions of this Lease, at the time and in the manner required herein and that neither an Event of Default nor an event which with due notice and/or lapse of time would constitute an Event of Default shall have occurred and be continuing under this Lease or; (b) Lessor has received written notice of the election to exercise said option at least one hundred eighty (180) days prior to the date upon which the original Term expires; (c) Lessee has paid to Lessor the Fair Market Value price, as set forth below, together with all taxes on or measured by such purchase price; (d) Lessee has paid to Lessor accrued and unpaid rentals; and (e) Lessee has paid to Lessor such other sums, if any, due and unpaid hereunder.

The Fair Market Value shall be that amount which would then be obtained in an arms-length transaction between an informed and willing buyer and an informed and willing seller under no compulsion to sell and shall be mutually agreed upon by Lessor and Lessee. Upon receipt of Lessee's 180 days'

notice, Lessor will, within ten days thereof, transmit Lessor's estimate of Fair Market Value of the Item(s) covered by Lessee's notice. If Lessor and Lessee are unable to agree upon the amount of the Fair Market Value of the Equipment within sixty (60) days' after Lessee's receipt of Lessor's estimate thereof, then the Fair Market Value shall be determined by an appraiser selected by mutual agreement. If Lessor and Lessee are not able to agree upon an appraiser, or if the Fair Market Value is not so determined within ninety (90) days' after Lessor's receipt of Lessee's notice of election to exercise the purchase options, the Fair Market Value shall be determined by The American Appraisal Company. The Fair Market Value as finally determined shall bear interest for the period, if any, from the date of expiration of the Term to the date of payment, at the Prime Rate and Lessee shall bear the costs of any appraisal should an appraisal be necessary. Anything to the contrary notwithstanding, Lessee shall be permitted to rescind its notice of election to exercise its option to purchase the Equipment any time prior to ninety (90) days prior to the date on which the Term expires, provided, however, Lessee shall pay all amounts expended by Lessor attributable to Lessee's notice of intent to exercise its purchase option.

Unless Lessee has purchased the Equipment as set forth above, all the Equipment then leased shall be returned pursuant to Section 15 of the Lease.

(b) Fair Market Value Renewal Options. Upon the expiration of the Term, provided that Lessee has paid all rentals and all other sums then due by Lessee to Lessor, or which would become due upon request of Lessor, as required under the provisions of this Lease, and provided that neither Event of Default, nor event which with the giving of notice or lapse of time, or both, would constitute such an Event of Default, has occurred and then remains unremedied, Lessee shall have the option, exercisable on at least one hundred eighty (180) days' prior written notice to Lessor, to renew the Lease term with respect to all but not less than all of the Equipment for one (1) additional term (herein called a "Renewal Term") of three years at a rental for such Renewal Term at the Fair Rental Rate. The Fair Rental Rate shall be an amount mutually agreed upon by Lessor and Lessee as the rental rate that would then be obtained for such Equipment installed in Lessee's place of business in an arms-length transaction between an informed and willing lessee and an informed and willing lessor under no compulsion to lease.

If, on or before a date one hundred twenty (120) days prior to the expiration of the Term, Lessor and Lessee are unable to agree upon a determination of the Fair Rental Rate of the Equipment, such Fair Rental Rate shall be determined by an appraiser selected by mutual agreement. If Lessee and Lessor

are unable to agree upon an appraiser or if the Fair Rental Rate is not so determined within ninety (90) days of the end of the Term the Fair Rental Value shall be determined by The American Appraisal Company. Lessee shall bear the fees and expenses of the appraisal should an appraisal be necessary.

The renewal rentals shall be payable on the same day of each rental period consistent with the rental payment dates of the original Term commencing with the first rental period after the expiration of the Term and continuing until the expiration of the Renewal Term, and such Renewal Term shall be subject to the terms and conditions of this Lease. Anything to the contrary notwithstanding Lessee shall be permitted to rescind its notice of election to exercise its option to renew any time prior to ninety (90) days prior to the date on which the Term expires; provided however, Lessee shall pay all amounts expended by Lessor attributable to Lessee's notice of intent to exercise its renewal option.

Unless Lessee has renewed the lease for the Equipment as set forth above, all the Equipment then leased shall be returned pursuant to Section 15 hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed by their duly authorized officers on the day and year first written above.

LESSOR: WESTINGHOUSE CREDIT
CORPORATION

By: Robert J. Deard

Its: Manager, Lease Operations

LESSEE: UNITED STATES STEEL
CORPORATION

By: W. E. Swell

Its: Senior Vice President

COMMONWEALTH OF PENNSYLVANIA)
) SS:
COUNTY OF ALLEGHENY

On this 24th day of November, 1982, before me personally appeared W. E. Sewellen, to me personally known, who being duly sworn, says that he is the Senior Vice President of United States Steel Corporation, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Silvana Travanti
Notary Public

My Commission Expires:

SILVANA TRAVANTI, Notary Public
PITTSBURGH, ALLEGHENY COUNTY
COMMONWEALTH OF PENNSYLVANIA
MY COMMISSION EXPIRES OCTOBER 1, 1984

COMMONWEALTH OF PENNSYLVANIA)
) SS:
COUNTY OF ALLEGHENY

On this 30th day of November , 1982, before me personally appeared Robert L. Heath, to me personally known, who being duly sworn, says that he is the Manager, Lease Operations of Westinghouse Credit Corporation, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Marilyn A. Sweitzer
Notary Public

My Commission Expires:

MARILYN A. SWEITZER, Notary Public
Pittsburgh, Allegheny Co., Pennsylvania
My Commission Expires October 22, 1983

EXHIBIT A

DESCRIPTION: 20 50-Cubic Yard, 100-Ton Capacity DIFCO
Air Side Dump Cars

<u>CAR NO.</u>	<u>LESSOR'S COST</u>	<u>INITIAL LOCATION</u>
USSX-2556	\$ 92,952.66	Mt. Iron, Minnesota
USSX-2559	\$ 92,952.66	Mt. Iron, Minnesota
USSX-2562	\$ 92,952.66	Mt. Iron, Minnesota
USSX-2565	\$ 92,952.66	Mt. Iron, Minnesota
USSX-2568	\$ 92,952.66	Mt. Iron, Minnesota
USSX-2571	\$ 92,952.66	Mt. Iron, Minnesota
USSX-2574	\$ 92,952.66	Mt. Iron, Minnesota
USSX-2557	\$ 92,952.66	Mt. Iron, Minnesota
USSX-2560	\$ 92,952.66	Mt. Iron, Minnesota
USSX-2563	\$ 92,952.66	Mt. Iron, Minnesota
USSX-2566	\$ 92,952.66	Mt. Iron, Minnesota
USSX-2569	\$ 92,952.66	Mt. Iron, Minnesota
USSX-2572	\$ 92,952.66	Mt. Iron, Minnesota
USSX-2575	\$ 92,952.66	Mt. Iron, Minnesota
USSX-2558	\$ 92,952.66	Mt. Iron, Minnesota
USSX-2561	\$ 92,952.66	Mt. Iron, Minnesota
USSX-2564	\$ 92,952.66	Mt. Iron, Minnesota
USSX-2567	\$ 92,952.66	Mt. Iron, Minnesota
USSX-2570	\$ 92,952.66	Mt. Iron, Minnesota
USSX-2573	\$ 92,952.66	Mt. Iron, Minnesota

EXHIBIT B

CLOSING CONDITIONS

On or before the Closing hereunder, the following conditions shall have been satisfied or the satisfaction thereof shall have been waived by Lessor:

(1) Each condition precedent contained in Section 24 of the Lease shall have been satisfied.

(2) All filings necessary to create and perfect Lessor's interest in the Equipment shall have been duly made.

(3) Lessor shall have received an incumbency certificate, certified by an assistant secretary of Lessee, showing the incumbency and specimen signatures of the officers and employees of Lessee signing this Lease and any documents delivered pursuant hereto.

(4) Lessor shall have received a duplicate invoice from the seller for each Item of Equipment.

(5) Lessor shall have received from each seller of any Item of Equipment a warranty bill of sale.

(6) Lessor shall have received an assignment of the purchase order(s) for the Equipment consented to by the manufacturer.

(7) Lessor shall have received, at its own expense, an opinion of an independent expert that (i) the Equipment will have an expected residual value of at least twenty percent (20%) of the Lessor's Cost, ignoring inflation and deflation, at the conclusion of the base Term, and (ii) the base Term does not exceed eighty percent (80%) of the estimated useful economic life of the Equipment.

EXHIBIT C

STIPULATED LOSS VALUE*

<u>RENTAL PAYMENT DATE</u>	<u>STIPULATED LOSS FACTORS</u>
May 30, 1983	101.6344438
November 30, 1983	103.6371421
May 30, 1984	101.3118361
November 30, 1984	102.3102935
May 30, 1985	99.0292383
November 30, 1985	99.0805702
May 30, 1986	94.8020998
November 30, 1986	93.8030567
May 30, 1987	88.4184394
November 30, 1987	86.6769266
May 30, 1988	80.9526032
November 30, 1988	79.0180167
May 30, 1989	76.9365219
November 30, 1989	74.7878142
May 30, 1990	72.4808290
November 30, 1990	70.0946579
May 30, 1991	67.5376007
November 30, 1991	64.8880796
May 30, 1992	62.0536893
November 30, 1992	59.1121094
May 30, 1993	55.9701528
November 30, 1993	52.7046758
May 30, 1994	49.2216241
November 30, 1994	45.5969409
May 30, 1995	41.7356101
November 30, 1995	37.7125622
May 30, 1996	33.4317148
November 30, 1996	28.9668752
May 30, 1997	24.2207782
November 30, 1997	20.0000000

*Stipulated Loss Value is calculated by multiplying the Lessor's Cost of the Item of Equipment suffering an Event of Loss by the Stipulated Loss Factor opposite the applicable Rental Payment Date. Stipulated Loss Factors include investment tax credit recapture.