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INTERSTATE COMMERCE COMMISSION

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1 - 1983 12 50 PM

July 1, 1983

3-182A019

INTERSTATE COMMERCE COMMISSION
No. JUL 1 - 1983
Date
Fee $ 100.00
ICC Washington, D. C.

FEE OPERATION

Mrs. Agatha L. Mergenovich
Secretary
Interstate Commerce Commission
12th Street & Constitution Avenue, N.W.
Room 225
Washington, D.C. 20423

Dear Mrs. Mergenovich:

I have enclosed an original and one counterpart of the documents described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

The documents are an equipment lease and a security agreement, both primary documents, each dated June 30, 1983.

The names and addresses of the parties to the documents are as follows:

1. The Equipment Lease:

Lessor: Steiner Financial Corporation, Steuart Street Tower, One Market Plaza, Suite 2400, San Francisco, California, 94105.

Lessee: Western Fuels Association, Inc., 700 Jefferson Building, 1225 19th Street, N.W., Washington, D.C. 20036.

2. The Security Agreement:

Debtor: Steiner Financial Corporation, Steuart Street Tower, One Market Plaza, Suite 2400, San Francisco, California, 94105.

Secured Party: National Cooperative Services Corporation, 1115 30th Street, N.W., Washington, D.C. 20007.

A description of the equipment covered by the documents follows:

Eighty-four 4000 cubic foot flat bottom gondola cars, 100-ton nominal capacity, for rotary dumping, AAR mechanical designation "GT", bearing identifying marks and numbers WFAX 83510 to WFAX 83593 (inclusive).

A fee of $100.00 ($50.00 for each primary document) is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to Paul R. Duke, Esq., Covington & Burling, 1201 Pennsylvania Avenue, N.W., Post Office Box 7566, Washington, D.C. 20044.

A short summary of the documents to appear in the index follows:

1. The Equipment Lease:

Equipment Lease between Steiner Financial Corporation, Steuart Street Tower, One Market Plaza, Suite 2400, San Francisco, California 94105, and Western Fuels Association, Inc., 700 Jefferson Building, 1225 19th Street, N.W., Washington, D.C. 20036, dated June 30, 1983, and covering eighty-four 4000 cubic foot flat bottom gondola cars, 100-ton nominal capacity, for rotary dumping, AAR mechanical designation "GT", bearing identifying marks and numbers WFAX 83510 to WFAX 83593 (inclusive).

2. The Security Agreement:

Security Agreement between Steiner Financial Corporation, Steuart Street Tower, One Market Plaza, Suite 2400, San Francisco, California 94105, and National Cooperative Services Corporation, 1115 30th Street, N.W., Washington, D.C., 20007, dated June 30, 1983, and covering eighty-four 4000 cubic foot flat bottom gondola cars, 100-ton nominal capacity, for rotary dumping, AAR mechanical designation "GT", bearing identifying marks and numbers WFAX 83510 to WFAX 83593 (inclusive).

Very truly yours,

Paul R. Duke

Paul R. Duke

Attorney to
Western Fuels Association, Inc.

Interstate Commerce Commission
Washington, D.C. 20423

8/1/83

OFFICE OF THE SECRETARY

Paul R. Duke, Atty.
Covington & Burling
1201 PA. Ave. N.W.
Washington, D.C. 20044

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 7/1/83 at 12:50pm, and assigned recordation number(s). 14090 & 14090-A

Sincerely yours,

Agatha L. Mergenovich

Agatha L. Mergenovich
Secretary

Enclosure(s)

SE-30
(7/79)

14090
RECORDATION NO. Filed 1425

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INTERSTATE COMMERCE COMMISSION

EQUIPMENT LEASE

Dated as of June 30, 1983

Between

STEINER FINANCIAL CORPORATION

LESSOR

And

WESTERN FUELS ASSOCIATION, INC.

LESSEE

(One Hundred and Fifteen, 4,000 Cubic Foot
Flat Bottom Gondola Cars,
100-Ton Nominal Capacity
for Rotary Dumping
Manufactured by Ortner Freight Car Company)

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Attachments to Equipment Lease:

Schedule A - Description of Units
Schedule B - Certificate of Acceptance
Schedule C - Schedule of Casualty Value for Units
Schedule D - Schedule of Termination Value for Units

EQUIPMENT LEASE

THIS EQUIPMENT LEASE ("Lease") dated as of June 30, 1983, is between STEINER FINANCIAL CORPORATION, a Utah corporation (the "Lessor") and WESTERN FUELS ASSOCIATION, INC., a Wyoming corporation (the "Lessee").

RECITALS:

WHEREAS, the Lessor has entered into a purchase order assignment (hereinafter called the "Purchase Order Assignment"), with Ortner Freight Car Company (hereinafter called the "Manufacturer") wherein the Manufacturer has agreed to sell and deliver to the Lessor the units of equipment described in Schedule A hereto (hereinafter called the "Equipment");

WHEREAS, the Equipment listed in Schedule A as "First Delivery Date Equipment" constitutes all of the Equipment which is scheduled for acceptance by the Lessee on or prior to June 30, 1983 (the "First Delivery Date");

WHEREAS, the Equipment listed in Schedule A as "Second Delivery Date Equipment" constitutes all of the Equipment which is scheduled to be accepted by Lessee on five (5) days prior written notice, but in no event later than August 31, 1983 (the "Second Delivery Date");

WHEREAS, the Lessor intends to assign all of its rights hereunder and in the Equipment and the related lease to Lessee to a lender or lenders (the "Lender") under a Security and Loan Agreement to be dated the date hereof (such agreement being hereinafter called the "Security Agreement");

WHEREAS, the Lessee desires to lease all the units of the Equipment, or such lesser number (hereinafter called the "Units") as are delivered and accepted and settled for hereunder at the rentals and for the terms and upon the conditions hereinafter provided;

NOW, THEREFORE, in consideration of the premises and of the rentals to be paid and the covenants hereinafter mentioned to be kept and performed by the Lessee, the Lessor hereby leases the Units to the Lessee upon the following terms and conditions:

SECTION 1. LEASE AND DELIVERY OF EQUIPMENT.

1.1. Intent to Lease and Hire. Upon delivery of the Units by the Manufacturer and acceptance thereof by the Lessee, the Lessee shall lease and let and the Lessor shall hire to the Lessee such Units for rental subject to the terms and conditions herein set forth.

1.2. Inspection and Acceptance. Upon delivery of the Units to the Lessee at the place of delivery set forth in Schedule A, the Lessee will cause an inspector designated and authorized by the Lessee to inspect the same, and, if the Units are found to be in good order and condition in accordance with the requirements of Section 1.3 hereof, to accept delivery of the Units and to execute and deliver to the Lessor and the Manufacturer thereof a Certificate of Acceptance (the "Certificate of Acceptance") in the form attached hereto as Schedule B with respect to the Units.

1.3. Certificate of Acceptance. The Lessee's execution and delivery of a Certificate of Acceptance with respect to the Units pursuant to Section 1.2 hereof shall conclusively establish that, as between the Lessor and the Lessee, but without limiting or otherwise affecting the Lessee's or the Lessor's rights, if any, against the Manufacturer or supplier of any component thereof, such Units are acceptable to and accepted by the Lessee under this Lease, notwithstanding any defect with respect to design, manufacture, condition or in any other respect, and that such Units are in good condition and appear to conform to the specifications applicable thereto. By execution and delivery of such Certificate of Acceptance by the Lessee, the Lessee represents that it has no knowledge of any such defect.

SECTION 2. RENTALS AND PAYMENT DATES.

2.1. Rent for Units. The rental payments due from the Lessee under this Lease shall be classified as either "Interim Rental" or "Fixed Rental." "Interim Rental" shall mean the rental to be paid by the Lessee for the use of the Units during the period commencing on the date the Units are accepted by the Lessee and ending on the Basic Term Commencement Date (as defined in Section 2.3). "Fixed Rental" shall mean all rental payments due from the Lessee under this Lease, for the use of the Units for the period commencing on the Basic Term Commencement Date and ending on the termination of this Lease. Payments of Interim Rental and Fixed Rental shall hereinafter be collectively referred to as payments of "Rental." The Rental for each month shall consist of the sum of: (i) the Rental due with respect to the First Delivery Date Units; plus (ii) the Rental due with respect to the Second Delivery Date Units. Interim Rental shall be paid in arrears in one payment on the Basic Term Commencement Date. Fixed Rental shall be payable in three hundred (300) monthly installments, payable in advance, commencing with the Basic Term Commencement Date. Subject to adjustment pursuant to Section 2.2, the base rental rate for use in calculating the monthly payments of Fixed Rental ("Base Rent") for the First Delivery Date Equipment shall be equal to a lease rate factor (the "Lease Rate Factor") of: (i) .6464% of the Lessor's Cost of the First Delivery Date Equipment for each of the first one hundred (100) monthly payments; and (ii) .7899% of the Lessor's Cost of such Units for the last two hundred (200) monthly payments. Subject to adjustment pursuant to Section 2.2 the Base Rent for the Second Delivery Date Equipment shall be equal to a Lease Rate Factor of .7158% of the Lessor's Cost of the Second Delivery Date Equipment for each of the first one hundred and eight (108) monthly payments and .8748% of the Lessor's Cost of such Second Delivery Date Equipment for the last one hundred and ninety-two (192) monthly payments.

Subject to adjustment pursuant to Section 2.2, the payment of Interim Rental for each Unit constituting a portion of the First Delivery Date Equipment shall equal the Lessor's Cost of such Units multiplied by the "Daily Rate Equivalent of the Lease Rate Factor," multiplied by the number of days such Unit was subject to this Lease. Subject to adjustment pursuant to Section 2.2, the payment of Interim Rental for each Unit constituting a portion of the Second Delivery Date Equipment shall equal the Lessor's Cost of such Units multiplied by the number of days such Unit was subject to this Lease. For purposes of this Section 2.1, "Daily Rate Equivalent of the Lease Rate Factor" means .000247356 for the First Delivery Date Equipment and .000272519 for the Second Delivery Date Equipment.

2.2. Adjustment to Lease Rate Factor. Notwithstanding Section 2.1 hereof, it is understood that the Lease Rate Factors set forth in Section 2.1 were based on the assumption that the rate of the notes to be originally issued pursuant to the Security Agreement (the "Notes") would equal 13.25% per annum (the "Assumed Rate"). It is understood that the Daily Rate Equivalents of the Lease Rate Factor for First Delivery Date Equipment and Second Delivery Date Equipment were based on the assumption the rate on the Notes (or Replacement Notes) for the period commencing with the Basic Term Commencement Date (the "Fixed Rate") will be equal to the Assumed Rate. It is understood that subsequent to the Basic Term Commencement Date, the rate on the Notes or the rate on the promissory notes which may be be issued by Borrower as payment for the Notes (the "Replacement Notes") may be adjusted periodically. To the extent that the interest rate on the Notes or the interest rate on the Replacement Notes varies from the Assumed Rate, the Lease Rate Factor provided in Section 2.1 shall be increased (or decreased) so as to maintain the Lessor's projected after-tax return on investment over the term of this Lease (the "Yield") using the same parameters (including tax rates) as initially used by Lessor in submitting its proposal to enter into this Lease. If the Fixed Rate varies from the Assumed Rate, the Daily Rate Equivalent of the Lease Rate Factor shall be increased (or decreased) based on the weighted average of the monthly Lease Rate Factors divided by thirty (30). As soon as practicable following a change in the interest rate for the Notes or the Replacement Notes, the Lessor shall calculate the amount of increase (or decrease) in the monthly Fixed Rental and will adjust the Casualty and Termination Values in such amounts as are required to maintain Lessor's Yield and provide written notice thereof to Lessee. Until further notice from Lessor, said rate shall be used by Lessee to determine the amount of all future payments of Fixed Rental. In the event of an increase in Fixed Rental Lessee shall also pay to Lessor, as additional Fixed Rental, a lump sum cash payment in an amount to be calculated by Lessor which is adequate to maintain Lessor's Yield with respect to payments of Fixed Rental which have previously been received. In the event of a decrease in the Fixed Rental Lessor shall promptly pay to Lessee a refund of the Fixed Rental which had been paid by the Lessee above and beyond the Fixed Rental which would have been necessary to maintain Lessor's Yield. In the event of an adjustment in lease rate, Lessee may request (at its expense) that Lessor's calculations be reviewed by an independent third party selected by Lessee and acceptable to Lessor. Upon request by the other party hereto, each party agrees to execute a supplement to this Lease acknowledging such a change in the rate.

2.3. Rent Payment Dates. The "Basic Term Commencement Date" hereunder shall be January 1, 1984. The first installment of Fixed Rental with respect to the Units shall be payable on the Basic Term Commencement Date and further installments of Fixed Rental shall be payable on the first day of every month thereafter with the final installment payable December 1, 2008. If any of the rent payment dates is not a business day, the rent payment otherwise payable on such date shall be payable on the next succeeding business day. For purposes of this Lease, the term "business day" means calendar days, excluding Saturdays, Sundays and holidays on which banks in the State of California and the District of Columbia are authorized or required to close.

2.4. Place and Manner of Rent Payment. The payments to be made by the Lessee under this Lease shall be made as follows:

(a) Each installment of Rental shall be paid to the Lessor by a check drawn on a bank located in the continental United States, or if Lessor so requests, by wire transfer of Federal funds to an account of the Lessor at such bank as the Lessor shall direct in writing; provided that in the event

either the Lessor or the entity purchasing secured notes pursuant to the Security Agreement (the "Note Purchaser") shall notify the Lessee in writing that the right to receive payment of such installment shall have been assigned in accordance with Section 16 hereof, the Lessee shall make such payment by such check or wire transfer (if the assignee so requests) to the place designated in such notice or as otherwise designated from time to time in writing by such assignee;

(b) The entire amount of any payment of Casualty Value or Termination Value pursuant to Section 11 and Section 18, respectively, hereof shall be paid to the Lessor by a check drawn on a bank located in the continental United States or, if Lessor so requests, by wire transfer of Federal Funds to the account of Lessor specified in Section 2.4(a) (identifying the same as a payment of Casualty Value or Termination Value (as the case may be) relating to this Lease and forwarded to the Lessor in the manner provided for notice in Section 20.1 hereof; provided that in the event the Lessor shall notify the Lessee in writing that the right to receive payment of such Casualty Value or Termination Value shall have been assigned in accordance with Section 16 hereof, the Lessee shall make such payment by such check in the manner designated in such notice or as otherwise designated from time to time in writing by such assignee;

(c) The amount of any payment owing to the Lessor pursuant to Sections 6, 10.2, 11.1 (with respect to public liability insurance) and 20.2 hereof shall be made directly to the party to receive the same without regard to the assignment of this Lease pursuant to Section 16 hereof;

(d) The amount of any interest due in respect of the late payment of any rentals or other amounts pursuant to Section 19 hereof shall be paid to the party and in the manner herein provided to receive said rental or other amount; and

(e) All payments other than those above specified shall be made by the Lessee directly to the party to receive the same unless any such payment has previously been made by the Lessor or its assignee, in which case the Lessee shall reimburse the Lessor or its assignee, as the case may be, directly for such payment.

Any payment made by check hereunder shall be made by check of the Lessee drawn on a bank located in the continental United States and mailed to the party to receive the same at the address herein provided or at such other address as the Lessee shall have been previously advised in writing. All such checks shall be mailed sufficiently in advance of the date such payment is due to insure that on the date such payment is due, the party to receive the same shall have immediately available funds. In the event that any payment referred to in paragraphs (c), (d) and (e) above shall be payable to two or more parties, the Lessee may seek confirmation of such parties as to the amount due any such party and shall make payment of such amount upon receipt of written confirmation from each such party of the amount due it.

2.5. Net Lease. This Lease is a net lease and the Lessee's obligation to pay all Fixed Rental and other amounts payable hereunder shall be absolute and unconditional under any and all circumstances and, without limiting the generality of the foregoing, the Lessee shall not be entitled to any abatement of rent or

reduction thereof or setoff against rent, including, but not limited to, abatements, reductions or setoffs due to any present or future claims of the Lessee against the Lessor under this Lease or otherwise or against any assignee of the Lessor pursuant to Section 16 hereof; nor, except as otherwise expressly provided herein, shall this Lease terminate, or the respective obligations of the Lessor or the Lessee be otherwise affected, by reason of any defect in or damage to or loss or destruction of the Units from whatsoever cause, the taking or requisitioning of the Units by condemnation or otherwise, the prohibition of Lessee's use of the Units, the interference with such use by any person or corporation, the invalidity or unenforceability or lack of due authorization or other infirmity of this Lease, or lack of right, power or authority of the Lessor to enter into this Lease, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the rents and other amounts payable by the Lessee hereunder shall continue to be payable in all events unless the obligation to pay the same shall be terminated pursuant to Section 11 hereof, or until, pursuant to Section 13 hereof, the Units has been returned to the possession of the Lessor (for all purposes of this Lease the Units shall not be deemed to have been returned to the Lessor's possession until all of the Lessee's obligations with respect to the return, transportation and storage thereof have been performed). To the extent permitted by applicable law, the Lessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender the lease of the Units except in accordance with the express terms hereof. Each rental or other payment made by the Lessee hereunder shall be final and the Lessee shall not seek to recover all or any part of such payment from the Lessor or any assignee pursuant to Section 16 hereof for any reason whatsoever; provided, however, nothing contained in this Lease shall be construed as a waiver of the Lessee's right to seek, or its entitlement to, monetary damages or specific performance on account of any failure of the Lessor to perform its obligations under this Lease or on account of any act or the breach of any warranty or representation of the Lessor so long as Lessee shall continue to make the payments of Rental and all other payments due hereunder and continue to perform its obligations under this Lease.

2.6. Term of Lease. The term of this Lease ("Lease Term") with respect to each Unit shall begin upon execution of the Certificate of Acceptance by the Lessee and, subject to the provisions of Sections 11, 14 and 18 hereof, shall terminate twenty-five (25) years following the Basic Term Commencement Date.

SECTION 3. LESSEE'S REPRESENTATIONS AND WARRANTIES.

3.1 The Lessee covenants, represents and warrants that:

(a) The Lessee is a corporation duly organized and validly existing and in good standing under the laws of the jurisdiction of its incorporation, is duly qualified to do business in each jurisdiction where the Units are or are to be located, where the Lessee's ownership or lease of property or the conduct of its business requires such qualification, and has full corporate power and authority to hold property under the Lease and to enter into and perform the obligations imposed upon the Lessee under the Lease and the Assignment.

(b) The execution, delivery and performance of the Lease have been duly authorized by all necessary corporate action on the part of the Lessee, are not inconsistent with its Certificate of Incorporation or By-laws, do not contravene any law, governmental rule, regulation, or order binding on the Lessee, do not and will not contravene any provision of or constitute a default under any indenture, mortgage, contract or other instrument to which the Lessee is a party or by which it is bound, and the Lease constitutes the legal, valid and binding obligation of the Lessee enforceable in accordance with its terms.

(c) Except for such filings with the Interstate Commerce Commission to be made by Lessee pursuant to Section 10.1(a), neither the execution and delivery by the Lessee of the Lease nor the consummation of any of the transactions by the Lessee contemplated hereby requires the consent or approval of, the giving of notice to, the registration with, or the taking of any other action in respect of, any federal, state or foreign governmental authority or agency.

(d) No mortgage, deed of trust, charter, lease or other lien or security interest of any nature whatsoever which now covers or affects any property or interest therein of the Lessee now attaches or hereafter will attach to any Unit or in any manner affects or will affect adversely the Lessor's right, title and interest therein.

(e) There is no action or proceeding pending or threatened against the Lessee before any court or administrative agency or other governmental body which is likely to result in any material adverse effect on the business, properties and assets, or condition, financial or otherwise, of the Lessee or ability of the Lessee to fulfill its obligations under this Agreement.

(f) Upon delivery thereof, title to the Units will be vested in the Lessor free and clear of all liens and rights of others, except for the rights of the Lessee under the Lease and the Note Purchaser under the Security Agreement.

(g) The balance sheet of the Lessee at December 31, 1982, and the related statements of income and income reinvested in business and changes in financial position for the fiscal year then ended, reported on and certified by Ernst & Whinney, independent public accountants, complete and correct copies of which have been delivered to the Lessor and the Note Purchaser, fairly present, in conformity with generally accepted accounting principles, the financial position of the Lessee at such date and its results of operations and changes in financial position for such fiscal year, and reflect on such date all liabilities, contingent or otherwise, material to the ability of the Lessee to satisfy its obligations under this Lease.

(h) The unaudited balance sheet of the Lessee at May 31, 1983 and the related unaudited statements of income and income reinvested in business and changes in financial position for the five months then ended, certified by the chief financial officer of the Lessee, complete and correct copies of which have been delivered to the Lessor and the Note Purchaser, fairly present in conformity with generally accepted accounting principles applied on a basis consistent with the financial statements referred to in the paragraph above, the financial position of the Lessee at such date and its

results of operations and changes in financial position for such five-month period, and reflect at such date all liabilities, contingent or otherwise, material to the ability of the Lessee to satisfy its obligations under this Lease.

(i) Since May 31, 1983, there has been no material adverse change in the business, financial position or results of operations of the Lessee.

(j) All tax returns and reports of the Lessee, if any, required by law to be filed have been duly filed, and all taxes, assessments, fees and other governmental charges upon the Lessee or any of its properties, assets, income or franchises which are due and payable have been paid other than such taxes, assessments, fees and charges which are presently payable without penalty or interest or which are being contested in good faith and by appropriate proceedings diligently conducted.

(k) No event has occurred or is continuing which constitutes an Event of Default hereunder or would constitute such an Event of Default but for the requirement that notice be given or time elapse or both.

(l) That certain Coal Supply Agreement dated January 24, 1980 between Lessee and Mobil Oil Company relating to the supply of coal to the Holcomb Station of Sunflower Electric Cooperative, Inc. ("Sunflower"), is in full force and effect. No default thereunder (or event which, with the giving of notice or passage of time, or both, could constitute a default thereunder) has occurred and is continuing.

(m) That Member Coal Purchase Contract as amended up to and including the date hereof (the "Coal Purchase Contract") between Lessee and Sunflower, a true and complete copy of which has been delivered to the Lessor, is in full force and effect. No default thereunder (or event which, with the giving of notice of passage of time, or both, could constitute a default thereunder) has occurred and is continuing. The Coal Purchase Contract (or the provisions thereof relating to the reimbursement by Sunflower of Lessee's rental obligations with respect to the Units) has been duly and validly assigned to Lessor to secure the performance of the Lessee's obligation under this Equipment Lease. All consents (if any) necessary to make such assignments binding vis-a-vis Sunflower have been obtained.

(n) The Lessee's anticipated use of the Units is as a unit train to transport coal from Wyoming to Kansas. It is anticipated that there will be approximately eighty (80) such trips each year.

3.2. The Lessor represents and warrants that:

(a) At the time of delivery hereunder, title to each of the Units shall be unimpaired by any act or omission of the Lessor which will in any manner prevent the performance of the Lease in accordance with its terms and, in addition, each of the Units shall be free and clear of all liens (other than the security interests granted to the Note Purchaser under the Security Agreement) which may result from claims against the Lessor not arising out of the ownership thereof, which will prevent the performance of the Lease in accordance with its terms.

(b) So long as the Lessee shall not be in default under the Lease, the Lessor shall not do (or suffer to be done by any person claiming through or against the Lessor and not against the Lessee) any act which interferes with any rights of the Lessee to peaceably and quietly hold, possess and use the Unit(s) in accordance with the terms of the Lease.

(c) Lessor has the lawful right to lease the Units to the Lessee in accordance with the terms hereof.

SECTION 4. OWNERSHIP AND MARKING OF UNITS.

4.1. Retention of Title. The Lessor shall and hereby does retain full legal title to the Units notwithstanding the delivery thereof to and possession and use thereof by the Lessee.

4.2. Identification. The Lessee shall, at its own expense, cause the Units to be legibly and permanently labeled by means of a plate or stencil in contrasting colors upon each side of each Unit of the Equipment in letters not less than one inch in height as follows:

> "Leased from Steiner Financial Corporation, as Owner, and Subject to a Security Interest Recorded with the Interstate Commerce Commission."

Lessee shall make appropriate changes in such identification and additions thereto as from time to time may be requested in writing by Lessor or its assignee or may be required by law in order to protect the title of the Lessor to the Units, its rights under this Lease and the rights of any assignee under Section 16 hereof. The Lessee will not place the Units in operation or exercise any control or dominion over the same until the required legend shall have been so marked on each side of the Units.

Lessee will cause each Unit to be kept numbered with the identifying number set forth in Schedule A hereto, or in the case of any Unit not there listed, such identifying number as shall be set forth in any amendment or supplement hereto extending this Lease to cover such Unit, and such with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the Lessor's title to and property in such Unit and the rights of the Lessor under this Lease and of the Note Purchaser under the Security Agreement. The Lessee will not change the identifying number of any Unit unless and until a statement of new number or numbers to be substituted therefor shall have been filed with the Note Purchaser and the Lessor and all filings required by any applicable law, rule or regulation shall have been made.

The Lessee will not allow the name of any person, association or corporation to be placed on any Unit as a designation that might be interpreted as a claim of ownership; provided, however, that the Units may be lettered with the names or initials or other insignia customarily used by the Lessee or its affiliates.

4.3. Prohibition Against Certain Designations. Except as above provided, the Lessee will not allow the name of any person, association or corporation to be placed on the Units as a designation that might be interpreted as a claim of ownership.

SECTION 5. DISCLAIMER OF WARRANTIES.

THE LESSOR LEASES THE UNITS, AS-IS, IN WHATEVER CONDITION THEY MAY BE, WITHOUT ANY AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, BY THE LESSOR EXPRESSLY DISCLAIMING ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO (A) THE FITNESS FOR ANY PARTICULAR PURPOSE OR MERCHANTABILITY OF THE UNITS, (B) THE LESSOR'S TITLE THERETO, (C) THE DESIGN OR CONDITION OF, OR AS TO THE QUALITY OF THE MATERIAL, UNITS OR WORKMANSHIP IN, THE UNITS, OR (D) ANY OTHER MATTER WHATSOEVER, IT BEING AGREED THAT ALL SUCH RISKS, AS BETWEEN THE LESSOR AND THE LESSEE, ARE TO BE BORNE BY THE LESSEE. Notwithstanding the foregoing, but subject always to Section 2.4 hereof, the Lessor warrants and represents to the Lessee that its right to quiet enjoyment of the Units shall not be wrongfully interfered with by the Lessor or any party claiming by, through or under the Lessor. The Lessee agrees to warrant and defend the right, title and interest of the Lessor to the Units, against the rights or claims of any person arising on or after delivery of the Units by the Manufacturer to the Lessee other than liens permitted by Section 9 hereof and liens arising by, through or under Lessor. Lessor and Lessee intend that Lessee be entitled to enforce Lessor's rights under any warranties from the Manufacturer and accordingly the Lessor hereby appoints and constitutes the Lessee its agent and attorney-in-fact during the Lease Term to assert and enforce, from time to time, in the name and for the account of the Lessor and the Lessee, as their interests may appear, but in all cases at the sole cost and expense of the Lessee, whatever claims and rights the Lessor may have as owner of the Units against the Manufacturer or other suppliers of components incorporated therein; provided, however, that if at any time an Event of Default shall have occurred and be continuing, the Lessor may assert and enforce, at the Lessee's sole cost and expense, such claims and rights. Except with respect of the Lessor's warranty of quiet enjoyment set forth above and in the case of gross negligence or wilful misconduct of the Lessor, the Lessor shall have no responsibility or liability to the Lessee or any other person with respect to any of the following: (i) any liability, loss or damage caused or alleged to be caused directly or indirectly by the Units or by any inadequacy thereof or deficiency or defect therein or by any other circumstances in connection therewith; (ii) the use, operation or performance of the Units or any risks relating thereto; (iii) any interruption of service, loss of business or anticipated profits or consequential damages; or (iv) the delivery, operation, servicing, maintenance, repair, improvement or replacement of the Units. The Lessee's delivery of a Certificate of Acceptance shall be conclusive evidence as between the Lessee and the Lessor that the Units described therein is in all the foregoing respects satisfactory to the Lessee, and the Lessee will not assert any claim of any nature whatsoever against the Lessor based on any of the foregoing matters. Anything contained in this Section 5 to the contrary notwithstanding, so long as no Event of Default shall have occurred and be continuing, neither the Lessor nor any person claiming by, through or under the Lessor shall take any action to interfere with the Lessee's use and possession of the Units in accordance with the terms of this Lease.

SECTION 6. LESSEE'S INDEMNITIES.

6.1. General Indemnity. The Lessee shall defend, indemnify and save harmless the Lessor and any assignee of the Lessor pursuant to Section 16 hereof (including, without limitation, the Note Purchaser) (the "Indemnitees") and their respective successors and assigns from and against:

(a) any and all loss or damage to the Units, usual wear and tear excepted; and

(b) any claim, cause of action, damages, liability, cost or expense (including, without limitation, reasonable counsel fees and costs in connection therewith) which may be incurred in any manner by or for the account of any of them (i) relating to the Units or any part thereof, including, without limitation, the construction, purchase, delivery, acceptance, rejection, ownership, sale, leasing, return or storage of the Units or as a result of the use, maintenance, repair, replacement, operation or the condition thereof (whether defects are latent or discoverable by the Lessee or any indemnified party), (ii) by reason or as the result of any act or omission (whether negligent or otherwise) of the Lessee for itself or as agent or attorney-in-fact for the Lessor hereunder, (iii) as a result of claims for patent, trademark or copyright infringements, or (iv) as a result of claims for negligence or strict liability in tort.

The Lessee shall not be required to indemnify any Indemnitee against any loss, damage, injury, claim or demand which arises out of or consists of any of the following: (1) violation of banking, investment or securities laws, unless such violation is a result of a misrepresentation or breach of a warranty or agreement by the Lessee; (2) any breach of or failure to perform any express duty, obligation or warranty made by any Indemnitee, unless such breach or failure to perform is a result of a misrepresentation, breach of a warranty or agreement, or an action or failure to act by the Lessee; (3) any lien on the Units which the Lessee is not obligated to discharge pursuant to Section 9 hereof; (4) the gross negligence or wilful misconduct of the Lessor or actions taken by the Lessor when it is in physical control of the Units, or the gross negligence or wilful misconduct of any other Indemnitee in the case of any other Indemnitee; (5) expenses which the Lessor agrees are to be for its own account in that certain Participation Agreement (the "Participation Agreement") dated June 30, 1983 with the Lessee and the Note Purchaser; (6) "Impositions" (as such term is defined in Section 10.2 but without regard to the exceptions), it being understood that Lessee may indemnify Lessor for such Impositions pursuant to the terms of Section 10.2; (7) resulting from claims based on the assertion that Lessor was not entitled to enter into this Lease which may be raised by any regulatory authority or any shareholder or creditor of Lessor; and (8) items for which Lessor will be fully compensated by payment of the appropriate Casualty Value or Termination Value; provided that such payments are actually made by the Lessee. In the event that any Indemnitee shall not be entitled to indemnification by the Lessee for any of the reasons set forth in clauses 1 through 8 above, the Lessee agrees that all other Indemnitees shall have the right to be fully indemnified by the Lessee regardless of the circumstances which relieve the Lessee of its obligation to indemnify any other Indemnitee, and the wrongful conduct of any Indemnitee shall not be imputed to any other Indemnitee. Each Indemnitee agrees to give the Lessee prompt written notice of any matter which may give rise to a claim or liability against such Indemnitee. Each Indemnitee agrees that the Lessee shall assume and conduct

promptly and diligently, at its sole cost and expense, the entire defense of or settlement of any loss, damage, injury, claim or demand with respect to which it shall be required to indemnify pursuant to this Section 6.1. Each Indemnitee agrees to cooperate fully with the Lessee in any such defense, settlement proceeding or other disposition. Each Indemnitee further agrees that it will assign to the Lessee any rights (with respect to the incident giving rise to the indemnity) which it may have against any other Indemnitee and any proceeds received as a result of any counterclaim or settlement with respect to any indemnity claim paid by the Lessee (to the extent that the amount received as a result of such counterclaim or settlement is equal to or less than the amount paid by Lessee), and empowers the Lessee, at its sole cost and expense, to defend or prosecute any claim in the name of such Indemnitee or the Lessee, as the Lessee may deem advisable. The indemnities and assumptions of liabilities set forth in this Section 6.1 do not guarantee to any party at any time a residual value in the Units nor do they guarantee the payment of the Note or any interest accrued thereon. None of the indemnities of this Section shall be deemed to create any rights of subrogation in any insurer or third party against, from or under Lessor, whether because of any claim paid or defense provided for the benefit thereof or otherwise.

6.2. Special Tax Representations; Tax Indemnity.

(a) Lessor has entered into this Lease on the basis that Lessor, as owner of the Units, will be entitled to take into account the following deductions, credits and other benefits as are provided by the Internal Revenue Code of 1954, as amended (the "Code") to an owner (in Lessor's taxable year ending June 30, 1983 for Units delivered on or before such date and in Lessor's taxable year ending June 30, 1984 for Units delivered on or after July 1, 1983) of property (collectively, the "Tax Benefits"): (1) the investment credit pursuant to Section 38 and related sections of the Code, in an amount equal to either ten percent (10%) of the Equipment Cost of the Units or alternatively eight percent (8%) of the Equipment Cost of the Units, if the Lessor elects not to incur the basis reduction otherwise required by Section 48(q) of the Code (the "Investment Credit"); (2) accelerated cost recovery deductions (beginning with Lessor's taxable year ending June 30, 1983 for Units delivered on or before such date and beginning with Lessor's taxable year ending June 30, 1984 for Units delivered on or after July 1, 1983) under Section 168(a) of the Code in an amount determined by multiplying the Equipment Cost of the Units (less the percentage basis reduction, if any, required pursuant to Section 48(q) of the Code) by the percentage applicable under Section 168(b)(1) of the Code to "5-year property," within the meaning of Section 168(c)(2)(B) of the Code (the "Recovery Deduction"); and (3) the deduction under Section 163 of the Code (the "Interest Deduction") of the full amount of any interest paid or accrued by Lessor, in accordance with the Code and Regulations relating thereto, with respect to the Notes or the Take-Out Notes.

(b) This Lease has also been entered into on the basis of the following special representations and warranties of the Lessee (the "Special Representations"): (i) at the time Lessor becomes the owner of the Units, the Units will constitute "new section 38 property" within the meaning of Sections 46 and 48 of the Code, and at the time Lessor becomes the owner of the Units, they 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 Lessor; (ii) the Units are "5-year property" (within the meaning of Section 168(c)(2)(B) of the Code) and eligible for the applicable Recovery Deductions in the percentages set forth in Section 168(b)(1) of the Code and Lessee will not at any time during the Lease Tem use or fail to use the Units in such a way as to disqualify the Units for Recovery Deductions set forth in Section 168(b)(1) of the Code; (iii) Lessee will not at any time during the Lease Term use or fail to use the Units in such a way as to disqualify them as "section 38 property" within the meaning of Section 48(a) of the Code; (iv) for Federal income tax purposes, all amounts includable in the gross income of Lessor with respect to the Units and all deductions allowable to Lessor with respect to the Units will be treated as derived from, or allocable to, sources within the United States; (v) Lessee will maintain sufficient records to verify the assumptions specified in subsections (i) through (iv) of this Section 6.2(b), which records will be furnished to Lessor within 30 days after receipt of a written demand therefor; (vi) an amount equal to at least twenty percent (20%) of the Equipment Cost of the Units is a reasonable current estimate of what the Fair Market Value of such Units, determined without regard to inflation or deflation, will be on the expiration of the Lease Term, and at least twenty percent (20%) of the originally estimated useful life of the Units is a reasonable current estimate of what the remaining useful life of such Units will be on the expiration of the Lease Term with respect thereto; (vii) the Units will be placed in service on the respective delivery dates; and (viii) during the first five years of the Lease Term with respect to each Unit such Unit will not be used by a tax exempt organization or governmental unit within the meaning of Section 48(a)(4) or Section 48(a)(5) of the Code.

(c) If, by reason of (i) the inaccuracy of any of the Special Representations set forth in paragraph (b) of this Section, (ii) the inaccuracy of any matters contained in Lessee's financial statements which have been provided to Lessor, or contained in that certain offering memorandum by which the Lessor sought investors to serve as Lessor for the Equipment, prepared by Blyth Eastman Paine Webber Incorporated, or (iii) the act or failure to act by Lessee or any other person that uses or is in possession of the Units with the consent of Lessee, Lessor shall lose, shall not have or shall lose the right to claim or there shall be disallowed, deferred or recaptured with respect to Lessor, all or any portion of the Tax Benefits with respect to the Units (any such loss, disallowance, recapture, unavailability or recognition hereinafter being referred to as a "Loss of Benefits"), then, at Lessee's option, either Lessee's monthly Fixed Rental shall be increased to maintain Lessor's Yield in light of such Loss of Benefits, or: (1) Lessee shall on the next Rent Payment Date (as provided in Section 2.3) occurring after Lessor has notified Lessee of such Loss of Benefits, pay Lessor a lump-sum amount which in the reasonable opinion of Lessor will cause Lessor's net after-tax return on investment over the Lease Term to equal the Lessor's Yield; and (2) Lessee shall pay to Lessor upon being notified thereof an amount equal to any interest and penalties which may be assessed against Lessor with respect to any such Loss of Benefits.

In the event of an increase in Fixed Rental to compensate Lessor for a Loss of Benefits, Lessor shall provide written notice to Lessee of the amount of such increase. In the event of such an increase in the Fixed Rental, Lessee may request (at its expense) that Lessor's calculations be reviewed by an independent third party selected by Lessee and acceptable to

Lessor. Upon request by Lessor, Lessee agrees to execute a supplement to this Lease acknowledging the increase in the Fixed Rental.

In calculating the amount of any payment to be made hereunder, Lessor and Lessee agree that calculation of any payment under this section respect to federal taxes will be based on an assumed federal tax rate of 46%, regardless of the actual tax rate. A Loss of Benefits shall be determined to have occurred upon the earliest to occur of: (A) the issuance of a written opinion by independent tax counsel mutually selected by Lessor and Lessee that there is no reasonable basis for claiming the Tax Benefit that is the subject of the Loss of Benefits; (B) a reasonable and good faith agreement with the taxing authority by Lessor with respect to a Loss of Benefits; (C) payments of taxes, interests or penalties with respect to a Loss of Benefits; or (D) any court decision (including a decision of the Tax Court of the United States) which is not appealed with respect to a Loss of Benefits.

(d) If the Internal Revenue Service shall claim an adjustment in the federal income taxes of Lessor which would result in a Loss of Benefits, then Lessor shall promptly notify Lessee and Lessor hereby agrees to contest such claim, provided, however, that: (i) within thirty (30) days after notice by Lessor to Lessee of such claim, Lessee shall request that such claim be contested; (ii) Lessor, at its sole option, may forego any and all administrative appeals, proceedings, hearings and conferences with Internal Revenue Service or the state or local taxing authority in respect of such claim and may, at its sole option, either pay the tax claimed and sue for a refund in the appropriate United States District Court and/or the United States Court of Claims, as Lessor shall elect, or contest such claim in the Tax Court of the United States, or in the appropriate state or local court of competent jurisdiction, considering, however, in good faith such request as Lessee shall make concerning the most appropriate forum in which to proceed; (iii) prior to taking such action, Lessee shall have furnished Lessor with an opinion of tax counsel acceptable to lessor to the effect that there is a reasonable basis in fact or law for contesting such claim; and (iv) Lessee shall have acknowledged that it will be liable to Lessor for an indemnity hereunder in the event the claim is successfully asserted by the Internal Revenue Service on the aserted basis which gave rise to the Lessee's obligation to make an indemnity payment under this Section 6.2 and Lessee shall have agreed to pay Lessor on demand all costs and expenses which Lessor may incur in connection with contesting such claim including, without limitation, (A) reasonable attorneys' and accountants' fees and disbursements, and (B) the amount of any interest or penalty which may ultimately be payable as the result of contesting such claim, and (C) if Lessor determines in its sole discretion to contest the disallowance of Tax Benefits by a proceeding for refund of amounts paid based on the disallowance, Lessee shall have loaned to Lessor on an interest-free basis an amount equal to the amount paid by Lessor. Upon final determination of the liability of Lessor, Lessee shall become obligated for the payment of any indemnification due under paragraph (c) of this Section 6.2 resulting from the outcome of such contest, and, in the event that the amount of the proposed disallowance of Tax Benefits had been paid by Lessee, and was refunded, Lessor shall become obligated to pay Lessee any refund received together with any interest received thereon. Upon the occurrence of a Loss of Benefits with respect to which an indemnity payment is required by

Section 6.2(c) and such payment has been made, Casualty Values and Termination Values shall be reduced to reflect the occurrence and payment of such Loss of Benefits.

(e) In the event that Lessor shall obtain a refund of any additional federal income tax paid by Lessor, other than a refund received pursuant to paragraph (d) of this Section 6.2 in respect of which a lump sum payment was made under this Section 6.2 by Lessee, Lessor shall pay Lessee the amount of such refund (reduced by any costs or expenses incurred by Lessor in obtaining such refund) together with any interest received by Lessor thereon and to the extent the payment to the Lessor was increased to reflect Lessor's obligations to pay taxes thereon pursuant to the last sentence of the first paragraph of Section 6.2(c), together with any additional tax savings resulting from any payment under this section, provided such amount shall in no event exceed the amount of the tax indemnity payment paid by Lessee to Lessor. Any payments required under this paragraph shall be paid to Lessee by Lessor promptly upon the receipt by Lessor of any such refund.

(f) The determination of any amount payable to or by Lessor under this Section 6.2 shall be made by Lessor, and, if requested by Lessee, such determination shall be verified, at Lessee's expense, by a firm of independent public accountants of recognized national standing selected by Lessee and acceptable to Lessor.

(g) Notwithstanding the above, Lessee shall not be required to pay the Lessor the amount or amounts provided for in Section 6.2(c) through 6.2(f) above if the requirement for payment shall arise solely as the result of any one or more of the following events:

(i) The Lessor, without the written consent of Lessee, shall fail to claim or cause to be claimed in a timely manner (including making all appropriate permissible elections) such Tax Benefits in its income or franchise tax returns for the appropriate years or shall fail to follow the proper procedures in claiming such Tax Benefits;

(ii) The Lessor shall not have sufficient income or tax liability to benefit from such Tax Benefits;

(iii) Lessor shall transfer legal title to the Units (other than a transfer pursuant to Section 11.5 or 18.5 hereof), if such transfer by Lessor shall occur at any time when Lessor is not pursuing its remedies following the occurrence and continuance of an Event of Default and shall not be pursuant to the written consent of Lessee;

(iv) A Casualty Occurrence shall have occurred and Lessee shall have paid Lessor the Casualty Value of the Units or Lessee shall have paid the Lessor the Termination Value of the Units pursuant to Section 18.5 hereof;

(v) Lessor's failure to meet the minimum unconditional "at risk" requirements of Section 4(1) of Rev. Proc. 75-21;

(vi) Failure of Lessor to meet and maintain the initial and continuing "Minimum Investment" requirement of Section 4(1)(A) and (B) of Rev. Proc. 75-21;

(vii) Failure for any reason of Lessor to meet and maintain the "at risk" requirements of Section 46(c)(8) of the Code;

(viii) With respect to the First Delivery Date Units, a change in tax law (other than a change in law enacting Pickle Legislation) occurring after the First Delivery Date. "Pickle Legislation" means HR 3110 or any other bill having an effective date on or prior to the First Delivery Date which if enacted would reduce or eliminate or defer the Investment Credit or Recovery Deduction available to Lessor with respect to the Units due to the use of the Units by, or to provide a service to, a tax exempt organization); and

(ix) With respect to the Second Delivery Date Units, a change in tax law (other than a change in law enacting Pickle Legislation) occurring after the Second Delivery Date. "Pickle Legislation" means HR 3110 or any other bill having an effective date on or prior to the First Delivery Date which if enacted would reduce or eliminate or defer the Investment Credit or Recovery Deduction available to Lessor with respect to the Units due to the use of the Units by, or to provide a service to, a tax exempt organization).

(h) All of the Lessor's rights and privileges arising from the indemnities contained in this Section shall survive the expiration or other termination of this Lease with respect to the Units and such indemnities are expressly made for the benefit of, and shall be enforceable by, the Lessor, its successors and assigns.

6.3. Continuation of Indemnities and Assumptions. The indemnities, assumptions of liability and other obligations contained in this Section 6 shall continue in full force and effect notwithstanding the termination of this Lease, whether by expiration of time, by operation of law or otherwise; provided, however, that such indemnities and assumptions of liability shall not apply in respect of any matters referred to in subsection (a) or clause (i), (ii) or (iv) of subsection (b) of Section 6.1 hereof, occurring after the termination of this Lease, except for any such matters occurring after the termination arising in connection with the Lessee's assembling, delivering, storing or transporting of the Units as provided in Section 13 or 15, as the case may be.

SECTION 7. RULES, LAWS AND REGULATIONS.

The Lessee agrees to comply with all applicable governmental laws, regulations, requirements and rules with respect to the use and maintenance of the Units subject to this Lease. In case the Units are required to be altered, replaced or modified in order to comply with such laws, regulations, requirements and rules, the Lessee agrees to make such alterations, replacements and/or modifications at its own expense and title thereto shall be immediately vested in the Lessor. The Lessee shall not use or permit the Units to be used in an improper or unsafe manner or in violation of any federal, state or local law, statute, ordinance, rule or regulation. Notwithstanding the above, Lessee may, in good faith, contest the validity or application of any such law or rule in any manner

which does not, in the reasonable opinion of the Lessor or the Note Purchaser, adversely affect the property or rights of the Lessee or the Note Purchaser under this Lease or the Security Agreement.

SECTION 8. MAINTENANCE OF UNITS.

The Lessee shall use the Units only in the manner for which they were designed and intended and so as to subject them only to ordinary wear and tear. So long as the Units shall be leased hereunder and until the Units are returned to the Lessor in accordance with the provisions of Sections 13 and 15 hereof, the Lessee shall, at its own cost and expense, maintain and keep the Units in the same manner as the Lessee maintains equipment of the same type owned by the Lessee so as to insure that the Units: (i) conform with the rules of the American Association of Railroads; (ii) are fit for use in interchange under load; (iii) are in the same order, condition and repair as when originally accepted for lease by the Lessee, ordinary wear and tear excepted. Except as required by the provisions of Section 7 hereof, the Lessee shall not modify the Units without the prior written authority and approval of the Lessor and any assignee pursuant to Section 16 hereof which shall not be unreasonably withheld. Any parts installed or replacements made by the Lessee upon the Units pursuant to Section 7 hereof or pursuant to its obligation to maintain and keep the Units in good order, condition and repair under this Section 8 shall be considered accessions to the Units and title thereto shall be immediately vested in the Lessor without cost or expense to the Lessor. The Lessee shall make no other additions or improvements to the Units unless the same are readily removable without causing damage to the Units. Title to any such readily removable additions or improvements shall remain with the Lessee. If the Lessee shall at its cost cause such readily removable additions or improvements to be made to the Units, the Lessee agrees that it will, prior to the return of the Units to the Lessor hereunder, remove the same at its own expense without causing damage to the Units.

SECTION 9. LIENS ON THE UNITS.

The Lessee shall pay or satisfy and discharge any and all claims against, through or under the Lessee and its successors, sublessees or assigns which, if unpaid, would constitute or become a lien or a charge upon the Units, and any liens or charges which may be levied against or imposed upon the Units as a result of the failure of the Lessee to perform or observe any of its covenants or agreements under this Lease and any other liens or charges which arise by virtue of claims against, through or under any other party other than the Lessor, Lessor's assignees, or their successors or assigns, but the Lessee shall not be required to pay or discharge any such claims so long as it shall, in good faith and by appropriate legal proceedings contest the validity thereof in any reasonable manner which will not affect or endanger the title and interest of the Lessor or the security interest or other rights of any assignee under Section 16 hereof in and to the Units. The Lessee's obligations under this Section 9 for claims, liens or charges arising by, through or under the Lessee shall survive the termination of this Lease, with respect to any lien or charge arising prior to termination.

SECTION 10. FILING; PAYMENT OF STATE AND LOCAL TAXES.

10.1. Filing; Opinion of Counsel.

(a) The Lessee will cause all filings to be made under the Interstate Commerce Act and will arrange for the filing of such other documents as the Lessor or the Note Purchaser may reasonably request to protect their interests in this Lease, the Units and the other collateral granted to the Note Purchaser pursuant to the Security Agreement (collectively the "Collateral") and will furnish the Lessor and the Note Purchaser proof thereof. With respect to the First Delivery Date Units, such filings will be made on or prior to the fifth (5th) day following the First Delivery Date. With respect to the Second Delivery Date Units, such filings will be made on or prior to the Second Delivery Date. The Lessee will, from time to time, do and perform any other act and will execute, acknowledge, deliver, file, register and record (and will refile, reregister or rerecord whenever required) any and all further instruments required by law or reasonably requested by the Lessor or the Note Purchaser, for the purpose of protecting the Lessor's title to, or the Note Purchaser's security interest in, the Units and the other Collateral to the satisfaction of the Lessor's or the Note Purchaser's counsel or for the purpose of carrying out the intention of this Lease, and in connection with any such action, will deliver to the Lessor and the Note Purchaser proof of such filings and an opinion of counsel reasonably satisfactory to the Lessor and the Note Purchaser that such action has been properly taken. The Lessee will pay all costs, charges and expenses incident to any such filing, refiling, recording and rerecording or depositing and redepositing of any such instruments or incident to the taking of such action, including any opinion of counsel required pursuant to this Section 10.1.

(b) Within twenty (20) days following the date of delivery and acceptance of the Units hereunder, Lessee agrees to provide to Lessor and the Note Purchaser a favorable opinion of counsel in form and substance acceptable to the Lessor and the Note Purchaser to the effect that the Lease and the Security Agreement (if such Security Agreement has been entered into by Lessor) have been recorded or filed for record with the Interstate Commerce Commission pursuant to 49 U.S.C. Section 11303 and in all other public places wherein such filing is necessary to protect the interests of the Borrower in the Units and the Lease and the interest of the Note Purchaser under the Security Agreement with respect to the Units and the Lease.

10.2. Payment of State and Local Taxes. All rental and other payments to be made by the Lessee under this Lease will be free of expense to the Lessor and any assignee of the Lessor pursuant to Section 16 hereof (including, without limitation, the Note Purchaser) and their respective successors and assigns (the "Indemnitees") for collection or other charges and will be free of expense to the Indemnitees with respect to any Impositions as hereinafter defined. As used in this Agreement "Impositions" shall mean the amount of any local, state, Federal or foreign taxes, assessments or license fees and any charges, fines or penalties in connection therewith which are imposed on or measured by this Lease or the receipt of sums pursuant hereto or any sale, rental, use, payment, shipment, delivery or transfer of title in respect of the Units under the terms hereof or the Security Agreement, including indemnification payments with respect to this

Lease or payments pursuant to Section 6 or this Section 10.2; provided that, except with respect to indemnification payments hereunder or payments pursuant to this Section 10.2, Impositions shall not include as to each respective Indemnitee: (a) United States Federal income tax liability, any foreign income tax (except to the extent such tax arising as a consequence of the use of the Equipment outside of the United States) of such Indemnitee, payable by any respective Indemnitee in consequence of the receipt of Rental and other payments provided herein; and (b) the aggregate of all franchise taxes or other state and local taxes measured by net income based on such Rental and other payments made under the Lease, up to the amount in the aggregate of any such income and franchise taxes which would be payable to the state and city in which such Indemnitee is incorporated without apportionment to any other state and (c) any franchise taxes or other state and local taxes measured by net income based on such Rental and other payments made under the Lease except for such taxes which are in substitution for or relieves the Lessee from the payment of taxes which it would otherwise be obligated to pay or reimburse as herein provided. The Lessee shall not be liable for any income tax liability of the Manufacturer of the Units. The Lessee agrees to pay, on demand, any and all Impositions. The Lessee will also pay promptly all Impositions which may be imposed on the Units or for the use or operation thereof or upon the earnings arising therefrom or upon any Indemnitee solely by reason of its interest with respect thereto and will keep at all times all and every part of the Units free and clear of all Impositions which might in any way affect the interest of any Indemnitee therein or result in a lien upon the Units; provided, however, that the Lessee shall be under no obligation to pay any Impositions so long as it is contesting in good faith and by appropriate legal proceedings such Impositions and the nonpayment thereof does not, in the reasonable opinion of the Indemnitee, adversely affect the interest of any Indemnitee hereunder or under the Security Agreement. If any Impositions shall have been charged or levied against any Indemnitee directly and paid by such Indemnitee after such Indemnitee shall have given written notice thereof to the Lessee and the same shall have remained unpaid for a period of ten business days thereafter, the Lessee shall reimburse such Indemnitee on presentation of invoice therefor. Prior to making such payment, such Indemnitee shall promptly notify the Lessee of the Impositions charged or levied, and the Lessee shall have the opportunity to contest for and on behalf of such Indemnitee in good faith and by appropriate legal proceedings such Impositions, at its sole expense.

In the event any reports with respect to Impositions are required to be made with respect to the Units, the Lessee will either prepare and file such reports in such manner as to show as required the interests of each Indemnitee in the Units or, if it shall not be permitted to file the same, it will notify each Indemnitee of such reporting requirements, prepare such reports in such manner as shall be satisfactory to each Indemnitee and deliver the same to each Indemnitee within a reasonable period prior to the date the same is to be filed.

The amount which Lessee shall be required to pay an Indemnitee thereof pursuant to this Section 10 shall be an amount sufficient to restore such party to the same net after-tax rate of return and after-tax cash position, after considering the effect of such payment on its United States Federal income taxes and state income taxes or franchise taxes based on net income, that such party would have had or been in had such payment not been made.

In the event that, during the continuance of this Lease, any Imposition accrues or becomes payable or is levied or assessed (or is attributable to the

period of time during which this Lease is in existence) which the Lessee is or will be obligated to pay or reimburse, pursuant to this Section 10.2, such liability shall continue, notwithstanding the expiration of this Lease, until all such Impositions are paid or reimbursed by the Lessee.

SECTION 11. INSURANCE; PAYMENT FOR CASUALTY OCCURRENCE.

11.1. Insurance. The Lessee will at all times after delivery and acceptance of the Units, at its own expense, keep or cause to be kept the Units insured against loss on an "all risk" basis, (a) in an amount which shall be customary for companies owning property of a character similar to the Units and engaged in a business similar to that engaged in by the Lessee and not less than (b) an amount equal to the Casualty Value for the Units. Such "all risk" insurance may be subject to deductible provisions in such amounts and to the extent that such deductibles are consistent with prudent industry practice, but in any event with no greater deductible and in at least comparable amounts and against risks customarily insured against by the Lessee in respect of equipment owned or leased by it similar in nature to the Units, provided it is expressly understood and agreed that any loss, cost or expense arising out of use of deductible provisions shall be exclusively the cost and expense of the Lessee. The Lessee shall also maintain general public liability insurance with respect to the Units against damage because of bodily injury, including death, or damage to property of others, such insurance to afford protection to the limit of not less than $20,000,000 per occurrence combined single limit or such greater amount as the Lessor shall reasonably require and as shall be consistent with industry practice, subject to deductible or self-insurance provisions in such amounts as are consistent with prudent industry practice, but in any event with no greater deductible and at least comparable in amounts and against risks customarily insured against by the Lessee in respect of equipment owned or leased by it similar in nature to the Units. All such insurance shall cover the interest of the Lessor, the Lessee and the Note Purchaser in the Units and liability insurance shall name the Lessor, the Lessee and the Note Purchaser as additional insureds in respect of risks arising out of the condition, the maintenance, use or ownership of the Units and shall provide that losses, if any, in respect of the Units shall be payable to said parties as their respective interests may appear. All policies of insurance maintained pursuant to this Section 11.1 shall provide that 30 days' prior written notice of expiration or termination shall be given to the Lessor and the Note Purchaser. The Lessee shall furnish the Lessor and the Note Purchaser with certificates of independent insurance brokers or other satisfactory evidence of maintenance of the insurance required hereunder and with respect to any renewal policy or policies shall furnish certificates evidencing such renewal prior to the expiration date of the original policy or policies. All such policies shall provide that the same shall not be cancelled or materially changed without at least 30 days' prior written notice to each assured named therein.

The proceeds of any insurance received by the Lessor on account of or for any loss or casualty in respect of the Units shall be applied as follows: (i) if the Units has been repaired, restored or replaced, such proceeds shall be paid to the Lessee upon a written application signed by an authorized officer of the Lessee for the payment of, or to reimburse the Lessee for the payment of, the cost of repairing, restoring or replacing the Units so long as the restoration, replacement and repair parts become immediately subject to all of the terms and conditions of this Lease and all public filings, recordings and registrations necessary or

expedient to vest title thereto in the Lessor and to perfect the security interest of the Note Purchaser are accomplished by the Lessee at its expense (which application shall be accompanied by satisfactory evidence of such cost and of the completion of such repair, restoration or replacement), or (ii) if this Lease is terminated with respect to the Units as a result of a Casualty Occurrence, such proceeds shall be applied in accordance with Section 11.3 (to the extent necessary to pay any unpaid portion of the Casualty Value) and, if no Event of Default has occurred and is continuing, all excess insurance proceeds shall be paid to Lessee. If Lessee is at the time of the application of proceeds from insurance in default in the payment of any other liability of the Lessee to the Lessor hereunder and such default is continuing such proceeds shall be applied against such liability.

11.2. Duty of Lessee to Notify Lessor. In the event that any Unit shall be or become lost, stolen, destroyed, or, in the opinion of the Lessee, irreparably damaged during the Lease Term or thereafter while the Units are in the possession of the Lessee pursuant to Section 13 hereof, shall be requisitioned or taken over by any governmental authority under the power of eminent domain or otherwise during the Lease Term for an indefinite period which extends for more than 180 days or for a stated period which exceeds the then remaining Lease Term (any such occurrence being hereinafter called a "Casualty Occurrence"), the Lessee shall promptly and fully (after it has knowledge of such Casualty Occurrence) inform the Lessor and any assignee of the Lessor pursuant to Section 16 hereof (including, without limitation, the Note Purchaser) in regard thereto and shall pay the Casualty Value (as defined in Section 11.6 hereof) of the Units in accordance with the terms of Section 11.3 hereof.

11.3. Sum Payable for Casualty Loss. The Lessee, on the next succeeding rent payment date following its notice of a Casualty Occurrence with respect to any Unit, shall pay to the Lessor a sum equal to the Casualty Value of the Unit as of the date of such payment plus any rentals or other sums due prior to such date then remaining unpaid (other than the regular Rental installment due on such date).

11.4. Rent Termination. Upon (and not until) payment of all sums required to be paid pursuant to Section 11.3 hereof in respect of the Unit suffering a Casualty Occurrence, the obligation to pay rent for the Unit accruing subsequent to the payment of the Casualty Value shall terminate.

11.5. Disposition of Units. Upon payment of the applicable Casualty Value following a Casualty Occurrence, Lessor shall transfer to the Lessee all of its right, title and interest in and to the Units on an "as is-where is" basis and without recourse or warranty except for liens created by, through or under Lessor. Lessor further agrees to execute a bill of sale and such other documents as are reasonably necessary to accomplish the foregoing.

11.6. Casualty Value. The "Casualty Value" of the Unit suffering a Casualty Occurrence shall be an amount determined as of the date the Casualty Value is paid as provided in this Section 11 (and not the date of the Casualty Occurrence) equal to that percentage of the Equipment Cost of such Unit set forth in the Schedule of Casualty Value attached hereto as Schedule C opposite such date of payment.

11.7. Risk of Loss. The Lessee shall bear the risk of loss and, shall not be released from its obligations hereunder in the event of any Casualty Occurrence

to a Unit from and after the date hereof and continuing until payment of the Casualty Value and all rental installments and other sums due on and prior to the date of payment of such Casualty Value in respect of the Units has been made, and until such Unit or the salvage thereof and all risk of loss and liabilities incident to ownership have been transferred to the purchaser of the Unit or the salvage thereof.

SECTION 12. ANNUAL REPORTS.

12.1. Duty of Lessee to Furnish. On or before May 1, 1984 and each succeeding May 1 during the Lease Term, the Lessee will furnish or cause to be furnished to the Lessor and any assignee of the Lessor pursuant to Section 16 hereof (including, without limitation, the Note Purchaser) an accurate statement, as of the date of such statement showing the condition or repair of the Units, and (b) stating that the markings required by Section 4.2 hereof have been preserved or replaced.

12.2. Lessor's Inspection Rights. The Lessor and any assignee of the Lessor pursuant to Section 16 hereof (including, without limitation, the Note Purchaser) each shall have the right during normal business hours and upon reasonable notice at their respective sole cost and expense, by their respective authorized representative, to inspect the Units and the Lessee's records with respect thereto, at such time as shall be reasonably necessary to confirm thereto the existence and proper maintenance of the Units during the continuance of this Lease. In the event that the Units are subleased by Lessee pursuant to this Agreement, Lessee agrees that any such sublease will permit the Lessor and the Note Purchaser to inspect the Units at the location of the Sublessee.

12.3. License to Enter. Subject to the proviso hereto, Lessee hereby grants to Lessor and the Note Purchaser (or such persons as Lessor or the Note Purchaser shall designate) an irrevocable license (Lessee hereby warranting that such license is valid and enforceable) to enter any property owned or controlled by Lessee where a Unit is located (and to use its best efforts to obtain upon request by the Lessor or the Note Purchaser the right to enter any property not owned or controlled by Lessee) and to bring upon or across such land such trucks, cranes and other equipment-handling devices as such parties may deem necessary in connection with the exercise of Lessor's rights and remedies under this Lease; provided, however that neither Lessor nor the Note Purchaser shall be entitled to exercise such license unless an Event of Default has occurred and is continuing and this Lease or Lessee's rights of possession hereunder have been terminated or the Lease Term has expired and Lessee has failed or refused for any reason to surrender the Units pursuant to Section 13 or 15 hereof.

SECTION 13. RETURN OF UNITS UPON EXPIRATION OF TERM.

13.1. Return. Upon the expiration of the Lease Term, the Lessee will, at its own cost and expense, at the request of the Lessor, either: deliver possession of the Units to the Lessor at such storage area of the Lessee as the Lessor may designate, to any other reasonable location within a 150-mile radius of the city of Denver, Colorado, or to such other location as may be agreed by Lessee and Lessor; or in the absence of any designation of a storage location, in such location as the Lessee may select, and (in the event of storage at Lessee's facilities)

permit the Lessor to store the Units at such facility for a period not exceeding 60 days. At the end of such storage period or prior thereto at the request of the Lessor, the Lessee shall ready the Units for shipment. The costs of all such storage and shipping of the Units is to be at the risk and expense of the Lessee, and after expiration of such 60-day period or delivery of the Units to the site specified by Lessor, whichever occurs first, all such risk and expense shall be for the account of the Lessor, including any reasonable charges for storage by the Lessee. In no event, however, shall Lessee be required to store the Units for a further period greater than 90 days. During any such storage period the Lessee will permit the Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchase of the Units, to inspect the same; provided, however, that the Lessee shall not be liable, except in the case of negligence of the Lessee or of its employees or agents, for any injury to, or the death of, any person exercising, either on behalf of the Lessor or any prospective purchaser, the rights of inspection granted under this sentence. The gathering, delivery, storage and transporting of the Units as hereinbefore provided are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee to so gather, deliver, store and transport the Units. All amounts earned in respect of the Units after the date of expiration of this Lease, but not exceeding the rental, per diem, or other similar charge for equipment received therefor, shall belong to the Lessor and, if received by the Lessee, shall be promptly turned over to the Lessor. In the event the Units are not gathered, delivered and stored as hereinabove provided within 5 days after the expiration of this Lease, the Lessee shall, in addition, pay to the Lessor for each day thereafter an amount equal to the amount, if any, by which the higher of (a) an amount equal to the Lessor's Cost of the Units multiplied by the daily equivalent of the Fixed Rental rate, or (b) the Fair Rental Value (determined in the manner provided in Section 18 hereof) for the Units for each such day exceeds the amount, if any, received by the Lessor (either directly or from the Lessee) for such day for the Units pursuant to the preceding sentence.

13.2. Condition on Return. The Units returned to the Lessor pursuant to this Section 13 shall be in (i) working condition eligible for interchange; and (ii) the same operating order, repair and condition as when originally delivered to the Lessee, ordinary wear and tear excepted. The Lessee shall deliver to the Lessor all operating manuals applicable to the Units.

SECTION 14. DEFAULT.

14.1. Events of Default. Any of the following events shall constitute an Event of Default hereunder:

(a) Default shall be made in the payment of any part of any Fixed Rental, Casualty Value or Termination Value provided in Section 2, 11 or 18 hereof and such default shall continue for five business days:

(b) Default shall be made in the payment of any sum required to be paid to Lessor to compensate the Lessor for the Loss of Benefits pursuant to Section 6 hereof and such default shall continue for 30 days after written notice from the Lessor or any assignee of the rights of the Lessor hereunder pursuant to Section 16 hereof, to the Lessee, specifying the default and demanding the same be remedied.

(c) The Lessee shall make or permit any assignment or transfer of this Lease, or of possession of the Units, or any portion thereof not permitted by Section 17 of this Lease or Lessee shall permit the lapse of any insurance required to be maintained pursuant to Section 11.1;

(d) Default shall be made in the observance or performance of any other of the covenants, conditions and agreements on the part of the Lessee contained herein and such default shall continue for 30 days after written notice thereof from the Lessor or any assignee of the rights of the Lessor hereunder pursuant to Section 16 hereof to the Lessee, specifying the default and demanding the same be remedied; provided that the above 30-day notice period shall be increased to 90-days if the default is reasonably curable and the Lessee demonstrates to Lessor's reasonable satisfaction that the Lessee is diligently attempting to accomplish such a cure;

(e) Any representation or warranty (except the representations contained in Section 6(b)) made by the Lessee herein or in the Purchase Order Assignment or in any statement or certificate furnished to the Lessor or the Note Purchaser pursuant to or in connection with this Lease or the Purchase Order Assignment is untrue in any material respect as of the date of issuance or making thereof is material at the time in question and remains uncured;

(f) The Lessee becomes insolvent or fails generally to pay its debts as such debts become due, or causes or suffers an order for relief to be entered against it under applicable federal or state bankruptcy law, or makes a general assignment for the benefit of creditors or applies for or consents to the appointment of a custodian, trustee or receiver for the Lessee or the major part of its property;

(g) A custodian, trustee or receiver is appointed for the Lessee or for the major part of its property and is not discharged within 30 days after such appointment;

(h) Bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings for relief under any bankruptcy law or similar law for the relief of debtors, are instituted by or against the Lessee and, if instituted against the Lessee, are consented to or are not dismissed within 60 days after such institution; or

(i) Subject to the provisions of Section 20.1 hereof, an Event of Default under the Coal Purchase Contract shall have occurred and be continuing.

14.2. Remedies. If any Event of Default has occurred and is continuing, the Lessor or, in the event this Lease shall be assigned to an assignee pursuant to Section 16 hereof, such assignee, at its option, may:

(a) Proceed by appropriate court action or actions, either at law or in equity, to enforce performance by the Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof, including reasonable attorneys' fees; and/or

(b) By notice in writing to the Lessee, terminate this Lease, whereupon all right of the Lessee to the use of the Units shall absolutely cease and terminate as though this Lease had never been made, but the Lessee shall remain liable as hereinafter provided; and thereupon, the Lessor may upon not less than two days' prior written notice by its agents enter upon the premises of the Lessee or other premises where the Units may be located and take possession of the Units and thenceforth hold, possess and enjoy the same free from any right of the Lessee, or its successors or assigns, to use the Units for any purpose whatever, but the Lessor shall nevertheless have a right to recover from the Lessee any and all amounts which may have accrued to the date of such termination (computing the rental for any number of days less than a full rental period by a fraction of which the numerator is such number of days and the denominator is the total number of days in such full rental period) and also to recover forthwith from the Lessee (i) as damages for loss of the bargain and not as a penalty, whichever of the following amounts the Lessor, in its sole discretion, shall specify: (x) a sum which represents the excess of the present worth, at the time of such termination, of all rentals for the Units which would otherwise have accrued hereunder from the date of such termination to the end of the Lease Term over the then present worth of the then Fair Rental Value of the Units for the period beginning with the point in time when the Units could reasonably be re-leased by Lessor (such period to begin not less than 3 months after the date Lessor regains possession of the Units) and ending with the originally scheduled termination of the Lease Term, computed by discounting from the end of the Lease Term to the date of such termination, such present worth to be computed in each case on a basis of a per annum discount rate equal to the long term debt rate in effect at the time, compounded annually from the respective dates upon which rentals would have been payable hereunder had this Lease not been terminated, or (y) an amount equal to the excess if any of the Casualty Value of the Units as of the rental payment date on or immediately preceding the date of termination over the Fair Market Value thereof at such time; provided, however, that in the event the Lessor shall have sold the Units, the Lessor, in lieu of collecting any amounts payable to the Lessor by the Lessee pursuant to the preceding clauses (x) and (y) of this part (i) with respect thereto may, if it shall so elect, demand that the Lessee pay the Lessor and the Lessee shall pay to the Lessor, on the date of such sale, as liquidated damages for loss of a bargain and not as a penalty, an amount equal to the excess, if any, of the Casualty Value of the Units as of the rent payment date on or immediately preceding the date of termination over the net proceeds of such sale, and (ii) any damages and expenses, other than for a failure to pay rental, in addition thereto, including reasonable attorneys' fees, which the Lessor shall have sustained by reason of the breach of any covenant or covenants of this Lease other than for the payment of rental.

For purposes of Section 14.2 above, the Fair Rental Value and Fair Market Value for the Units shall be determined on the basis of, and shall be equal in amount to, the value which would obtain in an arm's-length transaction between an informed and willing lessee or buyer, as the case may be (other than a lessee or buyer, as the case may be, currently in possession) and an informed and willing lessor or seller, as the case may be, under no compulsion to lease or sell, as the case may be, as reasonably determined by the Lessor; provided that any sale in a commercially reasonable manner of the Units prior to any such determination shall conclusively establish the Fair Market Value of the Units and any rental in a

commercially reasonable manner of the Units prior to any such determination shall conclusively establish the Fair Rental Value of the Units.

14.3. Cumulative Remedies. The remedies in this Lease provided in favor of the Lessor shall not be deemed exclusive, but shall be cumulative and shall be in addition to all other remedies in its favor existing at law or in equity. The Lessee hereby waives any mandatory requirements of law, now or hereafter in effect, which might limit or modify any of the remedies herein provided, to the extent that such waiver is permitted by law. The Lessee hereby waives any and all existing or future claims of any right to assert any offset against the rent payments due hereunder, and agrees to make the rent payments regardless of any offset or claim which may be asserted by the Lessee on its behalf in connection with the lease of the Units.

14.4. Lessor's Failure to Exercise Rights. The failure of the Lessor to exercise the rights granted it hereunder upon any occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or recurrence of any such contingencies or similar contingencies.

14.5. Notice of Event of Default. The Lessee also agrees to furnish to the Lessor and the Note Purchaser, promptly upon any responsible officer becoming aware of any condition which constituted or constitutes an Event of Default under this Lease or which, after notice or lapse of time, or both, would constitute such an Event of Default, written notice specifying such condition and the nature and status thereof. For the purposes of this Section 14.5 a "responsible officer" shall mean, with respect to the subject matter of any covenant, agreement or obligation of the Lessee contained in this Lease, any corporate officer of the Lessee who, in the normal performance of his operational responsibilities, would have knowledge of such matter and the requirements of this Lease with respect thereto.

SECTION 15. RETURN OF UNITS UPON DEFAULT.

15.1. Lessee's Duty to Return. If the Lessor or any assignee of the Lessor pursuant to Section 16 hereof shall terminate this Lease pursuant to Section 14 hereof, the Lessee shall forthwith deliver possession of the Units to the Lessor. The Units shall be in working condition and in the condition required by Section 13 hereof. For the purposes of delivering possession of the Units to the Lessor as above required, the Lessee shall at its own cost, expense and risk (except as hereinafter stated):

(a) Forthwith place the Units in such reasonable storage place within the continental United States as the Lessor may designate or, in the absence of such designation, as the Lessee may select; and

(b) Provide storage at the risk of the Lessee at such storage place without charge for insurance, rent or storage for a period ending 365 days following return of the Units to Lessor and during such period of storage the Lessee shall continue to maintain all insurance required by Section 11.1 hereof;

All amounts earned in respect of the Units after the date of termination of this Lease shall belong to the Lessor or in the event this Lease has been assigned

pursuant to Section 16 hereof, to such assignee, and, if received by the Lessee, shall be promptly turned over to the Lessor, or in the case of such assignment, to such assignee.

15.2. Specific Performance. The gathering, delivery, storage and transporting of the Units as hereinbefore provided are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises, the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to gather, deliver, store and transport the Units.

15.3. Lessor Appointed Lessee's Special Agent. Without in any way limiting the obligation of the Lessee under the foregoing provisions of this Section 15, the Lessee hereby irrevocably appoints the Lessor as the special agent and attorney of the Lessee, with full power and authority, at any time while the Lessee is obligated to deliver possession of the Units to the Lessor, to demand and take possession of the Units in the name and on behalf of the Lessee from whosoever shall be at the time in possession of the Units provided that the Lessee shall have received two days' prior written notice of any such demand and retaking.

SECTION 16. ASSIGNMENTS BY LESSOR.

This Lease and all rent and all other sums due or to become due hereunder may be assigned in whole or in part by the Lessor in accordance with the Participation Agreement. Lessee hereby agrees and consents to the Lessor's assignment of certain of its rights hereunder to the Note Purchaser pursuant to the Security Agreement and to all successors in interest to the Note Purchaser. Upon any such assignment, the rent and other sums payable by the Lessee which are the subject matter of the assignment shall be paid to or upon the written order of the assignee. To expedite Lessor's ability to enter into such assignment, the Lessee agrees to deliver to the Lessor and such assignee an opinion of its counsel as to such matters as may be reasonably requested by Lessor and to provide officers certificates, insurance certificates, and other documents customarily provided by lessees in conjunction with leveraged leases. Without limiting the foregoing, the Lessee further acknowledges and agrees that (a) the rights of any such assignee in and to the sums payable by the Lessee under any provision of this Lease shall not be subject to any abatement whatsoever and shall not be subject to any defense, setoff, counterclaim or recoupment whatsoever whether by reason of failure of or defect in the Lessor's title, or any interruption from whatsoever cause in the use, operation or possession of the Units or any part thereof, or any damage to or loss or destruction of the Units or any part thereof, or by reason of any other indebtedness or liability, howsoever and whenever arising, of the Lessor to the Lessee or to any other person, firm or corporation or to any governmental authority or for any cause whatsoever, it being the intent hereof that, except in the event of a wrongful act on the part of such assignee, the Lessee shall be unconditionally and absolutely obligated to pay such assignee all of the rents and other sums which are the subject matter of the assignment, (b) said assignee shall, if an Event of Default, or any event which with the lapse of time or the giving of notice, or both, would constitute such an Event of Default, shall have occurred and be continuing, have the sole right to exercise all rights, privileges and remedies (either in its own name or in the name of the Lessor for the use and benefit of said assignee) which by the terms of this Lease are permitted or provided to be exercised by the Lessor (except those rights, privileges and

remedies relating to amounts payable to the Lessor pursuant to Sections 6, 10.2, 11.1 (with respect to public liability insurance) and 20.2 hereof which shall remain enforceable by the Lessor, but if no Event of Default or event which with the lapse of time or giving of notice, or both, would constitute an Event of Default, shall have occurred and be continuing, said assignee or the Lessor may each exercise their respective rights, privileges and remedies stated in this Lease to be provided for their respective benefits, and (c) except in cases where the Lessor assigns all of its right, title and interest in the Units and the Lease in accordance with the terms hereof, all obligations of the Lessor to the Lessee under this Lease shall be and remain enforceable by the Lessee against, and only against, the Lessor.

It is understood and agreed that the right, title and interest of any such assignee in, to and under this Lease and the rents and other sums due and to become due hereunder shall by the express terms granting and conveying the same be subject to the rights of the Lessee under this Lease to the Units.

SECTION 17. ASSIGNMENTS BY LESSEE; USE AND POSSESSION.

17.1. Lessee's Rights to the Units. So long as no Event of Default shall have occurred and be continuing, the Lessee shall be entitled to the possession and use of the Units in accordance with the terms of this Lease, but, without the prior written consent of the Lessor, the Lessee shall not assign, transfer or encumber its leasehold interest under this Lease in the Units except to the extent permitted by Section 17.2 hereof. The Lessee also shall not, without the prior written consent of the Lessor, part with the possession or control of, or suffer or allow to pass out of its possession or control, the Units, except to the extent permitted by Section 17.2 hereof.

17.2. Use and Possession by Lessee. The Lessee agrees that the Units will be used solely within the continental limits of the United States of America; the Lessee agrees that it will not assign this Lease or any of its rights hereunder or sublease all or any Unit of the Equipment to any party other than a company which owns, which is owned by or which is commonly owned with Lessee, to the extent of fifty percent (50%) or more of its voting rights (an "Affiliate") except upon obtaining the prior written consent of the Lessor and the Note Purchaser, which consent will not be unreasonably withheld. Any assignment or sublease to an Affiliate of Lessee may be made upon written notice to Lessor and the Note Purchaser executed by Lessee and the assignee or sublessee, to the effect that: (i) this Lease has been assigned/subleased to an Affiliate of Lessee; (ii) said Affiliate assumes all of the Lessee's obligations pursuant to this Lease; and (iii) the act of said assignment/sublease does not release Lessee from its obligations under this Lease.

SECTION 18. RIGHT OF PURCHASE OPTION; RENEWAL OPTIONS; EARLY TERMINATION.

18.1. Purchase Option. So long as no Event of Default or any event which with the lapse of time or the giving of notice, or both, would constitute such an Event of Default shall have occurred and be continuing, the Lessee shall have the option upon the termination of this Lease upon not more than 360 days and not less than 180 days' prior written notice to the Lessor prior to such termination to

purchase the Units by paying to the Lessor in immediately available funds the Fair Market Value (as hereinafter defined) thereof (provided, that in determining such Value, the Units shall be deemed to be in the condition in which it is required to be returned pursuant to Section 13 hereof and to be free and clear of all liens, claims and encumbrances). The Lessee shall be solely responsible for any sales or other taxes or charges applicable to the transfer. The Lessor shall transfer to the Lessee, all of its right, title and interest in and to the equipment on an "as-is, where-is" basis and without recourse or warranty except for the absence of liens created by or through the Lessor. Lessor further agrees to execute a bill of sale and such other documents as are reasonably necessary to accomplish the foregoing.

18.2. Renewal Options. Provided that no Event of Default, or any event which with the lapse of time or the giving of notice, or both, would constitute such an Event of Default, shall have occurred and be continuing, the Lessee shall have upon not more than 360 or less than 180 days' prior written notice to the Lessor given prior to the expiration of this Lease (or any renewal hereof) the following renewal options:

(a) The Lessee shall have the option to renew and extend this Lease for such additional term of one or more years subject to the terms and conditions herein contained for the original Lease Term; provided that the Fixed Rental payable for and during any such renewal term shall be an amount equal to the lesser of: (i) one-half (1/2) the Fixed Rental for the same period which was applicable at the end of the original Lease Term; or (ii) the Fair Rental Value (as hereinafter defined) of the Units;

(b) The Casualty Value payable for and during any renewal term under this Section in respect of any Casualty Occurrence during such term shall be determined by the agreement of the Lessor and Lessee;

provided that for renewals governed by clause a(i) of this Section 18.2: (i) the aggregate term of this Lease (including all renewal terms) shall not exceed eighty percent (80%) of the useful life of the Units; and (ii) at the time of entering into any renewal of the Lease the residual value of the Units upon expiration of such renewal period will be, in the reasonable estimate of the Lessor, equal to at least 20% of the Equipment Cost thereof.

18.3. Fair Market and Fair Rental Value. The Fair Rental Value or Fair Market Value, as the case may be, of the Units shall be determined on the basis of, and shall be equal in amount to, the value which would obtain in an arm's-length transaction between an informed and willing lessee or buyer, as the case may be (other than a lessee or buyer, as the case may be, currently in possession) and an informed and willing lessor or seller, as the case may be, under no compulsion to lease or sell, as the case may be. If on or before 150 days prior to expiration of the Lease Term, the Lessor and the Lessee are unable to agree upon a determination of the Fair Rental Value or the Fair Market Value of the Units, such value shall be determined by a qualified independent appraiser satisfactory to the Lessee and the Lessor. Such appraiser shall be instructed to make determination of the Fair Market Value or the Fair Rental Value within a period of 30 days following appointment, and shall promptly communicate such determination in writing to the Lessor and the Lessee who shall be bound by such determination. The expenses and fees of the appraiser shall be borne equally by the Lessee and the Lessor.

18.4. Delivery of Units. Unless the Lessee has elected to purchase the Units then leased hereunder as provided in Section 18.1 or to renew this Lease as provided in this Section 18.2, all of the Units shall be returned to the Lessor at the end of the original Lease Term, or the then current renewal term, as the case may be, in accordance with Section 13 hereof.

18.5. Early Termination Option.

(a) The Lessee may, at its option exercised at any time on or after July 1, 1988, on at least 180 days prior written notice to the Lessor, terminate this Lease on any rent payment date thereafter with respect to all Units then leased hereunder. Such termination shall be effective on the first rent payment date following such 180-day period (the "Termination Date"). During the period from the giving of such notice until the Termination Date, the Lessee, as agent for the Lessor, shall use its best efforts to obtain bids for the purchase of such Units. The Lessee shall certify to the Lessor in writing the amount of each bid received by the Lessee and the name and address of the party submitting such bid. The Lessee may utilize agents for purposes of fulfilling such bid-related obligations. On the Termination Date, the Lessor shall sell such Units without recourse or warranty, for cash, to whosoever shall have submitted the highest bid prior to such date, and thereupon the Lessee shall deliver such Units so sold to the Lessor in accordance with the provisions of Section 13 of this Lease.

(b) The total sale price realized at any such sale shall be retained by the Lessor, and, in addition, the Lessee shall pay to the Lessor the amount, if any, by which the Termination Value set forth in Schedule D for the Units (the "Termination Value") exceeds the proceeds of such sale, if any, less all expenses incurred by the Lessor in selling the Units. In the event no such sale takes place, the Lessee shall pay to the Lessor the Termination Value of the Units. The obligation of the Lessee to pay Fixed Rental with respect to the Units shall continue undiminished until payment of the sale proceeds and all or any portion of the Termination Value, if any, payable hereunder to the Lessor. The Termination Values include compensation to the Lessor for all regular Rental payments accruing through the Termination Date. Upon the payment of all amounts required to be paid by the Lessee pursuant to this paragraph (b), the obligation of the Lessee for all subsequent Fixed Rental Payments with respect to Units due and payable after, but not before, the Termination Date shall cease.

(c) The Termination Value for any Item of Equipment shall be the percentage of Equipment Cost of the Units set forth opposite the applicable Basic Rent Date as set forth in Schedule D.

(d) Notwithstanding any other provision of this Section 18.5, at any time following notice by Lessee of the Early Termination, up to and including the Termination Date, Lessor, by written notice to Lessee, may elect to terminate this Lease on the Termination Date rather than sell the Units. In the event of such an Early Termination, Lessee shall return the Units pursuant to Section 13.

SECTION 19. INTEREST ON OVERDUE RENTALS AND AMOUNTS PAID BY LESSOR.

Anything to the contrary herein contained notwithstanding any nonpayment of rent due hereunder, or amounts expended by the Lessor on behalf of the Lessee, shall result in the additional obligation on the part of the Lessee to pay also an amount calculated on the basis of two percentage points above the rate at such time in effect for overdue payments under the Note (or the lawful rate, whichever is less) on the overdue rentals and amounts expended for the period of time during which they are overdue or expended and not repaid.

SECTION 20. COLLATERAL ASSIGNMENT BY LESSEE OF CERTAIN CONTRACTS, AGREEMENTS AND LEASES.

20.1. Assignment. As collateral security for the payment of any and all Rental and other obligations and liabilities of the Lessee due hereunder, the Lessee does hereby grant a security interest in and assigns to the Lessor all of its right, title and interest under and pursuant to the Coal Purchase Contract to the extent the Coal Purchase Contract requires payments thereunder to the Lessee with respect to the Lessee's lease of the Units and its corresponding obligation to pay Rental and other sums due hereunder, and to pay any damages resulting from an Event of Default hereunder and the proceeds of all of the foregoing. In the event of nonpayment of any part of such amounts the party to which Fixed Rentals are then payable pursuant to Section 2.4 hereof (the "Rental Payee") shall collect and receive all such sums and moneys paid under the Coal Purchase Contract and apply the same to the payment of the Lessee's obligations hereunder; provided, however, that if an Event of Default shall occur hereunder pursuant to Section 14.1(i) hereof, prior to taking any action hereunder against the Lessee or against Sunflower under the Coal Purchase Contract the Lessor will, so long as no other Event of Default has occurred and is continuing hereunder, consult with the Lessee regarding the course of action which the Lessor proposes to pursue, and if within 60 days following the occurrence of such Event of Default the Lessee is able to and does provide such additional collateral security as the Lessor and the Note Purchaser in their sole judgment deem satisfactory, then such Event of Default shall be deemed cured and the Lessee may take such action against the Board as it shall deem appropriate.

20.2. Amendment or Waiver of Assignment Contracts. The Lessee may consent to the amendment or termination of any contract, agreement or lease assigned pursuant to Section 20.1 hereof, or waive any of its rights thereunder, only with the prior written consent of the Lessor and the Note Purchaser; provided that such consent shall not be required for amendments to the Coal Purchase Contract if such amendments do not affect Sunflower's obligations to pay "Fixed Cost Obligations" (as defined in the Coal Purchase Contract) relating to this Lease.

20.3. Further Assignment. The Lessee acknowledges and agrees that (i) certain rights and interests of the Lessor pursuant to this Section 20 may be assigned by the Lessor to any assignee in accordance with Section 16 hereof, and (ii) the assignment provided for in this Section 20 shall not in any way obligate the Lessor or any of its successor or assigns to perform or satisfy any of the obligations or liabilities of the Lessee under any of the assigned contracts, agreements or leases.

20.4. Power of Attorney. Subject to the limitations contained in this Section 20, the Lessee irrevocably constitutes and appoints the Lessor its true and lawful attorney with full power or substitution for it in its name and stead to ask, demand, collect, receive, receipt for, sue for, compound and give acquittance for any and all sums or properties which may be or become due, payable or distributable to and in respect of the interests assigned under this Section 20, with full power to settle, adjust or compromise any claim thereof or therefor as fully as the Lessee could itself do and to endorse the name of the Lessee on all commercial paper given in payment or part payment of and all documents of satisfaction, discharge or receipt required or requested in connection therewith and in its discretion, to file any claim, or take any other action or proceeding, either in its name or name of the Lessee or otherwise, which the Lessor may deem necessary or appropriate to protect and preserve the right, title and interest of the Lessor in and to the interests assigned under this Section 20 and the security intended to be afforded hereby. The power of attorney granted in this Section 20.4 is power coupled with an interest and will survive an Event of Default under this Lease.

20.5. Rights under Uniform Commercial Code. Upon the occurrence of any Event of Default under this Lease, the Lessor shall, in addition to all other rights and remedies provided for herein, have in connection with the assignment provided for in this Section 20, all the rights of a secured party under the Uniform Commercial Code of California (regardless of whether such Code is the law of the jurisdiction where the rights or remedies are asserted).

20.6. Further Assurance. Without limiting the foregoing, the Lessee hereby further covenants that it will, upon the written request of the Lessor execute and deliver such further instruments and do and perform such other acts and things as the Lessor or its assigns may deem necessary or appropriate effectively to invest in and secure to the Lessor and its assigns the interests assigned pursuant to this Section 20 or other rights or interests due or hereafter to become due.

20.7. Application of Moneys. All distributions and payments to the Lessor shall be applied by the Lessor to the payment and reduction of the obligations and liabilities of the Lessee under this Lease and in accordance with the terms and provisions of the Security Agreement.

20.8. Duration. The satisfaction or discharge of any part of the obligations or liabilities of the Lessee under this Lease shall not in any way satisfy or discharge the assignment provided for in this Section 20, but such assignment shall remain in full force and effect until all of the obligations or liabilities of the Lessee hereunder have been paid and performed in full.

SECTION 21. MISCELLANEOUS.

21.1. Notices. Any notice required or permitted to be given by either party hereto to the other shall be deemed to have been duly given when delivered personally or otherwise actually received, addressed as follows:

If to the Lessor:	Steiner Financial Corporation Steuart Street Tower One Market Plaza, Suite 2400 San Francisco, California Attention: President
If to the Note Purchaser:	National Cooperative Service Corporation 1115 30th Street, N.W. Washington, D.C. 20007 Attention: Vice President
If to the Lessee:	Western Fuels Association, Inc. 700 Jefferson Building 1225 19th Street, N.W. Washington, D.C. 20036 Attention: General Manager

or addressed to any such party at such other address as such party shall hereafter furnish to such other parties in writing.

21.2. Right of Lessor to Perform. If the Lessee shall fail to comply with any of its covenants herein contained, either the Lessor or, in the case of an assignment by the Lessor pursuant to Section 16 hereof, the assignee thereunder (including, without limitation, the Note Purchaser) may, but shall not be obligated to, make advances to perform the same and to take all such action as may be necessary to obtain such performance; provided, however, that the Lessee shall be given 30 days' prior notice before any such action is taken unless the Lessor or the Note Purchaser shall reasonably determine that the Lessor's title to the Units or the Note Purchaser's security interest in the Units will be adversely affected thereby. Any payment so made by any such party and all cost and expense (including, without limitation, reasonable attorneys' fees and expenses) incurred in connection therewith shall be payable by the Lessee to the party making the same upon demand as additional rent hereunder, with interest at the rate at such time in effect for overdue payments under the Note (or the lawful rate, whichever is less).

21.3. Execution in Counterparts. This Lease, and any amendment hereto, may be executed in counterparts of which one copy will be marked "Lessor's Copy," each of which so executed shall be deemed to be an original and in each case such counterparts shall constitute but one and the same instrument. However, only the counterpart marked "Lessor's Copy" shall constitute "Chattel Paper" for purposes of the Uniform Commercial Code.

21.4. Law Governing. This Lease shall be construed in accordance with the laws of the State of California; provided, however, that the parties shall be entitled to all rights conferred by any applicable Federal statute, rule or regulation.

21.5. Headings and Table of Contents. All Section headings and the Table of Contents are inserted for convenience only and shall not affect any construction or interpretation of this Lease.

21.6. Severability. Any provision of this Lease which is prohibited or unenforceable in any jurisdiction shall be as to such jurisdiction 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 provisions in any other jurisdiction.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed by their respective officers thereunder duly authorized and the corporate seals to be hereto affixed as of the day and year first above written.

STEINER FINANCIAL CORPORATION

By _____

Its Vice President

LESSOR

WESTERN FUELS ASSOCIATION, INC.

By _____

Its Manager of Finance & Administration

LESSEE

DESCRIPTION OF EQUIPMENT

First Delivery Date Equipment:

Eighty-four 4,000 cubic foot flat bottom gondola cars, 100-ton nominal capacity, for rotary dumping, bearing numbers WFAX 83510 to WFAX 83593 (inclusive).

Second Delivery Date Equipment:

Thirty-one 4,000 cubic foot flat bottom gondola cars, 100-ton nominal capacity, for rotary dumping, bearing numbers WFAX 83594 to WFAX 83624 (inclusive).

CERTIFICATE OF ACCEPTANCE
UNDER EQUIPMENT LEASE

TO: Steiner Financial Corporation

I, a duly appointed and authorized representative of Western Fuels Association, Inc. (the "Lessee") under the Equipment Lease dated as of June 30, 1983 (the "Lease") between Steiner Financial Corporation (the "Lessor") and the Lessee, do hereby certify that I have inspected, received, approved and accepted delivery under the Lease of the following Unit(s) of Equipment:

TYPE OF EQUIPMENT:	4,000 cubic foot flat bottom gondola cars 100-ton nominal capacity for rotary dumping
PLACE ACCEPTED:	Covington, Kentucky
DATE ACCEPTED:	
NUMBER OF UNITS:	
DESCRIPTION AND IDENTIFYING NUMBER:	WFAX _____ to WFAX _____ (inclusive)

I do further certify that the foregoing Equipment is in good order and condition, and appears to conform to the specifications applicable thereto, that the Lessee has no knowledge of any defect in the Equipment with respect to design, manufacture, condition or in any other respect, and that the Equipment has been labeled by means of a plate or stencil printed in contrasting colors upon each side of the Equipment in letters not less than one inch in height as follows:

> "Leased from Steiner Financial Corporation, as Owner, and Subject to a Security Interest Recorded with the Interstate Commerce Commission."

The execution of this Certificate will in no way relieve or decrease the responsibility of the Manufacturer for any warranties it has made with respect to the Equipment.

Dated: _____, 19____

_____
Inspector and Authorized
Representative of the Lessee

SCHEDULE B
(to Equipment Lease)

SCHEDULE OF CASUALTY VALUE
FOR FIRST DELIVERY DATE EQUIPMENT

The Casualty Value for the Units payable on the Term Lease Commencement Date or any Fixed Rental payment date thereafter shall mean an amount equal to the percentage of the Equipment Cost of the Units set forth opposite such date in the attached schedule.

SCHEDULE C
(to Equipment Lease)

SCHEDULE OF CASUALTY VALUE
FOR SECOND DELIVERY DATE EQUIPMENT

The Casualty Value for the Units payable on the Term Lease Commencement Date or any Fixed Rental payment date thereafter shall mean an amount equal to the percentage of the Equipment Cost of the Units set forth opposite such date in the attached schedule.

SCHEDULE OF TERMINATION VALUE
FOR FIRST DELIVERY DATE EQUIPMENT

The Termination Value for the Units payable on the Term Lease Commencement Date or any Fixed Rental payment date thereafter shall mean an amount equal to the percentage of the Equipment Cost of the Units set forth opposite such date in the attached schedule.

SCHEDULE OF TERMINATION VALUE
FOR SECOND DELIVERY DATE EQUIPMENT

The Termination Value for the Units payable on the Term Lease Commencement Date or any Fixed Rental payment date thereafter shall mean an amount equal to the percentage of the Equipment Cost of the Units set forth opposite such date in the attached schedule.

JUNE DELIVERY

FIS YR/ ADVANCE	REQUIRED PAYMENT (INCLUDES RENT) CASUALTY	TERMINATION
1984		
1/84	109.4027	
2/84	105.5519	
3/84	106.1870	
4/84	106.7653	
5/84	107.3516	
6/84	107.9461	
1985		
7/84	108.4832	
8/84	106.0258	
9/84	106.5779	
10/84	107.1377	
11/84	107.6414	
12/84	108.1520	
1/85	108.6058	
2/85	109.0659	
3/85	109.5324	
4/85	109.9415	
5/85	110.3563	
6/85	110.7769	
1986		
7/85	111.1393	
8/85	108.5049	
9/85	108.8776	
10/85	109.2555	
11/85	109.5750	
12/85	109.8989	
1/86	110.1636	
2/86	110.4321	
3/86	110.7043	
4/86	110.9166	
5/86	111.1320	
6/86	111.3503	
1987		
7/86	111.5081	
8/86	108.6661	
9/86	108.8264	
10/86	108.9930	
11/86	109.0965	
12/86	109.2014	
1/87	109.2444	
2/87	109.2881	
3/87	109.3325	
4/87	109.3141	
5/87	109.2955	
6/87	109.2768	
1988		
7/87	109.2213	
8/87	106.1633	
9/87	106.1065	
10/87	106.0492	
11/87	105.9913	
12/87	105.9329	
1/88	105.8737	
2/88	105.8140	
3/88	105.7536	
4/88	105.6927	
5/88	105.6310	
6/88	105.5688	
1989		
7/88	105.5058	
8/88	102.4403	
9/88	102.3761	
10/88	102.3111	
11/88	102.2455	
12/88	102.1792	
1/89	102.1123	107.1123
2/89	102.0446	107.0446
3/89	101.9761	106.9761
4/89	101.9070	106.9070
5/89	101.8372	106.8372
6/89	101.7666	106.7666
1990		
7/89	101.6952	106.6952
8/89	101.6231	106.6231
9/89	101.5503	106.5503
10/89	101.4766	106.4766
11/89	101.4022	106.4022
12/89	101.3270	106.3270
1/90	101.2510	106.2510
2/90	101.1742	106.1742
3/90	101.0966	106.0966
4/90	101.0182	106.0182
5/90	100.9390	105.9390
6/90	100.8589	105.8589
1991		
7/90	100.7794	105.7794
8/90	100.6990	105.6990
9/90	100.6177	105.6177
10/90	100.5355	105.5355
11/90	100.4536	105.4536
12/90	100.3748	105.3748
1/91	100.2963	105.2963
2/91	100.2173	105.2173
3/91	100.1372	105.1372
4/91	100.0595	105.0595
5/91	99.9809	104.9809
6/91	99.9015	104.9015
1992		
7/91	99.8245	104.8245
8/91	99.7467	104.7467
9/91	99.6680	104.6680
10/91	99.5884	104.5884
11/91	99.5127	104.5127
12/91	99.4362	104.4362
1/92	99.3636	104.3636
2/92	99.2902	104.2902
3/92	99.2161	104.2161
4/92	99.1459	104.1459
5/92	99.0749	104.0749
6/92	98.8559	103.8559

1993		
7/92	98.6371	103.6371
8/92	98.4136	103.4136
9/92	98.1855	103.1855
10/92	97.9526	102.9526
11/92	97.7250	102.7250
12/92	97.4926	102.4926
1/93	97.2655	102.2655
2/93	97.0336	102.0336
3/93	96.7970	101.7970
4/93	96.5655	101.5655
5/93	96.3293	101.3293
6/93	96.0883	101.0883
1994		
7/93	95.8524	100.8524
8/93	95.6116	100.6116
9/93	95.3661	100.3661
10/93	95.1156	100.1156
11/93	94.8707	99.8707
12/93	94.6209	99.6209
1/94	94.3767	99.3767
2/94	94.1277	99.1277
3/94	93.8736	98.8736
4/94	93.6252	98.6252
5/94	93.3719	98.3719
6/94	93.1135	98.1135
1995		
7/94	92.8607	97.8607
8/94	92.6029	97.6029
9/94	92.3400	97.3400
10/94	92.0720	97.0720
11/94	91.8101	96.8101
12/94	91.5432	96.5432
1/95	91.2824	96.2824
2/95	91.0165	96.0165
3/95	90.7455	95.7455
4/95	90.4806	95.4806
5/95	90.2106	95.2106
6/95	89.9354	94.9354

1996		
7/95	89.6663	94.6663
8/95	89.3920	94.3920
9/95	89.1122	94.1122
10/95	88.8271	93.8271
11/95	88.5466	93.5466
12/95	88.2647	93.2647
1/96	87.9875	92.9875
2/96	87.7050	92.7050
3/96	87.4170	92.4170
4/96	87.1356	92.1356
5/96	86.8489	91.8489
6/96	86.5567	91.5567
1997		
7/96	86.2710	91.2710
8/96	85.9798	90.9798
9/96	85.6829	90.6829
10/96	85.3802	90.3802
11/96	85.0846	90.0846
12/96	84.7834	89.7834
1/97	84.4893	89.4893
2/97	84.1895	89.1895
3/97	83.8839	88.8839
4/97	83.5855	88.5855
5/97	83.2813	88.2813
6/97	82.9713	87.9713
1998		
7/97	82.6684	87.6684
8/97	82.3596	87.3596
9/97	82.0447	87.0447
10/97	81.7236	86.7236
11/97	81.4103	86.4103
12/97	81.0909	86.0909
1/98	80.7791	85.7791
2/98	80.4614	85.4614
3/98	80.1375	85.1375
4/98	79.8213	84.8213
5/98	79.4989	84.4989
6/98	79.1704	84.1704

1999		
7/98	78.8495	83.8495
8/98	78.5223	83.5223
9/98	78.1887	83.1887
10/98	77.8485	82.8485
11/98	77.5167	82.5167
12/98	77.1783	82.1783
1/99	76.8483	81.8483
2/99	76.5118	81.5118
3/99	76.1689	81.1689
4/99	75.8342	80.8342
5/99	75.4930	80.4930
6/99	75.1452	80.1452
2000		
7/99	74.8057	79.8057
8/99	74.4594	79.4594
9/99	74.1063	79.1063
10/99	73.7463	78.7463
11/99	73.3952	78.3952
12/99	73.0373	78.0373
1/00	72.6883	77.6883
2/00	72.3325	77.3325
3/00	71.9697	76.9697
4/00	71.6159	76.6159
5/00	71.2552	76.2552
6/00	70.8875	75.8875
2001		
7/00	70.5287	75.5287
8/00	70.1627	75.1627
9/00	69.7896	74.7896
10/00	69.4090	74.4090
11/00	69.0381	74.0381
12/00	68.6599	73.6599
1/01	68.2914	73.2914
2/01	67.9156	72.9156
3/01	67.5324	72.5324
4/01	67.1589	72.1589
5/01	66.7781	71.7781
6/01	66.3899	71.3899

2002		
7/01	66.0113	66.0113
8/01	65.6251	65.6251
9/01	65.2312	65.2312
10/01	64.8295	64.8295
11/01	64.4382	64.4382
12/01	64.0392	64.0392
1/02	63.6506	63.6506
2/02	63.2544	63.2544
3/02	62.8503	62.8503
4/02	62.4566	62.4566
5/02	62.0552	62.0552
6/02	61.6460	61.6460
2003		
7/02	61.2471	61.2471
8/02	60.8402	60.8402
9/02	60.4252	60.4252
10/02	60.0019	60.0019
11/02	59.5898	59.5898
12/02	59.1695	59.1695
1/03	58.7605	58.7605
2/03	58.3434	58.3434
3/03	57.9180	57.9180
4/03	57.5038	57.5038
5/03	57.0815	57.0815
6/03	56.6509	56.6509
2004		
7/03	56.2314	56.2314
8/03	55.8034	55.8034
9/03	55.3669	55.3669
10/03	54.9217	54.9217
11/03	54.4885	54.4885
12/03	54.0467	54.0467
1/04	53.6170	53.6170
2/04	53.1788	53.1788
3/04	52.7318	52.7318
4/04	52.2970	52.2970
5/04	51.8535	51.8535
6/04	51.4013	51.4013

2005		
7/04	50.9612	50.9612
8/04	50.5120	50.5120
9/04	50.0539	50.0539
10/04	49.5865	49.5865
11/04	49.1322	49.1322
12/04	48.6687	48.6687
1/05	48.2184	48.2184
2/05	47.7590	47.7590
3/05	47.2904	47.2904
4/05	46.8349	46.8349
5/05	46.3704	46.3704
6/05	45.8966	45.8966
2006		
7/05	45.4358	45.4358
8/05	44.9656	44.9656
9/05	44.4859	44.4859
10/05	43.9965	43.9965
11/05	43.5211	43.5211
12/05	43.0362	43.0362
1/06	42.5654	42.5654
2/06	42.0851	42.0851
3/06	41.5951	41.5951
4/06	41.1193	41.1193
5/06	40.6340	40.6340
6/06	40.1389	40.1389
2007		
7/06	39.6579	39.6579
8/06	39.1670	39.1670
9/06	38.6661	38.6661
10/06	38.1549	38.1549
11/06	37.6590	37.6590
12/06	37.1530	37.1530
1/07	36.6624	36.6624
2/07	36.1617	36.1617
3/07	35.6509	35.6509
4/07	35.1554	35.1554
5/07	34.6498	34.6498
6/07	34.1341	34.1341

2008		
7/07	33.6337	33.6337
8/07	33.1255	33.1255
9/07	32.6096	32.6096
10/07	32.0857	32.0857
11/07	31.5818	31.5818
12/07	31.0701	31.0701
1/08	30.5785	30.5785
2/08	30.0795	30.0795
3/08	29.5728	29.5728
4/08	29.0864	29.0864
5/08	28.5926	28.5926
6/08	28.0913	28.0913
2009		
7/08	27.6103	27.6103
8/08	27.1239	27.1239
9/08	26.6320	26.6320
10/08	26.1345	26.1345
11/08	25.7899	25.7284
12/08	25.7899	25.3179

JULY DELIVERY

FIS YR/ PAYMENT ADVANCE	REQUIRED PAYMENT (INCLUDES RENT) CASUALTY	TERMINATION
1984		
1/84	110.1865	
2/84	106.9753	
3/84	107.8650	
4/84	108.6486	
5/84	109.4438	
6/84	110.2509	
1985		
7/84	110.[illegible]	
8/84	111.[illegible]	
9/84	109.[illegible]	
10/84	110.1110	
11/84	110.7[illegible]	
12/84	111.4614	
1/85	112.0[illegible]	
2/85	112.7070	
3/85	113.3438	
4/85	113.9179	
5/85	114.5006	
6/85	115.0920	
1986		
7/85	115.6202	
8/85	116.1562	
9/85	113.6983	
10/85	114.2504	
11/85	114.7422	
12/85	115.2414	
1/86	115.6794	
2/86	116.1240	
3/86	116.5753	
4/86	116.9648	
5/86	117.3601	
6/86	117.7613	
1987		
7/86	118.1001	
8/86	118.4439	
9/86	115.7909	
10/86	116.1452	
11/86	116.4364	
12/86	116.7321	
1/87	116.9638	
2/87	117.1991	
3/87	117.4380	
4/87	117.6122	
5/87	117.7890	
6/87	117.9686	
1988		
7/87	118.0826	
8/87	118.1985	
9/87	115.3142	
10/87	115.4337	
11/87	115.4570	
12/87	115.5413	
1/88	115.5283	
2/88	115.5153	
3/88	115.5022	
4/88	115.4593	
5/88	115.4160	
6/88	115.3722	
1989		
7/88	115.3279	
8/88	115.2831	
9/88	112.2358	
10/88	112.1900	
11/88	112.1437	
12/88	112.0969	
1/89	112.0496	117.0496
2/89	112.0017	117.0017
3/89	111.9533	116.9533
4/89	111.9044	116.9044
5/89	111.8550	116.8550
6/89	111.8050	116.8050
1990		
7/89	111.7544	116.7544
8/89	111.7033	116.7033
9/89	111.6517	116.6517
10/89	111.5994	116.5994
11/89	111.5466	116.5466
12/89	111.4932	116.4932
1/90	111.4392	116.4392
2/90	111.3846	116.3846
3/90	111.3294	116.3294
4/90	111.2736	116.2736
5/90	111.2172	116.2172
6/90	111.1601	116.1601
1991		
7/90	111.1025	116.1025
8/90	111.0442	116.0442
9/90	110.9852	115.9852
10/90	110.9256	115.9256
11/90	110.8653	115.8653
12/90	110.8044	115.8044
1/91	110.7428	115.7428
2/91	110.6805	115.6805
3/91	110.6176	115.6176
4/91	110.5539	115.5539
5/91	110.4895	115.4895
6/91	110.4245	115.4245
1992		
7/91	110.3587	115.3587
8/91	110.2922	115.2922
9/91	110.2249	115.2249
10/91	110.1569	115.1569
11/91	110.0882	115.0882
12/91	110.0187	115.0187
1/92	109.9484	114.9484
2/92	109.8773	114.8773
3/92	109.8055	114.8055
4/92	109.7329	114.7329
5/92	109.6594	114.6594
6/92	109.5852	114.5852

1993		
7/92	109.5101	114.5101
8/92	109.4342	114.4342
9/92	109.3575	114.3575
10/92	109.2799	114.2799
11/92	109.2015	114.2015
12/92	109.1222	114.1222
1/93	109.0420	114.0420
2/93	108.9602	113.9602
3/93	108.8857	113.8857
4/93	108.8085	113.8085
5/93	108.7286	113.7286
6/93	108.6460	113.6460
1994		
7/93	108.5605	113.5605
8/93	108.4722	113.4722
9/93	108.3811	113.3811
10/93	108.2871	113.2871
11/93	108.1901	113.1901
12/93	108.0902	113.0902
1/94	105.9648	110.9648
2/94	105.8748	110.8748
3/94	105.7823	110.7823
4/94	105.6872	110.6872
5/94	105.5894	110.5894
6/94	105.4889	110.4889
1995		
7/94	104.3215	109.3215
8/94	104.0422	109.0422
9/94	103.7613	108.7613
10/94	103.4788	108.4788
11/94	103.1948	108.1948
12/94	102.9092	107.9092
1/95	102.6219	107.6219
2/95	102.3331	107.3331
3/95	102.0426	107.0426
4/95	101.7504	106.7504
5/95	101.4565	106.4565
6/95	101.1610	106.1610

1996		
7/95	100.8637	105.8637
8/95	100.5648	105.5648
9/95	100.2642	105.2642
10/95	99.9620	104.9620
11/95	99.6581	104.6581
12/95	99.3525	104.3525
1/96	99.0451	104.0451
2/96	98.7360	103.7360
3/96	98.4252	103.4252
4/96	98.1125	103.1125
5/96	97.7981	102.7981
6/96	97.4819	102.4819
1997		
7/96	97.1638	102.1638
8/96	96.8439	101.8439
9/96	96.5224	101.5224
10/96	96.1990	101.1990
11/96	95.8738	100.8738
12/96	95.5468	100.5468
1/97	95.2179	100.2179
2/97	94.8872	99.8872
3/97	94.5546	99.5546
4/97	94.2201	99.2201
5/97	93.8837	98.8837
6/97	93.5453	98.5453
1998		
7/97	93.2049	98.2049
8/97	92.8627	97.8627
9/97	92.5186	97.5186
10/97	92.1726	97.1726
11/97	91.8247	96.8247
12/97	91.4748	96.4748
1/98	91.1229	96.1229
2/98	90.7691	95.7691
3/98	90.4132	95.4132
4/98	90.0553	95.0553
5/98	89.6953	94.6953
6/98	89.3333	94.3333

1999		
7/98	88.9691	93.9691
8/98	88.6030	93.6030
9/98	88.2348	93.2348
10/98	87.8646	92.8646
11/98	87.4923	92.4923
12/98	87.1180	92.1180
1/99	86.7415	91.7415
2/99	86.3629	91.3629
3/99	85.9821	90.9821
4/99	85.5992	90.5992
5/99	85.2140	90.2140
6/99	84.8267	89.8267
2000		
7/99	84.4370	89.4370
8/99	84.0453	89.0453
9/99	83.6514	88.6514
10/99	83.2552	88.2552
11/99	82.8569	87.8569
12/99	82.4564	87.4564
1/00	82.0536	87.0536
2/00	81.6485	86.6485
3/00	81.2411	86.2411
4/00	80.8314	85.8314
5/00	80.4193	85.4193
6/00	80.0049	85.0049
2001		
7/00	79.5880	84.5880
8/00	79.1688	84.1688
9/00	78.7474	83.7474
10/00	78.3236	83.3236
11/00	77.8974	82.8974
12/00	77.4688	82.4688
1/01	77.0379	82.0379
2/01	76.6045	81.6045
3/01	76.1686	81.1686
4/01	75.7302	80.7302
5/01	75.2894	80.2894
6/01	74.8459	79.8459

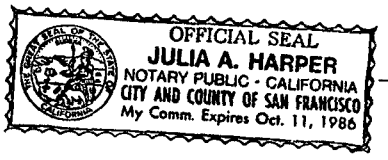
2002		
7/01	74.3999	74.3999
8/01	73.9514	73.9514
9/01	73.5005	73.5005
10/01	73.0471	73.0471
11/01	72.5911	72.5911
12/01	72.1326	72.1326
1/02	71.6715	71.6715
2/02	71.2078	71.2078
3/02	70.7415	70.7415
4/02	70.2725	70.2725
5/02	69.8008	69.8008
6/02	69.3263	69.3263
2003		
7/02	68.8491	68.8491
8/02	68.3693	68.3693
9/02	67.8869	67.8869
10/02	67.4017	67.4017
11/02	66.9139	66.9139
12/02	66.4234	66.4234
1/03	65.9300	65.9300
2/03	65.4339	65.4339
3/03	64.9350	64.9350
4/03	64.4332	64.4332
5/03	63.9285	63.9285
6/03	63.4209	63.4209
2004		
7/03	62.9104	62.9104
8/03	62.3971	62.3971
9/03	61.8809	61.8809
10/03	61.3619	61.3619
11/03	60.8399	60.8399
12/03	60.3151	60.3151
1/04	59.7873	59.7873
2/04	59.2565	59.2565
3/04	58.7227	58.7227
4/04	58.1859	58.1859
5/04	57.6459	57.6459
6/04	57.1029	57.1029

2005		
7/04	56.5567	56.5567
8/04	56.0083	56.0083
9/04	55.4577	55.4577
10/04	54.9049	54.9049
11/04	54.3499	54.3499
12/04	53.7926	53.7926
1/05	53.2330	53.2330
2/05	52.6711	52.6711
3/05	52.1068	52.1068
4/05	51.5402	51.5402
5/05	50.9712	50.9712
6/05	50.3998	50.3998
2006		
7/05	49.8259	49.8259
8/05	49.2494	49.2494
9/05	48.6704	48.6704
10/05	48.0889	48.0889
11/05	47.5048	47.5048
12/05	46.9182	46.9182
1/06	46.3289	46.3289
2/06	45.7371	45.7371
3/06	45.1427	45.1427
4/06	44.5457	44.5457
5/06	43.9461	43.9461
6/06	43.3439	43.3439
2007		
7/06	42.7391	42.7391
8/06	42.1317	42.1317
9/06	41.5217	41.5217
10/06	40.9090	40.9090
11/06	40.2937	40.2937
12/06	39.6757	39.6757
1/07	39.0551	39.0551
2/07	38.4318	38.4318
3/07	37.8058	37.8058
4/07	37.1772	37.1772
5/07	36.5458	36.5458
6/07	35.9118	35.9118

2008		
7/07	35.0588	35.0588
8/07	34.4534	34.4534
9/07	33.8453	33.8453
10/07	33.2345	33.2345
11/07	32.6211	32.6211
12/07	32.0050	32.0050
1/08	31.3862	31.3862
2/08	30.7647	30.7647
3/08	30.1405	30.1405
4/08	29.5136	29.5136
5/08	28.8839	28.8839
6/08	28.2515	28.2515
2009		
7/08	28.0123	28.0123
8/08	27.4551	27.4551
9/08	26.8917	26.8917
10/08	26.3220	26.3220
11/08	25.8748	25.8512
12/08	25.8748	25.8755

STATE OF CALIFORNIA)
) SS.
COUNTY OF SAN FRANCISCO)

On this 30th day of June, 1983, before me personally appeared David H. Stanley to me personally known, who being by me duly sworn says that he is the Vice President of Steiner Financial Corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that execution of the foregoing instrument was the free act and deed of said corporation.



Julia A. Harper
Notary Public
My Commission Expires: October 11, 1986

STATE OF CALIFORNIA)
) SS.
COUNTY OF SAN FRANCISCO)

On this 30th day of June , 1983, before me personally appeared Robert P. Norrgard to me peronally known, who being by me duly sworn says that he is the Manager of Finance of Western Fuels Association, Inc. , that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that execution of the foregoing instrument was the free act and deed of said corporation.

OFFICIAL SEAL
JULIA A. HARPER
NOTARY PUBLIC - CALIFORNIA
CITY AND COUNTY OF SAN FRANCISCO
My Comm. Expires Oct. 11, 1986

Notary Public
My Commission Expires: