

TAFT, STETTINIUS & HOLLISTER

1800 STAR BANK CENTER
425 WALNUT STREET
CINCINNATI, OHIO 45202-3957

WASHINGTON, D.C. OFFICE
SUITE 500 — 825 INDIANA AVENUE, N.W.
WASHINGTON, D.C. 20004-2901
202-628-2838
FAX 202-347-3419

513-381-2838
CABLE TAFTHOL TWX 810-461-2623
FAX 513-381-0205

COLUMBUS, OHIO OFFICE
21 EAST STATE STREET
COLUMBUS, OHIO 43215-4221
614-221-2838
FAX 614-221-2007

NORTHERN KENTUCKY OFFICE
THOMAS MORE CENTRE
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CRESTVIEW HILLS, KENTUCKY 41017-3481
606-331-2838
513-381-2838
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June 16, 1993

CERTIFIED MAIL/RETURN RECEIPT REQUESTED

Interstate Commerce Commission
12th Street & Constitution Ave., N.W.
Washington, D.C. 20423
Attn: Mildred Lee
Room 2303

RECORDATION NO. 18272 FILED 1405
JUN 21 1993 3:36 PM

INTERSTATE COMMERCE COMMISSION

Dear Ms. Lee:

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

This document is an Assignment and Assumption Agreement, a primary document, dated March 29, 1993. The Assignment and Assumption Agreement includes as Exhibit B a copy of a Lease Agreement for Railroad Cars dated May 16, 1991.

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

- LESSOR/ASSIGNEE:** The David J. Joseph Company
300 Pike Street
Cincinnati, Ohio 45202
- ASSIGNOR:** PLM Investment Management, Inc.
One Market Plaza
Steuart Street Tower, Suite 900
San Francisco, California 94105-1301
- LESSEE:** Peabody Terminals, Inc.
200 N. Broadway
St. Louis, Missouri 63102

The equipment covered by the enclosed document are two hundred twenty-five (225) 100 ton, 4,000 cubic foot capacity, gondola cars, AAR car type J301, and seventy-five (75), 100-ton open top hopper cars, AAR car type H350, currently bearing the reporting marks set forth in Schedule A attached hereto.

Ms. Mildred Lee
June 16, 1993
Page 2

A fee of \$16.00 is enclosed. Please return the original executed copy of the enclosed document to:

Philip F. Schultz, Esq.
Taft, Stettinius & Hollister
1800 Star Bank Center
425 Walnut Street
Cincinnati, OH 45202-3957

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

Assignment and Assumption Agreement between PLM Investment Management, Inc., One Market Plaza, Steuart Street Tower, Suite 900, San Francisco, California 94105-1301, as Assignor, and The David J. Joseph Company, 300 Pike Street, Cincinnati, Ohio 45202, as Assignee/Lessor, dated March 29, 1993, which includes as Exhibit B a Lease Agreement for Railroad Cars having Peabody Terminals, Inc. 701 Market Street, Suite 830, St. Louis, Missouri 63101, as Lessee, and covering two hundred twenty-five (225) 100-ton, 4,000 cubic foot capacity gondola cars, AAR car type J301, and seventy-five (75) 100-ton, 4,000 cubic foot capacity, open top hopper cars, AAR car type H350.

Please call me if you should have any questions.

Yours truly,



Philip F. Schultz
Attorney for
The David J. Joseph Company

PFS/taj
Enclosure

iccfla8.djj

SCHEDULE A

PLMX	6005	PLMX	6282	PLMX	6452	PLMX	6697
PLMX	6014	PLMX	6289	PLMX	6455	PLMX	6815
PLMX	6017	PLMX	6290	PLMX	6458		
PLMX	6019	PLMX	6292	PLMX	6461		
PLMX	6023	PLMX	6300	PLMX	6462		
PLMX	6039	PLMX	6302	PLMX	6465		
PLMX	6042	PLMX	6305	PLMX	6466		
PLMX	6043	PLMX	6309	PLMX	6469		
PLMX	6044	PLMX	6311	PLMX	6476		
PLMX	6046	PLMX	6313	PLMX	6477		
PLMX	6053	PLMX	6314	PLMX	6479		
PLMX	6063	PLMX	6315	PLMX	6480		
PLMX	6070	PLMX	6316	PLMX	6483		
PLMX	6096	PLMX	6321	PLMX	6486		
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PLMX	6100	PLMX	6323	PLMX	6492		
PLMX	6105	PLMX	6326	PLMX	6496		
PLMX	6106	PLMX	6328	PLMX	6507		
PLMX	6109	PLMX	6330	PLMX	6509		
PLMX	6119	PLMX	6332	PLMX	6513		
PLMX	6121	PLMX	6333	PLMX	6516		
PLMX	6140	PLMX	6336	PLMX	6525		
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PLMX	6143	PLMX	6346	PLMX	6529		
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PLMX	6170	PLMX	6354	PLMX	6545		
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PLMX	6277	PLMX	6444	PLMX	6688		
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PLMX	6279	PLMX	6448	PLMX	6691		

SCHEDULE A

PLMX	8001	PLMX	8152	PLMX	8360
PLMX	8004	PLMX	8154	PLMX	8361
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PLMX	8071	PLMX	8238	PLMX	8456
PLMX	8078	PLMX	8241	PLMX	8462
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PLMX	8091	PLMX	8283	PLMX	8485
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PLMX	8094	PLMX	8288	PLMX	8492
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PLMX	8115	PLMX	8320	PLMX	8526
PLMX	8123	PLMX	8323	PLMX	8527
PLMX	8127	PLMX	8324	PLMX	8530
PLMX	8128	PLMX	8331	PLMX	8531
PLMX	8130	PLMX	8333	PLMX	8532
PLMX	8131	PLMX	8335	PLMX	8535
PLMX	8132	PLMX	8336	PLMX	8540
PLMX	8138	PLMX	8343	PLMX	8542
PLMX	8142	PLMX	8351	PLMX	8545
PLMX	8144	PLMX	8352	PLMX	8547
PLMX	8145	PLMX	8353	PLMX	8551
PLMX	8148	PLMX	8357		
PLMX	8149	PLMX	8359		

RECORDATION NO. 18272 FILED 1426

JUN 24 1993 3:35 PM

CERTIFICATE

INTERSTATE COMMERCE COMMISSION

The undersigned, Stephen M. Griffith, Jr., a notary public in and for the County of Hamilton, State of Ohio, hereby certifies that the copy of the document attached hereto has been compared with the original and that the undersigned has found the copy to be complete and identical in all respects to the original document.

Stephen M. Griffith, Jr.

Notary Public

STEPHEN M. GRIFFITH, JR., Attorney at Law
NOTARY PUBLIC - STATE OF OHIO
My Commission has no expiration date. Section 147.03 O.R.C.

Copy -
to be retained
by ICC

RECORDATION NO. 18212
JUN 24 1993 8:85 AM
STATE COMMERCE COMMISSION

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (the "Assignment Agreement"), dated as of this 29th day of March, 1993, is entered into by and between **PLM INVESTMENT MANAGEMENT, INC.**, (the "Assignor"), and **THE DAVID J. JOSEPH COMPANY** (the "Assignee"). All capitalized terms used and not otherwise defined in this Assignment Agreement shall have the meanings ascribed to them in the "Agreement," as hereinafter defined.

WHEREAS, Assignor and Assignee are parties to that certain Purchase and Sale Agreement dated as of March 29, 1993 (the "Agreement"), pursuant to which Assignee will purchase as of the Closing Date, among other things, One Thousand Three Hundred Sixteen (1316) coal cars more fully described on Exhibit A attached to the Agreement (such coal cars hereinafter collectively referred to as the "Equipment," and individually as a "Car").

WHEREAS, 300 of the Cars are subject to the Lease Agreement dated as of May 16, 1991, along with that certain Rider No. 1, (the "B-2 Lease"), wherein Assignor, as lessor, leased such Cars to Peabody Terminals, as lessee ("Lessee"). A true, complete and correct copy of the B-2 Lease, including all riders, amendments and modifications thereto, is attached hereto as Exhibit B.

WHEREAS, Assignor and Peabody Development Company ("PDC"), a Delaware corporation, are parties to that certain Guarantee Agreement (the "Guarantee"), whereby PDC guaranteed the financial obligations and undertakings of Lessee pursuant to the B-2 Lease. A true, complete and correct copy of the Guarantee is attached hereto as Exhibit C.

WHEREAS, pursuant to the terms of the Agreement, and to effectuate the Agreement, Assignor desires to assign to Assignee and Assignee desires to assume from Assignor as of the Closing Date all of Assignor's right, title, interest, duties, obligations and liabilities in and to the B-2 Lease and Guarantee, to the extent described herein.

NOW, THEREFORE, for and in consideration of the premises and mutual covenants herein contained, Assignor and Assignee hereby warrant, represent, and agree as follows:

1. Effective as of the Closing Date, Assignor hereby irrevocably sells, assigns, transfers and conveys to Assignee and its successors and assigns, all of Assignor's right, title, interest, duties, obligations and liabilities in and to the B-2 Lease and Guarantee, without recourse, warranty or representations of any kind or type whatsoever, except for the representations and warranties contained in Section 5 of the Agreement.

2. Effective as of the Closing Date, Assignee hereby agrees to accept the foregoing assignment of the B-2 Lease and Guarantee from the Assignor, and to assume and perform all of the duties and obligations of Lessor to be performed by Assignor under the B-2 Lease and Guarantee from the date hereof with respect to the Cars to the same extent as if Assignee had

been an original party thereto, and on and after the date hereof, Assignor shall have no liabilities or obligations as Lessor under the B-2 Lease and Guarantee or with respect to the Cars, except as specifically provided for in this Assignment Agreement or the Agreement.

3. Assignor shall in no way be deemed to guarantee the receipt of any rent due Assignee after the Closing Date under the B-2 Lease and Guarantee, except as provided in the Agreement.

4. Assignor shall indemnify and hold Assignee harmless from and against any and all costs, claims, liability and causes of action (collectively, "Claims"), including, but not limited to attorneys' fees and costs of defending such Claims, with respect to the rights or obligations of the Lessor under the B-2 Lease and Guarantee arising from events and occurrences prior to the Closing Date with respect to the Cars and the B-2 Lease and Guarantee, regardless of when such Claims were discovered or brought to the attention of any party hereto.

5. Assignee shall indemnify and hold Assignor harmless from and against any and all Claims, including, but not limited to attorneys' fees and costs of defending such Claims, with respect to the rights or obligations of the Lessor under the B-2 Lease and Guarantee arising from events and occurrences after the Closing Date with respect to the Cars and the B-2 Lease and Guarantee, regardless of when such Claims were discovered or brought to the attention of any party hereto.

6. Assignor hereby authorizes Assignee to furnish Lessee with, and authorizes Lessee to follow, such directions relative to the payment of all sums which become payable under the B-2 Lease and Guarantee subsequent to the Closing Date as Assignee shall deem appropriate.

7. This Assignment shall inure to the benefit of, and shall be binding upon, Assignor and Assignee and their respective successors and assigns.

8. Except as modified herein, all terms of the B-2 Lease and Guarantee shall remain the same and in full force and effect.

9. Any amendments to this Assignment shall be made only in writing, signed by both parties.

IN WITNESS WHEREOF, the parties have executed and delivered this document on the date set forth below:

PLM INVESTMENT MANAGEMENT, INC.

By: 

Its: President

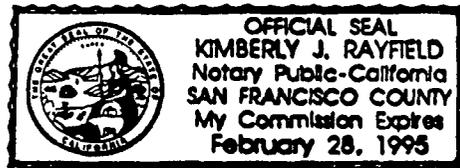
THE DAVID J. JOSEPH COMPANY

By: 

Its: VICE PRESIDENT

State of California)
)
County of San Francisco)

On March 30, 1993 before me, KIMBERLY RAYFIELD, personally appeared Stephen M. Bess personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.



Witness my hand and official seal.

Kimberly J. Rayfield

State of OHIO)
)
County of HAMILTON)

On 3/31/93 before me, Carolyn A. Trainor, personally appeared Douglas F. McMillan personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

Witness my hand and official seal.

Carolyn A. Trainor

CAROLYN A. TRAINOR
Notary Public, State of Ohio
My Commission Expires March 14, 1998

EXHIBIT B TO ASSIGNMENT AGREEMENT

LEASE AGREEMENT FOR RAILROAD CARS

This Lease Agreement dated as of the 16th day of May, 1991 (the "Agreement"), by and between PLM Investment Management, Inc. ("IMI"), a California corporation (with its principals, collectively, for convenience, "Lessor"); and Peabody Terminals Inc., a Delaware corporation ("Lessee"), with its principal place of business at 200 N. Broadway, St. Louis, MO 63102.

IDENTITY OF LESSOR

The parties hereto recognize and acknowledge that IMI may be acting under management agreements as agent for certain principals which shall be identified to Lessee by IMI from time to time. Such principals shall, from time to time, be set forth in a rider to this Agreement. IMI at any time, and from time to time, shall have the right to add principals (and amend or supplement a rider to include such principals) and upon so doing shall notify Lessee; provided, however, that notwithstanding the date of such notification, such principal(s) shall be deemed a Lessor hereunder, effective as of the date the cars owned by such principal and managed by IMI are delivered to Lessee. Any amended or supplemented rider shall, from time to time, be delivered to Lessee. Lessee agrees to cooperate with IMI and any principal for the purpose of complying with any reasonable requirements of any lender, the Interstate Commerce Commission or the provision of Article 9 of the Uniform Commercial Code provided such cooperation does not materially affect the rights or liabilities of Lessee hereunder. Except as otherwise provided, this Agreement shall be administered by IMI or such other third person or entity as IMI may from time to time identify; provided, however, that any such assignment to such third person or entity shall not be effective against Lessee until Lessee is so notified of such assignment.

WITNESSETH:

1. Lease. Lessor agrees to furnish and lease to Lessee, and Lessee agrees to accept and use upon the terms and conditions herein set forth, the cars covered by the riders attached hereto and such additional riders as may be added hereto from time to time by agreement of the parties, and any and all other cars delivered to and accepted by Lessee. Each such rider shall set forth the number of cars, the rental rate, term of use, car numbers, and other pertinent information that may be desired by both parties. All cars leased pursuant to such riders, or otherwise delivered to and accepted by Lessee, are subject to the terms of this Agreement.

2. Delivery. Lessor agrees to deliver the cars to Lessee at such point or points as may be agreed to by the parties. Lessor's obligation as to such delivery shall be excused during the pendency of delays resulting from causes beyond its control. Lessee agrees to use the cars exclusively in its own service, except as hereinafter provided, and none of the cars shall be shipped beyond the boundaries of Canada or the United States except with the prior written consent of Lessor.

3. Rent. Lessee agrees to pay the rental charges with respect to each of the cars from the date of delivery thereof and until such car is returned to and accepted by Lessor. Each monthly rental charge shall be paid in advance on the first day of the month, prorating, however, any period which is less than a full month on the basis of a month of thirty (30) days. The rental shall be payable without deduction, reduction, set-off or counterclaim of any kind, for any reason, whether or not related to this Agreement. Such rental charges shall be paid to Lessor at the address set forth in the riders to this Agreement.

4. Acceptance. Each of the cars shall be subject to Lessee's inspection upon delivery to Lessee. Failure to report any defect in the car within a reasonable time after delivery of the car or the loading of each such car by Lessee or at its direction shall constitute acceptance thereof by Lessee and shall be conclusive evidence of the fit and suitable condition thereof for the purpose of transporting the commodities then and thereafter loaded therein or thereon.

5. Records. Lessor agrees to keep records pertaining to the movement of the cars, and Lessee agrees to promptly furnish Lessor with complete reports of the car movements, including dates received, loaded and shipped, commodity, destination and full junction routing, and all information which Lessee may receive from railroad companies or other sources which may be of use to Lessor. Lessor shall collect the mileage earned by the cars, and, subject to all rules of the tariffs of the railroads, Lessor shall credit to Lessee's rental account such mileage as and when received from the railroads, but in no event shall the aggregate amount of mileage credited exceed the aggregate monthly rentals for the term of this Agreement.

6. Mileage. Lessee agrees to reimburse Lessor for any payment Lessor may be required to make to any railroad, due to mileage equalization where applicable, resulting from excess empty mileage incurred by the cars on such railroad. For the purpose of this paragraph, the railroad mileage and junction reports shall be prima facie evidence of the facts reported therein. In addition, if Lessor is required to make any payments to a railroad resulting from the empty movement of any of the cars while they are in Lessee's service, Lessee agrees to reimburse Lessor for such payments.

7. Loss or Damage. Lessee shall promptly notify Lessor upon receipt by Lessee of knowledge of any damage to any of the cars. Lessor shall, at its expense, perform, arrange, and pay for all maintenance and repairs made necessary by ordinary wear and tear, or otherwise necessary to keep the cars in good condition and repair under the Interchange Rules. Lessee shall not repair, or authorize the repair of, any of the cars without Lessor's prior written consent, except that running repairs (as specified in the Association of American Railroads rules for Interchange and the Canadian Transport Commission regulations) may be performed without prior written consent. The amount Lessor will pay for such running repairs shall not be in excess of the basis, in effect at the time the repair is made, provided by the Association of American Railroads. If any car becomes unfit for service and requires repairs, other than repairs made by railroads, rental charges will cease four (4) days after receipt of such car at a shop authorized by Lessor, provided that Lessee has notified Lessor prior to the time the car is routed to shop.

In the event Lessee fails to so notify Lessor, rental charges shall cease five days after receipt by Lessor of notification of the arrival of the car at a shop authorized by Lessor. In all cases, after a car has been repaired, rental charges will resume on the date the car is available for forwarding to Lessee. It is understood that no rental credits will be issued for cars in a shop for repairs which are Lessee's responsibility.

8. Removal from Service. In the event the physical condition of any car shall become such that the car cannot be operated in railroad service as determined by Lessor and Lessor elects to permanently remove such car from Lessee's service, the rental with respect to such car shall terminate upon the removal of such car. If Lessor has a car available, Lessor shall substitute for any such car another car of the same type and capacity and the rental in respect to such substituted car shall commence upon delivery of such substituted car to Lessee.

9. Lessee Responsibility. Lessee shall be responsible for and shall indemnify Lessor and hold Lessor harmless and does hereby release Lessor from the loss or destruction of, or damage to, the cars or any parts thereof, during the term; provided, however, Lessee shall not be responsible to the extent the then-prevailing Interchange Rules place responsibility upon a railroad subscribing to the Interchange Rules; and provided, further, that Lessee shall not be responsible if such loss, destruction, or damage to the cars or parts thereof was caused by the sole active negligence or willful misconduct of Lessor. Notwithstanding anything contained herein to the contrary, Lessee shall be responsible for and shall indemnify Lessor and hold Lessor harmless and does hereby release Lessor from the loss or destruction of, or damage to, a car or any part thereof during the term of this Agreement which shall (i) be occasioned by the misuse or negligence of Lessee, its consignee, agent or sublessee, or (ii) occur while such car is on the tracks of Lessee or any private siding or track, or at the loading or unloading facility of Lessee or its consignee, agent or sublessee, or on the track of any railroad that does not subscribe to the Interchange Rules or any private or industrial railroad or (iii) be caused by any commodity which may be transported or stored in or on such car.

Lessee shall notify Lessor of the loss or destruction of any of the cars within two (2) days of the date of such event. The amount of loss resulting from the loss or destruction of a car shall be measured by its replacement value as determined immediately prior to the time of such loss or destruction. The "replacement value" shall equal the amount payable by a railroad subscribing to the Interchange Rules for the car if the car had been in service of such railroad.

10. Loss or Damage to Lading. Lessor shall not be liable for any loss of or damage to commodities, or any part thereof, loaded or shipped in or on the cars, and Lessee agrees to assume financial responsibility for, to indemnify Lessor against, and to save it harmless from any such loss or damage, unless caused by the sole negligence of Lessor.

11. Appliances. Lessee, at its own expense, shall either replace or reimburse Lessor for the cost of replacing any appliance or removable part

(including, but not limited to, safety appliances, unloading/loading devices, gates, hatch covers and valves), if destroyed, damaged, lost, removed or stolen, unless the railroads transporting the cars have assumed full responsibility for such loss or damage, or unless such loss or damage results from the negligence or omission of Lessor, its agents or employees.

12. Linings. The application, maintenance, and removal of interior protective lining in any of the cars is to be performed by and at the expense of Lessee unless otherwise specifically provided for in the applicable rider.

13. Claims. Lessee agrees to indemnify and hold Lessor harmless from and against any loss, liability, claim, damage or expense (including, unless Lessee assumes the defense, the reasonable cost of investigating and defending against any claim for damages) arising out of or in connection with the use of the cars during the term of this Agreement, excepting, however, any loss, liability, claim, damage, or expense which accrues with respect to any of the cars (i) while such car is in a repair shop undergoing repairs; (ii) which is attributable to the negligence or omission of Lessor; its agents or employees; or (iii) for which a railroad or railroads have assumed full responsibility, including investigating and defending against any claim for damages.

14. Marks. Other than the restoration of Lessor's marks on the cars, no lettering or marking of any kind shall be placed upon any of the cars by Lessee except with the prior written consent of Lessor.

15. Load Limits. Lessee agrees not to load any of the cars in excess of the load limit stenciled thereon while the cars are in interchange service. While not in interchange service, the cars may be loaded to a maximum of load limit plus two and one half percent (2.5%) of load limit.

16. Charges. Lessee shall be liable for any demurrage, track storage or detention charge imposed in connection with any of the cars as well as loss of or damage to any car while on any private siding or track or on any private or industrial railroad or in the custody of any carrier not subject to the Association of American Railroads Rules for Interchange or the Canadian Transport Commission regulations.

17. Sublease and Assignment. Except for affiliates of Lessee, Lessee shall make no transfer or assignment of its interest under this Agreement in and to the cars without Lessor's prior written consent, and any attempted transfer or assignment without such consent shall be void, except that Lessee may sublease any of the cars to its customers for single trips consistent with its normal merchandising methods; provided, however, that notwithstanding any such sublease, Lessee shall continue to remain liable to Lessor under all conditions and terms of this Agreement. Lessee shall give written notification to Lessor of any transfer or assignment of its interest under this Agreement to any affiliate of Lessee. No right, title, or interest in any of the cars shall vest in Lessee by reason of this Agreement or by reason of the delivery to or use by Lessee of the cars, except the right to use the cars in accordance with the terms of this Agreement. Lessee shall keep the cars free of any lien or encumbrance created by or through Lessee and agrees to indemnify Lessor and hold Lessor harmless from any cost or expense, including attorneys' fees, with respect to such a lien or encumbrance.

18. Default. If Lessee defaults in the payment of any sum of money to be paid under this Agreement and such default continues for a period of three (3) days after notice to Lessee of such default; or if Lessee fails to perform any covenant or condition required to be performed by Lessee which failure shall not be remedied within ten (10) days after notice thereof from Lessor to Lessee; or if Lessee shall dissolve, make or commit any act of bankruptcy, or if any proceeding under any bankruptcy, or insolvency statute or any laws relating to relief of debtors is commenced by Lessee, or if any such proceeding is commenced against Lessee and same shall not have been removed within thirty (30) days of the date of the filing thereof; or if a receiver, trustee, or liquidator is appointed for Lessee or for all or a substantial part of Lessee's assets with Lessee's consent, or if without Lessee's consent the same shall not have been removed within thirty (30) days of the date of the appointment thereof; or if an order, judgment or decree be entered by a court of competent jurisdiction and continue unpaid and in effect for any period of thirty (30) consecutive days without a stay of execution; or if a writ of attachment or execution is levied on any car and is not discharged within ten (10) days thereafter, Lessor may exercise one or more of the following remedies with respect to the cars;

(a) Immediately terminate this Agreement and Lessee's rights hereunder;

(b) Require Lessee to return the cars to Lessor at any CSXT interchange mutually agreeable to Lessee and Lessor at Lessee's expense, and if Lessee fails to so comply, Lessor may take possession of such car without demand or notice and without court order or legal process;

(c) Lease the cars to such persons, at such rental and for such period of time as Lessor shall elect. Lessor shall apply the proceeds from such leasing, less all cost and expenses incurred in the recovery, repair, storage, and renting of such cars, toward the payment of Lessee's obligations hereunder. Lessee shall remain liable for any deficiency, which, at Lessor's option, shall be paid monthly, as suffered, or immediately, or at the end of the term as damages for Lessee's default;

(d) Bring legal action to recover all rent or other amounts then accrued or thereafter accruing from Lessee to Lessor under any provision hereunder; or

(e) Pursue any other remedy which Lessor may have.

Each remedy is cumulative and may be enforced separately or concurrently. If Lessee fails to perform any of its obligations hereunder, Lessor, at Lessee's expense, and without waiving any rights it may have against Lessee for such nonperformance, may itself render such performance. Further, Lessee shall reimburse Lessor for all costs and expenses including reasonable attorneys' fees expended by Lessor in the enforcement of its rights and remedies hereunder, and Lessee shall pay interest on any amount owing to Lessor from the time such amount becomes due hereunder at the prime rate plus one percent (1.0%); such rate to be reduced, however, to the extent it exceeds the maximum rate permitted by applicable law. In addition, Lessee shall, without expense to Lessor, assist Lessor in repossessing the cars and shall,

for a reasonable time if required, furnish suitable trackage space for the storage of the cars.

If applicable, Lessor shall be entitled to the remedies of a Lessor under Section 1168 of the U. S. Bankruptcy Code.

19. Return Provisions. Upon the termination of each rider, Lessee agrees, subject to the provision of paragraph 8 above, to return the cars to Lessor at a point or points on CSXT lines mutually agreeable to Lessee and Lessor, in the same or as good condition as received, ordinary wear and tear excepted, free and clear from all accumulations or deposits from commodities transported in or on the cars while in the service of Lessee. If any car is not returned to Lessor free from such accumulations or deposits, Lessee shall reimburse Lessor for any expense incurred in cleaning such car.

20. Taxes. The Lessee is responsible for income taxes, capital stock taxes and sales and use taxes levied by federal, state or local jurisdictions based on the use or possession of the cars or the rental paid for the cars. The Lessor is responsible for any and all taxes that may be imposed by a jurisdiction based on the ownership or market value of the cars. In the event the party responsible for a tax desires to contest its validity, but must do so in the name of the other party, the responsible party shall reimburse the other party for any reasonable expenses incurred. These provisions apply to all taxes in effect on the date of this Agreement as well as any future taxes levied after the date of this Agreement.

In order to avoid recapture of any tax benefit claimed by Lessor with respect to the cars, including, but not limited to any deduction allowable under section 168 and related Sections of the Internal Revenue Code of 1986 (the "Code"), Lessee shall (i) use the cars predominantly within the continental United States within the meaning of the Code, (ii) shall cause third parties having control over their use to use the cars predominantly within the continental United States, in accordance with the Code and (iii) shall not take any action that will cause the cars to be considered tax-exempt use property within the meaning of the Code.

If Lessor (or any owner of a partnership or beneficial interest of Lessor) shall lose by disallowance, recapture or otherwise, any portion of said tax benefits as the result of any act committed by Lessee or Lessee's failure to take any act, Lessee agrees to pay Lessor or such owner a sum which, after deduction of all taxes required to be paid by Lessor or such owner in respect of the receipt thereof under the laws of the United States or any political subdivision thereof, shall be equal to the amount of the tax benefits so lost by Lessor or such owner, which sum shall be payable on written demand made at any time after payment of the tax attributable to the portion of the tax benefits lost; provided, however, that Lessee shall be under no obligation to indemnify Lessor for the amount of any tax benefits lost with respect to any car for which Lessee has paid to Lessor the replacement value set forth in Section 9 hereof.

21. Mortgages; Liens. It is understood that some or all of the cars furnished Lessee under this Agreement and Lessor and/or principal's rights under this Agreement may at the time of delivery to Lessee or at some

future time during the term of this Agreement be subject to the terms of any lien or encumbrance (a "Lien") including a Mortgage, Deed of Trust, Equipment Trust, Pledge, or Bill of Sale or similar security arrangement. Lessee agrees that any or all of the cars may be stenciled or marked to set forth the ownership of any such cars in the name of the holder of any Lien (the "Lien holder") including a mortgagee, trustee, pledgee, assignee or security holder and that this Agreement and Lessee's rights hereunder are and shall at all times be subject and subordinate to any and all rights of any Lien holder. Lessee agrees that upon the written request of Lessor or any Lien holder at any time or from time to time, Lessee will enter into a written agreement with any Lien holder(s): (i) that the Lien(s) will have priority and be entitled to all rights therein as though the Lien were made before this Agreement and on the making of this Agreement Lessee had knowledge of the Lien; (ii) confirming the security created by the Lien and rights given to the Lien holder(s); and (iii) postponing and deferring this Agreement and its rights hereunder and to the cars and agreeing that they will be subject and subordinate to the Lien(s) and the rights of the Lien holder. Notwithstanding anything herein to the contrary, Lessee, on payment of the rental and performing the covenants herein contained, shall peaceably and quietly have, hold and enjoy the cars leased hereunder during the full term of this Agreement.

This Agreement and/or any of Lessor's rights hereunder, including rentals, may have been assigned and may in the future be assigned to any Lien holder(s) or others. Lessee hereby consents to and accepts any such assignment. Lessee acknowledges notice of any such assignment and of any Lien which is filed under Section 11303 of the Interstate Commerce Act of the United States of America. However, Lessee is to pay all rentals hereunder to Lessor and have all its dealings hereunder with Lessor until notified to the contrary by any person proving to Lessee's reasonable satisfaction that he is the assignee of this Agreement and/or the relevant rights of Lessor hereunder and is entitled to intervene. Lessee represents that it has received no notice of any other mortgage, charge, hypothecate or encumbrance on or of any assignment, sale or disposition of any car covered hereby or of any of Lessor's rights hereunder. Lessee agrees that no claim or defense which Lessee may have against Lessor shall be asserted or enforced against any assignee of this Agreement and/or any rights of Lessor hereunder.

22. Notices. Any notice, demand or request required or permitted to be made, given or served by either party to or upon the other hereunder, shall be in writing and shall be deemed to have been made when deposited in the United States or Canada mail, certified or registered mail, postage prepaid and addressed to Lessor or Lessee at the address set forth in a rider to this Agreement.

23. Successors. This Agreement shall be binding upon the parties hereto, their respective successors, assigns and legal representatives; and shall remain in full force and effect from the date hereof until the completion of the leasing arrangement shown on attached riders of the last car or cars hereunder, and all such cars are returned to Lessor.

24. Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of California.

25. Insurance. Lessee shall, at all times prior to the return of the cars to Lessor in accordance with the terms of this Agreement and during any storage period, at its own expense, cause to be carried and maintained public liability and property damage insurance in respect of the cars against the risks and in the amounts, if any, customarily insured against by Lessee in respect to similar equipment owned or leased by it.

26. Additional Provisions. Additional provisions of this Agreement may be set forth in a rider, which, if executed by Lessor and Lessee, is incorporated herein by this reference.

27. Representations and Warranties of Lessee. Lessee represents and warrants that, as of the date of this Agreement:

(a) Lessee is a corporation duly incorporated, validly existing and in good standing under the laws of the state of its incorporation and is either duly qualified to do business and is in good standing in such other jurisdictions in which the business and activities of Lessee require such qualification, or its failure to so qualify in such other jurisdiction will not have a material adverse impact on this Agreement.

(b) Lessee has full corporate power to enter into this Agreement.

(c) The Agreement has been duly authorized, executed, and delivered by Lessee, and constitutes a valid, legal and binding agreement, enforceable in accordance with its terms.

(d) No approval is required by Lessee from any governmental or public body or authority with respect to the entering into or performance of this Agreement.

(e) The entering into and performance of this Agreement will not conflict with, or result in a breach of, the terms, conditions, or provisions of (i) any law, or any regulation, order, injunction, permit, franchise, or decree of any court or governmental instrumentality, and (ii) any indenture, agreement, or other instrument to which Lessee is party or any of its property is bound.

(f) Lessee is neither an organization described in Section 48(a)(4) nor a governmental unit described in Section 48(a)(5) of the Internal Revenue Code of 1986.

28. Modifications. In the event the U. S. Department of Transportation, or any other governmental agency or non-governmental organization having jurisdiction over the operation, safety or use of railroad equipment, requires that Lessor add, modify, or in any manner adjust the cars subject to this Agreement in order to qualify them for operation in railroad interchange, Lessee agrees to pay an additional monthly charge of [REDACTED] per car for each [REDACTED] expended by Lessor on such car, or such other monthly charge in lieu thereof as may be provided for modifications, in any rider hereto, in any case, effective as of the date the car is released from the shop after application of such additions, modifications or, adjustments (hereinafter the "Modifications"). No rental credits will be issued on cars entering the shop

for any Modifications for the first thirty (30) days. In the event Lessor, in its sole discretion, determines, prior to making any Modifications, that the cost thereof is not economical to expend in view of the estimated remaining useful life of such car, and Lessor elects to permanently remove such car from Lessee's service rather than have such car taken to a car shop for such Modifications, the rental with respect to such car shall terminate upon the date specified in writing by Lessor, provided that such date must be prior to the date the Modifications are so required to be made.

29. Captions. Captions to any provision of this Agreement are for ease of reference only and are not to be construed to be part of this Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement (such execution may be by two or more counterparts, each of which shall be deemed an original) the day and year first above written.

LESSEE:

Peabody Terminals, Inc.
200 N. Broadway
St. Louis, MO 63102

PEABODY TERMINALS, INC.

By: Thomas S. Helton

Title: V.P.

LESSOR:

PLM Investment Management, Inc.
655 Montgomery St.
San Francisco, CA 94111

PLM INVESTMENT MANAGEMENT, INC.

By: Sam B...

Title: President

RIDER 1 - 1
LEASE DATED MAY 16, 1991
PEABODY TERMINALS, INC.

- I. NUMBER OF CARS:
Three hundred (300)
- II. DESCRIPTION OF CARS:
Two hundred and twenty-five (225) 100 ton, 4,000 cubic capacity gondolas, AAR Car Type J301 and seventy-five (75) 100 ton, 4,000 cubic capacity open top hoppers, AAR Car Type H350.
- III. TERM:
From date of delivery through and including May 31, 1996.
- IV. RENTAL RATE:
██████████ per car per month.
- V. ANTICIPATED DELIVERY PERIOD:
May, 1991
- VI. PLACE OF DELIVERY:
To Lessee, care of CSXT in Chicago at CSXT and C & NW interchange.
- VII. COST OF DELIVERY TO BE BORNE BY:
One hundred and eighty (180) cars are already in Lessee's service. One hundred and twenty (120) cars (all gondolas) will be delivered at Lessor's cost.
- VIII. MILEAGE ALLOWANCE AND ADDITIONAL USAGE RENTAL:
As additional rental, Lessee shall pay ██████████ per car per mile (loaded and empty) traveled.
- IX. THE CARS MAY BE USED ONLY FOR THE TRANSPORTATION OF THE FOLLOWING TYPES OF COMMODITIES:
Coal

RIDER 1 - 1 (continued)
LEASE DATED MAY 16, 1991
PEABODY TERMINALS, INC.

X. SPECIAL ITEMS:
Not Applicable

XI. ADDRESSING OF NOTICES:

Lessee to Lessor

PLM INVESTMENT MANAGEMENT, INC.
655 Montgomery Street
Suite 1200
San Francisco, CA 94111

Lessor to Lessee

PEABODY DEVELOPMENT COMPANY
200 North Broadway
St. Louis, MO 63178
Attn: Director - Transportation

cc: Eastern Associated Coal Corp.
800 Laidley Tower
Charleston, WV 25301

Attn: Manager - Traffic &
Distribution

Lessor:

PLM INVESTMENT MANAGEMENT, INC.

By: Sam Dizon

Title: President

Lessee:

PEABODY TERMINALS, INC.

By: Thomas S. Helton

Title: V.P.

RIDER 1 - 2
LEASE DATED MAY 16, 1991
PEABODY TERMINALS, INC.

IDENTIFICATION OF PRINCIPAL

PLM EQUIPMENT GROWTH FUND II IP-200

PLMX	6005	PLMX	6282	PLMX	6452	PLMX	6697
PLMX	6014	PLMX	6289	PLMX	6455	PLMX	6815
PLMX	6017	PLMX	6290	PLMX	6458		
PLMX	6019	PLMX	6292	PLMX	6461		
PLMX	6023	PLMX	6300	PLMX	6462		
PLMX	6039	PLMX	6302	PLMX	6465		
PLMX	6042	PLMX	6305	PLMX	6466		
PLMX	6043	PLMX	6309	PLMX	6469		
PLMX	6044	PLMX	6311	PLMX	6476		
PLMX	6046	PLMX	6313	PLMX	6477		
PLMX	6053	PLMX	6314	PLMX	6479		
PLMX	6063	PLMX	6315	PLMX	6480		
PLMX	6070	PLMX	6316	PLMX	6483		
PLMX	6096	PLMX	6321	PLMX	6486		
PLMX	6099	PLMX	6322	PLMX	6490		
PLMX	6100	PLMX	6323	PLMX	6492		
PLMX	6105	PLMX	6326	PLMX	6496		
PLMX	6106	PLMX	6328	PLMX	6507		
PLMX	6109	PLMX	6330	PLMX	6509		
PLMX	6119	PLMX	6332	PLMX	6513		
PLMX	6121	PLMX	6333	PLMX	6516		
PLMX	6140	PLMX	6336	PLMX	6525		
PLMX	6141	PLMX	6337	PLMX	6527		
PLMX	6143	PLMX	6346	PLMX	6529		
PLMX	6162	PLMX	6350	PLMX	6531		
PLMX	6164	PLMX	6352	PLMX	6532		
PLMX	6165	PLMX	6353	PLMX	6544		
PLMX	6170	PLMX	6354	PLMX	6545		
PLMX	6173	PLMX	6362	PLMX	6547		
PLMX	6175	PLMX	6369	PLMX	6549		
PLMX	6182	PLMX	6372	PLMX	6552		
PLMX	6187	PLMX	6373	PLMX	6601		
PLMX	6191	PLMX	6375	PLMX	6610		
PLMX	6196	PLMX	6376	PLMX	6612		
PLMX	6200	PLMX	6382	PLMX	6627		
PLMX	6203	PLMX	6388	PLMX	6630		
PLMX	6204	PLMX	6389	PLMX	6634		
PLMX	6206	PLMX	6393	PLMX	6636		
PLMX	6216	PLMX	6394	PLMX	6640		
PLMX	6217	PLMX	6404	PLMX	6644		
PLMX	6228	PLMX	6405	PLMX	6648		
PLMX	6257	PLMX	6406	PLMX	6660		
PLMX	6264	PLMX	6409	PLMX	6664		
PLMX	6266	PLMX	6424	PLMX	6668		
PLMX	6268	PLMX	6426	PLMX	6678		
PLMX	6271	PLMX	6427	PLMX	6682		
PLMX	6276	PLMX	6434	PLMX	6684		
PLMX	6277	PLMX	6444	PLMX	6688		
PLMX	6278	PLMX	6446	PLMX	6690		
PLMX	6279	PLMX	6448	PLMX	6691		

RIDER 1 - 2 (continued)
LEASE DATED MAY 16, 1991
PEABODY TERMINALS, INC.

PLMX	8001	PLMX	8152	PLMX	8360
PLMX	8004	PLMX	8154	PLMX	8361
PLMX	8006	PLMX	8156	PLMX	8364
PLMX	8015	PLMX	8158	PLMX	8367
PLMX	8016	PLMX	8159	PLMX	8371
PLMX	8022	PLMX	8161	PLMX	8372
PLMX	8026	PLMX	8166	PLMX	8374
PLMX	8027	PLMX	8168	PLMX	8380
PLMX	8028	PLMX	8174	PLMX	8383
PLMX	8030	PLMX	8190	PLMX	8388
PLMX	8034	PLMX	8193	PLMX	8390
PLMX	8037	PLMX	8198	PLMX	8391
PLMX	8041	PLMX	8199	PLMX	8396
PLMX	8048	PLMX	8213	PLMX	8400
PLMX	8050	PLMX	8214	PLMX	8406
PLMX	8052	PLMX	8220	PLMX	8414
PLMX	8054	PLMX	8221	PLMX	8421
PLMX	8055	PLMX	8222	PLMX	8428
PLMX	8060	PLMX	8225	PLMX	8442
PLMX	8062	PLMX	8227	PLMX	8445
PLMX	8065	PLMX	8230	PLMX	8452
PLMX	8066	PLMX	8232	PLMX	8455
PLMX	8071	PLMX	8238	PLMX	8456
PLMX	8078	PLMX	8241	PLMX	8462
PLMX	8080	PLMX	8243	PLMX	8467
PLMX	8081	PLMX	8244	PLMX	8477
PLMX	8085	PLMX	8247	PLMX	8479
PLMX	8090	PLMX	8281	PLMX	8481
PLMX	8091	PLMX	8283	PLMX	8485
PLMX	8092	PLMX	8285	PLMX	8487
PLMX	8094	PLMX	8288	PLMX	8492
PLMX	8097	PLMX	8294	PLMX	8505
PLMX	8101	PLMX	8298	PLMX	8506
PLMX	8102	PLMX	8300	PLMX	8507
PLMX	8104	PLMX	8304	PLMX	8513
PLMX	8108	PLMX	8307	PLMX	8514
PLMX	8113	PLMX	8315	PLMX	8518
PLMX	8115	PLMX	8320	PLMX	8526
PLMX	8123	PLMX	8323	PLMX	8527
PLMX	8127	PLMX	8324	PLMX	8530
PLMX	8128	PLMX	8331	PLMX	8531
PLMX	8130	PLMX	8333	PLMX	8532
PLMX	8131	PLMX	8335	PLMX	8535
PLMX	8132	PLMX	8336	PLMX	8540
PLMX	8138	PLMX	8343	PLMX	8542
PLMX	8142	PLMX	8351	PLMX	8545
PLMX	8144	PLMX	8352	PLMX	8547
PLMX	8145	PLMX	8353	PLMX	8551
PLMX	8148	PLMX	8357		
PLMX	8149	PLMX	8359		

RIDER 1 - 3
LEASE DATED MAY 16, 1991
PEABODY TERMINALS, INC.

CERTIFICATE OF ACCEPTANCE OF
RAILROAD CARS

This Certificate relates to the railroad cars listed below leased by PLM Investment Management, Inc. to Peabody Terminals, Inc. under a Lease Agreement for Railroad Cars dated May 16, 1991 (the "Lease") into which this Certificate is incorporated (by Section 4 thereof).

RAILROAD CAR NUMBERS

See attached Rider 1 - 2

Lessee hereby certifies its acceptance of the railroad cars.

Lessee hereby certifies that the representations and warranties of Lessee contained in the Lease are true and correct on the date hereof.

Peabody Terminals, Inc.
"Lessee"

By: Thomas S. Belta

Date: 5/31/91

EXHIBIT C TO ASSIGNMENT AGREEMENT

GUARANTEE AGREEMENT

THIS GUARANTEE AGREEMENT, made this 16th day of May, 1991, between Peabody Development Company, a Delaware corporation ("PDC") and PLM Investment Management, Inc., a California corporation ("PLM").

W I T N E S S E T H:

WHEREAS, Peabody Terminals, Inc., a Delaware corporation ("Peabody Terminals") has entered into a Lease Agreement for Railroad Cars dated as of the 1st. day of May, 1991 with PLM (the "Lease"); and

WHEREAS, PLM, as a condition to entering into said Lease requests PDC to guarantee the financial obligations and commitments of Peabody Terminals pursuant to the Lease.

NOW, THEREFORE, the parties hereto agree as follows:

1. PDC agrees to guarantee the financial obligations and undertakings of Peabody Terminals pursuant to the Lease. In the event PLM shall have an unsatisfied claim against Peabody Terminals by reason of the provisions of the Lease, PDC shall be responsible for the payment of such claim to the same extent as Peabody Terminals.

2. PLM shall provide PDC with prompt notice of any default or breach by Peabody Terminals of the terms of the Lease if such default is likely to result in a claim under this Guarantee Agreement. Written notice of such default shall be provided to PDC at P.O. Box 14222, St. Louis, MO. 63176, or to such other address as may be designated in the future by PDC.

IN WITNESS WHEREOF, PDC has executed this Guarantee Agreement by its duly authorized officer as of the day and year first above written.

PEABODY DEVELOPMENT COMPANY

By Chris Farand
President

Attest:

Jeffrey C. Kluge
Secretary