

Generation Services
2005 Vandevelde Avenue
Alexandria, LA 71303
Tel 318 427-1790
Fax 318 427-1767



February 2, 1999

RECORDATION NO. 92032 FILED

FEB 18 '99 12-15 PM

Secretary, Surface Transportation Board
1925 K Street NW, Suite 700
Washington, DC 20423-0001

Dear Mr. Secretary:

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

This document to be recorded is a lease with a rider attached which is a part thereof, a primary document, dated as of November 30, 1998.

The names and addresses of the parties to the lease and attached rider which is a part thereof are as follows:

Lessor: General Electric Railcar Services Corporation
33 West Monroe Street
Chicago, IL 60603

Lessee: Cleco Corporation
2005 Vandevelde Avenue
Alexandria, LA 71303

A description of the equipment covered by the document follows:

120 new Trinity built 4,470 cubic feet rotary aluminum gondola coal cars with 286,000 pounds total gross weight on rail, with an A.A.R. mechanical designation of GT Gondola, bearing lessee's identifying mark CLEX and numbers 2001-2120.

A check for a fee of \$26.00 is enclosed. Please return to me the two additional counterparts of the document showing on each the recordation number stamped on the filed document and the date of recordation.

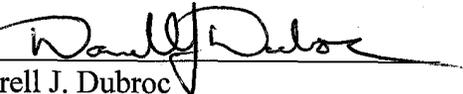
A short summary of the document to appear in the index records follows:

Lease with attached rider which is a part thereof between General Electric Railcar Services Corporation, 33 West Monroe Street, Chicago, IL 60603, as Lessor; and Cleco Corporation, 2005 Vandeveld Avenue, Alexandria, LA 71303, as Lessee, dated November 30, 1998 and covering 120 new Trinity built 4,470 cubic foot rotary aluminum gondola coal cars with 286,000 pounds total gross weight on rail, with an A.A.R. mechanical designation of GT Gondola, bearing Lessee's identifying mark CLEX and numbers 2001-2120.

I am enclosing a stamped, self-addressed envelope for your use in returning the requested stamped documents to me.

If you should have any questions regarding the foregoing, please call me.

Cleco Corporation

By: 
Darrell J. Dubroc
Vice President - Generation Services

SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20423-0001

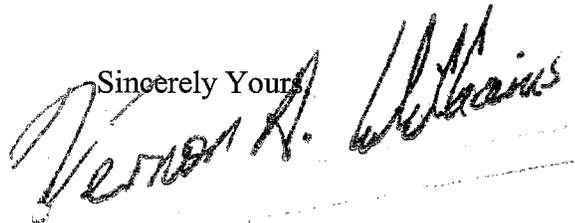
OFFICE OF THE SECRETARY

Darrell J. Dubroc VP Generation Services
Cleco Corporation
2005 Vandevelde Avenue
Alexandria, LA., 71303

Dear Sir:

The enclosed documents (s) was recorded pursuant to the provisions of 49 U.S.C.
11301 and CFR 1177.3 (c), on 2/18/99 at 12:15PM, and
assigned recordation numbers (s): 22032.

Sincerely Yours



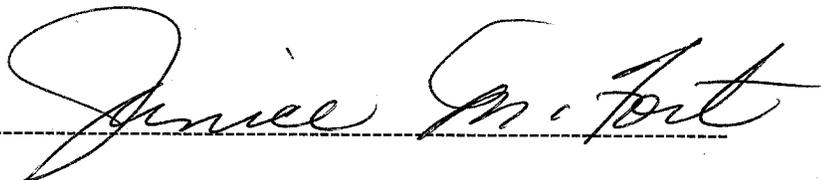
Vernon A. Williams

Enclosure(s)

26.00

\$_____ The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid. In the event of an error or any questions concerning this fee, you will receive a notification after the Surface Transportation Board has an opportunity to examine your document.

Signature-----



RECORDATION NO. 22032 FILED

FEB 18 '99

12-15 PM

CAR LEASE NO. 6915-97-01

THIS IS A NET CAR LEASE

**GENERAL ELECTRIC RAILCAR
SERVICES CORPORATION**

and

CLECO CORPORATION

Dated: November 30, 1998

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GENERAL ELECTRIC RAILCAR SERVICES CORPORATION
NET CAR LEASE NO. 6915-97-01

This Lease ("Lease") is made effective as of November 30, 1998, between **General Electric Railcar Services Corporation**, a Delaware corporation ("Lessor"), and **Cleco Corporation**, a Louisiana corporation, with a principal place of business at 2005 Vandervelde Avenue, Alexandria, LA 71303 (hereinafter called "Lessee").

1. **Lease.** Lessor agrees to lease to Lessee, and Lessee agrees to lease from Lessor, the railroad Car(s) described in the Rider(s) (the "Car(s)") subject to this Lease. Each Rider includes the number of Car(s), the commodity the Lessee indicates will be carried, the rental rate and term, Car numbers and other pertinent information that may be desired by both parties. If the terms of this Lease and Riders conflict, the terms of the Rider govern. All Cars leased pursuant to such Riders, or otherwise delivered to and accepted by Lessee, are subject to the terms of this Lease.

2. **Delivery.** Lessor will deliver the Car(s) to Lessee at a point(s) designated by Lessee. Lessor's obligation to deliver is subject to delays beyond its control.

3. **Inspection; Acceptance.** Each of the Car(s) will be subject to Lessee's inspection upon delivery. Failure by Lessee to report any defect in any Car within the earlier of loading, or fifteen (15) days after delivery of such Car will constitute acceptance by Lessee and will be conclusive evidence of the fit and suitable condition of such Car for the purpose of transporting the commodities loaded.

4. **Rent.**

- A. Lessee will pay rent for each of the Car(s) from the date of delivery until such Car is returned to and accepted by Lessor. Lessee's obligation to pay rent on each Car will terminate on the later of the expiration date of the Rider or the fifth day after the Car arrives at a point designated by Lessor in the condition required hereunder. The rent must be paid in advance on the first day of each month. Any period which is less than a full month will be prorated. Notices and rent shall be sent to Lessor at its principal office, 33 West Monroe Street, Chicago, Illinois 60603. The terms of the Lease will continue until the last Car(s) returned is (are) accepted by the Lessor.
- B. This Lease is a net lease and Lessee will not be entitled to any abatements, reductions, or set-offs of rent alleged to be due to any past, present, or future claims of Lessee against Lessor under any Rider or otherwise. Each rental or other payment made by Lessee will be final and Lessee will not seek to recover any payment from Lessor for any reason.

5. [LEFT BLANK INTENTIONALLY]

6. **Railroad Charges.** Lessee must reimburse Lessor for any payment Lessor is required to make to any railroad for charges incurred while in Lessee's service. It is agreed that the railroad mileage and junction reports will be conclusive evidence of the facts reported.

7. **Repairs; Maintenance.**

- A. **Inspection, Maintenance, and Notification:** During the term of the Lease, Lessee will inspect, maintain and perform the necessary repair to the Car(s) to ensure that the Car(s) are qualified under and in compliance with Association of American Railroads ("AAR"), US Department of Transportation ("DOT"), Federal Railroad Administration ("FRA"), or any other applicable law or regulation. Lessee will promptly notify Lessor of any repair required for any Car(s), providing the time, place and nature of any accident.
- B. **Lessee Responsibility:** Lessee will pay for the repair of damages, including corrosion damage, other than those associated with ordinary wear and tear. Lessee will also pay for the maintenance and replacement of items that are necessary to keep the Car(s) in good condition, repair, and in compliance with AAR, DOT, FRA, or any other applicable law or regulations.
- C. **Cleaning:** Lessee assumes full responsibility for all costs associated with the removal, disposal and cleaning of commodities from the Car during and at the end of the Lease term.

8. Casualty Car(s). If any Car is totally damaged or destroyed, the rent for such Car will terminate upon the receipt by Lessor of reimbursement for such car whether by settlement pursuant to the AAR rules or otherwise. If as a result of Lessee damage, a Car is totally damaged, destroyed, or is non-economic to repair as deemed by Lessor, the settlement value will be calculated using AAR Rule 107. Lessor has the right, but is not obligated, to substitute for any such Car, subject to Lessee's approval and acceptance in accordance with Section 3 above, another Car of the same type and capacity and the rental will commence upon delivery of the Car.

9. Renewal. Lessor will notify Lessee in writing of proposed renewal terms no later than sixty (60) days prior to the last expiration date of each Rider. No later than fifteen (15) days prior to the last expiration date of each Rider, Lessor requires notice of Lessee's intention to return the Car(s). Unless notice is received, at Lessor's discretion, the Rider automatically will be renewed based upon the proposed terms and conditions on the date following the last expiration date of the Rider.

10. Return Conditions.

A. Lessee must return the Car(s) to Lessor at a point(s) designated and agreed upon by Lessor and Lessee in the same or as good as delivered condition, ordinary wear and tear excepted. Lessee must repair, replace or be liable for any item which is removed, broken, altered, missing, damaged, corroded or replaced with a non-standard item. Lessee will return Car(s) free from all charges, liens, and encumbrances which may result from any act or default of Lessee, (i) in a condition which would not otherwise constitute a "cause for attention" as defined in the Field Manual of the AAR, then in effect, (ii) free from any defects as defined under the rules and regulations then promulgated by the FRA, (iii) without any Interchange Rule 95 damage, (iv) suitable for loading, transportation and unloading, and outlet gates must be recycled at termination inspection and all door systems must be fully operational without leaks; (v) free from "wrong repairs" as defined in the Interchange Rules and (vi) the wheels on each car shall be in serviceable condition and shall average not less than 18/16 inches rim thickness, and (vii) free from accumulations or deposits from commodities transported in the Car(s). Lessee must reimburse Lessor for any expense incurred in cleaning, removal, and disposal of any remaining accumulation or deposits from such Car. Lessor may, at Lessee's expense, return the Car(s) to Lessee for cleaning. No rental credits will be issued while Car(s) are being cleaned, and rent will continue until such Car(s) are returned to Lessor empty at the designated point(s) or at the termination of each Rider.

Notwithstanding the exception for ordinary wear and tear in this Section 10A, if during the term hereof, any of the Cars or any components or appurtenances thereto shall be unduly and materially damaged, destroyed or depreciated in value or condition due to the corrosive or other damaging effect of any substance carried therein or thereon (whether or not such damage was foreseeable), Lessee will reimburse Lessor promptly for such damage, loss or expense suffered by Lessor as a consequence thereof.

B. Unless Lessor shall be in default hereunder, Lessee shall, remark each car as directed by Lessor, prior to returning such car to Lessor and Lessee shall bear the costs associated with remarking each Car(s). Remarkings, with respect to each Car(s), shall consist of the following: (i) removal of existing mandatory markings and all company logos of Lessee; (ii) complete cleaning of the area where new marks are to be placed subsequent to the removal of marking and company logos as designated by Lessor; (iii) application of new mandatory markings and AEI tags, if applicable; and (iv) any transportation involved in moving each Car(s) to and from suitable work area to perform the remarking set forth in this Section.

11. Taxes. Lessee will be obligated to pay all taxes (except income taxes payable by Lessor), including sales, use, property or ad valorem taxes, penalties or interest levied or assessed on the Car(s), the Lease payment or the Lease for the time period covered. Lessee may contest the taxes in good faith by appropriate legal or administrative proceedings. In the event taxes are contested, Lessee remains liable for any resulting tax, penalty or interest. Lessee will make and file any tax reports that are required. Lessee will reimburse Lessor for any damages resulting from failure to pay or discharge any taxes, penalties or interest levied or assessed on the Car(s) or the Lease, provided, however, that this shall not apply to income taxes payable by Lessor.

12. Indemnity. Lessee must indemnify Lessor from any losses, liabilities, expenses (including without limitation, the reasonable cost of investigating and defending against any claim for damages), fines or penalties, including losses related to damage caused to or by materials placed in the Car(s), which may at any time be imposed upon, incurred by or asserted

or awarded against Lessor in connection with: (a) the use, operation, possession, storage, abandonment or return of the Car(s) during the term of this Lease, except any loss, liability or expense which accrues on the Car(s) (i) while such Car is in a repair shop chosen by Lessor undergoing repairs; and (ii) for which a railroad(s) has assumed full responsibility; (b) any present or future applicable law, rule or regulation, including without limitation, common law and environmental law, related to the release, removal, discharge or disposition, whether intentional or unintentional, of any materials from or placed in a Car during the term of this Lease.

13. Transfer or Assignment of Interest; Subleasing; Change of Control. Lessee will not transfer, assign its interest in, or sublease any Car under this Lease without Lessor's prior written consent, which shall not be unreasonably withheld; provided, however, that such consent shall not be necessary for Lessee to transfer or assign its interest in this Lease or to sublease any Car under this Lease to any entity which is a wholly owned subsidiary of Lessee. In any event, however, Lessee shall remain liable to Lessor for all of the obligations of Lessee under the Lease. Lessee may lease any of the Car(s) to its customers for periods of up to six months consistent with its normal merchandising methods. Lessee will continue to remain liable to Lessor for any and all obligations and liabilities arising from the use, control or operation of the Car by any party. No title or interest in any Car will vest in Lessee except the right to use the Car(s) in accordance with the terms of this Lease.

14. Default.

A. **Events of Default:** The occurrence of any of the following events will be an Event of Default: (i) The nonpayment by Lessee of any sum required to be paid under this Lease, Rider, or any applicable schedule or letter agreement within thirty (30) days after the date such payment is due; (ii) The breach by Lessee of any other term or condition of this Lease which is not cured within thirty (30) days after notice of such breach; (iii) The general assignment for the benefit of creditors made by Lessee, or the failure of Lessee to pay, or the statement by Lessee that it is unable to pay, or Lessee's inability to pay its debts generally as its debts become due; (iv) The failure of Lessee to assume this Lease and all Riders then in force and effect within ninety (90) days after the commencement of a Chapter 11 bankruptcy case in which Lessee is a debtor.

B. **Lessor Remedies:** Upon the occurrence of any Event of Default, Lessor, at its option, may terminate this Lease and repossess the Car(s). Nothing in this Lease will limit Lessor's remedies at law or in equity to seek additional damages or relief.

15. Car(s) Subject to Mortgage, Deed of Trust, Equipment Trust or Assignment. This Lease and Lessee's rights are subject and subordinate to the rights of any lender, owner or other party which finances the Car(s). Some of the Car(s) may be subject to the terms of a Mortgage, Deed of Trust, Equipment Trust, Pledge or Assignment or similar security arrangement. The Car(s) may be stenciled or marked to state the ownership of such Car(s) in the name of a mortgagee, trustee, pledgee, assignee or security holder. This Lease and the rents may have been assigned or may in the future be assigned to the holder of the superior lien on each Car (as determined by the filings with the Surface Transportation Board or successor entity). However, Lessee must pay all rents as and when due to Lessor until notified to the contrary by any third party reasonably demonstrating to Lessee's satisfaction that it is the assignee of this Lease or the rents. Lessee consents to and accepts any such assignments. No existing claim or defense which Lessee may have against Lessor will be asserted or enforced against any assignee of this Lease .

16. Mandated Modifications. If the DOT, any other governmental agency, or organization having jurisdiction over the operation, safety or use of railroad equipment, requires modifications to the Car(s) subject to this Lease in order to qualify the Car(s) for operation in railroad interchange, Lessee must pay an additional monthly charge of \$1.10 per Car for each \$100 expended by Lessor on the Car or Lessee may elect to pay for such modification, by notice to Lessor within thirty (30) days after notification of such modification by Lessor. If the modifications are made by Lessor, such obligation by Lessee arises on the date the Car is released from the shop after application of the modifications. If Lessor determines that the cost of making modifications is not economical, and Lessor elects to permanently remove the Car from Lessee's service, the rent for such car will terminate on the date determined by Lessor.

17. Substitution of Car(s). Lessor may substitute for any Car another Car of the same type and capacity with the prior consent of Lessee. The rent for the substituted Car will commence upon delivery of such Car to Lessee.

18. **Exclusion of Warranties.** LESSOR MAKES NO WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED. LESSOR MAKES NO WARRANTY OF MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE OR OTHERWISE, NOR DOES LESSOR HAVE ANY LIABILITY FOR ANY CONSEQUENTIAL OR INCIDENTAL DAMAGES ARISING OUT OF THIS LEASE OR IN CONNECTION WITH ANY CAR.

19. **Entire Lease.** This Lease has been executed in multiple and represents the entire Lease and may not be modified, altered, or amended, except by written agreement signed by the parties.

20. **Compliance with Laws.** Lessor and Lessee agree to comply with all federal, state, and local laws, rules, and regulations promulgated by any governmental authority or industry agency or authority which has proper jurisdiction to regulate the ownership, leasing, operation, maintenance, or use of the Car(s).

21. **Applicable Law.** The terms of this Lease will be governed by the laws of the State of Illinois.

22. **Survival.** Obligations of both parties survive termination of this Lease.

Accepted on Behalf of:

Cleco Corporation

By Danell J. Dubois

Title: V.P. - Generation Services

Date: JANUARY 20, 1999

SEAL

Accepted on Behalf of:

General Electric Railcar Services Corporation

By [Signature]

Title: Vice President

Date: JANUARY 18, 1999

SEAL

ACKNOWLEDGEMENT FOR NET CAR LEASE NO. 6915-97-01

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this 18th day of January, 1999 before me personally appeared Raymond L. Bachinsky, to me personally known, who being by me duly sworn, says that he is the Vice President of GENERAL ELECTRIC RAILCAR SERVICES 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 the execution of the foregoing instrument was the free act and deed of said corporation.

SEAL _____

Given under my hand and official seal this 18th day of January, 1999.

Gail Ann Moore
Notary Public

Commission expires: September 9, 2001



STATE OF LOUISIANA)
 Rapides) SS
PARISH OF ~~RAPIDS~~)

On this 20 day of January, 1999 before me personally appeared DARRELL J. DUBRO to me personally known, who being by me duly sworn, says that he is the Vice-President, Generation Services of CLECO 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 the execution of the foregoing instrument was the free act and deed of said corporation.

SEAL _____

Given under my hand and official seal this 20 day of January, 1999.

Cynthia J. Belgard
Notary Public

Commission expires: at death

**Rider No. 1
Forming Part of
General Electric Railcar Services Corporation
Net Car Lease No. 6915-97-01**

This rider ("Rider"), dated November 30, 1998 and Net Car Lease No. 6915-97-01 (the "Lease"), the terms of which are incorporated herein by reference, by and between **General Electric Railcar Services Corporation** ("Lessor") and **Cleco Corporation** ("Lessee") constitute the whole agreement between the parties with respect to the Cars subject to this Rider, which may be assigned as security or otherwise. The Cars described herein shall be subject to the terms and conditions of the Lease and this Rider during the term of use and for the rental set forth below:

<u>Number of Cars</u>	<u>Type of Car</u>	<u>Net Monthly Rental Per Car</u>
One hundred and twenty (120) New Trinity Built (CLEX 2001-2120)	4,470 cubic feet rotary Aluminum Gondola coal cars with 286,000 pound total gross weight on rail	\$380.50

Delivery shall be deemed to be the date the last Car of the Trainset (consisting of 120 Cars) is accepted at the Trinity plant by Lessee. Freight charges shall be prepaid by Lessee.

Lessee may terminate the Lease of the Cars described in this Rider on December 31 of the year 2005 by providing Lessor notice in writing no later than August 31, 2005. Such option, if exercised, shall be for all the Cars in this Rider. Without appropriate notice as described above, this Rider shall remain in effect until March 31, 2021 pursuant to the terms and conditions as provided herein.

It is understood that the aforesaid Cars are to be used in transportation of Coal only, and shall not, under any circumstances, be used for shipment of any other commodity without the prior written consent of Lessor. In addition to the terms provided elsewhere in the Lease, Lessee shall comply with the restrictions on Attachment A hereto.

For purposes of this Rider only, the first sentence of Section 15 of the Lease shall be deleted in its entirety and the word "superior" is deleted from the fourth sentence of Section 15. Further, notwithstanding the provisions of Section 15 of the Lease, Lessee shall be entitled to quiet enjoyment of the Cars subject to this Rider

throughout the entire term of this Rider. Lessor warrants and agrees that when the Cars are delivered to Lessee, Lessor will be the owner thereof; that the Cars will not then be subject to the terms of any Mortgage, Deed of Trust, Equipment Trust or Assignment or similar security arrangement (Encumbrances); and that for a period of twenty (20) days after delivery of the Cars, it will not do anything that would subject the Cars to any Encumbrances.

Lessee shall be responsible for maintenance of the Cars as described in Section 7 of the Lease.

Dated as of November, 1998 and executed in multiple originals.

CLECO CORPORATION

By: Danally Duboz
Title: V.P. - Generation Services
Date: JANUARY 20, 1999

SEAL

**GENERAL ELECTRIC RAILCAR
SERVICES CORPORATION**

By: [Signature]
Title: VICE-PRESIDENT
Date: JANUARY 18, 1999

SEAL

ACKNOWLEDGEMENT FOR RIDER NO. 1 OF NET CAR LEASE NO. 6915-97-01

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this 18th day of January, 1999 before me personally appeared Raymond L. Bachinsky, to me personally known, who being by me duly sworn, says that he is the Vice President of GENERAL ELECTRIC RAILCAR SERVICES 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 the execution of the foregoing instrument was the free act and deed of said corporation.

SEAL _____

Given under my hand and official seal this 18th day of January, 1999.

Gail Ann Moore
Notary Public

Commission expires: September 9, 2001



STATE OF LOUISIANA)
) SS
PARISH OF Rapides)
~~RAPIDS~~

On this 20 day of January, 1999 before me personally appeared DARRILL T. DUBROG to me personally known, who being by me duly sworn, says that he is the Vice President Generation Services of CLECO 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 the execution of the foregoing instrument was the free act and deed of said corporation.

SEAL _____

Given under my hand and official seal this 20 day of January, 1999.

Cynthia Belgarde
Notary Public

ATTACHMENT A
of
Rider No. 1
Forming Part of
General Electric Railcar Services Corporation
Net Car Lease No. 6915-97-01

RESTRICTIONS

1. Explosives shall not be used, either on the Cars themselves, or on any commodity contained therein.
2. Lessee shall not allow gross rail weights (including light weight of Car) to exceed 286,000 pounds.
3. Cars (when rotary dumped in the unloading process) will be secured in the dumper in the manner prescribed by the Operations manual published by the manufacturer of the dumper and the dumper shall be operated in the manner prescribed by the manufacturer of the dumper.
4. Cars shall not be subject to open pit heat for thawing commodity.
5. Cars shall be used in accordance with the Car design.
6. Cars shall not be subjected to excess impact.