

RECEIVED
SURFACE TRANSPORTATION
BOARD

BALL JANIK LLP

A T T O R N E Y S

JUL 21 11 58 AM '98

1455 F STREET, NW, SUITE 225
WASHINGTON, D.C. 20005

TELEPHONE 202-638-3307
FACSIMILE 202-783-6947

LOUIS E. GITOMER
OF COUNSEL
(202) 466-6532

lgitomer@bjllp.com

RECORDATION NO. 21521

FILED Primary

JUL 21 '98

11-58 AM

RECORDATION NO. 21521 A, B

FILED

JUL 21 '98

11-58 AM

July 21, 1998

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Washington, DC 20423

Dear Secretary Williams:

I have enclosed two originals of a Master Equipment Lease Agreement, one original and one certified copy of Schedule Number 001, and one original and one certified copy of Schedule Number 002, all described below, to be recorded pursuant to 49 U.S.C. §11301.

I. The first document is a Master Equipment Lease Agreement, a primary document, dated as of May 26, 1998. Please record this document under the next available Recordation Number. The names and addresses of the parties to the Master Equipment Lease Agreement are:

Lessor:

NationsBanc Leasing Corporation
2300 Northlake Centre Drive
Suite 300
Tucker, GA 30084

Lessee:

Wood Waste Energy, Inc.
16290 Westwood Business Park Drive
Ballwin, MO 63021

A description of the equipment covered by the Master Equipment Lease Agreement is provided in the appropriate Schedules.

II. The second document is Schedule Number 001, a secondary document, dated as of June 5, 1998. We request that this document be recorded under the A suffix of the Recordation

nbwwe.01

BALL JANIK LLP

Honorable Vernon A. Williams
July 21, 1998
Page 2

Number for the Master Equipment Lease Agreement. The names and addresses of the parties to Schedule Number 001 are:

Lessor:

NationsBanc Leasing Corporation
2300 Northlake Centre Drive
Suite 300
Tucker, GA 30084

Lessee:

Wood Waste Energy, Inc.
16290 Westwood Business Park Drive
Ballwin, MO 63021:

A description of the equipment covered by Schedule Number 001 consists of 20 100-ton gondola rail cars numbered WWEX 722247-722266, inclusive.

III. The third document is Schedule Number 002, a secondary document, dated as of June 5, 1998. We request that this document be recorded under the **B** suffix of the Recordation Number for the Master Equipment Lease Agreement. The names and addresses of the parties to Schedule Number 002 are:

Lessor:

NationsBanc Leasing Corporation
2300 Northlake Centre Drive
Suite 300
Tucker, GA 30084

Lessee:

Wood Waste Energy, Inc.
16290 Westwood Business Park Drive
Ballwin, MO 63021

A description of the equipment covered by Schedule Number 002 consists of 39 100-ton gondola rail cars numbered WWEX 00200, 00201, 00206, 00210, 00211, 00212, 00215, 00217, 00219, 00220, 00227, 00228, 00229, 00230, 00234, 00235, 00238, 00239, 00240, 00242, 00244,

BALL JANIK LLP

Honorable Vernon A. Williams

July 21, 1998

Page 3

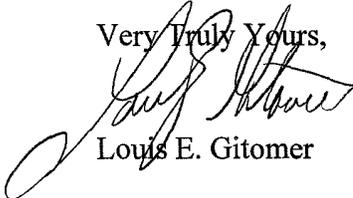
00247, 00249, 00250, 00251, 00254, 00257, 00269, 00270, 00271, 00272, 00278, 00285, 00286, 00289, 00294, 00296, 00297, and 00298.

A fee of \$78.00 is enclosed. Please return the original of each document to:

Louis E. Gitomer
Of Counsel
Ball Janik LLP
Suite 225
1455 F Street, N.W.
Washington, DC 20005

A short summary of the documents to appear in the index follows: (1) Master Equipment Lease Agreement between NationsBanc Leasing Corporation, 2300 Northlake Centre Drive, Suite 300, Tucker, GA 30084, and Wood Waste Energy, Inc., 16290 Westwood Business Park Drive, Ballwin, MO 63021, covering the equipment in the appropriate Schedules; (2) Schedule Number 001 between NationsBanc Leasing Corporation, 2300 Northlake Centre Drive, Suite 300, Tucker, GA 30084, and Wood Waste Energy, Inc., 16290 Westwood Business Park Drive, Ballwin, MO 63021, covering 20 100-ton gondola rail cars numbered WWEX 722247-722266, inclusive; and (3) Schedule Number 002 between NationsBanc Leasing Corporation, 2300 Northlake Centre Drive, Suite 300, Tucker, GA 30084, and Wood Waste Energy, Inc., 16290 Westwood Business Park Drive, Ballwin, MO 63021, covering 39 100-ton gondola rail cars numbered WWEX 00200, 00201, 00206, 00210, 00211, 00212, 00215, 00217, 00219, 00220, 00227, 00228, 00229, 00230, 00234, 00235, 00238, 00239, 00240, 00242, 00244, 00247, 00249, 00250, 00251, 00254, 00257, 00269, 00270, 00271, 00272, 00278, 00285, 00286, 00289, 00294, 00296, 00297, and 00298.

Very Truly Yours,


Louis E. Gitomer

Enclosures

JUL 21 '98 11-58 AM

This Master Equipment Lease Agreement (this "Lease") dated as of May 26, 1998, between NationsBanc Leasing Corporation ("Lessor"), a corporation organized under the laws of North Carolina, having its chief executive office at 2300 Northlake Centre Drive, Suite 300, Tucker GA 30084, and Wood Waste Energy, Inc., ("Lessee"), a corporation organized under the Laws of Virginia, having its chief executive office at 16290 Westwood Business Park Drive, Ballwin, MO 63021.

1. **Lease Agreement.** Subject to the terms and conditions hereinafter set forth, Lessor shall lease to Lessee, and Lessee shall hire from Lessor, the units of personal property (collectively with all attached parts, replacements, additions, accessions and accessories attached thereto, the "Equipment") described in one or more equipment schedules (each a "Schedule") which incorporate by reference this Master Equipment Lease Agreement. Each Schedule shall constitute a separate and independent lease and contractual obligation of Lessee. Until a Schedule is duly signed and delivered by Lessor, a Schedule signed and delivered by Lessee constitutes an irrevocable offer by Lessee to lease the Equipment described in such Schedule from Lessor.

2. **Term of Lease; Rentals and Deposit.** The lease term with respect to any Equipment covered by a Schedule shall consist of an "Interim Term" and a "Base Term" as provided in the Schedule covering such Equipment. Lessee shall pay rent for the Interim Term ("Interim Rent") as provided and in amounts determined by Lessor as set forth in the applicable Schedule, and shall pay rent for the Base Term ("Base Rent") in such amounts and at such times as shall be specified in the applicable Schedule. At the time Lessee signs and delivers a Schedule, Lessee shall deposit with Lessor such additional sum ("Security Deposit"), if any, specified in the Schedule as security for the payment and performance of any obligation of Lessee hereunder.

3. **Location and Use of Equipment.** The Equipment shall not be used or assigned for use in service involving the regular operation or maintenance outside the United States. Lessee will use, operate, protect, and maintain the Equipment in compliance with all applicable insurance policies, laws, ordinances, rules, regulations, and manufacturer's instructions, and all standards of the association of American Railroads and any other national organization applicable to the use, maintenance, or interchange of the Equipment, and shall at its own expense make such alterations to the Equipment as are from time to time required for such compliance. The Equipment shall be used solely for commercial or business purposes, and not for any consumer, personal, home, or family purpose. Lessee shall not, through modifications, alterations or any other method, impair the originally intended function of any Equipment without the prior written consent of Lessor. Any replacement or substitution of parts, improvements or additions to the Equipment made by Lessee shall become and remain the property of Lessor. Lessee shall affix and maintain on each side of each unit of the Equipment (a) the reporting marks assigned to Lessee by the Association of American Railroads, (b) the identification number set forth in the Schedule for such unit, (c) the legend "owned by NationsBanc Leasing Corporation, as Lessor", and (d) such other markings as from time to time are required by law or deemed necessary or appropriate by Lessor to protect Lessor ownership interest in the Equipment. Lessee shall keep the Equipment free and clear of any liens, encumbrances, claims and charges (except for those created expressly by Lessor) and shall not in any way encumber its rights hereunder or under any Schedule.

4. **Taxes.** Lessee shall reimburse Lessor on demand for all taxes, assessments and other governmental charges paid by Lessor in connection with the Equipment or its use, ownership or operation while in Lessee's possession or the payment or receipt of rent or other charges under any Schedule, including but not limited to foreign, federal, state, county and municipal fees and taxes, ad valorem, sales, use, excise, stamp and documentary taxes (other than federal and state taxes based on Lessor's net income), and all related penalties, fines and interest charges. Upon Lessor's request, Lessee will immediately furnish to Lessor such information as Lessor shall require in connection with the preparation and filing of all returns relating to such taxes, assessments, or charges

5. Net Lease, Loss and Damage.

(a) Each Schedule is a net lease. All costs, expenses and other liabilities associated with the Equipment shall be borne by Lessee. Lessee's obligations under any and all Schedules are absolute and unconditional, and are not to be subject to any abatement, deferment, reduction, setoff, defense, counter claim or recoupment for any reason whatsoever. Except as otherwise expressly provided herein, no Schedule shall terminate nor shall the obligations of Lessee be affected, by reason of any defect or damage to, or any destruction, loss, theft, forfeiture, governmental requisition or obsolescence of the Equipment, regardless of cause.

(b) Lessee assumes all risk of damage to or loss, theft or destruction of the Equipment from any cause whatsoever from the date the Equipment is shipped by the vendor or manufacturer. In the event of loss or destruction of the Equipment from any cause whatsoever from the date the Equipment is shipped by the vendor or manufacturer but prior to its acceptance by Lessee, Lessee shall promptly pay to Lessor all sums heretofore paid by Lessor to such vendor or manufacturer and Lessor shall assign to Lessee all of its rights or causes of action, if any, against such vendor or manufacturer. In the event of damage of any kind whatsoever to any item of the Equipment on or after its acceptance by Lessee, Lessee shall, at Lessor's option, either place the same in good repair, condition or working order or if in the reasonable judgment of Lessor the Equipment is determined by Lessor to be lost, stolen, destroyed or damaged beyond repair, Lessee shall pay Lessor the Stipulated Loss Value therefor. Upon such payment, the Lease of such Equipment shall terminate and Lessee thereupon shall become entitled to such item of the Equipment "As Is and Where Is" without warranty, express or implied, with respect to any matter whatsoever. The Stipulated Loss Value of any Equipment shall be determined by Lessor in accordance with the provisions of the Schedule covering such Equipment. Proceeds of Insurance may be available for the repair or payment of the Stipulated Loss Value, in accordance with Section 6 hereof.

6. **Insurance.** Lessee shall, at its own expense, procure and maintain the following insurance coverages on the Equipment until the Equipment is returned to Lessor or Lessee's obligations with respect thereto under any applicable Schedule are otherwise terminated: (i) insurance against theft, fire, and such other risks as Lessor shall specify or (absent any written specification by Lessor) as are customarily insured against in Lessee's trade or industry, under policies naming Lessor as loss payee and (ii) comprehensive public liability and property damage insurance, under policies naming Lessor as additional insured. Each such insurance policy shall: (a) include provisions for the protection of Lessor notwithstanding any action or inaction, neglect, breach, violation, or default of or by Lessee of any warranty, condition or declaration, (b) provide for payment of insurance proceeds to Lessor to the

extent of its liability or interest, (c) provide that such policy may not be modified, terminated or canceled unless Lessor is given at least thirty (30) days' advance written notice thereof, (d) provide that the coverage is "primary coverage" for the protection of Lessee and Lessor notwithstanding any other coverage carried by Lessee or Lessor protecting against similar risks or liabilities, and (e) be issued in such amounts (which in the case of casualty insurance will never be less than the Stipulated Loss Value of the Equipment covered thereby), with such deductibles, by such insurance company, and otherwise in such form as shall all be reasonably satisfactory to Lessor. Lessee shall furnish Lessor with certificates or other satisfactory evidence of such insurance, and shall furnish Lessor with a renewal certificate for each policy at least ten (10) days before the policy renewal date. Lessor shall have no duty to examine any certificate or other evidence of insurance, or to advise Lessee in the event that its insurance is not in compliance with this Section 6. The proceeds of any public liability or property damage insurance shall be payable first to Lessor to the extent of its liability, if any, and the balance to Lessee. The proceeds of fire, theft, or other casualty insurance shall be payable solely to Lessor and shall be used for the repair or replacement of the affected Equipment, unless an event of default shall have occurred and be continuing, in which event such proceeds may, at Lessor's sole option, be applied toward the payment of Lessee's obligations under the applicable Schedule. Lessee hereby appoints Lessor as Lessee's agent and attorney-in-fact with full power to do all things (including but not limited to making, adjusting, and settling claims, and receiving payments and endorsing documents, checks, or drafts) necessary or advisable to secure payment due under any insurance policy contemplated hereby.

7. General Indemnities. Lessee shall indemnify Lessor against all claims, liabilities, losses and expenses whatsoever, including reasonable attorneys' fees and costs (except those directly and primarily caused by Lessor's gross negligence or willful misconduct), in any way relating to or arising out of the Equipment or any part thereof, or the ordering, acquisition, rejection, installation, possession, maintenance, use, ownership, condition, destruction, return, or disposition of the Equipment or any part thereof, including negligence and strict liability in tort, and including any infringement claim. Lessee's obligations under this provision shall survive any partial or total termination, expiration, or cancellation of this Lease.

8. Tax Indemnity.

(a) All references to "Lessor" in this Section 8 shall include each member of the affiliated group of corporations, as defined in Section 1504(a) of the Internal Revenue Code of 1986, as amended (the "Code"), of which Lessor is a member.

(b) Lessor and Lessee agree that Lessor shall be treated for federal, state and local income tax purposes as the owner of the Equipment and shall be entitled to take into account in computing its income tax liabilities, all items of income, deduction, credit, gain or loss relating to ownership of the Equipment as are provided under the Code and applicable state and local tax laws to owners of similar equipment (hereinafter collectively, the "Tax Benefits").

(c) If (i) Lessor shall lose, shall be delayed in claiming, shall not have a right to claim, shall be required to recapture (other than in connection with a sale of the Equipment following the end of the lease term, provided Lessee is not then in default), shall not be allowed or shall not claim as a result of a written opinion of independent tax counsel selected by Lessor to the effect that Lessor's claiming of such Tax Benefits probably would not be upheld by a court if the matter were litigated (that is, that the chances of a finding against Lessor are at least as great as the chances in favor of Lessor), all or any portion of any Tax Benefits, under any circumstances, at any times and for any reason; or (ii) the federal, state or local income tax rates in effect on the commencement date of the lease term for such Equipment (the "Tax Rates") are changed with respect to any period on or prior to the disposition of the Equipment by Lessor; or (iii) Lessor is required under Section 467 of the Code or otherwise to include in its gross income with respect to any Schedule or item of Equipment any amount at any time other than rentals and other amounts payable by Lessee hereunder at the times such amounts are payable as provided herein, then Lessor and Lessee agree that, upon Lessor's demand and at Lessor's option, either: (x) all further rental payments with respect to such Equipment, if any, shall be increased, or (y) Lessee shall pay to Lessor a lump sum amount, which shall in either case maintain the net economic after-tax yield, cash-flow and rate of return Lessor originally anticipated based on the assumptions (including Tax Rates) that were originally utilized by Lessor in originally evaluating the transaction and setting the rental therefor and the other terms thereof. Lessee shall also pay to Lessor all interest, costs (including attorney's fees) and penalties associated with the loss of Tax Benefits or the change in Tax Rates, including costs of collecting amounts under this Section 8.

(d) For purposes of paragraph (c) above, Lessor shall at all times be deemed to have sufficient taxable income and tax liability to be able to utilize the Tax Benefits on a current basis and the fact that Lessor may lose Tax Benefits solely because it either (i) has insufficient taxable income or tax liability or (ii) is subject to the alternative minimum tax shall not be taken into account.

9. Delivery, Acceptance and Return of Equipment.

(a) Upon delivery to and acceptance by Lessee of any Equipment, Lessee shall execute and deliver the Schedule relating to such Equipment, identifying same and acknowledging receipt thereof, with all information required on the Schedule fully completed. Lessee's execution of such Schedule shall constitute acceptance of delivery of such Equipment and Lessee's acknowledgment that such Equipment is in good operating order, repair, condition and appearance, is of the manufacture, design and capacity selected by Lessee, and is suitable for the purposes for which such Equipment is leased.

(b) Upon the expiration or early termination of this Lease, Lessee shall, at its risk and expense, assemble all units of the Equipment at any single facility of Lessee, selected by Lessor by notice not later than 60 days before this Lease expires, within the United States or, if Lessor does not so notify Lessee, at any such facility selected by Lessee, and there store the Equipment for a period not to exceed 180 days after this Lease expires, and deliver the Equipment to a carrier for shipment at Lessor's instructions.

Upon termination or expiration of this Lease, Lessee shall deliver to Lessor (or any person designated by Lessor) all manuals, logs, and maintenance records for the Equipment.

Upon such return, the Equipment shall be in the condition required by §§ 3 and 10 hereof. Not less than 30 days before this Lease expires, Lessee shall notify Lessor of the location to which the Equipment is to be delivered pursuant to this section. Lessor (or any person designated by Lessor) may there inspect the Equipment. If any unit of Equipment is found not conforming to the requirements of this section, Lessee shall make such repairs as are necessary for such conformance.

If any unit of Equipment is not returned in the required condition upon the expiration of this Lease, Lessee shall pay to Lessor daily rent for each day from the expiration of this Lease to the date such unit is returned or restored to the condition required, as the case may be (or payment made in

respect of any such unit deemed to have suffered a loss in accordance with § 5(b) hereof). Such daily rent shall be the daily equivalent of Base Rent, but shall not be less than the amounts paid by railroad companies to other railroad companies or private car lines for the use of equipment of the same age and type of the Equipment.

10. Maintenance. Lessee shall, at its own expense, maintain and keep the Equipment in good working order, repair, appearance and condition and make all necessary adjustments and repairs thereto and replacements thereof, all of which shall become the property of Lessor. Lessee shall observe the recommendations of the manufacturer of the Equipment regarding preventive maintenance and repair, and shall use replacement parts at least equal in quality and function to the parts originally furnished with the Equipment. Any replacement parts shall be free of liens and encumbrances when installed. Lessee shall use the Equipment only for the service and in the manner for which it was designed, and shall not use the Equipment for the transportation of corrosive or radioactive materials, or other materials that might cause damage to the Equipment that could not be practically repaired or would not be covered fully by insurance required or obtained pursuant to this Lease.

11. Renewal and Purchase. Except as set forth in the applicable Schedule, Lessee may not renew or extend the lease term with respect to any Equipment, nor shall Lessee have any option to purchase such Equipment.

12. Assignment of Warranties and Limitation of Responsibility. Lessor hereby transfers and assigns to Lessee, to the extent allowable by law, for and during the lease term of each Schedule with respect to any Equipment covered by such Schedule, the warranties, if any, of the manufacturer issued on such Equipment, and hereby authorizes Lessee to obtain at its own expense the customary service furnished by the manufacturer in connection therewith. Lessee acknowledges that Lessor is not a manufacturer, the agent of a manufacturer or engaged in the sale or distribution of the Equipment and has not made, and does not hereby make, any representation as to merchantability, performance, condition, fitness or suitability of any of the Equipment for the purposes of Lessee or make any other representation with respect thereto. Lessor shall not be liable to the Lessee for any loss, claim, liability, cost, damage or expense of any kind caused, or alleged to be caused, directly or indirectly, by any Equipment, or by an inadequacy thereof for any purpose, or by any defect therein, or the use or maintenance thereof, or any repairs, servicing or adjustments thereof, or any delay in providing or failure to provide the same, or any interruption or loss of service or use thereof, or any loss of business, profits, consequential or other damage of any nature. Lessee agrees that its obligations hereunder shall not in any way be affected by any defect or failure of performance of Equipment.

13. Personal Property. "[intentionally deleted]"

14. Default and Remedies.

(a) Each of the following shall constitute an event of default hereunder and under any and all Schedules then in effect (each, an "Event of Default"): (1) nonpayment when due of any installment of rent or other sum owing by Lessee hereunder, under any Schedule or under any other agreement between Lessor and Lessee if such nonpayment continues for ten (10) days; (2) Lessee's failure to perform and comply with any other provision or condition hereunder or under any Schedule if such failure continues for ten (10) days after written notice thereof by Lessor to Lessee; (3) Lessee's attempt to sell, lease or encumber any item of the Equipment without Lessor's prior written consent, or the attachment of any lien to any such item in favor of anyone other than Lessor, or any attempted levy, seizure or attachment on such item; (4) any representation or warranty made by Lessee to Lessor hereunder or under any Schedule, certificate, agreement, instrument or other statement including income and financial statements, proves to have been incorrect in any material respect when made; (5) the merger, consolidation, reorganization or dissolution of, or transfer of a controlling stock interest in Lessee or the suspension of Lessee's present business; (6) Lessee's general assignment for the benefit of creditors or commencement of any voluntary case or proceeding for relief under the Bankruptcy Code, or any other present or future law for the relief of debtors, or the taking of any action to authorize or implement any of the foregoing; (7) the filing of any petition or application against Lessee under any present or future law for the relief of debtors, including proceedings under the Bankruptcy Code, or for the subjection of property of Debtor to the control of any court, receiver or agency for the benefit of creditors if such petition or application is consented to by Lessee or not dismissed within sixty (60) days from the date of filing; (8) a default exists under any other agreement or instrument of Lessee's with or in favor of Lessor or any direct or indirect affiliate of Lessor; (9) the attempted repudiation of any guaranties for obligations of Lessee to Lessor; (10) the Pension Benefit Guaranty Corporation's commencement of proceedings under Section 4042 of the Employee Retirement Income Security Act of 1974 to terminate any employee pension benefit plan of Lessee; or (11) the occurrence of any event described in clauses (6), (7), (8), or (10) of this Section 14 with respect to any guarantor or the person liable for payment or performance of Lessee's obligations under this Lease.

(b) Upon the occurrence of an Event of Default, Lessor may at its option: (1) proceed by appropriate court action or actions, either at law or in equity, to enforce performance by Lessee of the applicable covenants hereunder and under any or all Schedules or to recover damages for the breach thereof; or (2) cancel Lessee's right of possession of any or all of the Equipment, whereupon all rights of Lessee to use the Equipment shall absolutely cease and terminate, but Lessee shall remain liable as herein provided. Upon such cancellation, Lessee shall, at its own expense, immediately redeliver such Equipment to Lessor at a place within the continental United States designated by Lessor. If Lessee shall fail to do so, Lessor may retake possession of same, free from any right of Lessee, its successors or assigns. If Lessor elects to cancel Lessee's right of possession of any Equipment, Lessor may recover from Lessee any and all amounts that, under the terms of the applicable Schedule, are then due or that have accrued to the date of such termination, and may also recover forthwith from Lessee, as damages for loss of its bargain and not as a penalty, an amount equal to the Stipulated Loss Value of such Equipment as of the rental payment date on or next preceding the date of default. However, if Lessor recovers possession of such Equipment, Lessee's obligations under the preceding sentence shall be reduced by (1) the net amount Lessor in fact receives from the sale of any such Equipment, or (2) at Lessor's election, the present value (determined on the basis of the "Discount Rate" as hereinafter defined) of the noncancelable regularly scheduled rentals receivable under a subsequent lease of any of the Equipment, taking into account only the rentals receivable from the commencement date of such subsequent lease until the end of the lease term for such Equipment under the applicable Schedule. For purposes of this Section 14, the Discount Rate shall be a rate of interest equal to four percent (4.0%) plus the "Prime Rate" of NationsBank of Georgia, N.A., Atlanta, Georgia (or any successor thereto as announced on the day on which the commencement date of such subsequent lease occurs).

(c) In addition to any amount recoverable under paragraph (b) above, Lessor may recover from Lessee all Lessor's costs and expenses incurred by reason of Lessee's breach or default, including without limitation costs and expenses of repossession, storing, holding, transporting, insuring, servicing, repairing, maintaining, renting, and selling any Equipment and collecting rents and other proceeds of its disposition, and fees and expenses of attorneys in the amount fifteen percent (15%) of all amounts due on or after the time of such breach or default (but not to exceed the amount actually incurred), and other professionals employed by Lessor in connection with the protection and enforcement of its title and interest in any and all Equipment and its rights under any and all Schedules. From and after the occurrence of an event of default, any installment of rent or other sum owing under any Schedule that is not paid when due shall accrue interest from the date of such event of default or (if later) the date such amount becomes due to the date it is paid, at a per annum rate equal to the lesser of (i) fifteen percent (15%), or (ii) the highest rate, if any, permitted by applicable law.

(d) Except as otherwise expressly provided herein, all rights and remedies of Lessor are concurrent and cumulative. The exercise or partial exercise of any remedy shall not restrict Lessor from further exercise of that remedy or any other remedy provided for herein or otherwise available under applicable law. To the extent permitted by applicable law, Lessee waives any rights now or hereafter conferred by statute or otherwise that may require Lessor to sell, release or otherwise use or dispose of any of Equipment in mitigation of Lessor's damages or that may otherwise limit or modify any of Lessor's rights or remedies.

15. Assignment by Lessor. Lessor may assign or transfer, and Lessee hereby consents to the assignment or transfer, of all or any part of any Schedule or Lessor's interest in any Equipment without notice to Lessee. Lessee agrees that the liability of Lessee to any assignee of Lessor, or any subsequent assignee of such assignee, shall be absolute and unconditional and shall not be affected by any default hereunder of Lessor whatsoever or by any breach of any warranty, express or implied, in respect of any Equipment or Schedule. Lessee further agrees that no such assignee shall be required to assume any of the obligations of Lessor under any Schedule except (i) the obligation in respect of the application of any insurance monies received by such assignee, as hereinabove provided, (ii) that the assignee shall be responsible for its own misconduct after the assignment, and (iii) that any successor lessor shall be responsible for the lessor's duties hereunder accruing after any such assignment. Lessee acknowledges that no such assignment shall materially change Lessee's duties hereunder or materially increase any burden or risk imposed on Lessee hereunder.

16. Prohibition of Assignment by Lessee. Lessee shall not assign or in any way dispose of all or any part of its rights or obligations under any Schedule or enter into any sublease of all or any part of any Equipment without the prior written consent of Lessor, or otherwise part with possession or control of the Equipment or any part thereof, except to railroad companies for the transportation of goods and commodities in the service of Lessee or to the manufacturer or other maintenance facilities for maintenance, repair, or overhaul, or for modification to the extent permitted under this Lease.

17. Financial and Other Data

(a) During the term of this Lease, Lessee (i) shall furnish Lessor annual balance sheets and profit and loss statements of Lessee and of any guarantor of Lessee's obligations under any Schedule, and (ii) at Lessor's request, shall furnish Lessor all other financial information and reports reasonably requested by Lessor at any time, including quarterly or other interim balance sheets and profit and loss statements of Lessee and of any such guarantor. Lessee shall furnish such other information as Lessor may reasonably request at any time concerning Lessee and its affairs, including without limitation information concerning the Equipment covered by a Schedule.

(b) Lessee represents and warrants that all information furnished and to be furnished by Lessee to Lessor is accurate and that all financial statements Lessee has furnished and hereafter may furnish to Lessor, including operation statements and statements of condition, are and will be prepared in accordance with generally accepted accounting principles, consistently applied, and reasonably reflect and will reflect, as of their respective dates, results of the operations and the financial condition of Lessee and of any other entity they purport to cover.

18. Miscellaneous.

(a) Each Schedule is and is intended to be a lease, and Lessee does not acquire hereby or under any Schedule any right, title or interest in or to the Equipment, except the right to use the same under the conditions hereof and under the additional conditions set forth in the applicable Schedule. Lessee waives any right to assert any lien or security interest on the Equipment in Lessee's possession or control for any reason.

(b) The relationship between Lessor and Lessee shall always and only be that of lessor and lessee. Lessee shall never at any time for any purpose whatsoever be or become the agent of Lessor and Lessor shall not be responsible for the acts or omissions of Lessee or its agents.

(c) Lessee shall file and record this Lease, and any assignments hereof and amendments hereto pursuant to Section 11303 of Title 49 of the United States Code, and shall execute and file any other instruments requested by Lessor that are necessary or appropriate to protect or preserve such interests.

Lessee hereby irrevocably appoints Lessor as Lessee's agent and attorney-in-fact for Lessee to execute, deliver, file, or record any such item, and to take such action for Lessee and in Lessee's name, place and stead.

(d) Lessor, its agents and employees shall have the right to enter any property where Equipment is located and inspect any Equipment at any reasonable time. Lessor's right to inspect the Equipment is solely for the benefit of Lessor and shall not impose any obligation of any kind whatsoever on Lessor.

(e) Lessee agrees to pay Lessor a late charge equal to five percent (5%) of the rental on all rentals not paid by Lessee to Lessor within ten (10) days of when due and owing under the provisions of this Lease.

(f) To secure the full and punctual payment and performance of its obligations under each Schedule, Lessee hereby grants to Lessor a security interest in all Lessee's right, title and interest, whether now existing or hereafter arising, in, under and to each other Schedule, lease, security agreement or other agreement between Lessor and Lessee, and each item of Equipment or other tangible personal property covered thereby.

(g) Lessor's rights and remedies with respect to any of the terms and conditions of each Schedule shall be cumulative and not exclusive and shall be in addition to all other rights and remedies in its favor. Lessor's failure to enforce strictly any of the provisions of any Schedule shall not be construed as a waiver thereof or as excusing Lessee from future performance.

(h) The invalidity of any portion of this Lease or any Schedule shall not affect the force and effect of the remaining valid portions thereof.

(i) All notices shall be binding upon the parties hereto if sent to the respective addresses set forth herein, or to such other address as either party may designate in a written notice to the other party. Except as otherwise expressly provided herein, all notices shall be deemed effective when deposited in the United States mail (if sent by registered, certified or first-class mail, postage prepaid) or when received (if sent by any other means).

(j) Except as expressly provided herein, no representation, warranty, promise, guaranty or agreement, oral or written, expressed or implied, has been made by either party herein with respect to any Schedule or Equipment. This Lease and the Schedules governed hereby constitute the entire agreement between the parties herein with respect to the leasing of the Equipment. Any change or modification to this Lease or any Schedule governed hereby must be made in writing and signed by the parties hereto.

(k) To the extent permitted by applicable law, this is a "finance lease" under Section 2A-103(g) of the Uniform Commercial Code. Lessee waives any right (i) to cancel or repudiate this Lease or any Schedule governed hereby, (ii) to reject or revoke acceptance of any item of Equipment, and (iii) to recover from Lessor any general or consequential damages, for any reason whatsoever.

(l) This Lease and each Schedule incorporating its terms and conditions shall be governed by and construed according to the internal laws of the State of Georgia as of the date hereof, without giving effect to any principle of conflicts of law or choice of law that would otherwise make the law of any other jurisdiction the law governing this Lease or any such Schedule.

(m) Lessor and Lessee each waive trial by jury in any action, proceeding or counterclaim brought by either against the other on any matter however arising out of or in any way connected with this Lease or any Schedule.

(n) Lessee shall reimburse Lessor upon demand for all costs and expenses incurred by Lessor in connection with the execution and delivery of this Lease and the transactions contemplated hereunder including, without limitation, any lien search and filing fees.

In Witness Whereof, Lessor and Lessee have executed this Lease as of the date first above written.

NationsBanc Leasing Corporation (Lessor)

Wood Waste Energy, Inc. (Lessee)

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

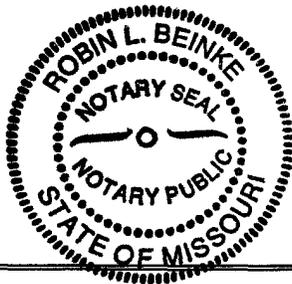
Title: _____

State of Missouri)

County of St. Louis)

ss:

On this 28th day of May, 1998, before me, personally appeared GREG SMITH to me personally known, who being by me duly sworn, says that (s)he is the PRESIDENT of WOOD WASTE ENERGY, that the foregoing Master Equipment Lease Agreement was signed on behalf of said trust by authority granted under the _____ agreement dated as of _____, and (s)he acknowledged that the execution of said instrument was the free act and deed of said trust.



Robin L. Beinke
Notary Public

(Seal)

My Commission expires:
August 2, 2001

State of Georgia

)
)
)

SS:

County of

On this 20 day of July 1998, ~~1995~~, before me, personally appeared Michael Spiva,
to me personally known, who being by me duly sworn, says that (s)he is the V. P. of NationsBanc Leasing Corporation,
that the seal affixed to the foregoing Master Equipment Lease Agreement 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 (s)he acknowledged that the execution of said instrument was the
free act and deed of said corporation.

Carol Jones
Notary Public

(Seal)

My Commission expires:

Notary Public, DeKalb County, Georgia
My Commission Expires February 20, 1999