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SURFACE TRANSPORTATION BOARD
JUL 21 11 58 AM '98

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RECORDATION NO. 21521 FILED
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

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,

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

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RECORDATION NO 21521-A FILED

JUL 21 '98 11-58 AM

NationsBank
NationsBanc Leasing Corp.

Equipment Lease Schedule
For Master Equipment Lease Agreement

Schedule Number 001

This Schedule, dated as of June 05, 1998, between **NationsBanc Leasing Corporation**, as Lessor, and Wood Waste Energy, Inc., as Lessee, is executed pursuant to and is subject to the terms and conditions of Master Equipment Lease Agreement Number 06756-00300 dated as of May 26, 1998 (the "Lease"). Unless otherwise defined herein, capitalized terms used in this Schedule have the respective meanings assigned to such terms in the Lease. Should any terms and conditions of this Schedule conflict with any provision of the Lease, the terms and conditions herein shall supersede conflicting terms and conditions in the Lease.

Lessee hereby authorizes Lessor to insert herein the serial numbers and other identification data of the Equipment, when determined by Lessor, and dates or other omitted factual matters.

Description of Equipment: The total cost of which to Lessor is ("Total Capitalized Cost"):

Quantity	Description	SerialNum	CustomerRef	Cost
20	1979 Ortner 100 Ton Gondola Rail Cars	WWEX722247 through WWEX722266		

Equipment Total:
Payment Total:

Term of Lease with respect to Equipment: The term of the Lease for the Equipment described herein is for an Interim Term commencing on the Acceptance Date set forth below, and continuing through and including the day preceding the Base Term Commencement Date; and for a Base Term of Sixty (60) months commencing on the 5th day of the calendar month following the Acceptance Date (the "Base Term Commencement Date").

Rental: Interim Rent shall be due Lessor for each day in the Interim Term shall equal the first Base Rent installment divided by thirty. Interim Rent shall be payable on the Base Term Commencement Date.

Base Rent shall be payable in Sixty (60) consecutive monthly installments of each, or as set forth in the Schedule of Base Rent installments attached hereto, the first Base Rent installment being payable on the Base Term Commencement Date and the remaining Base Rent installments being payable on the 5th day of each succeeding month.

Stipulated Loss Value: After the occurrence of any casualty loss or other event giving Lessor the right to require payment of the Equipment's Stipulated Loss Value, Lessor shall calculate such Stipulated Loss Value and give Lessee written notice thereof. Such "Stipulated Loss Value", as of any particular date, shall be the product obtained by multiplying the Total Capitalized Cost for the item of Equipment in question by the percentage, as set forth in the attached "Schedule of Stipulated Loss Values", specified opposite the rent installment number becoming due immediately after the date Lessor gives Lessee notice requiring payment of the Stipulated Loss Value (the "SLV Payment Date"). On the SLV Payment Date, Lessee shall pay Lessor the Stipulated Loss Value plus the rent installment then due, together with any other unpaid amounts then due and owing under this Schedule. If only a portion of the Equipment is affected by any event causing calculation of Stipulated Loss Value, and the cost of such portion cannot be readily determined from the Total Capitalized Cost set forth above, then the Total Capitalized Cost for such portion shall be as reasonably calculated by Lessor, with written notice of such Total Capitalized Cost being sent to Lessee by Lessor.

Assets Class and Depreciable Life: Lessee hereby warrants and represents that the above described Equipment qualifies under asset guideline class 40.1 and constitutes "7-year property" within the meaning of Internal Revenue Code Section 168.

Location of Equipment: Equipment will be located at:

Location	Address	City	County	State	ZIP
A	16290 Westwood Business Park Drive	Ballwin	St Louis	Missouri	63021

Insurance Requirements: In addition to the requirements set forth in the Lease, the following shall apply:

Liability: Not less than $500,000.00 combined single limit liability insurance, including bodily injury and death and property damage, covering activities of Lessor and Lessee and naming Lessor as additional insured.

Physical Damage: Comprehensive insurance, including loss by burglary, theft, malicious mischief and fire, for an amount not less than the Stipulated Loss Value of the Equipment, and naming Lessor as loss payee.

End of Base Term Options: In addition to Lessee's option to return the Equipment to Lessor, Lessee may, provided no Event of Default has occurred and continues, and upon Lessee having provided to Lessor written notice not less than ninety (90) days prior to the expiration of the Base Term of Lessee's election (which shall be irrevocable), elect to:

(i) Lessee may, provided no Event of Default has occurred and continues, and upon its having provided to Lessor written notice not less than ninety (90) days prior to the expiration of the Base Term of its election (which shall be irrevocable), purchase all of Lessor's right, title and interest in and to all, but not less than all, of the Equipment on an "as-is, where-is" basis, with no warranties (express or implied) as to any matter whatsoever, except that no lien or encumbrance against the Equipment then exists that has been created by Lessor, for a purchase price equal to the then Fair Market Value of the Equipment, which shall not exceed . Lessee shall pay Lessor the purchase price plus any applicable taxes on the expiration of the Base Term in immediately available funds.

(ii) Lessee may, provided no Event of Default has occurred and continues, and upon its having provided to Lessor written notice not less than ninety (90) days prior to the expiration of the Base Term of its election (which shall be irrevocable), extend the Base Term for a period to be agreed upon by Lessee and Lessor for an amount equal to the Equipment's then fair market rental value, as determined by Lessor. The fair market rental value shall be payable by Lessee to Lessor on the same day of the month the Base Term Rental Installments were due.

Early Purchase Option: Provided no Event of Default has occurred and continues, Lessee may, upon giving Lessor not less than sixty (60) days prior written notice (which shall be irrevocable), purchase all, but not less than all, of the Equipment from Lessor, on an "as is, where is" basis with no warranty (explicit or implicit) as to any matter whatsoever, except that no lien or encumbrance against the Equipment then exists that has been created by Lessor, on the last day of any monthly period of the Base Term following the last day of the 36th month of the Base Term, for a purchase price equal to the greater of the Fair Market Value of the Equipment or the Equipment's then "Termination Value", as set forth on the Schedule of Termination Values attached hereto, plus applicable taxes. Lessee shall remit such purchase price, together with all other amounts due and owing hereunder, in immediately available funds.

Return Conditions:
In addition to the maintenance and return conditions set forth in the Lease, the Equipment covered by this Schedule also shall be subject to the following conditions:

(i) Cars shall not be used in Mexico; and

(ii) Lessee will act as a fiduciary on behalf of Lessor as to reporting, maintenance, physical condition, etc.

During any renewal term of the Lease, for Cars that are casualties, Lessor will receive from Lessee as Casualty Value the greater of 1) the Casualty Value in the Lease, or 2) AAR casualty settlement value.

(i) Cars may not be loaded for revenue service after the date of Lease expiration or the expiration of any renewal term;

(ii) for tank cars: tank cars will be steam cleaned, free of liquid and product residue; Lessee will inform Lessor if any other product (product type) is transported in the Car, other than what was permitted hereunder; Lessee is responsible for full and complete cleaning;

(iii) the Cars will be returned to Lessor complete, as when new, cleaned and free of product and other miscellaneous junk, silt, sludge, debris, or residue;

(iv) missing, broken, damaged, cracked or non-functioning equipment or parts will be replaced at Lessee's expense; rent will continue on a per diem basis on those Cars until they are in a mechanically acceptable condition for return;

(v) exterior sides will be free of rust and corrosion and will be painted according to a standard paint scheme, free of any and all advertising and notices other than receiving numbers and Lessee's corporate identification;

(vi) all required tests and dates (cots, etc.) shall be in accordance with AAR requirements;

(vii) in the case of covered hoppers and tank cars (if applicable), lining must be intact and in serviceable condition; and

(viii) Lessee shall return the Equipment, in first class operating condition, no later than ten days after Lease expiration, with one free move per Car on Lessee tracks (including subsidiary) and with respect to Cars not returned in ten days, Lessee shall pay Rent on a per diem basis until returned.

(i) The Cars may only be used in revenue service and may not be used in company service, maintenance of way service or for storage of company materials; and

(ii) the Lessor will be reimbursed for material removed from the Car (s) during any modification; the dollar amount will be based on the weight times the going rate of Pittsburgh #1 heavy melting.

No Material Adverse Change: Lessee represents and warrants that there has been no material adverse change in its business or financial condition since May 13, 1998. Lessor shall not be obligated to execute this Schedule and lease the Equipment hereunder to Lessee if there shall have occurred any change in applicable law that would have a material adverse impact on the transaction contemplated hereby or there shall have occurred a material adverse change (in Lessor's sole judgment) in the financial or business condition of Lessee.

Acknowledgment of Receipt of Equipment: Lessee acknowledges that the Equipment described herein above has been delivered to and received by it, is conforming as represented, and is acceptable and satisfactory to it, and that the same has been irrevocably accepted as Equipment leased by Lessee under this Schedule as of the date written below (the "Acceptance Date").

NationsBanc Leasing Corporation

By: Carol Jones

Printed Name: CAROL J[illegible]

Title: ASSISTANT [illegible]DENT

Wood Waste Energy, Inc.

By: [illegible]

Printed Name: Lorin Smith

Title: President

Acceptance Date: 6/12/98

10N27

NationsBank

NationsBanc Leasing Corporation

Schedule of Stipulated Loss Values
For Equipment Lease Schedule

Schedule Number 001

This Schedule of Stipulated Loss Values is made a part of Equipment Schedule No. 001, dated June 05, 1998, to Master Equipment Lease Agreement Number 06756-00300, dated as of May 26, 1998, between **NationsBanc Leasing Corporation** (as "Lessor") and Wood Waste Energy, Inc. (as "Lessee").

Base Rent Installment Number	Stipulated Loss Value Percentage	Base Rent Installment Number	Stipulated Loss Value Percentage
1		33	
2		34	
3		35	
4		36	
5		37	
6		38	
7		39	
8		40	
9		41	
10		42	
11		43	
12		44	
13		45	
14		46	
15		47	
16		48	
17		49	
18		50	
19		51	
20		52	
21		53	
22		54	
23		55	
24		56	
25		57	
26		58	
27		59	
28		60	
29			
30			
31			
32			

In Witness Whereof, Lessee and Lessor have caused this Schedule of Stipulated Loss Values to be executed by its authorized officers.

NationsBanc Leasing Corporation

By: Carol Jones

Printed Name: CAROL JONES

Title: ASSISTANT VICE PRESIDENT

Wood Waste Energy, Inc.

By: Lou Smart

Printed Name: Louis Smart

Title: President

10-04-0825 (8-30-94)

NationsBank

NationsBanc Leasing Corporation

Schedule of Termination Values
For Equipment Lease Schedule

Schedule Number 001

This Schedule of Termination Values is made a part of Equipment Schedule No. 001, dated June 05, 1998, to Master Equipment Lease Agreement Number 06756-00300, dated as of May 26, 1998, between **NationsBanc Leasing Corporation** (as "Lessor") and Wood Waste Energy, Inc. (as "Lessee").

Base Rent Installment Number	Termination Value Percentage
36	
37	
38	
39	
40	
41	
42	
43	
44	
45	
46	
47	
48	
49	
50	
51	
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59	
60	

In Witness Whereof, Lessee and Lessor have caused this Schedule of Termination Values to be executed by its authorized officers.

NationsBanc Leasing Corporation

By: Carol Jones

Printed Name: CAROL JONES

Title: ASSISTANT VICE PRESIDENT

Wood Waste Energy, Inc.

By: Greg Smart

Printed Name: Greg Smart

Title: President

10-04-0825 (8-30-94)

CERTIFICATION

I, LOUIS E. GITOMER, have compared this copy to the original Schedule Number 001 dated as of June 5, 1998, and found the copy to be complete and identical in all respects to the original document. I declare under penalty of perjury that the foregoing is true and correct.

Louis E. Gitomer
July 21, 1998