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18876-A,B

RECORDATION NO. \_\_\_\_\_ FILED 1425

JUL 1 1994 -3 45 PM

INTERSTATE COMMERCE COMMISSION

July 1, 1994

Direct Dial: (202)466-6532

18876

RECORDATION NO. \_\_\_\_\_ FILED 1425

JUL 1 1994 -3 45 PM

INTERSTATE COMMERCE COMMISSION

Honorable Sidney L. Strickland, Jr.  
Secretary  
Interstate Commerce Commission  
Washington, DC 20423

Dear Secretary Strickland:

I have enclosed two originals and one certified copy of the three documents described below, to be recorded pursuant to 49 U.S.C. § 11303.

- I. The first document is a Master Lease Agreement, a primary document, dated July 1, 1994. We request that this document be recorded under the next available Recordation Number.

The names and addresses of the parties to the Master Lease Agreement are:

Lessor:

Transisco Leasing Company  
601 California Street, Suite 1301  
San Francisco, CA 94108

Lessee:

Omaha Public Power District  
444 South 16th Street Mall  
Omaha, NE 68102-2247

A description of the equipment covered by the Master Lease Agreement consists of 120 286,000 pound auto flood hopper cars numbered OPPX 801-920, inclusive.

*counterparts*  
*James D. H. Deffen*

*Vertical stamp: RECEIVED JUL 1 1994*

BALL, JANIK & NOVACK

Honorable Sidney L. Strickland, Jr.  
July 1, 1994  
Page 2

- II. The second document is Schedule No. 1 to Master Lease Agreement, dated as of July 1, 1994, a secondary document. We request that this document be recorded under the "A" suffix of the Recordation Number.

The names and addresses of the parties to the Schedule No. 1 to Master Lease Agreement are:

Lessor:

Signet Leasing and Financial Corporation  
7 St. Paul Street  
Baltimore, MD 21203

Lessee:

Omaha Public Power District  
444 South 16th Street Mall  
Omaha, NE 68102-2247

A description of the equipment covered by the Schedule No. 1 to Master Lease Agreement consists of 120 286,000 pound auto flood hopper cars numbered OPPX 801-920, inclusive.

- III. The third document is an Assignment Agreement, made as of July 1, 1994, a secondary document. We request that this document be recorded under the "B" suffix of the Recordation Number.

The names and addresses of the parties to the Assignment Agreement are:

Assignor:

Transisco Leasing Company  
601 California Street, Suite 1301  
San Francisco, CA 94108

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Honorable Sidney L. Strickland, Jr.  
July 1, 1994  
Page 3

Assignee:

Signet Leasing and Financial Corporation  
7 St. Paul Street  
Baltimore, MD 21203

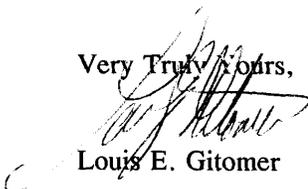
A description of the equipment covered by the Assignment Agreement consists of 120 286,000 pound auto flood hopper cars numbered OPPX 801-920, inclusive.

A fee of \$54.00 is enclosed. Please return two originals of each of the three documents to:

Louis E. Gitomer  
Ball, Janik & Novack  
Suite 1035  
1101 Pennsylvania Avenue, N.W.  
Washington, DC 20004

A short summary of the documents to appear in the index follows: (1) a Master Lease Agreement between Transisco Leasing Company, 601 California Street, Suite 1301, San Francisco, CA 94108, and Omaha Public Power District, 444 South 16th Street Mall, Omaha, NE 68102-2247; (2) a Schedule No. 1 to Master Lease Agreement between Signet Leasing and Financial Corporation, 7 St. Paul Street, Baltimore, MD 21203, and Omaha Public Power District, 444 South 16th Street Mall, Omaha, NE 68102-2247; (3) an Assignment Agreement between Transisco Leasing Company, 601 California Street, Suite 1301, San Francisco, CA 94108, and Signet Leasing and Financial Corporation, 7 St. Paul Street, Baltimore, MD 21203, all covering 120 286,000 pound auto flood hopper cars numbered OPPX 801-920, inclusive.

Very Truly Yours,

  
Louis E. Gitomer

Enclosures

**Interstate Commerce Commission**  
Washington, D.C. 20423

OFFICE OF THE SECRETARY

JULY 1, 1994

LOUIS E. GITOMER  
BALL, JANIK & NOVACK  
1101 PENNSYLVANIA AVE., NW  
SUITE 1035  
WASHINGTON DC 20004

Dear MR. GITOMER:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 7/1/94 at 3:45PM, and assigned recordation number(s). 18876, 18876-A and B.

Sincerely yours,

Sidney L. Strickland, Jr.  
Secretary

Enclosure(s)

\$ 54.00 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 and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one stamped on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature

*Medea M. Stokes*

RECORDATION NO. 18876 FILED 1426

JUL 1 1994 - 3 45 PM

INTERSTATE COMMERCE COMMISSION

TRANSCISCO LEASING COMPANY  
MASTER LEASE AGREEMENT

Date: July 1, 1994

Master Lease No. \_\_\_\_\_

This MASTER LEASE AGREEMENT (this "Lease Agreement") is being entered into as of the date noted above, by and between TRANSCISCO LEASING COMPANY, a Delaware corporation ("Lessor") and OMAHA PUBLIC POWER DISTRICT, a political subdivision of the State of Nebraska ("Lessee").

RECITALS

A. Lessor desires to lease (or cause its designee to lease) the Equipment, as hereinafter defined, to Lessee and Lessee desires to lease the Equipment from Lessor (or its designee), subject to the terms and conditions of and for the purposes set forth in this Lease Agreement and each Schedule (as defined in Section 1).

B. Lessee is authorized under the Constitution and laws of the State of Nebraska (the "State") to enter into the Lease and Related Documents (as defined in Section 1) for the purposes and subject to the conditions set forth herein and therein.

NOW THEREFORE, in consideration of the premises, and other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, the parties hereby agree as follows:

1. **LEASE.** Subject to the terms of this Lease Agreement and the terms of each Schedule executed from time to time by Lessor (or its designee) and Lessee pursuant hereto and incorporating the terms hereof by reference (each a "Schedule", and, if more than one, the "Schedules"; and each Schedule, together with this Lease Agreement, as supplemented and amended from time to time, the "Lease"), Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the equipment and/or other property ("Equipment") described on the Schedules. Whether or not Lessor signs a Schedule before it acquires the Equipment, Lessor shall have no obligation to purchase the Equipment described on any Schedule, or to lease such Equipment to Lessee or otherwise perform its obligations under the Lease with respect thereto, unless (1) the Acceptance Date (as defined in Section 2 hereof) for such Schedule occurs not later than the Latest Acceptance Date specified on such Schedule, (2) Lessee signs an Acceptance Certificate for the Equipment, (3) no Default has occurred and is continuing, (4) the Equipment is suitable for service under the applicable Interchange Rules (as defined in Section 8(b)) and is free of all liens, and (5) Lessor has received such documents and agreements, including but not limited to invoices, appraisals, legal opinions, certificates, waivers, and title documents, in form and substance satisfactory to Lessor, as Lessor may require, and as may be specified in a Closing Memorandum submitted by Lessor to Lessee no later than 2 business days prior to the anticipated Acceptance Date for such Schedule (all such documents and agreements, the "Related Documents").

2. **TERM.** The term of the Lease as it relates to each Schedule (the "Lease Term") for all items of Equipment included on such Schedule shall commence on the date the first of such items is accepted by Lessee, or such other date as may be specified on such Schedule ("Acceptance Date") and, subject to the terms hereof, shall continue for the period of time set forth on said Schedule, plus any agreed renewal period. Upon acceptance of each item of Equipment, Lessee shall execute and deliver to Lessor, Lessor's form of Schedule (unless previously executed) and Acceptance Certificate.

3. **RENT.**

(a) **Rent.** With respect to each Schedule, Lessee shall pay to Lessor as "rent," (i) all Interim Rent (if any) specified on such Schedule, (ii) plus as "Base Rent" an amount equal to the product of (A) the periodic Base Rent payments specified on such Schedule and (B) the number of rental payments specified on such Schedule, (iii) plus the "Annual Rent" specified on such Schedule, plus (iv) any amounts constituting the Purchase Price or Early Purchase Price (as respectively defined in Section 19), plus (v) all other amounts due or to become due under the Lease. Time is of the essence. All rent shall be paid to Lessor in the manner and place specified in such Schedule, or as otherwise agreed upon from time to time by Lessor and Lessee. All rent shall be paid without notice or demand, and Lessee's obligation to pay such rent shall be absolute and unconditional and not subject to any abatement, reduction, set-off, defense, counterclaim or recoupment ("Abatements") for any reason whatsoever (including, without limitation, Abatements due to any present or future claims of Lessee against Lessor under the Lease or otherwise, or against the manufacturer or vendor of the Equipment), nor, except as otherwise expressly provided herein upon a Total Loss (as defined in Section 10), shall the Lease terminate or the obligations of Lessee under the Lease be affected by reason of any defect in or damage to, or any loss or destruction of, any Equipment from any cause whatsoever, or the interference with the use thereof by any private person, corporation or governmental authority, or the invalidity or unenforceability or lack of due authorization of the Lease or lack of right, power or authority to enter into the Lease, or for any other cause, whether similar or dissimilar to the foregoing, any present or future law or regulation to the contrary notwithstanding.

Lessee further acknowledges and agrees as follows: It has entered into that certain Railcar Maintenance Service Agreement dated July 1, 1994 (the "Maintenance Agreement") with Transisco Leasing Company (in its capacity as the maintenance provider under that agreement, hereinafter referred to as the "Servicing Agent") pursuant to which Servicing Agent shall provide maintenance and other services to Lessee to the extent, and subject to the terms and conditions, contained therein, including Lessee's obligation to pay a monthly maintenance charge to Servicing Agent as compensation for Servicing Agent's performance thereunder ("Monthly Maintenance Charges"); and Lessor is to receive from Lessee each such payment of Monthly Maintenance Charges and to distribute the same to Servicing Agent subject to the terms of that certain Servicing Agreement dated July \_\_\_\_\_, 1994, between Lessor and Servicing Agent, and acknowledged by Lessee (the "Servicing Agreement"). In that regard and without limiting the foregoing, Lessee's obligation to pay rent and to otherwise perform its obligations under the Lease (including, without limitation, its obligations under Sections 6 or 8) shall not be affected by any performance, nonperformance or termination of or any Abatement or other event relating to the Maintenance Agreement or the Servicing Agreement; and that, in the event Lessee pays to Lessor any amounts in payment of both Base Rent (or any other obligation under the Lease) and any Monthly Maintenance Charges, and Lessee's payment is insufficient to satisfy all of such Lease and Maintenance Agreement obligations which are then due and owing on the date of such payment, such payment shall be first applied against Lessee's Base Rent, Annual Rent and other obligations under the Lease, with any remainder to be distributed by Lessor to Servicing Agent pursuant to the Servicing Agreement. Any deficiency created by such application shall be addressed between Lessee and Servicing Agent pursuant to the Maintenance Agreement.

(b) Excessive Rent. If a court finally determines that Lessor has received any payments under the Lease which are determined to be interest and which result in interest charges to Lessee in excess of the highest rate permitted by applicable law, such payments, to the extent they result in such excess, shall be deemed to have been payments on account of Base Rent and shall be so credited. If such credit results in Lessee having paid to Lessor any sum in excess of Base Rent plus interest charges at the highest rate allowed by law, then such sum shall be refunded to Lessee and Lessee hereby waives any further remedy or claim against Lessor on account of Lessor having received such sum.

(c) Late Payments. If Lessee does not pay any rent within ten (10) days after the same is due and payable under the Lease, then Lessor at its option may charge and Lessee agrees to pay, a late payment charge in an amount equal to 5% of the amount in default for each month or part of a month after the date the same is due until paid, as liquidated damages (and not as a penalty). This provision does not waive Lessor's rights to exercise any other remedy available to it under the Lease upon a default in payment.

4. DISCLAIMER OF WARRANTIES. LESSOR LEASES THE EQUIPMENT TO LESSEE "AS-IS", "WHERE-IS", WITH ALL FAULTS, AND IN WHATEVER CONDITION IT MAY BE. LESSEE ACKNOWLEDGES THAT LESSOR IS NOT A SELLER (AS SUCH TERM IS DEFINED IN THE UNIFORM COMMERCIAL CODE AS ENACTED IN MARYLAND), NOR A SELLER'S AGENT, AND LESSOR DOES NOT MAKE OR HAS NOT MADE AND IT SHALL NOT BE DEEMED TO MAKE OR HAVE MADE ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE DESIGN, OPERATION OR CONDITION OF, OR AS TO THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE EQUIPMENT DELIVERED TO LESSEE HEREUNDER, THE MERCHANTABILITY OR FITNESS OF THE EQUIPMENT FOR ANY PARTICULAR PURPOSE NOR AS TO TITLE TO THE EQUIPMENT OR ANY COMPONENT THEREOF, AS TO COMPLIANCE WITH SPECIFICATIONS OR APPLICABLE LAW, THE ABSENCE OF LATENT OR OTHER DEFECTS (WHETHER OR NOT DISCOVERABLE), THE ABSENCE OF INFRINGEMENT OF ANY PATENT, TRADEMARK OR COPYRIGHT, THE ABSENCE OF ANY OBLIGATIONS BASED ON STRICT LIABILITY IN TORT, OR ANY OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO ANY OF THE EQUIPMENT, EITHER UPON DELIVERY THEREOF TO LESSEE OR OTHERWISE, it being agreed that all risks, if any, as between Lessor and Lessee, are to be borne by Lessee. Lessor shall not have any responsibility or liability to Lessee or any other person with respect to any of the following: (i) any liability, loss or damage caused or alleged to be caused directly or indirectly by any Equipment or by any inadequacy thereof or deficiency or defect therein, or any materials (including, without limitation, any substances deemed to be hazardous under applicable law) at any time contained therein or removed or escaping therefrom, or by any other circumstances in connection therewith; (ii) the use, operation or performance of any Equipment or any risks relating thereto; (iii) any interruption of service, loss of business or anticipated profits or consequential damages; or (iv) the delivery, operation, servicing, maintenance, repair, improvement or replacement of any servicing, maintenance, repair, improvement or replacement of any Equipment. Lessee's delivery of a Certificate of Acceptance shall be conclusive evidence as between Lessee and Lessor that the Equipment described therein is in all the foregoing respects satisfactory to Lessee, and Lessee will not assert any claim of any nature whatsoever against Lessor, based on any of the foregoing matters. Subject to Lessor's right to do so, Lessor hereby assigns and agrees to use its reasonable efforts (at Lessee's sole expense) to otherwise make available to Lessee for the term of the Lease any warranty which has been extended to Lessor by the manufacturer or vendor of the Equipment. Any amounts received by Lessee as payment under such warranty shall be applied to restore the Equipment to the condition required by the Lease, with the balance of such amount, if any, to be paid over to Lessor and (to the extent Lessor receives such amounts in good collected funds) applied as rent. Lessee and (if no Default is then existing) Lessor shall not take any action or fail to take any action, the effect of which would be to invalidate such warranty.

5. OWNERSHIP. Title to the Equipment shall at all times remain in and be retained by Lessor, and Lessee shall acquire no ownership, title, property, right, equity, or interest in the Equipment other than its leasehold interest solely as Lessee and the interest vested in Lessee as a result of the existence and performance of the purchase obligation provided in Section 19, subject to all the terms and conditions of the

Lease; provided, however, that Lessor will not treat the Equipment as being owned for depreciation purposes on its income tax returns. To the extent permitted by applicable law, Lessee hereby waives any and all rights and remedies conferred to it by statute or otherwise which may limit or modify any of Lessor's rights or remedies under the Lease; provided, however, that such waiver shall not preclude Lessee from asserting any claim of Lessee against Lessor in a separate cause of action; and provided, further, that such waiver shall not affect Lessor's obligations of good faith, diligence, reasonableness and care. Lessee will cause each unit of Equipment to be kept numbered with the identification number set forth in the Equipment Schedule attached to the related Schedule, or in the case of any Equipment not there listed, such identification number as shall be set forth in any amendment or supplement thereto extending the Lease to cover such Equipment, and will keep and maintain, plainly, distinctly, permanently and conspicuously marked on each side of each unit of Equipment, in letters not less than one inch in height, the words "SUBJECT TO A LEASE FILED WITH THE INTERSTATE COMMERCE COMMISSION", or other appropriate words designated in writing by Lessor, with appropriate changes thereof and additions thereto as from time to time may be designated in writing by Lessor. Lessee will not place any such unit of Equipment in operation or exercise any control or dominion over the same until such words shall have been so marked on both sides thereof and will replace promptly any such words which may be removed, obliterated, defaced or destroyed. Lessee will not change the identification number of any unit of Equipment unless and until (in each case, at Lessee's expense) (i) a statement of new number or numbers to be substituted therefor shall have been received by Lessor and filed, recorded and deposited by Lessee in all public offices where the Lease shall have been filed, recorded or deposited and (ii) Lessee shall have furnished Lessor an opinion of counsel to the effect that such statement has been so filed, recorded and deposited, such filing, recording and deposit will protect Lessor's interest in such units of Equipment and no filing, recording, deposit or giving of notice with or to any other Federal, state or local government or agency thereof is necessary to protect the interests of Lessor in such units of Equipment.

6. RETURN OF EQUIPMENT. Lessee has agreed to purchase all of the Equipment leased under the Lease by performing in accordance with Section 19. In the event Lessee fails to so purchase such Equipment despite Lessee's absolute and unconditional obligation to do so or upon the occurrence of any other Default, Lessee shall, at its own expense and upon Lessor's demand pursuant to Section 15, return the Equipment to Lessor on such date, (a) in the same condition as when delivered to Lessee hereunder, ordinary wear and tear resulting from proper use thereof alone excepted, (b) free and clear of all liens, encumbrances or rights of others whatsoever, (c) in the condition required by Section 8 hereof, (d) fully complying with all Applicable Standards (as defined in Section 8), including, without limitation, the standards then in effect under the Interchange Rules and Federal Railroad Administration Specifications, if applicable, and/or the applicable rules of any governmental agency or other organization with jurisdiction, (e) empty, clean and free of rust, accumulations or deposits from the commodities including, without limitation, any Hazardous Substances (as defined in Section 12) (which substances and any Environmental Contamination (as defined in Section 12) caused to or with respect to the Equipment (to the extent previously existing in, or near such Equipment) shall have been previously removed, remediated, transported and otherwise addressed by Lessee, its designee or any other person in accordance with all applicable Environmental Laws (as defined in Section 12), (f) free of any markings other than markings pursuant to Section 5, and (g) having attached or affixed thereto any parts, alterations or additions and replacements considered an accession thereto as provided in Section 8. For the purpose of delivering possession of any unit of Equipment as above required, Lessee shall at its own cost, expense and risk: (i) forthwith and in the usual manner (including, but not by way of limitation, giving prompt telegraphic and written notice to the Association of American Railroads and all railroads to which any unit or units of Equipment have been interchanged, or which may have possession thereof, to return such unit or units of Equipment), place such Equipment upon such storage tracks at Lessee's facility or otherwise as Lessee reasonably may designate; (ii) cause such units of Equipment to be stored on such tracks for up to ninety (90) days of such return date at the risk of Lessee without charge for insurance, rent or storage until all such units of Equipment have been sold, leased or otherwise disposed of or repossessed by Lessor; and (iii) cause the Equipment to be moved to whichever major railroad as shall be directed by Lessor.

The assembling, delivery, storage and transporting of the Equipment as hereinbefore provided shall be at the expense and risk of Lessee and are of the essence of the Lease, and upon application to any court of equity having jurisdiction in the premises, Lessor shall be entitled to a decree against Lessee requiring specific performance of the covenants of Lessee so to assemble, deliver, store and transport the Equipment. During any storage period, Lessee will at its own cost and expense, maintain and keep the Equipment in good order and repair and will permit Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser or user of any unit of the Equipment to inspect the same. Except as expressly provided in Section 19, all amounts earned in respect of the Equipment after the date of termination of the Lease shall belong to Lessor and, if received by Lessee, shall be promptly turned over to Lessor. In the event that any Equipment shall suffer a Total Loss (as defined in Section 10) after the cancellation, expiration or other termination of the Lease Term, but prior to the return thereof in the manner and condition required by this Section 6, Lessee shall pay to Lessor the Casualty Loss Value thereof and all such other amounts, as and to the extent provided in Section 10. The provisions of the Lease that provide that all or part of Lessee's obligations terminate upon the return of the Equipment to Lessor shall, whether or not expressly so stated, mean upon such return and the expiration of any storage period under this Section 6. Lessor shall have the right to inspect the Equipment prior to or after its return, and Lessee shall pay the reasonable costs of such inspection if the Equipment is not in the condition required by the Lease. In addition, if repairs are made necessary, in the reasonable opinion of Lessor, to place the Equipment in the condition

required by the Lease, Lessee agrees to pay the cost of such repairs and further agrees to pay Lessor rent for the period of time reasonably necessary to accomplish such repairs, based on a daily pro-rated amount of the previous rent. Rent shall accrue at a daily pro-rated amount of the previous rent, for each day that Lessee does not return the Equipment as required, but such payment of rent does not extend the term of the Lease, and shall constitute liquidated damages and not a penalty (and are payable to Lessor in lieu of other monetary compensation to Lessor for such temporary unavailability).

7. **INDEMNITY.** Lessee hereby assumes and agrees to indemnify, protect, save, and keep harmless (on an after-tax basis; provided, that the requirement that any indemnification payment be made on an after-tax basis is not intended as an indemnity in favor of Lessor against any adverse tax consequences resulting from a Total Loss of the Equipment and Lessee's payment of the related Casualty Loss Value (as defined in Section 10) to Lessor in connection therewith) Lessor, its agents and employees, from and against any and all losses, damages, injuries, claims, allegations, demands, expenses, including legal expenses, or liabilities, including negligence, tort and strict liability, of whatsoever kind and nature, in any way relating to, or arising or alleged to arise on account of: the ordering, acquisition, delivery, installation or rejection of the Equipment; the possession, maintenance, storage, use, condition (including without limitation, latent and other defects and whether or not discoverable by Lessor or Lessee, and any claim for patent, trademark or copyright infringement) or operation of any item of the Equipment, during the Lease Term with respect to that item of the Equipment; any claims based on strict liability in tort, negligence or breach of warranties; any injury to or death of any person or any damage to or loss of property on or near the Equipment; any violation by Lessee of any provision of the Lease, any of the Related Documents or of any agreement, law, rule, regulation, ordinance or restriction affecting or applicable to Lessee, Lessor (with respect to the Equipment), any of the Equipment or the leasing, ownership, use, replacement, adaptation or maintenance thereof; or each and every Environmental Claim and Environmental Loss (as defined in Section 12); or the loss, damage, destruction, removal, return, surrender, sale or other disposition of the Equipment, or any item thereof, during the Lease Term, except, in each such case, where such loss, damage, injury, claim, allegation, demand, expense (including legal expenses or liabilities) is due to the sole negligence of Lessor. These indemnities shall remain in full force and effect despite the expiration, cancellation or earlier termination of the Lease.

8. **USE AND MAINTENANCE; COMPLIANCE WITH LAWS.**

(a) **Use and Maintenance.** Lessee shall use the Equipment only in the manner for which it was designed and intended and so as to subject it only to ordinary wear and tear. Each unit of Equipment shall be used by Lessee to transport coal from mines located outside the State of Nebraska (but within the continental United States) to facilities owned or operated by Lessee in the State of Nebraska; provided, that any sublessee that may be subleasing any item of Equipment pursuant to and in accordance with Section 13 may operate such item of Equipment to transport coal to and from any destination in the United States as it may elect from time to time, to the extent consistent with its prudent and lawful business purposes. The Equipment will be operated in dedicated unit train service at all times during the term of the Lease, on railroad lines over which Lessee or such sublessee has trackage rights and on railroad lines of other railroads in the usual interchange of traffic or in-through or run-through service. Lessee agrees that, at its own cost and expense, it will at all times during the Lease Term, (i) maintain, improve, service and repair each unit of Equipment (including any parts installed on or replacements made to any unit of Equipment and considered an accession thereto as hereinbelow provided) which is subject to the Lease, and comply with its own preventative maintenance schedule which will include testing, repair and overhaul of each unit, any requirements pertaining to warranties of the manufacturer and Servicing Agent or insurance policies maintained by Lessee pursuant to Section 9 and in all other respects in material compliance with the manufacturer's bulletins, directives and manuals, so that each unit of Equipment will remain (A) in good operating order and condition (ordinary wear and tear excepted), (B) eligible for railroad interchange in accordance with all applicable Interchange Rules, and otherwise in compliance with Section 12, (C) in compliance with all of the insurance policies obtained and maintained by Lessee pursuant to Section 9, and (D) in compliance in all respects with prevailing industry standards; and (ii) maintain all records, logs and other materials required by the Association of American Railroads, the Federal Railroad Administration, the Interstate Commerce Commission or the United States Department of Transportation, or any other governmental authority having jurisdiction over the Equipment or Lessee or Lessor (with respect to the Equipment), to be maintained in respect of such Equipment. In no event shall any unit of Equipment be maintained with less care or scheduled for maintenance on a basis less frequent than either the maintenance or maintenance scheduling basis employed by Lessee for similar equipment owned by or operated for or by Lessee. Without limiting the generality of any other provision of the Lease, Lessee agrees to be solely liable for, and to pay when due, all tariffs, switching fees and demurrage charges, when and if any or all of the same shall become due and payable in connection with the Equipment at any time prior to the return of the Equipment in accordance with the provisions of the Lease. Unless Lessor otherwise agrees in writing, Lessee shall, at its sole expense, enter into and maintain in force, the Maintenance Agreement, or in the absence thereof, a maintenance contract with the manufacturer of the Equipment or such other party as shall be acceptable to Lessor, and shall provide Lessor with a copy of such contract and all supplements thereto which are applicable to the Equipment.

In addition, if any parts or accessories forming part of the Equipment shall from time to time become worn out, lost, destroyed, damaged beyond repair or otherwise permanently rendered unfit for use, Lessee, at its own expense, will within a reasonable time replace such parts or accessories, or cause the same to be

replaced, by replacement parts or accessories which are free and clear of all liens, encumbrances or rights of others and have a value and utility at least equal to the parts or accessories replaced. All equipment, accessories, parts and replacements for or which are added to or become attached to the Equipment which are essential to the operation of the Equipment; are installed in the ordinary course of ordinary maintenance of the Equipment; are required to cause Lessee to comply with Section 6, this Section 8, or Section 12 of the Lease; or which cannot be detached from the Equipment without materially interfering with the operation of the Equipment or adversely affecting the value and utility which the Equipment would have had without the addition thereof, shall in each such case immediately become the property of Lessor (and good and marketable title thereto shall be conveyed to Lessor), and shall be deemed incorporated in the Equipment subject to the terms of the Lease as if originally leased thereunder (including, without limitation, the rights vested in Lessee pursuant to Section 19). Lessee shall not make any material alterations to the Equipment without the prior written consent of Lessor. Lessor may inspect the Equipment and all related records at any time.

(b) Compliance with Laws. Lessee agrees, for the benefit of Lessor, to comply with all orders, statutes, rules, regulations, directives and other laws and requirements of the United States of America, the State of Nebraska, and any and all other jurisdictions in which its operations involving any of the Equipment may extend, with the Interchange Rules and with all rules of the United States Department of Transportation, the Interstate Commerce Commission, the Federal Energy Regulatory Commission, the Federal Railroad Administration, the United States Environmental Protection Agency and any other legislative, executive, administrative, regulatory or judicial body, agency or commission (whether Federal, state, local or otherwise) exercising any power or jurisdiction over the Equipment or any of the parties to the Lease or the Related Documents, to the extent that the foregoing affect the title, operation, possession or use of, or any other undertaking with respect to, the Equipment or are necessary to comply with applicable health, safety or environmental standards (all of the foregoing, the "Applicable Standards"). For the purposes hereof, "Interchange Rules" means all codes, rules, regulations, interpretations, laws and orders governing the hire, use, condition, repair and all other matters pertaining to the interchange of freight traffic reasonably interpreted within the rail industry as being applicable to the units of Equipment, as adopted and in effect from time to time by the Association of American Railroads, or any successor, and in the event that such Applicable Standards require any alteration, replacement or addition of or to any part of any unit of Equipment, Lessee will conform therewith at its own expense. Lessee will prepare and deliver to Lessor within a reasonable time prior to the required date of filing (or, to the extent permissible, file on behalf of Lessor) any and all reports (other than income tax returns) to be filed by Lessor with any Federal, state or other regulatory authority by reason of Lessor's rights, title and interests in the Equipment or the leasing thereof to Lessee.

9. INSURANCE. Lessee will, at all times during the Lease Term and, if applicable, prior to the return of the Equipment to Lessor, at Lessee's own expense, cause to be carried and maintained (i) "all risk" property insurance in respect of the Equipment and (ii) public liability insurance with respect to third-party personal injury, death and property damage, and all Federal Employer's Liability Act claims, and Lessee will continue to carry such insurance in such amounts and for such risks and in such insurance companies and subject to such self-insurance as is consistent with prudent industry practice but, in any event, at least not less comprehensive in amounts and against risks customarily insured against by Lessee in respect of equipment owned or leased by it similar in nature to the Equipment, provided, however, Lessee agrees to maintain property insurance at not less than the aggregate Casualty Loss Value for all Equipment then being leased hereunder. Any policies of insurance carried in accordance with this paragraph shall: (a) require 30 days' prior written notice of cancellation or material change in coverage to Lessor (any such cancellation or change, as applicable, not being effective until the thirtieth (30th) day after the giving of such notice); (b) name each of the indemnitees referred to in Section 7 (collectively, the "Additional Insureds") as additional insureds under the public liability policies and name Lessor as sole loss payee under the property insurance policies; (c) not require contributions from other policies held by the Additional Insureds; (d) waive any right of subrogation against the Additional Insureds; (e) in respect of any liability of any of the Additional Insureds, except for the insurers' salvage rights in the event of a Total Loss, waive the right of such insurers to set-off, to counterclaim or to any other deduction, whether by attachment or otherwise, to the extent of any monies due the Additional Insureds under such policies; (f) not require that any Additional Insured pay or be liable for any premiums with respect to such insurance covered thereby; (g) be in full force and effect throughout any geographical areas at any time traversed by any unit of Equipment; and (h) contain breach of warranty provisions providing that, in respect of the interests of the Additional Insureds in such policies, the insurance shall not be invalidated by any action or inaction of Lessee or any person (other than such Additional Insured) and shall insure the Additional Insureds regardless of any breach or violation of any warranty, declaration or condition contained in such policies by Lessee or by any other person (other than such Additional Insured). Lessee shall provide Lessor with satisfactory evidence of insurance coverage as provided in this Section 9 at least thirty (30) days prior to the expiration date of any current policy. In the event of any loss, damage, injury or accident involving the Equipment, Lessee shall promptly provide Lessor with written notice thereof and make available to Lessor all information and documentation relating thereto. Lessee agrees to hold in trust for Lessor and promptly turnover to Lessor any payments received by Lessee from the insurance company. Lessee will pay Lessor, on demand, the amount of any expenses (including legal fees) incurred by Lessor in adjusting or settling any insurance claim.

In the event that Lessee shall fail to replace the insurance coverage that is the subject of the above-referenced notice of cancellation or material change on or before the tenth (10th) day next preceding the

effective date of such cancellation or change, as the case may be, or in the event Lessee shall fail to provide Lessor with the above-referenced notice with respect to expiring policies, Lessor may at its option (but without any obligation to do so) obtain the requisite insurance and, in such event, Lessee shall, upon demand therefor, reimburse Lessor for the cost thereof together with interest from the date of payment thereof and until Lessee fully reimburses Lessor therefor, on the amount of the cost to Lessor of such insurance which Lessee shall have failed to maintain, at the rate per annum specified in Section 3(c). Lessor may at its own expense carry insurance with respect to its interest in the Equipment. Any insurance payments received from policies maintained by Lessor shall be retained by Lessor without reducing or otherwise affecting Lessee's obligations under the Lease. Notwithstanding anything in this Section 9 to the contrary, so long as (A) Lessee is and remains a recognized and certified self insurer of its liability risks by the State of Nebraska, and it is otherwise lawful for Lessee to do so, and (B) no Default or Financial Event (as defined in Section 14) has then occurred and is continuing, Lessee may self insure against the risks identified in clause (ii) of the first sentence of the first paragraph of this Section 9 in a manner that is consistent with Lessee's prudent business practices and the prudent business practices of other owners and/or users of equipment similar to the Equipment who are similarly situated with Lessee.

**10. LOSS AND DAMAGE.** Lessee hereby assumes and shall bear the entire risk of direct and consequential loss and damage to the Equipment from any and every cause whatsoever. In furtherance of and without prejudicing the generality of the foregoing, Lessee agrees that it shall be solely liable for all Total Losses and all damage, unreasonable wear and tear, mechanical breakdown, contamination (including, without limitation, Environmental Contamination, as defined in Section 12), and all similar events occurring during such period with respect to the Equipment. Except as provided in this Section for discharge upon payment of Casualty Loss Value, no loss or damage to the Equipment or any part thereof shall release or impair any obligations of Lessee under the Lease, which shall continue in full force and effect and shall be absolute during the term hereof. Lessee agrees that Lessor shall not incur any liability to Lessee for any loss of business, loss of profits, expenses, or any other damages resulting to Lessee by reason of any delay in delivery or any delay caused by any non-performance, defective performance, or breakdown of the Equipment, nor shall Lessor at any time be responsible for personal injury or the loss or destruction of any other property resulting from the Equipment. In the event of loss or damage of any kind whatever to any item of the Equipment, Lessee shall, at its expense, either (at its election): (a) place the same in such good repair, condition and working order as so required by the provisions of the Lease; or (b) replace the same with like equipment of the same or equivalent make and of the same or later model and in as good repair, condition and working order, assuming such replaced item was in the repair, condition and working order required by the Lease, and having the same or better fair market sales value, residual value, remaining useful life and utility, as the replaced item of Equipment; and Lessee shall deliver to Lessor any and all documents, agreements, certificates and opinions relating to such replacement item of Equipment as Lessor may reasonably request (and upon being so replaced, the replacement item of equipment shall become an item of "Equipment" for all purposes of the Lease). The foregoing notwithstanding, in the event that at any time during the Lease Term or prior to being returned in accordance with the provisions hereof any item of the Equipment shall suffer an actual or constructive total loss, or disappears, or shall become, in Lessor's judgment, worn out, lost, stolen, taken by any governmental authority, destroyed, irreparably damaged or contaminated, or returned to the manufacturer, or its use in the normal course of transportation shall be prohibited for six (6) consecutive months or a period extending beyond the Lease Term (any such occurrence being herein referred to as a "Total Loss"), Lessee shall give written notice thereof to Lessor within fifteen (15) days after Lessee's responsible officer shall have actual knowledge of such Total Loss. Thereafter, on the next date for the payment of rent, Lessee shall pay to Lessor the rent due on that date plus the Casualty Loss Value of the item or items of the Equipment with respect to which the Total Loss has occurred and any other sums due hereunder with respect to that Equipment (less any insurance proceeds actually paid to Lessor in good collected funds). Upon making such payment in respect of any item of the Equipment, the Lease and the obligation to make future rental payments shall terminate solely with respect to the Equipment or items thereof for which payment was so received.

As used in the Lease, "Casualty Loss Value" shall mean the product of the Acquisition Cost paid by Lessor for the item of Equipment and the applicable percentage factor set forth on the Casualty Loss Schedule attached to such Schedule. Casualty Loss Value shall be determined as of the next date on which a payment of rent is or would be due after a Total Loss or other termination of the Lease, after payment of any rent due on such date, and the applicable percentage factor shall be that which is set forth with respect to such rent payment. If a Total Loss occurs after the last rent payment date in the Lease Term, then the applicable percentage factor shall be the last percentage factor set forth on the Casualty Loss Schedule for such last rent payment date, and the Casualty Loss Value shall be payable on the first to occur of either the expiration date of the Lease Term or thirty (30) days after the Total Loss occurs.

**11. LIENS; TAXES.** Other than the rights, title and interests created by the Lease, Lessee shall not create or suffer to exist any lien, mortgage, security interest, claim or other encumbrance on any item of the Equipment, including those which are subordinate to Lessor's rights in the Equipment. Lessee will defend, at its own expense, Lessor's title to the Equipment (to the extent retained by Lessor, after giving effect to the rights vested in Lessee pursuant to Section 19) from such claims, liens or legal processes. Lessee shall pay, and indemnify and hold Lessor harmless on an after-tax basis from and against, all license fees, registration and recording fees, assessments, charges and taxes (municipal, state and federal), if any, together with all penalties, fines, additions to tax and interest thereon (any and all such obligations, "Taxes") which may now

or hereafter be imposed upon or with respect to any of: the ownership, leasing, sale, possession, use, purchase, operation, transfer of title, return or other disposition of the Equipment; the rentals, receipts or earnings arising therefrom; the Lease, any of the Related Documents, or any payment made pursuant to any of the foregoing or otherwise with respect to any of the transactions contemplated thereunder or upon any filing and/or recbrdation of the foregoing, which are payable for any period of time during which the Lease is in effect, whether payable by Lessor or Lessee under applicable law, including but not limited to (a) Taxes imposed on the purchase of the Equipment by Lessor and the rental payments under the Lease (except for income taxes payable by Lessor), (b) personal property Taxes on the Equipment and (c) any sale of the Equipment pursuant to Section 19. Lessee will furnish to Lessor evidence of payment of such Taxes as soon as Lessee has paid them, and will provide Lessor immediately upon receipt with a copy of all bills for such Taxes. If Lessee fails to pay any said Taxes, Lessor shall have the right, but shall not be obligated, to pay the same, in which event the cost thereof shall be repayable to Lessor on demand. Lessee's obligations hereunder shall survive and continue after the expiration, cancellation or termination of the Lease Term as to those Taxes and any related expenses incurred or accrued during such term, or, if applicable, until the Equipment is returned to Lessor in accordance with the Lease (if later).

Lessee will, where permitted to do so under applicable rules and regulations, make and timely file such reports and returns, including exemption certificates or affidavits with respect to any sales or use tax, in such manner as shall be satisfactory to Lessor. All costs and expenses (including reasonable legal and accountants' fees and disbursements) of preparing any such return or report shall be borne by Lessee.

## 12. ADDITIONAL REPRESENTATIONS, WARRANTIES AND COVENANTS RELATING TO ENVIRONMENTAL LAW.

(a) Definitions. As used herein, the following terms shall have the following meanings:

(1) "Adverse Environmental Condition" shall mean (i) the existence or the continuation of the existence, of an Environmental Contamination (including, without limitation, a sudden or non-sudden accidental or non-accidental Environmental Contamination), of, or exposure to, any substance, chemical, material, pollutant, Hazardous Substance, odor or audible noise or other release or emission in, into or onto the environment (including without limitation, the air, ground, water or any surface) at, in, by, from or related to any of the Equipment, (ii) the environmental aspects of the transportation, storage, treatment or disposal of materials in connection with the operation of any Equipment, or (iii) the violation, or alleged violation, of any Environmental Law, permits or licenses of, by or from any governmental authority, agency or court relating to environmental matters connected with any of the Equipment.

(2) "Environmental Claim" shall mean any accusation, allegation, notice of violation, claim, demand, abatement or other order or direction (conditional or otherwise) by any governmental authority or any person for personal injury (including sickness, disease or death), tangible or intangible property damage, damage to the environment or other adverse effects on the environment, or the fines, penalties or restrictions, resulting from or based upon any Adverse Environmental Condition.

(3) "Environmental Contamination" shall mean any actual or threatened release, spill, emission, leaking, pumping, injection, presence, deposit, abandonment, disposal, discharge, dispersal, leaching or migration into the indoor or outdoor environment, or into or out of any of the Equipment, including, without limitation, the movement of any Hazardous Substance or other substance through or in the air, soil, surface water, groundwater or property.

(4) "Environmental Law" shall mean any present or future federal, foreign, state or local law, ordinance, order, rule or regulation and all judicial, administrative and regulatory decrees, judgments and orders, pertaining to health, industrial hygiene, the use, disposal or transportation of Hazardous Substances, Environmental Contamination, or pertaining to the protection of the environment, including, but not limited to, the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA") (42 U.S.C. § 9601 et seq.), the Hazardous Material Transportation Act (49 U.S.C. § 1801 et seq.), the Federal Water Pollution Control Act (33 U.S.C. § 1251 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.), the Clean Air Act (42 U.S.C. § 7401 et seq.), the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.), the Occupational Safety and Health Act (19 U.S.C. § 651 et seq.), and the Hazardous and Solid Waste Amendments (42 U.S.C. § 2601 et seq.), as these laws have been or may be amended or supplemented, and any successor thereto, and any analogous foreign, state or local statutes, and the rules, regulations and orders promulgated pursuant thereto.

(5) "Environmental Loss" shall mean any loss, cost, damage, liability, deficiency, fine, penalty or expense (including, without limitation, reasonable attorneys' fees, engineering and other professional or expert fees), investigation, removal, cleanup and remedial costs (voluntarily or involuntarily incurred) and damages to, loss of the use of or decrease in value of any of the Equipment arising out of or related to any Adverse Environmental Condition.

(6) "Hazardous Substances" shall mean and include hazardous substances as defined in CERCLA; oil of any kind, petroleum products and their by-products, including, but not limited to, sludge or residue; asbestos containing materials; polychlorinated biphenyls; any and all other hazardous or toxic substances;

hazardous wastes, as defined in CERCLA; those substances listed in the United States Department of Transportation Table (49 C.F.R. § 172.101); radioactive materials, and all other pollutants, contaminants and other substances regulated or controlled by the Environmental Laws and any other substance that requires special handling in its collection, storage, treatment or disposal under the Environmental Laws.

(b) Additional Representations, Warranties and Covenants. In addition to its other representations, warranties and covenants in the Lease and in the Related Documents, Lessee hereby represents, warrants and covenants that: (1) it has conducted, and will continue to conduct its business operations with respect to the Equipment, and throughout the Lease Term will use the Equipment, so as to comply with all Environmental Laws; (2) Lessee shall not cause, permit or suffer (i) any Hazardous Substances to be generated, treated, handled, stored, transported, discharged, emitted, released or otherwise disposed of in connection with Lessee's use of the Equipment; provided, that Lessee may at all times during the Lease Term continue to use the Equipment to transport coal in compliance with the applicable provisions of the Lease (including, without limitation, this Section 12) or (ii) any other activity with respect to the Equipment in a manner that could result in the imposition of (A) liability under any Environmental Laws against Lessee or Lessor or (B) a lien or other encumbrance against any of the Equipment or any interest therein or any other Environmental Claim or Environmental Loss with respect to Lessor, any of the Equipment or any interest therein; and (3) Lessee has, and throughout the Lease Term will continue to have, in full force and effect all federal, state and local licenses, permits orders and approvals required to operate the Equipment in compliance with all Environmental Laws.

(c) Return. In addition to any other return requirements provided in the Lease, Lessee agrees that if required to return the Equipment or any item thereof to Lessor or its designee, Lessee shall return such Equipment free from all Hazardous Substances and otherwise fully in compliance with all Environmental Laws.

(d) Indemnity. In addition to any other indemnity provided in the Lease or elsewhere, Lessee shall fully and promptly pay, perform, discharge, defend, indemnify and hold harmless all of the indemnitees referenced in Section 7, from and against any Environmental Claim or Environmental Loss resulting from acts or circumstances arising prior to the later of the expiration of the Lease Term or, if applicable, the return of the Equipment, in accordance with Section 6.

(e) Notice. In addition to any other notice requirements provided for in the Lease or elsewhere, Lessee agrees to provide Lessor with written notice promptly after having actual knowledge (i) of any rescission of any license, permit, order or approval referenced in clause (3) of paragraph (b) above, and (ii) of any unit of the Equipment becoming subject to, or causing or threatening to cause, any Environmental Contamination in violation of applicable law.

(f) Survival. The provisions of this Section 12 shall survive any cancellation, expiration or termination of the Lease.

### 13. ASSIGNMENT.

(a) By Lessor. Lessor may sell or otherwise dispose of the Equipment and/or assign or grant a security interest in all or any portion of its rights under the Lease, or under one or more Schedules (each of which, if so designated, shall be considered a separate Lease) without any notice to or consent of Lessee. After receiving due notice of any such assignment, Lessee will warrant to the assignee (the "Assignee") such factual matters concerning the Lease as the Assignee may request, and will acknowledge in writing such assignment and promptly pay to Assignee, when due, the rental and any other payments that thereafter will become due to Lessor under the Lease, despite any Abatements whatsoever, whether arising from any breach or default by Lessor under the Lease or otherwise, that Lessee may from time to time have against Lessor, but Lessee reserves its rights to have recourse directly against Lessor on account of any such Abatements. Any payments which may become due under the Lease and are made by Lessee to Assignee pursuant to Lessee's agreements in this Section 13(b) shall, to the extent thereof, discharge the obligations of Lessee to make such payments to Lessor under the Lease. Lessee agrees that any assignment or transfer by Lessor does not materially change Lessee's duties or obligations under the Lease. Lessee will require Lessor, but not Assignee, to perform any obligations of Lessor under the Lease to the extent comprised by any Schedule not assumed or entered into by Assignee. Any Assignee will take such rights and interests subject to the rights of Lessee to the Equipment during the Lease Term so long as Lessee is not in default under the Lease. Any Assignee may reassign such rights and interests with the same effect as the original assignment.

Without prejudicing the generality of the foregoing, each of Transcisco Leasing Company ("TLC") and Lessee acknowledges and agrees with all of the following: (i) TLC will be entering into an assignment with Signet Leasing and Financial Corporation ("SLFC") pursuant to which TLC will be assigning to SLFC all of TLC's rights, title and interests under this Lease Agreement together with the right to enter into a Schedule (incorporating the terms of this Lease Agreement; hereinafter the "Schedule" or the "SLFC Schedule") and to purchase the items of Equipment to be leased to Lessee pursuant to such Schedule; (ii) upon SLFC's and Lessee's respective execution and delivery of such Schedule, (A) such Schedule shall constitute a separate instrument of lease and (B) for all purposes, the term "the Lease" as used herein shall mean (solely with respect to the SLFC Schedule) such Schedule incorporating by reference the terms of this Lease Agreement (the "SLFC Lease"),

and the term "Lessor" as used herein shall mean (solely with respect to the SLFC Lease) SLFC and its successors and assigns (and not TLC); and Lessee shall have no recourse or claim against TLC with respect to any obligations of "Lessor" under such Schedule; (iii) should TLC and SLFC fail to consummate such assignment, neither TLC nor SLFC shall have any obligation to purchase the Equipment or to Lease it to Lessee; (iv) all of the disclaimers and other provisions contained in this Lease Agreement relating to the items of Equipment leased under such Schedule shall not release TLC from any of its obligations as Service Provider under the Maintenance Agreement; and (v) Lessee will cooperate with TLC and SLFC to the extent requested in connection with such assignment. Lessee hereby agrees that TLC shall not be liable to Lessee under the SLFC Lease for any of the "Lessor's" responsibilities thereunder.

(b) By Lessee. LESSEE SHALL NOT RELINQUISH ITS POSSESSION OF THE EQUIPMENT, NOR SHALL LESSEE ASSIGN, SUBLEASE, LEASE, SELL OR OTHERWISE DISPOSE OF THE EQUIPMENT OR ANY INTEREST THEREIN, NOR SHALL LESSEE ASSIGN OR DELEGATE ANY OF ITS RIGHTS OR OBLIGATIONS UNDER THE LEASE OR ANY OF THE RELATED DOCUMENTS WITHOUT LESSOR'S PRIOR WRITTEN CONSENT; provided, that Lessee may sublease the Equipment to any solvent domestic corporation so long as such Sublease (i) is subject and subordinate to the Lease and all of Lessor's rights under the Lease, (ii) has a term no greater than the related Schedule, (iii) contains provisions which are substantially similar to the terms of the Lease (other than with respect to the amount of the rents payable thereunder), except that such Sublease shall (A) prohibit any further sublease or other disposition of the Equipment and (B) be a "true lease" under applicable commercial law and (iv) shall at Lessor's request be collaterally assigned to Lessor. Any such unpermitted assignment, delegation, sublease, lease, sale or other disposition shall, at Lessor's sole option, be deemed void ab initio. No assignment or sublease, if permitted by Lessor, shall release Lessee of its obligations hereunder, and no consent to any one assignment or sublease, shall constitute consent to any other or further assignments or subleases. The Lease and any rights hereunder to the Equipment shall not inure to the benefit of any trustee in bankruptcy, receiver, creditor, or trustee of Lessee or its property whether by operation of law or otherwise without the written consent of Lessor, except as otherwise provided by law.

14. **DEFAULT.** Any of the following events or conditions shall constitute a "Default" under the Lease: (a)(i) Nonpayment of rent or any other amount due under or with respect to the Lease within ten (10) days after the same becomes due, or (ii) default by Lessee in the performance of any other obligation, term or condition of the Lease or any Related Document; provided, however, that except in the case of default in its performance under Sections 6, 8 (the last paragraph thereof), 9, 11 (the first sentence thereof), 12 or 13(b), any such default under this clause (ii) shall not constitute a Default for the purposes of this Section 14 unless such default shall continue for thirty (30) days after the earlier of (1) Lessor's written notice to Lessee of such default and (2) a responsible officer of Lessee having actual knowledge of such default; (b) the entry of any judgment against Lessee or the issuance of any garnishment, attachment, distraint, execution, tax lien, levy, charge or other writ of process against any property of Lessee; (c) liquidation, dissolution, consolidation or termination of existence of Lessee; (d) the filing by or against Lessee of any petition under the Bankruptcy Act, or any chapter thereof or any other federal or state statute or rule providing for relief of debtors, arrangement, reorganizations, receiverships, or the like; (e) any assignment for the benefit of creditors, agreement or composition with creditors or breach by Lessee of any of the terms of any loan or credit agreement or default thereunder; or (f) any statement, representation or warranty furnished by or on behalf of Lessee proving to have been false, erroneous or misleading in any material respect at the time such facts set forth were made.

15. **REMEDIES.** Upon and at any time after a Default, Lessor may, at its option, without notice of its election and without demand, do any one or more of the following with respect to the Lease, all of which are hereby authorized by Lessee:

(a) declare the then Casualty Loss Value of the Equipment (determined as of the next date on which payment is or would have been due after such Default), together with all other sums due under the Lease with respect to such Equipment, immediately due and payable with respect to any or all of the Equipment, as liquidated damages for loss of a bargain and not as a penalty, and in lieu of any unaccrued Base Rent; (b) sue for and recover all rent (including, without limitation, all Base Rent and Annual Rent and the Purchase Price) and other payments under the Lease, then accrued and (as liquidated damages for loss of a bargain and not as a penalty, and in lieu of any unaccrued rent), by accelerating the same, thereafter accruing, with respect to any or all of the Equipment, with rent not yet due at the time of payment being discounted to present value at an annual rate equal to one percent plus the discount rate of the Federal Reserve Bank of Richmond in effect on the date of such Default; (c) take possession of and render unusable any or all of the Equipment, wherever it may be located, without any court order or other process of law and without liability for any damages occasioned by such taking of possession (any such taking of possession shall constitute an automatic termination of Lessee's rights under the Lease as it applies to those items taken without further notice, and such taking of possession shall not prohibit Lessor from exercising its other remedies under the Lease); (d) require Lessee to assemble any or all of the Equipment at the location to which the Equipment may have been moved by Lessee or such other location in reasonable proximity to either of the foregoing as Lessor shall designate, or to return promptly, at Lessee's expense, any or all of the Equipment to Lessor at the location, in the condition and otherwise in accordance with all of the terms of the Lease; (e) sell, or otherwise dispose of any or all of the Equipment, whether or not in Lessor's possession, in a commercially reasonable manner at public or private sale and with notice to Lessee (the parties agreeing that ten (10) days' prior written notice shall constitute adequate notice of such sale), at which sale Lessor may purchase the Equipment, and apply the net

proceeds of such sale, after deducting all costs of such sale (including but not limited to costs of transportation, possession, storage, refurbishing, remediating, advertising and brokers' fees), to the obligations of Lessee under the Lease with Lessee remaining liable for any deficiency and with any excess being for the account of Lessee; (f) retain any repossessed Equipment and credit the Reasonable Value thereof to the obligations of Lessee under the Lease with Lessee remaining liable for any deficiency; (g) terminate or cancel the Lease as to any or all of the Equipment; or (h) exercise any other right or remedy available to Lessor at law or in equity (including without limitation, any remedies available to a lessor under the Uniform Commercial Code). As used herein, the term "Reasonable Value" means the fair market value of such Equipment at the time of Default, taking into account a reasonable estimate of all expenses necessary to effect a sale and the other expenses recoverable by Lessor under the Lease.

If Lessee fails to pay any amounts which it has agreed to pay, Lessor may at its sole option pay such amounts, and Lessee shall repay such amounts to Lessor upon Lessor's demand. Lessee agrees to pay interest on any amount due under this Section 15 from the date the same become due until the date paid, at an annual rate equal to twelve percent (12%).

Unless otherwise provided above, a cancellation or termination under the Lease shall occur only upon written notice by Lessor to Lessee and only with respect to such items of the Equipment as Lessor specifically elects to terminate or cancel in such notice. Except as to such items of the Equipment with respect to which there is a cancellation or termination, the Lease shall remain in full force and effect and Lessee shall be and remain liable for the full performance of all its obligations under the Lease. Lessor may at its option exercise all rights and remedies under the Lease independently with respect to each Schedule, and may deem that a Default has occurred and exercise remedies with respect to any one or more of such Schedules. However, unless otherwise specifically agreed by Lessor, the occurrence of a Default with respect to any Schedule shall constitute a Default with respect to all Schedules.

In addition, Lessee shall be liable for any and all legal fees and other costs and expenses incurred in connection with the return of any Equipment in accordance with the terms of the Lease or in placing such Equipment in the condition required by the Lease. In the event that any court determines that any provision of this Section is invalid or unenforceable in whole or in part, such determination shall not prohibit Lessor from establishing its damages sustained as a result of any breach of the Lease in any action or proceeding in which Lessor seeks to recover such damages.

#### 16. CONSENT TO JURISDICTION; CUMULATIVE REMEDIES; NO WAIVER.

(a) Consent to Jurisdiction. The parties agree that any action or proceeding arising out of or relating to the Lease may be commenced in any state or Federal court of competent jurisdiction in the State of Maryland or Virginia and each party agrees that a summons and complaint commencing an action or proceeding in any such court shall be properly served and shall confer personal jurisdiction if served personally or by certified mail to it at its address designated pursuant hereto, or as otherwise provided under the laws of the State of Maryland or Virginia, respectively.

(b) Cumulative Remedies. All of the rights and remedies given to Lessor herein or by law are cumulative and not alternative, may be exercised concurrently or separately, and Lessor's bringing of any action for Lessee's obligations under the Lease or Lessor's exercise of any other remedy provided in the Lease, shall not be considered as an election of remedies or a waiver of Lessor's right to possession of the Equipment. To the extent permitted by law, Lessee hereby waives any rights now or hereafter conferred by statute or otherwise which may obligate Lessor to sell, lease or otherwise use the Equipment in mitigation of Lessor's damages or which may otherwise limit or modify any of Lessor's rights and remedies.

(c) No Waiver. The omission by Lessor at any time to enforce any default or right reserved to it, or to require performance of any of the terms, covenants or provisions of the Lease by Lessee at any time designated, shall not be a waiver of any such default or right to which Lessor is entitled nor shall in any way affect the right of Lessor to enforce such provisions thereafter. The acceptance of rent by Lessor shall not be deemed a waiver of any prior existing breach.

17. MISCELLANEOUS. This Lease Agreement and the Schedules, constitute the entire agreement between Lessee and Lessor with respect to the subject matter of the Lease and shall not be amended or altered in any manner except by a document in writing executed by both parties. No representation or statement made by any representative of Lessor or any supplier not stated in the Lease shall be binding. Whenever the word "Lessor" is used herein, it shall include all assignees of Lessor. This Lease has been delivered and accepted by Lessor in California, but the SLFC Schedule will be or has been delivered and accepted in Maryland, and the rights and obligations of the parties to the Lease and the interpretation of the Lease shall be in accordance with the laws of the State of Maryland; (without regard to the conflict of laws principles of such state), including all matters of construction, validity and performance, regardless of the location of the Equipment; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. Section 11303; provided, further, that the resolution of any tort claims alleged against Lessee by any third party shall be governed by the laws of the State of Nebraska. Any provision of the Lease which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or

unenforceability without invalidating the remaining provisions of the Lease, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Subject to the provisions of Section 13, the Lease shall inure to the benefit of, and shall be binding upon, Lessor and Lessee and their respective successors and assigns. The Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument; provided, however, that only that original counterpart of any Schedule comprising the Lease which is designated as the "Original" and in the possession of Lessor or its designee shall constitute "chattel paper" under the Uniform Commercial Code. The captions or headings in the Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of the Lease; and any references to "Sections" shall mean Sections of this Lease Agreement unless otherwise indicated.

18. **LESSEE WARRANTIES.** Lessee represents, covenants and warrants to Lessor that: (a) The Lease and all Related Documents are legal, valid and binding obligations of Lessee, and are enforceable against Lessee in accordance with their respective terms; and all requirements have been met and procedures have been followed in order to ensure the enforceability of the Lease and the Related Documents. (b) It is not in default under any material agreement by which it or any of its property is bound. (c) There are no actions, suits or proceedings pending to which Lessee is a party, and there are no other actions, suits or proceedings threatened of which Lessee has knowledge, before any court, governmental commission, administrative agency, board or authority which, either individually or in the aggregate, would adversely affect the financial condition of Lessee, or the ability of Lessee to perform its obligations under the Lease. (d) The application, statements and financial reports submitted by it to Lessor are material inducements to the execution by Lessor of the Lease, and such applications, statements and reports are, and all information hereafter furnished by Lessee to Lessor will be, true and correct in all material respects as of the date submitted. (e) The 1993 annual and 1994 quarterly financial statements of Lessee (copies of which have been furnished to Lessor) have been prepared in accordance with generally accepted accounting principles consistently applied ("GAAP"), and fairly present Lessee's financial condition and the results of its operations as of the date of and for the period covered by such statements, and since the date of such statements there has been no material adverse change in such conditions or operations. (f) The address stated below the signature of Lessee is the chief place of business and chief executive office (as such terms are used in the Uniform Commercial Code) of Lessee. (g) (i) Lessee is authorized under the Constitution and laws of the State to enter into the Lease and the Related Documents and the transactions contemplated thereby and to perform all of its obligations thereunder; (ii) the execution, delivery and performance of the Lease and the Related Documents have been duly authorized by all necessary action of the governing body of Lessee, and Lessee has obtained all such other approvals and consents as are necessary to consummate the transactions contemplated therein, including, without limitation, any consent, authorization or approval from the State of Nebraska (or, solely by reason of Lessee's being a regulated electric utility, any giving of notice to, registration with, recording or filing of any document with, or the taking of any other action in respect of) any governmental or public body or authority of the United States of America, or of any of the other states thereof; (iii) Lessee has complied with such public bidding requirements as may be applicable to the Lease and the Related Documents and the acquisition of the Equipment thereunder; (iv) Lessee has an immediate need for, and expects to make immediate use of, all of the Equipment, which need is not temporary or expected to diminish during the Lease Term; and (v) the execution, delivery and performance of the Lease and the Related Documents and transactions contemplated herein and therein will not violate any judgment, order, law or regulation applicable to Lessee or result in any breach of, or constitute a default under, any indenture, mortgage, deed of trust, bond, loan or credit agreement or other instrument to which Lessee is a party or by which it is bound. (h) At the time of delivery of the units of Equipment, such units will be free of all claims, liens, security interests and other encumbrances of any nature arising from, through or under Lessee, excepting those created by the Lease. (i) Solely by virtue of the transactions contemplated by the Lease and the Related Documents (without regard to any other activities of Lessor) Lessor will not become subject to regulation under any public utility statute of the State of Nebraska. (j) There has not occurred any event which constitutes a Default under the Lease which is presently continuing.

19. **EARLY PURCHASE OPTIONS; END OF TERM PURCHASE; LESSOR'S TERMINATION.**

(a) Purchase Options.

(i) Early Purchase Option. Provided that no Default has occurred and is then existing, Lessee shall have the option to purchase, on the first (1st) anniversary of the Acceptance Date (the "Early Termination Date"), all but not less than all of the Equipment leased under the Lease upon the following terms and conditions: If Lessee desires to exercise this option it shall give Lessor written notice of its election to purchase at least thirty (30) days and not more than ninety (90) days before the Early Termination Date. On the Early Termination Date with respect to the Lease, Lessee shall pay to Lessor in cash the Early Purchase Price for the Equipment so purchased, determined as hereinafter provided, together with all other rent and other amounts due and owing under the Lease and Related Documents. The "Early Purchase Price" of the Equipment shall be an amount equal to 99.0454 percent of the Acquisition Cost of the Equipment, together with all Taxes and expenses associated therewith.

(ii) End of Term Purchase Option. Upon the expiration of the Lease Term, Lessee shall purchase all of the Equipment, but not less than all, on such expiration date, without recourse or warranty of any kind. The purchase price will be equal to 85.5% of the Acquisition Cost of the Equipment (as specified on

the Schedule), plus all Taxes and expenses associated therewith (the "Purchase Price"). Lessee shall pay the Purchase Price to Lessor on such expiration date, and shall pay to Lessor all other rent and other amounts owing under the Lease and the Related Documents.

(b) Renewal/Termination Option. Solely with respect to the SLFC Lease, but subject to Section 19(e):

(i) Renewal Option: Lessee shall renew the Lease for a term of ten (10) years commencing on the date next succeeding such original term expiration date pursuant to the same terms and conditions as are provided in the Lease, except that the monthly rental installments and Casualty Loss Value shall be determined (pursuant to good faith negotiation between Lessor and Lessee prior to the original term expiration date; and if no such agreement is reached, at Lessor's option, the Base Rent shall continue to be the amount payable under Section 3(a)).

(ii) Termination Option: At the end of the Lease Term as extended by the Renewal Option, the Lease shall terminate and the Lessee shall return the Equipment in accordance with Section 6 of this Lease.

(c) Lessor's Termination. Lessee agrees that upon the occurrence of any reduction of Lessee's senior-unguaranteed bond rating to less than (i) "A" as reported by Moody's Investor Services or (ii) (if such service shall at any time during the Lease Term cease publishing such ratings) any similar rating by a nationally recognized rating agency, Lessor shall have the right (without deeming such event to be a Default) to terminate the Lease as of the next scheduled Base Rent payment date and to demand and receive from Lessee on such date the amounts to which Lessor would be entitled under Section 15 upon the occurrence of any Default under the Lease (such election, an "Acceleration"; and the amount so demanded, the "Acceleration Amount"), together with the Funding Loss Amount. For the purposes of this Section 19(c), the "Funding Loss Amount" shall mean and be calculated as the amount necessary to compensate Lessor in its reasonable judgment for all losses, costs (including, without limitation, break funding costs), expenses and other liabilities Lessor sustains as the result of the occurrence of an Acceleration and Lessee's payment of the Acceleration Amount, including, without limitation, any loss, cost, expense or liability incurred by Lessor in connection with the liquidation or reemployment of deposits or funds required by it to make or carry its investment in the Lease; provided, however, that the Funding Loss Amount shall not exceed the product of (i) two-hundredths (.02) and (ii) the applicable Acceleration Amount. The Funding Loss Amount set forth in a certificate of a duly authorized officer of Lessor delivered to Lessee and certifying to such amount in reasonable detail shall be, subject to the following sentence, conclusive evidence of the losses, expenses, costs and other liabilities sustained by Lessor as a result of the occurrence of the Acceleration and Lessee's payment of the Acceleration Amount. The determination of such Funding Loss Amount by Lessor shall be final and binding, absent manifest error.

(d) Lessor's Conveyance. Upon Lessee's full and indefeasible payment and performance pursuant to and in accordance with any of paragraphs (a) or (c) of this Section 19, Lessor shall simultaneously transfer to Lessee without recourse or warranty of any kind all of Lessor's rights, title and interests, if any, in and to the Equipment, free and clear of any claims, liens, charges or security interests, to the extent created by Lessor and unrelated to the transactions contemplated in the Lease and the Related Documents, by bill of sale reasonably satisfactory to Lessee and Lessor and the Lease shall terminate with respect to the Equipment so purchased, except with respect to any obligations that are intended to survive such termination.

(e) Election of Options. Simultaneously with the execution of the Schedule comprising the SLFC Lease, Lessee shall notify Lessor by submittal of an irrevocable Notice of Election (in the form attached to the Lease) whether the Section 19(a) Purchase Options or the Section 19(b) Renewal/Termination Options are selected by Lessee, and following such election, the options not selected shall no longer be available for exercise by Lessee at any time under the Lease.

**20. FURTHER ASSURANCE; FINANCIAL INFORMATION; RECORDING.** Lessee will promptly and duly execute and deliver to Lessor such further documents and assurances and take such further action as Lessor may from time to time reasonably request in order to carry out the intent and purpose of the Lease and to establish and protect the rights and remedies created or intended to be created in favor of Lessor under the Lease, including but not limited to the obtaining of waivers of any interest in the Equipment from Lessee's landlord if stored in or on leased facilities or secured creditors. Lessee also agrees to furnish Lessor: (a) An audit report prepared by independent certified public accountants, or other accountants acceptable to Lessor within one hundred twenty (120) days after the close of each fiscal year of Lessee occurring after the date of the Lease; (b) Acceleration Amount sheets as of the end of each quarterly period of Lessee's fiscal years and profit and loss and surplus statements certified as accurate by an officer of Lessee within forty-five (45) days after the close of each such quarterly period, and (c) From time to time such other information as Lessor may reasonably request.

At Lessee's sole cost and expense, Lessee will (i) cause the Lease to be filed with the Interstate Commerce Commission pursuant to 49 U.S.C. Section 11303; (ii) from time to time do and perform any other act and execute, acknowledge, deliver, file, register, record (and refile, reregister, deposit and redeposit or rerecord whenever required) any and all continuation statements and further instruments reasonably requested in writing by Lessor for the purpose of proper protection, to its satisfaction, of Lessor's interests in the Equipment, or for the purpose of carrying out the intention of the Lease; and (iii) promptly furnish to Lessor

evidence of all such filing, registering, depositing or recording. The Lease shall be filed with the Interstate Commerce Commission prior to the delivery and acceptance under the lease of any Unit.

21. **NOTICES.** All notices required under the terms and provisions hereof shall be in writing, and any such notice shall become effective when deposited in the United States mail, with proper postage for ordinary mail prepaid, addressed as indicated below or, if different, in the Schedule, or at such other address as such party shall from time to time designate for itself in writing to the other party. Any notice actually received by any Lessee shall be effective as to that Lessee and all other Lessees.

22. **JURY TRIAL WAIVER.** LESSEE AND LESSOR WAIVE ALL RIGHT TO TRIAL BY JURY OF ALL CLAIMS, DEFENSES, COUNTERCLAIMS AND SUITS OF ANY KIND ARISING FROM OR RELATING TO THE LEASE. LESSEE AND LESSOR ACKNOWLEDGE THAT THIS IS A WAIVER OF A LEGAL RIGHT AND THAT EACH MAKES THIS WAIVER VOLUNTARILY AND KNOWINGLY. LESSEE AND LESSOR AGREE THAT ALL SUCH CLAIMS, DEFENSES, COUNTERCLAIMS AND SUITS SHALL BE TRIED BEFORE A JUDGE, NOT A JURY.

[INTENTIONALLY LEFT BLANK]

WITNESS, the execution of this Master Lease Agreement, under seal, by Lessor and Lessee.

LESSOR:

LESSEE:

TRANSCISCO LEASING COMPANY

OMAHA PUBLIC POWER DISTRICT (a political subdivision of the State of Nebraska)

By: Robert W. Laversin (SEAL)  
Name: Robert W. Laversin  
Title: Vice President

By: \_\_\_\_\_ (SEAL)  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Address: 601 California Street, Suite 1301  
San Francisco, CA 94108

Address: 444 South 16th Street Mall  
Omaha, NE 68102-2247

STATE OF NEBRASKA )  
 )  
COUNTY OF \_\_\_\_\_ ) ss.:

On this \_\_\_\_\_ day of \_\_\_\_\_, 1994, before me personally appeared \_\_\_\_\_, to me personally known, who, being by me duly sworn, says that he/she is a \_\_\_\_\_ of OMAHA PUBLIC POWER DISTRICT, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

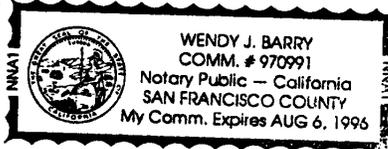
\_\_\_\_\_  
Notary Public

[Notarial Seal]

My Commission expires \_\_\_\_\_

STATE OF CALIFORNIA )  
 )  
COUNTY OF San Francisco ) ss.:

On this 28 day of June, 1994, before me personally appeared Robert W. Laversin, to me personally known, who, being by me duly sworn, says that he/she is Vice President of TRANSCISCO LEASING COMPANY, and that said instrument was signed on behalf of said corporation by authority of its Board of Directors and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Wendy J. Barry  
Notary Public

[Notarial Seal]

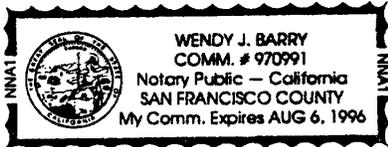
My Commission expires

8-6-96

STATE OF CALIFORNIA

COUNTY OF San Francisco

On 6-28-94 before me, Wendy J Barry,  
personally appeared Robert W. Laverson, personally  
known to me (or proved on the basis of satisfactory evidence) to be the per-  
son(s) whose name(s) is/are subscribed in the within instrument and  
acknowledged to me that he/she/they executed the same in his/her/their  
authorized capacity(ies), and that by his/her/their signature(s) on the  
instrument the person(s), or the entity upon behalf of which the person(s)  
acted, executed the instrument.



WITNESS my hand and official seal.

Wendy J Barry  
Notary public in and for said State.

This document is only a general form which may be proper for use in simple transactions and in no way acts, or is intended to act, as a substitute for the advice of an attorney. The printer does not make any warranty, either express or implied, as to the legal validity of any provision or the suitability of these forms in any specific transaction.  
Cowdery's Form No. 10G — ACKNOWLEDGMENT — General (Civil Code 1189(a)) (Revised 1/93)

WITNESS, the execution of this Master Lease Agreement, under seal, by Lessor and Lessee.

LESSOR:

LESSEE:

TRANSCISCO LEASING COMPANY

OMAHA PUBLIC POWER DISTRICT (a political subdivision of the State of Nebraska)

By: \_\_\_\_\_ (SEAL)  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

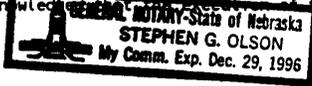
By: William C. Jones (SEAL)  
Name: WILLIAM C. JONES  
Title: SR VICE PRESIDENT

Address: 601 California Street, Suite 1301  
San Francisco, CA 94108

Address: 444 South 16th Street Mall  
Omaha, NE 68102-2247

STATE OF NEBRASKA )  
                                  )     ss.:  
COUNTY OF Douglas )

On this 28<sup>th</sup> day of JUNE, 1994, before me personally appeared William C. Jones to me personally known, who, being by me duly sworn, says that he/she is William C. Jones of OMAHA PUBLIC POWER DISTRICT, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



William C. Jones  
Notary Public

[Notarial Seal]

My Commission expires \_\_\_\_\_

STATE OF CALIFORNIA )  
                                  )     ss.:  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 1994, before me personally appeared \_\_\_\_\_, to me personally known, who, being by me duly sworn, says that he/she is \_\_\_\_\_ of TRANSCISCO LEASING COMPANY, and that said instrument was signed on behalf of said corporation by authority of its Board of Directors and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

\_\_\_\_\_  
Notary Public

[Notarial Seal]

My Commission expires \_\_\_\_\_

Notice of Election Under Section 19(e)

Master Lease Agreement No. \_\_\_\_\_

TO: Signet Leasing and Financial Corporation, its successors and assigns ("Lessor")

Pursuant to the ruling by the State of Nebraska Department of Revenue, dated June 14, 1994, (copy attached) Lessee hereby gives notice to Lessor that Lessee elects the Purchase Options under Section 19(a) of the Lease, and that the Renewal/Termination Options under Section 19(b) of the Lease are not available for exercise by Lessee at any time under the Lease.

DATED this 29<sup>th</sup> day of JUNE, 1994

LESSEE: OMAHA PUBLIC POWER DISTRICT

By: William C. Jones

Title: Sr Vice President

Receipt Acknowledged

LESSOR: SIGNET LEASING AND FINANCIAL CORPORATION

By: Ray V. Boyer

Title: V. P.

**Casualty Loss Schedule**

to

Schedule No. 1 to Master Lease Agreement No. \_\_\_\_\_

Lessee: OMAHA PUBLIC POWER DISTRICT (a political subdivision of the State of Nebraska)

This Casualty Loss Schedule is a part of the above-referenced Schedule (which incorporates by reference the above-referenced Master Lease Agreement) between Signet Leasing and Financial Corporation (Lessor) and Lessee.

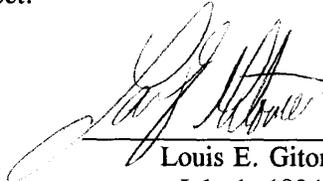
Date	Amount	Percent of Cost	Date	Amount	Percent of Cost
8/ 1/94	6,558,019.84	102.75	2/ 1/99	5,596,808.84	87.18
9/ 1/94	6,542,949.78	101.92	3/ 1/99	5,575,783.01	86.85
10/ 1/94	6,527,789.17	101.68	4/ 1/99	5,554,623.95	86.52
11/ 1/94	6,512,537.37	101.44	5/ 1/99	5,533,329.50	86.19
12/ 1/94	6,497,193.70	101.20	6/ 1/99	5,511,899.89	85.86
1/ 1/95	6,481,757.51	100.96	6/30/99	5,489,100.00	85.50
2/ 1/95	6,466,228.13	100.72			
3/ 1/95	6,450,604.88	100.48			
4/ 1/95	6,434,887.08	100.23			
5/ 1/95	6,419,074.05	99.99			
6/ 1/95	6,403,165.10	99.74			
7/ 1/95	6,387,159.54	99.49			
8/ 1/95	6,371,056.67	99.24			
9/ 1/95	6,354,855.78	98.99			
10/ 1/95	6,338,556.17	98.73			
11/ 1/95	6,322,157.12	98.48			
12/ 1/95	6,305,657.91	98.22			
1/ 1/96	6,289,057.32	97.96			
2/ 1/96	6,272,356.12	97.70			
3/ 1/96	6,255,552.07	97.44			
4/ 1/96	6,238,644.93	97.18			
5/ 1/96	6,221,633.96	96.91			
6/ 1/96	6,204,518.61	96.64			
7/ 1/96	6,187,297.52	96.38			
8/ 1/96	6,169,970.52	96.11			
9/ 1/96	6,152,536.66	95.83			
10/ 1/96	6,134,999.15	95.56			
11/ 1/96	6,117,345.22	95.29			
12/ 1/96	6,099,586.09	95.01			
1/ 1/97	6,081,716.96	94.73			
2/ 1/97	6,063,737.04	94.45			
3/ 1/97	6,045,643.33	94.17			
4/ 1/97	6,027,441.62	93.89			
5/ 1/97	6,009,124.50	93.60			
6/ 1/97	5,990,693.34	93.31			
7/ 1/97	5,972,147.54	93.02			
8/ 1/97	5,953,485.64	92.73			
9/ 1/97	5,934,707.42	92.44			
10/ 1/97	5,915,811.84	92.15			
11/ 1/97	5,896,798.04	91.85			
12/ 1/97	5,877,665.17	91.55			
1/ 1/98	5,858,412.37	91.26			
2/ 1/98	5,839,038.77	90.95			
3/ 1/98	5,819,543.50	90.65			
4/ 1/98	5,799,923.67	90.34			
5/ 1/98	5,780,184.61	90.03			
6/ 1/98	5,760,318.82	89.72			
7/ 1/98	5,740,327.99	89.41			
8/ 1/98	5,720,211.03	89.10			
9/ 1/98	5,699,967.02	88.78			
10/ 1/98	5,679,595.04	88.47			
11/ 1/98	5,659,094.17	88.15			
12/ 1/98	5,638,443.42	87.83			
1/ 1/99	5,617,702.02	87.50			

The casualty amounts provided on this schedule do not include the Base Rent amount payable on the corresponding date.

BALL, JANIK & NOVACK

**CERTIFICATION**

I, LOUIS E. GITOMER, have compared this copy to the original Master Lease Agreement, dated July 1, 1994, 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 1, 1994