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19742

1995

AP

December 1, 1995

Mr. Vernon A. Williams  
Secretary  
Interstate Commerce Commission  
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are two (2) copies of a Master Equipment Lease, dated as June 20, 1995, a primary document as defined in the Commission's Rules for the Recordation of Documents under 49 C.F.R. Section 1177.

The names and addresses of the parties to the enclosed document are:

Lessor: Star Bank, National Association  
425 Walnut Street  
Cincinnati, Ohio 45202

Lessee: AMG Resources Corporation  
4100 Grand Avenue  
Pittsburgh, Pennsylvania 15225

A description of the railroad equipment covered by the enclosed document is:

Thirty (30) gondola coal cars bearing DRGW reporting marks and road numbers set forth on Schedule C attached thereto.

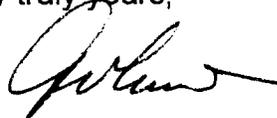
*Alvord & Alvord*

Mr. Vernon A. Williams  
December 1, 1995  
Page 2

Also enclosed is a check in the amount of \$21.00 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

Kindly return one stamped copy of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "R. Alvord", written in a cursive style.

Robert W. Alvord

RWA/bg  
Enclosures



Interstate Commerce Commission  
Washington, D.C. 20423-0001

12/1/95

Office Of The Secretary

Robert W. Alvord  
Alvord And Alvord  
918 Sixteenth Street, NW., Ste. 200  
Washington, DC., 20006-2973

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 12/1/95 at 11:30AM, and assigned recordation number(s). 19742, 19377-A and 19623-B

Sincerely yours,

Vernon A. Williams  
Secretary

Enclosure(s)  
(0100873064)

\$ 63.00 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 typed 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

STAR BANK  
Jan DeLl

Lease No. 992

Notarial Seal  
Florence E. Kaminski, Notary Public  
My Commission Expires Nov. 30, 1997

MASTER EQUIPMENT LEASE

This is a Master Equipment Lease between Star Bank, National Association  
Cincinnati, Ohio whose principal office is located at 425 Walnut Street  
9742 ("Lessor") and

AMG Resources Corporation whose principal office is located at 4100 Grand Ave. City of Pittsburgh Pennsylvania ("Lessee").

1. LEASE. Lessor agrees to lease to Lessee and Lessee agrees to lease from Lessor, subject to the terms and conditions set forth herein, the items of personal property (the "Equipment") described in each Acceptance Supplement (a "Supplement") executed and delivered by the parties hereto pursuant to the terms of this Master Equipment Lease ("Lease"). Each Supplement shall be in the form prescribed by Lessor and, upon the execution and delivery thereof, shall constitute a part of this Lease to the same extent as if the provisions thereof were set forth in full in this Lease; the terms "Agreement," "hereof," "herein," and "hereunder," when used in this Lease, shall mean this Lease, each Supplement and each Schedule. This Agreement constitutes an agreement of lease and nothing herein contained shall be construed as conveying to Lessee any right, title, or interest in the Equipment except as Lessee may so acquire.

2. TERM; ACCEPTANCE; RENT; RETURN. The term of lease of each item of Equipment shall commence on the Commencement Date specified in the Supplement pertaining to such Equipment and, unless earlier terminated pursuant to the provisions hereof, shall continue for the term specified in such Supplement. Lessee's execution and delivery of each Supplement shall constitute Lessee's irrevocable acceptance of the Equipment covered thereby for all purposes of this Agreement. Lessee shall pay to Lessor (at Lessor's office specified above, or as Lessor may otherwise designate), rent as specified in each Supplement. Each date on which an installment of rent is payable is hereinafter called a "Rent Payment Date." As to each Supplement, the first Rent Payment Date shall be the Rent Payment Date set forth therein, with the succeeding Rent Payment Dates on the corresponding day of each month thereafter. In addition, if applicable, Lessee shall pay interim rent for the period between the Commencement Date and the first Rent Payment Date, based on a 30 day month and the number of days between the Commencement Date and the first Rent Payment Date. Lessee shall also pay to Lessor, on demand, a late payment charge of 5% of each installment of rent and any other amount owing hereunder which is not paid when due. Upon the expiration or earlier termination of the term of lease of each item of Equipment leased hereunder, Lessee shall at its expense return such item to Lessor at such location as Lessor may designate, in the condition required to be maintained by Section 7 hereof.

3. DISCLAIMER OF WARRANTY; LESSOR MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE EQUIPMENT, OR ANY OTHER REPRESENTATION OR WARRANTY OF ANY KIND WHATSOEVER. Lessee confirms that it has made (or will make) the selection of each item of Equipment on the basis of its own judgment and expressly disclaims reliance upon any statements, representations or warranties made by Lessor. Lessor shall not be liable to Lessee for any matter relating to the ordering, manufacture, purchase, delivery, assembly, installation, testing, operation or servicing of the Equipment or for any claim, loss, damage or expense of any kind related to our caused by the Equipment. Lessor hereby assigns to Lessee all rights which Lessor has or may acquire against any manufacturer, supplier, or contractor with respect to any warranty or representation relating to the Equipment leased hereunder. This assignment to Lessee is only of those representations which are by law or by their terms assignable, and Lessor makes no representation or warranty of any manufacturer, supplier or contractor.

4. EQUIPMENT TO REMAIN PERSONAL PROPERTY; LOCATION; IDENTIFICATION; INSPECTION. Lessee represents that the Equipment shall be and at all times remain separately identifiable personal property. Lessee shall, at its expense, take such action as may be necessary to prevent any third party from acquiring any right to or interest in the Equipment by virtue of the Equipment being deemed to be real property or a part of other personal property and shall indemnify Lessor against any loss which it may sustain by reason of Lessee's failure to do so. The Equipment may not be removed from the location specified in the Supplement pertaining thereto without Lessor's prior written consent. If requested by Lessor, Lessee shall attach to and maintain on the Equipment a conspicuous plate or marking disclosing Lessor's ownership therein. Lessor or its representatives may, at reasonable times, inspect the Equipment.

5. TAXES; INDEMNITY. Lessee agrees to pay, and to indemnify and hold Lessor harmless from, all license fees, assessments, and sales, use, property, excise, and other taxes and charges (other than federal income taxes and the net income of Lessor for reasons other than the ownership or leasing of the Equipment in such jurisdiction) imposed upon or with respect to (a) the Equipment or any part thereof arising out of or in connection with the shipment of Equipment or the possession, ownership, use of operation thereof, or (b) this Agreement or the consummation of the transactions herein contemplated. Lessee further agrees to assume liability for, and to indemnify and hold Lessor harmless against, all claims, costs, expenses, damages, and liabilities arising from or pertaining to the manufacture, assembly, installation, ownership, use, possession and operation of the Equipment, including, without limitation, latent and other defects, whether or not discoverable by Lessee or any other person, any expense, liability or loss directly or indirectly related to or arising out of any injury to any person or tangible or intangible property, whether arising from negligence or under any theory of strict or absolute liability or any other cause, or any claim for patent or copyright infringement, together with all legal fees and expenses reasonably incurred by Lessor in connection with any liability asserted against it, whether groundless or otherwise. The agreements and indemnities contained in this Section shall survive the expiration or earlier termination of this Agreement.

6. ASSIGNMENT, SUBLETTING, ENCUMBRANCES. (a) Without Lessor's prior written consent, Lessee shall not (i) assign, transfer, pledge, hypothecate or otherwise dispose of this Lease or any interest herein, (ii) sublet or let the Equipment or (iii) permit the Equipment to be used by anyone other than Lessee or Lessee's employees in their capacity as employees of Lessee. Neither this Lease nor any interest herein is transferable by operation of law. For purposes of this Lease, a change of control, whether direct or indirect, shall be considered an assignment of this Lease. (b) Lessor may sell, assign, transfer, grant security interests in or otherwise dispose of all or any portion of its right, title and interest in and to any item or items of Equipment, this Lease (including, without limitation, any Schedule) or any of the foregoing, to any lender or other entity ("Assignee"). Lessee hereby consents to such sales, assignments and transfers and agrees: (i) upon receipt of written notice of the same from Lessor, to pay rent hereunder as directed by such notice; (ii) to perform or observe, as the case may be, all of its obligations hereunder may be exercised by Assignee; (iii) to execute and deliver to Lessor such documentation as Lessor or Assignee may reasonably request, including without limitation Uniform Commercial Code financing statements; and (iv) to furnish to Assignee copies of any notices given by Lessee under this Lease or any Schedule. Assignee shall have all of the rights but, unless otherwise agreed in a writing executed by Assignee, none of the obligations of Lessor under this Lease, and Lessor shall not look to Assignee for performance thereof.

7. USE, REPAIRS, ETC. Lessee will cause the Equipment to be operated in accordance with the manufacturer's or supplier's instructions or manuals by competent and duly qualified personnel only and in compliance with all laws and regulations and the insurance policies required to be maintained hereunder. The Equipment shall also be maintained in accordance with the instructions contained in Schedule B to each Supplement. Lessee will, at its expense, maintain the Equipment in good repair, condition and working order and furnish all parts, mechanisms, devices, and servicing required therefore so that the value and condition thereof will at all times be maintained, normal wear and tear excepted. All such parts, mechanisms and devices shall immediately, without further act, become part of the Equipment for all purposes of this Agreement without cost to Lessor. Lessee will not alter or add to the Equipment without Lessor's prior written consent. Lessee will remove any attachments, alterations or accessories at the termination of this Lease if Lessor shall so demand. In the absence of such demand, all attachments, alterations or accessories shall become part of the Equipment at the time of their attachment thereto.

8. LOSS, DAMAGE. If any Equipment shall be lost, stolen, destroyed, damaged beyond repair, or rendered permanently unfit for normal use for any reason, or in the event of any condemnation, confiscation, seizure, or requisition of title to or use of any Equipment (each of the foregoing being hereinafter called a "Loss"), Lessee shall promptly pay to Lessor an amount equal to the sum of (i) all rent and other amounts due and owing hereunder for such Equipment to and including the date of the Loss, and (ii) the Stipulated Loss Value of such Equipment computed as of the Rent Payment Date occurring on or immediately preceding the date of the Loss as set forth in Schedule A attached to each Supplement, whereupon Lessor will transfer to Lessee, without recourse or warranty, all of Lessor's right, title, and interest in such Equipment. If any Equipment is damaged as the result of an event not constituting a Loss, Lessee shall promptly cause such item to be repaired or replaced in accordance with the provisions of Section 7 hereof.

9. INSURANCE. Lessee shall maintain at all times on the Equipment, at Lessee's expense, property damage, direct damage, liability insurance and such other insurance coverage as Lessor shall require in such amounts, against such risks, and in such form and with such insurers as shall be satisfactory to Lessor. The required insurance shall be as specified in the applicable Supplement; provided, that the amount of direct damage insurance shall not on any date be less than the greater of the full replacement value or the Stipulated Loss Value of the Equipment as of such date. Each insurance policy will name Lessor as additional insured and as loss payee, and shall contain a clause requiring the insurer to give to Lessor at least 30 days prior written notice of any alteration in or cancellation or other evidence satisfactory to Lessor that such insurance coverage is in effect, provided, however, that Lessor shall be under no duty to ascertain as to the existence or adequacy of such insurance.

10. NON-CANCELLABLE AGREEMENT; LESSEE'S OBLIGATIONS UNCONDITIONAL. This Agreement cannot be cancelled or terminated except as expressly provided herein. Lessee agrees that its obligation to pay all rent and other amounts payable hereunder and to perform its duties with respect hereto shall be absolute and unconditional and is not and shall not be subject to: (a) Any setoff, counterclaim, recoupment, defense, or other right which Lessee may have against Lessor, the manufacturer, or supplier of any Equipment or anyone else for any reason whatsoever; (b) Any defect in the condition, design, title, operation, or fitness for use, or any damage to loss of any Equipment; (c) Any insolvency, reorganization or similar proceedings by or against Lessee; or (d) Any other event or circumstances whatsoever, whether or not similar to the foregoing.

Each rent or other payment made by Lessee hereunder shall be final and Lessee will not seek to recover all or any part of such payment from Lessor for any reason whatsoever.

11. DEFAULT. If (i) Lessee shall fail to make any payment of rent or other amount owing hereunder when due; (ii) Lessee shall fail to perform or observe any other covenant, agreement, or condition hereunder or under any other agreement with Lessor; (iii) any representation or warranty made by Lessee herein or in any document or certificate furnished Lessor in connection herewith shall prove to be incorrect at any time; (iv) As a result of or in connection with a material change in the ownership of Lessee's Stock, Lessee's debt to worth ratio equals or exceeds twice Lessee's debt to worth ratio as of the date of this Lease, without the prior written consent of Lessor (as used herein, "debt to worth ratio" shall mean the ratio of (x) Lessee's total liabilities which, in accordance with GAAP, would be included in the liability side of a balance sheet, to (y) Lessee's tangible net worth including the sum of the par or stated value of all outstanding stock, surplus and undivided profits, less any amounts attributable to good will, patents, copyrights, mailing lists, catalogs, trademarks, covenants not to compete, bond discount and underwriting expenses, organization expense and other intangibles, all determined in accordance with GAAP); (v) Lessee fails to maintain throughout the term of this Agreement all significant accounts (including, without limitation, all significant operating accounts, demand and time deposit accounts, certificate of deposit accounts and safekeeping accounts) and/or other banking relationships currently established between Lessee and Lessor; (vi) Lessee shall become insolvent or shall be generally not paying its debts as they become due or shall default with any other creditor, or shall make an assignment for the benefit of creditors or consent to the appointment of a trustee or receiver, or a trustee or receiver shall be appointed for Lessee or for a substantial part of its property or for the Equipment, or reorganization, arrangement, insolvency, dissolution, or liquidation proceedings shall be instituted by or against Lessee; or (vii) Lessor, in its good faith judgment, deems itself insecure as to Lessee's financial condition or performance under the Lease, (each of the foregoing being herein called an "Event of Default"), then Lessor may declare this Agreement to be in default and may do one or more of the following with respect to any or all of the Equipment as Lessor in its sole discretion may elect, to the extent permitted by, and subject to compliance with any mandatory requirements of applicable law then in effect: (a) demand that Lessee, and Lessee shall at its expense upon such demand, return the Equipment promptly to Lessor in the manner and condition required by and otherwise in accordance with the provisions of Section 2 hereof, as if the Equipment were being returned at the expiration of its term of lease hereunder, or Lessor, at its option, may enter upon the premises where the Equipment is located and take possession of and remove the same by summary proceedings or otherwise, all without liability to Lessor for damage to property or otherwise and to the extent permitted by law, Lessee waives any right it may have in such instance to a judicial hearing prior to such taking; (b) sell the Equipment at public or private sale, with or without notice to Lessee or advertisement, or otherwise dispose of, hold, use, operate, lease to others or keep idle the Equipment as Lessor may determine all free and clear of any rights of Lessee and without any duty to account to Lessee with respect to such action or inaction or for any proceeds with respect thereto; (c) by written notice to Lessee, demand that Lessee pay to Lessor, as liquidated damages for loss of a bargain and not as a penalty, on the payment date specified in such notice, an amount (together with interest thereon at the rate of 18% per annum or at the highest rate permitted by law, whichever is less, from said date to the date to the date of actual payment) equal to the amount by which the Stipulated Loss Value of the Equipment computed as of the Rent Payment Date occurring on or immediately preceding the payment date specified in such notice exceeds the Fair Market Sales Value of such Equipment; and (d) Lessor may exercise any other right or remedy which may be available to it under applicable law or proceed by appropriate court action to enforce the terms hereof or to recover damages for the breach hereof or to rescind this Agreement. In addition, Lessee shall be liable for all unpaid rent and other amounts due hereunder before or during the exercise of any of the foregoing remedies and for all legal fees, taxes, governmental charges and other costs and expenses incurred by reason of the occurrence of any Event of Default or the exercise of Lessor's remedies with respect thereto, including placing any Equipment in the condition required by Section 7 hereof. Furthermore, Lessee's obligations under this Agreement may be secured by collateral given by Lessee to Lessor and, upon the occurrence of an Event of Default, Lessor shall be entitled to the benefits of such collateral and any document or instrument providing therefor. Lessee grants the Lessor a security interest in all deposits and account balances and credits of the Lessee or other sums credited by or due from the Lessor to the Lessee in the possession of or in transit to the Lessor, now existing or hereafter arising, and all proceeds thereof, and the Lessor may treat such deposits and sums against the Lessee as the Lessor deems appropriate, and/or refuse to honor orders to pay or withdraw such deposits or sums.

For the purpose of the preceding paragraph, the "Fair Market Sales Value" of any Equipment shall mean such value to Lessor net of all expenses and costs whatsoever which are incidental to the reclamation of the Equipment and the sale thereof as determined (at Lessee's expense) by an independent appraiser selected by Lessor; provided, however, that (i) the "Fair Market Sales Value" of any Equipment shall be zero if Lessor is unable to recover possession thereof in accordance with their terms of clause (a) of the immediately preceding paragraph, and (ii) if Lessor shall have sold any Equipment prior to the giving of the notice referred to in clause (c) of the immediately preceding paragraph, the "Fair Market Sales Value" thereof shall be the net proceeds of such sales after deducting all costs and expenses incurred by Lessor in connection therewith. Except as expressly provided above, no remedy referred to in this Section is exclusive, but each shall be cumulative and in addition to any other remedy referred to herein or otherwise available to Lessor at law or equity; and the exercise or beginning of exercise by Lessor constitute a waiver of any other or subsequent Event of Default. To the extent permitted by law, Lessee waives any rights now or hereafter conferred by statute or otherwise which may require 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 or remedies.

12. LESSOR'S RIGHTS TO PERFORM. If Lessee fails to make any payment required to be made hereunder or fails to comply with any other agreements contained herein, Lessor may make such payment or comply with such agreement, and the amount of such payment or compliance, shall be payable by Lessee on demand and until paid shall bear interest at the Lessor's Prime Rate plus 4% up to any maximum rate permitted by Ohio and federal law. "Prime Rate" shall mean the rate announced as such from time to time by Lessor. Such rate is determined solely by Lessor pursuant to market factors and its own operating needs and such rate is not necessarily Lessor's best or most favorable rate for Equipment or other loans.

13. FURTHER ASSURANCES. Lessee will, at its expense, 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 request in order to more effectively carry out the intent and purpose of this Agreement so as to establish and protect the rights, interests and remedies intended to be created in favor of Lessor hereunder, including, without limitation, the execution and filing of financing statements and continuation statements with respect to the Equipment and this Agreement. Lessee appoints Lessor its attorney-in-fact to effect any such filing (including the filing of any financing statements without the signature of Lessee) and Lessor's expenses with respect thereto shall be payable by Lessee on demand.

14. NOTICES. All notices and other communications required to be given to any party hereunder shall be in writing and delivered or mailed by regular mail to such party at the address set forth above or at such other address as it may designate to other parties.

15. MISCELLANEOUS. As used in this Agreement, the "Stipulated Loss Value" for any Equipment shall mean, as of any Rent Payment Date, an amount determined by multiplying the cost of such Equipment by the percentage specified opposite such Date in Schedule A annexed to the applicable Supplement. Any provision of this Agreement which is unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such unenforceability without invalidating the remaining provisions hereof, and any such unenforceability in any jurisdiction shall not render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, Lessee waives any provision of law which renders any provision hereof unenforceable in any respect.

16. CONDITIONS PRECEDENT. The obligation of Lessor contained in Section 1 of the Agreement shall be subject to the following conditions precedent: (a) there shall have occurred no material adverse change in the business or the financial condition of Lessee from the date hereof until the Commencement Date of any Supplement; (b) Lessee shall have furnished Lessor with a certificate or other evidence satisfactory to Lessor that insurance coverage as required by Section 9 of the Agreement is in effect as to the item of Equipment desired to be leased; (c) unless specifically waived by Lessor, Lessee shall have furnished Lessor opinions of counsel as to the Agreement, in form and substance acceptable to Lessor; (d) unless specifically waived by Lessor, Lessee shall have furnished Lessor waivers, in form and substance acceptable to Lessor, of all rights in or to the Equipment of any landlord or mortgagee of any real property upon which the Equipment is or is to be situated; and (e) all other instruments and legal and corporate proceedings in connection with the transactions contemplated by this Agreement shall be satisfactory in form and substance to Lessor, and counsel to Lessor shall have received copies of all documents which it may have requested in connection therewith. If any of the above conditions is not satisfied at the time Lessee submits any Supplement, Lessor shall have no obligation under this Agreement to lease the items of personal property covered thereby to Lessee.

17. FINANCIALS. Lessee agrees that for so long as any item of Equipment shall be leased under the Agreement, Lessee will deliver or cause to be delivered to Lessor (a) as soon as practicable, and in any event within sixty (60) days after the end of each quarterly period (other than the fourth quarterly period) for each fiscal year of Lessee, the balance sheet of Lessee as of the end of such quarterly period together with the related statements of income and expense for such quarterly period all in reasonable detail prepared in accordance with generally accepted accounting principles consistently applied throughout the period involved and certified by Lessee's chief financial officer; and (b) as soon as practicable, and in any event within one hundred twenty (120) days after the close of each fiscal year of Lessee, the audited balance sheet of Lessee as of the end of such fiscal year together with the related statements of income and surplus for such fiscal year all in reasonable detail, prepared in accordance throughout the period involved and certified by an independent certified public accountant acceptable to Lessor.

18. REPRESENTATIONS, WARRANTIES AND COVENANTS. Lessee represents, warrants, and covenants that: (a) If Lessee is a corporation, Lessee is duly organized and validly existing in good standing under the laws of the state of its incorporation and is duly qualified and licensed to do business as a foreign corporation in those jurisdictions where such qualifications are necessary to authorize Lessee to carry on its present business and operations and to own its properties or to perform its obligations hereunder; (b) If Lessee is a partnership, Lessee is duly organized and validly existing under the partnership laws of its state of domicile and is duly authorized in any foreign jurisdiction where such qualification is necessary to authorize Lessee to carry on its present business and operations and to own its own properties and to perform its obligations hereunder; (c) Lessee has full power, authority, and legal right to execute, deliver, and carry out as Lessee the terms and provisions of this Agreement and any other documents in connection with this lease transaction; (d) if Lessee is a corporation, Lessee's execution, delivery, and performance of this Agreement and the other documents and agreements referred to herein, and the performance of its obligations under this Agreement have all been authorized by all necessary corporate action, do not require the approval or consent of stockholders, or of any trustee or holders of any indebtedness or obligation of Lessee and will not violate any law, governmental rule, regulation, or order binding upon Lessee or any provision of any indenture, mortgage, contract, or other agreement to which Lessee is a party or by which it is bound or to which it is subject, and will not violate any provision of the Certificate of Incorporation, By-Laws, or any preferred stock agreement of Lessee; (e) If Lessee is a partnership, Lessee's execution, delivery, and performance of this Agreement and the other documents and agreements referred to herein, and the performance of its obligations under this Agreement have all been authorized by all necessary partnership actions; (f) there are no pending or threatened investigations, actions, or proceedings before any court or administrative agency or other tribunal body, which seek to question or set aside any of the transactions contemplated by this Agreement, or which, if adversely determined, would materially affect the condition, business, or operation of Lessee; (g) Lessee is not in default in any material manner in the payment or performance of any of its obligations or in the performance of any contract, agreement, or other instrument to which it is a party or by which it or any of its assets may be bound; (h) the balance sheet of Lessee as of the end of its most recent fiscal year and the related profit and loss statement of the Lessee for the fiscal year ended on said date, including the related schedules and note, together with the report of an independent certified public accountant, heretofore delivered to Lessor, are all true and correct and present fairly (x) the financial position of Lessee as at the date of said balance sheet and (y) the results of the operations of Lessee for said fiscal year; (i) all proceedings required to be taken to authorize the lease of the Equipment from Lessor and to protect Lessor's interest in such Equipment, free and clear of all liens and encumbrances whatsoever, have been taken; (j) Lessee has no significant liabilities (contingent or otherwise) which are not disclosed by or reserved against the financial statements are not disclosed by or reserved against the financial statements referred to in (h) above; (k) all the financial statements referred to in (b) above have been prepared in accordance with generally accepted accounting principles and practices applied on a basis consistently maintained throughout the period involved; (l) there has been no change which would have a material adverse effect on the business or financial condition of Lessee from that set forth in the balance sheet referred to in (h) above; (m) no authorization, consent, approval, license, exemption of or filing or registration with any court governmental unit or department, commission, board bureau, agency, instrumentality or the like is required or necessary for the valid execution and delivery of the Agreement, any bill of sale, and the other documents and agreements referred to herein; (n) this Master Lease Agreement, the Supplements, and any accompanying documents, having been duly authorized, executed and delivered to Lessor, constitute legal, valid and binding obligations of Lessee, enforceable against Lessee in accordance with the terms thereof except as such terms may be limited by bankruptcy, insolvency, or similar laws affecting the enforcement of creditor's rights generally; (o) Each item of the Equipment is, and will be used by Lessee so as to remain, properly eligible for depreciation deductions under §167 of the Internal Revenue Code of 1986, as now hereafter amended (the "Code"), determined in accordance with the provisions of §168 of the Code, during the term of the Lease with respect thereto; (p) the Equipment is personal property and neither real property nor a fixture; (q) as of the Commencement Date of each item of Equipment, a reasonable estimate of the estimated fair market value of such item of Equipment at the end of the lease term thereof will be at least 20% of the Lessor's cost thereof (without including in such value any increase or decrease for inflation or deflation, and after subtracting from such value any cost for removal and delivery of possession of Equipment to Lessor at the end of the lease term thereof); and (r) as of the Commencement Date of each item of Equipment, a reasonable estimate of the estimated useful life of such item of Equipment at the end of the original lease term will be at least two years beyond the lease term thereof.

19. PURCHASE OPTION. Lessor and Lessee hereby agree that so long as no Event of Default shall have occurred and be continuing, Lessee shall have the option to purchase the Equipment at the expiration of the lease term for the purchase option price set forth in the Supplement. In order to exercise said option with respect to any given item of Equipment, Lessee must give Lessor written notice at least ninety (90) days prior to the expiration of the lease term with respect thereto, and remit the purchase price in cash to Lessor or its assigns on or before said expiration date. After receipt of the purchase price in accordance with this paragraph, Lessor will transfer to Lessee all of its rights, title and interest in the Equipment purchased as-is, where-is, without recourse, representation or warranty of any kind, express or implied. Fair Market Sales Value for the purpose of this Section only shall be determined on the basis of and be equal in amount to the value that would be obtained in a transaction between an informed and willing buyer and an informed and willing seller, and the cost of moving the Equipment from the location of current use shall be a deduction from such value.

20. CHOICE OF LAW/JURISDICTION, IMPORTANT: This lease shall be deemed made in Ohio and the Acceptance Supplement(s) and any other documents evidencing same, and all the rights and obligations of the parties hereunder, shall in all respects be governed by and construed in accordance with the laws of the State of Ohio, including all matters of construction, validity and performance. Without limitation on the ability of the Lessor to exercise all its rights as to ownership of the Equipment, or to initiate and prosecute actions in any applicable jurisdiction related to repayment of rentals and other sums due under the Lease, the parties agree that any action or proceeding commenced by or on behalf of the parties arising out of or relating to this Lease, the Acceptance Supplement(s) and any other documents evidencing same, shall be commenced and maintained exclusively in the District Court of the United States for the Southern District of Ohio or any other federal judicial district located in Cincinnati, Ohio.

The parties also agree that a summons and complaint commencing an action or proceeding in any such courts by or on behalf of such parties shall be properly served and shall confer personal jurisdiction on a party, to which said party consents, if (a) served personally or by certified mail to the other party at any of its addresses noted herein, or (b) as otherwise provided under the laws of the State of Ohio.

The rent and other terms of this Lease negotiated with Lessee are, in part, related to the aforesaid provisions on jurisdiction, which the Lessor deems a vital part of this Lease arrangement.

21. ATTORNEY'S FEES. If Lessor commences any action to enforce or define any right or obligation of Lessee under this Agreement or any Supplement, the Lessee shall pay to the Lessor all reasonable attorneys' fees and all other legal expenses (including for expert and other witnesses) for preparation, negotiation, filing maintenance, defense, settlement, and appeal of litigation paid or incurred by the Lessor.

22. HEADINGS. The headings for the various Sections of this Agreement are intended solely for convenience of reference and are not intended nor shall they be used to construe, explain, modify, or place any meaning upon any provision thereof.

23. MODIFICATION. Neither this agreement nor any Supplement can be modified or amended except by written agreement signed and currently dated by representatives of both signatories hereto.

24. COUNTERPARTS. The parties may execute this Agreement and any Supplement in any number of counterparts. All such counterparts of a Supplement constitute one Supplement. Each counterpart is an original instrument.

25. SEVERABILITY. Any provision of this Agreement, any Supplement or any other document associated herewith which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition of enforceability without invalidating the remaining portions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

26. LESSEE'S ACKNOWLEDGEMENT OF NO EXTRINSIC PROMISES. LESSEE AGREES THAT THERE HAVE BEEN AND SHALL HAVE BEEN NO REPRESENTATIONS, AGREEMENTS, STATEMENTS, PROMISES, UNDERSTANDINGS, OR INDUCEMENTS (COLLECTIVELY IN THIS SECTION "PROMISES") MADE TO LESSEE BY OR ON BEHALF OF LESSOR OR ANY THIRD PERSON IN CONNECTION WITH THIS AGREEMENT, ANY SUPPLEMENT, ANY EQUIPMENT LEASED HEREUNDER, OR ANY PRESENT OR FUTURE TRANSACTION OF WHICH THIS AGREEMENT AND/OR ANY SUPPLEMENT IS OR BECOMES A PART OTHER THAN THOSE PROMISES, IF ANY, EXPRESSLY IN WORDS MADE IN THIS AGREEMENT AND EACH SUPPLEMENT.

27. ENTIRE AGREEMENT. THIS AGREEMENT IS AN INTEGRATION AND EACH SUPPLEMENT IS AN INTEGRATION AND RESPECTIVELY THE ENTIRE AGREEMENT BETWEEN THE PARTIES RELATING TO THE SUBJECT MATTER OF EACH TRANSACTION EMBRACED THEREBY, ALL AGREEMENTS, REPRESENTATIONS, PROMISES, INDUCEMENTS, STATEMENTS, AND UNDERSTANDINGS, PRIOR TO AND CONTEMPORANEOUS WITH THIS AGREEMENT AND PRIOR TO AND CONTEMPORANEOUS WITH EACH SUPPLEMENT, WRITTEN AND ORAL, BETWEEN THE PARTIES WITH RESPECT TO THE SUBJECT MATTER OF EACH SUCH TRANSACTION, IF ANY, ARE AND EACH IS SUPERSEDED BY THIS AGREEMENT AND BY EACH SUPPLEMENT AS IT IS EXECUTED.

Executed as of the 20th day of June, 19 95 at \_\_\_\_\_

By execution hereof, the signor hereby certifies that s/he has read this Agreement, and that s/he is duly authorized to execute this Master Equipment Lease on behalf of Lessee.

x Florence E Kaminski

LESSEE: AMG Resources Corporation

WITNESS

By x Brian S Cohen

Karen Winkelman

Title: x Controller

WITNESS

LESSOR: Star Bank, National Association

By: John H. Mauer

Title: Vice President

State of Pennsylvania)

County of Allegheny)

The foregoing instrument was acknowledged before me this 25th day of May, 19 95 by Brian S Cohen on behalf of Lessee

Notarial Seal  
Florence E. Kaminski, Notary Public  
Neville Twp., Allegheny County  
My Commission Expires Nov. 20, 1997

x Florence E Kaminski  
Notary Public

NON-CANCELLABLE AGREEMENT

ACCEPTANCE SUPPLEMENT

(True Lease)

Supplement No. 02 to Master Equipment Lease No. 992. Commencement Date: November 30, 1995. Initial Lease Term: Eighty-Four Months. THIS ACCEPTANCE SUPPLEMENT is executed and delivered by Star Bank, National Association ("Lessor") and AMG Resources Corporation ("Lessee"), pursuant to, and in accordance with the Master Equipment Lease dated June 20, 1995 between Lessor and Lessee (the "Agreement"), defined terms therein being used herein with their defined meanings.

A. The Equipment covered by this Acceptance Supplement has a total acquisition cost of Seven Hundred Five Thousand, and no/100----- Dollars (\$ 705,000.00 ) and consists of the items identified on Schedule C, attached hereto and made a part hereof. B. Lessee confirms that said Equipment has been delivered to it, on the 30TH day of NOVEMBER, 1995, duly assembled and installed in good working order and condition, at the following location:

Physical Location

4100 Grand Avenue
Pittsburgh, PA

Tax District

County: Allegheny
Township/School Dist:

C. Lessee hereby: (a) confirms that said Equipment is of the size, design, capacity and manufacture selected by it and meets the provisions of any purchase order pursuant to which Lessor has acquired title thereto; and (b) irrevocably accepts said Equipment as-is, where-is for all purposes of the Agreement as of the Commencement date set forth above.

D. The Commencement Date and the Initial Lease Term of said Equipment under the Agreement, unless earlier terminated pursuant to the provisions of the Agreement, shall be as set forth above. Lessee or Lessor may terminate this Acceptance Supplement effective at the expiration of the Initial Lease Term or any renewal term, by giving the other party 90 days prior written notice. If notice of termination is not given at least 90 days prior to such expiration, then the Initial Lease Term shall be automatically extended for an additional period of three months on the same terms provided for during the Initial Lease Term. No notice of termination may be revoked without prior written consent of the other party.

E. As rent for said Equipment throughout the term of lease referred to in the preceding paragraph D. Lessee shall pay to Lessor in accordance with the terms of the Agreement 84 consecutive rental payments of \$ 9,045.00 each. Rental payments shall be made monthly. The first Rent Payment Date shall be December 5, 1995 with subsequent rental payments commencing January 5, 1996 to and including November 5, 2002. Lessee shall pay applicable sales or use tax added to each Rent Payment.

F. Tax Indemnity.

(a) Lessor, as the owner of the Equipment, shall be entitled to such deductions, credits and other benefits as are provided by the Internal Revenue Code of 1986, as amended (hereinafter called the "Code"), to an owner of property.

(b) Lessee agrees that neither it nor any corporation controlled by it, in control of it, or under common control with it, directly or indirectly, will at any time take any action or file any returns or other documents inconsistent with the foregoing and that each of such corporations will file such returns, take such action and execute such documents as may be reasonable and necessary to facilitate accomplishment of the intent thereof. Lessee agrees to copy and make available for inspection and copying by Lessor such records as will enable Lessor to determine whether it is entitled to the benefit of any amortization or depreciation deduction or tax credit which may be available from time to time with respect to the Equipment.

(c) If, under any circumstances or for any reason whatsoever, except for acts of the Lessor, (i) Lessor shall become liable for additional tax as a result of Lessee having added an attachment or made an alteration to the Equipment which would increase the productivity or capability of the Equipment so as to violate the provisions of Rev. Proc. 75-21, 1975-1 C.B. 715, as modified by Rev. Proc. 79-48, 1979-2 C.B. 529 (and as either or both may hereafter be modified or superseded); (ii) the statutory full-year marginal Federal tax rate for corporations with a December 31 tax year-end is greater than thirty-four (34) percent; or (iii) Lessor shall lose, shall not have or shall lose the right to claim, or there shall be disallowed or recaptured all or any portion of the Federal tax depreciation deductions with respect to any item of Equipment based on depreciation of the Lessor's full cost of such item of Equipment and computed on the basis of a method of depreciation provided by the Code as Lessor in its complete discretion may select, then Lessee agrees to pay Lessor upon demand an amount which, after deduction of all taxes required to be paid by Lessor in respect of the receipt thereof under the laws of any federal, state, or local government or taxing authority of the United States or of any taxing authority of government subsidiary of any foreign country, shall be equal to (1) an amount equal to the additional income taxes which would be paid or payable by Lessor in consequence of the failure to obtain the benefit of a depreciation deduction calculated under the assumption that Lessor's income is taxed at the highest applicable rate (without regard to the actual taxes paid by Lessor), and (2) any interest and/or penalty which may be assessed in connection with any of the foregoing.

(d) The provisions of this Section 12 shall survive the expiration of earlier termination of this Agreement.

G. Pursuant to Section 9 of the Agreement, Lessee shall maintain at a minimum the following insurance coverage: Personal Property Amount: \$ 705,000.00 Liability Amount: \$ 1,000,000.00

Such insurance shall be provided by an insurance company admitted to do business in the State of Ohio with no less than a B rating. Each insurance policy will contain a clause requiring the insurer to give to Lessor at least 30 days prior written notice of any alteration in or cancellation of such insurance and will name as Loss Payee and Additional Insured:

Star Bank, National Association
Equipment Finance Division
425 Walnut Street, Loc #8135
Cincinnati, Ohio 45202

The Lessee shall request the insurance company send a Certificate of Insurance to the Loss Payee at the above address.

H. The Purchase option price for the Equipment pursuant to paragraph 19 of the Agreement shall be (check applicable box):

[ ] A price equal to the then appraised Fair Market Sales Value of the Equipment, as determined (at Lessee's expense) by an independent appraiser selected by Lessor;

[ ] \$

The purchase price shall be payable as set forth in paragraph 19 of the Agreement.

I. All provisions of the Agreement are hereby incorporated by reference in this Acceptance Supplement to the same extent as if fully set forth herein.

J. Additional Provisions. The Lessee and Lessor further agree as follows: At the expiration of the Lease Term, the Lessee, at its option, may purchase all, but not less than all, of the Equipment for 20% of the original equipment cost, representative of its then Fair Market Value, or; return all, but not less than all, of the Equipment to Lessor, in accordance with specified return

provisions. Additional Provisions as listed on Schedule D attached hereto.

APPROVED AND AGREED to by the parties hereto as of the Commencement Date set forth above.

LESSOR: Star Bank, National Association

LESSEE: AMG Resources Corporation

By: [Signature]

The undersigned affirms that s/he is duly authorized to execute and deliver this acceptance Supplement on behalf of Lessee.

By: [Signature]

Title: AMP

Title: Controller

Witness: [Signature]

Witness: [Signature]

**SCHEDULE A  
STIPULATED LOSS VALUES**

**THIS SCHEDULE A is to that Certain Master Equipment Lease ("Agreement") dated June 20, 1995 and Acceptance Supplement No. 02 thereto, between Star Bank, National Association ("Lessor") and AMG Resources Corporation ("Lessee"). Terms defined in the Agreement shall have the same meanings when used herein. Stipulated Loss Values are calculated by multiplying original Equipment Cost by Stipulated Loss Value Percentage.**

Rent Payment Date	*Stipulated Loss Percentage	Rent Payment Date	*Stipulated Loss Value Percentage	Rent Payment Date	*Stipulated Loss Value Percentage
1st Pymt	99.5024	29th Pymt	79.9447	57th Pymt	52.4712
2nd Pymt	98.9813	30th Pymt	79.0905	58th Pymt	51.3585
3rd Pymt	98.4448	31st Pymt	78.2271	59th Pymt	50.2336
4th Pymt	97.8872	32nd Pymt	77.3528	60th Pymt	49.1031
5th Pymt	97.3207	33rd Pymt	76.4712	61st Pymt	47.9629
6th Pymt	96.7329	34th Pymt	75.5801	62nd Pymt	46.8103
7th Pymt	96.1362	35th Pymt	74.6780	63rd Pymt	45.6482
8th Pymt	95.5304	36th Pymt	73.7768	64th Pymt	44.4848
9th Pymt	94.9030	37th Pymt	72.8491	65th Pymt	43.3132
10th Pymt	94.2664	38th Pymt	71.9187	66th Pymt	42.1389
11th Pymt	93.6205	39th Pymt	70.9787	67th Pymt	40.9563
12th Pymt	92.9527	40th Pymt	70.0314	68th Pymt	39.7609
13th Pymt	92.2755	41st Pymt	69.0742	69th Pymt	38.5629
14th Pymt	91.5887	42nd Pymt	68.1091	70th Pymt	37.3562
15th Pymt	90.8868	43rd Pymt	67.1340	71st Pymt	36.1367
16th Pymt	90.1734	44th Pymt	66.1475	72nd Pymt	34.9144
17th Pymt	89.4503	45th Pymt	65.1528	73rd Pymt	33.6833
18th Pymt	88.7156	46th Pymt	64.1480	74th Pymt	32.4479
19th Pymt	87.9710	47th Pymt	63.1315	75th Pymt	31.2019
20th Pymt	87.2163	48th Pymt	62.1067	76th Pymt	29.9551
21st Pymt	86.4500	49th Pymt	61.0715	77th Pymt	28.7232
22nd Pymt	85.6735	50th Pymt	60.0246	78th Pymt	27.4751
23rd Pymt	84.8868	51st Pymt	58.9672	79th Pymt	26.2329
24th Pymt	84.0882	52nd Pymt	57.9052	80th Pymt	24.9913
25th Pymt	83.2793	53rd Pymt	56.8341	81st Pymt	23.7338
26th Pymt	82.4599	54th Pymt	55.7578	82nd Pymt	22.4822
27th Pymt	81.6294	55th Pymt	54.6721	83rd Pymt	21.2310
28th Pymt	80.7916	56th Pymt	53.5744	84th Pymt	20.1739

\*in addition to rent payment

Star Bank, National Association  
Lessor:

By: John D. [Signature]

Title: ARP

AMG Resources Corporation

Lessee:

By: Brian S. Cohen

Title: Controller

SCHEDULE B  
SUPPLEMENT NO. 02 TO MASTER EQUIPMENT LEASE NO. 992

MAINTENANCE PROVISIONS

- A. Lessee will maintain the Equipment in accordance with manufacturer's recommended procedures as stated in maintenance manuals published by the manufacturer. Lessee will keep logs and records of all such maintenance and service to the Equipment.
- B. Lessee will permit Equipment to be used only by qualified personnel for a purpose for which it was designed and in compliance with all applicable laws ordinances, regulations and the conditions of all insurance policies required to be maintained pursuant to this agreement.
- C. Lessee will give to Lessor, on an annual basis, a report showing all major mechanical service performed on any items of Equipment during the preceding year.
- D. Lessor may inspect the Equipment and all records pertaining to the use and maintenance of the Equipment at periodic intervals, however, not more than semi-annually.
- E. Lessor may request copies of maintenance and service records for the Equipment at periodic intervals, not more than semi-annually.
- F. Any service recommendations suggested by Lessor to make the Equipment meet the standards requirements under this Lease will be completed promptly by Lessee.
- G. No modifications shall be made to the Equipment except in accordance with specification and procedures approved by the manufacturer. Lessee shall provide Lessor with written notification before any such modifications are made.
- H. Lessee will pay for any repairs or service necessary to Equipment as a result of Lessee's failure to maintain the Equipment as specified, upon return of Equipment to Lessor.
- I. Upon written request of Lessor, Lessee shall provide free storage for any item of Equipment for a period not to exceed 90 days after Lease expiration. Lessee shall arrange for the insurance described to continue in full force and effect with respect to such item during its storage period, Lessor shall reimburse Lessee on demand for the incremental premium cost of providing such insurance.

APPROVED AND AGREED to by the parties hereto as of the 30th day of November, 1995.

LESSOR:

LESSEE:

STAR BANK, NATIONAL ASSOCIATION

AMG RESOURCES CORPORATION

The undersigned affirms that s/he is duly authorized to execute and deliver this Schedule on behalf of Lessee.

BY: James D. [Signature]

BY: Brian S. Cohen

TITLE: APP

TITLE: Controller

WITNESS: [Signature]

WITNESS: [Signature]

SCHEDULE C  
EQUIPMENT LIST

AMG Resources Corporation AS LESSEE

STAR BANK, NATIONAL ASSOCIATION AS LESSOR

LEASE NO. 305-99202

Thirty (30) used 4000 c.f. rotary coupled gondola style coal cars constructed by Thrall Car Manufacturing Company, with the following reporting marks and car numbers.

REPORTING MARKS

CAR NUMBERS

DRGW	13005
DRGW	13018
DRGW	13027
DRGW	13043
DRGW	13067
DRGW	13076
DRGW	13084
DRGW	13091
DRGW	13006
DRGW	13022
DRGW	13035
DRGW	13046
DRGW	13071
DRGW	13079
DRGW	13086
DRGW	13092
DRGW	13015
DRGW	13023
DRGW	13039
DRGW	13052
DRGW	13072
DRGW	13081
DRGW	13087
DRGW	13097
DRGW	13003
DRGW	13009
DRGW	13024
DRGW	13029
DRGW	13063
DRGW	13080

INITIALS:

LESSOR:



LESSEE:



SCHEDULE D

TERMINATION OPTIONS

SUPPLEMENT NO. 02 TO MASTER EQUIPMENT LEASE NO. 992

Upon receipt of sixtieth (60th) rental payment, Lessee may, at its option, purchase all of Equipment, but not less than all, of the Equipment for 49.6% of original Equipment Cost (Lease Amount), which is representative of its then fair market value.

Upon receipt of seventy-second (72nd) rental payment, Lessee may, at its option, purchase all, but not less than all, of the Equipment for 36.1% of original equipment cost (Lease Amount), is representative of its then fair market value.

APPROVED AND AGREED to by the parties hereto as of the 30th day of November, 1995.

LESSOR:

LESSEE:

STAR BANK, NATIONAL ASSOCIATION

AMG RESOURCES CORPORATION

By: James A. D'Jell

By: Brian S. Cohen

Title: AVP

Title: Controller

Witness: [Signature]

Witness: [Signature]

State of Pennsylvania  
County of Allegheny

On this, the 30th day of November, 1995 before me Florence E. Kaminski the undersigned officer, personally appeared Brian S. Cohen who acknowledged himself to be the Controller of AMG Resources Corporation and Joseph A. DiLallo who acknowledged himself to be Assistant Vice-President of Star Bank, National Association, and they as such Controller and Assistant Vice-President being authorized to do so, executed the foregoing instrument for the purpose therein contained by signing the name of the corporations by themselves as Controller and Assistant Vice President.

In witness whereof, I herunto set my hand and official seal.

*Florence E. Kaminski*

Notary Public

Title of Officer

