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RECORDATION NO. 18055
FILED 1423

DEC 29 1992 11 55 AM

OF COUNSEL
URBAN A. LESTER

INTERSTATE COMMERCE COMMISSION

2-364A022

DEC 29 11 51 AM '92
NOTION OF RECORDING UNIT

New II

December 29, 1992

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

Dear Mr. Strickland:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are two (2) fully executed and acknowledged copies of a Master Equipment Lease Agreement dated as of December 3, 1992, 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 documents are:

LEASE

Lessor: Pitney Bowes Credit Corporation
201 Merritt Seven
Norwalk, Connecticut 06856-5151

Lessee: Magma Copper Company
7400 North Oracle Road
Suite 200
Tucson, Arizona 85704

A description of the railroad equipment covered by the enclosed document is set forth in Schedule A attached hereto and made a part hereof.

Also enclosed is a check in the amount of \$16.00 payable to the order of the Interstate Commerce Commission covering the required recordation fees.

Kindly return a stamped copy of the enclosed document to Charles T. Kappler, Esq., Alvord and Alvord, 918 Sixteenth Street, NW, Washington, DC 20006.

John

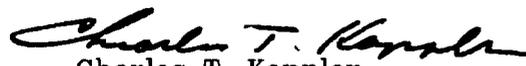
Charles T. Kappler

Mr. Sidney L. Strickland, Jr.
December 29, 1992
Page 2

A short summary of the enclosed document to appear in the Commission's
Index is:

Master Equipment Lease Agreement dated as of December 3, 1992
between Pitney Bowes Credit Corporation, Lessor, and Magma
Copper Company, Lessee, covering fifty-three (53) 13946 gallon
railroad tank cars bearing PVCX marks and numbers.

Very truly yours,


Charles T. Kappler

CTK/bg
Enclosures

Interstate Commerce Commission
Washington, D.C. 20423

12/29/92

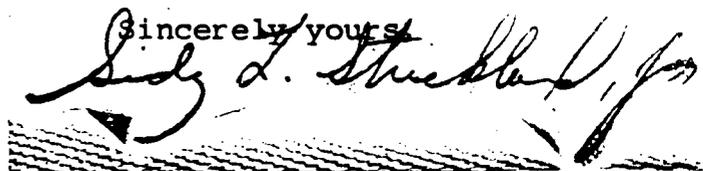
OFFICE OF THE SECRETARY

Charles T. Kappler
Alvord & Alvord
918 16th st. N.W.
Washington, D.C. 20006

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 12/29/92 at 11:55am, and assigned re-
recording number(s). 18055

Sincerely yours,



Secretary

SIDNEY L. STRICKLAND, JR.

Enclosure(s)

RECORDATION NO. 18055 FILED 1425

DEC 29 1992 11 55 AM
INTERSTATE COMMERCE COMMISSION

MASTER EQUIPMENT LEASE AGREEMENT

Dated as of December 3, 1992

Between Pitney Bowes Credit Corporation

LESSOR

and

Magma Copper Company

LESSEE

Filed and Recorded with the
Interstate Commerce Commission on
_____, at
_____ and given
Recordation No. _____

MASTER EQUIPMENT LEASE AGREEMENT

Lease Agreement made this 3rd day of December, 1992, between PITNEY BOWES CREDIT CORPORATION ("Lessor") with a place of business located at 201 Merritt Seven, Norwalk, Connecticut 06856-5151 and MAGMA COPPER COMPANY ("Lessee") having its principal place of business located at 7400 North Oracle Road, Suite 200, Tucson, Arizona 85704.

1. LEASE AGREEMENT: Lessor hereby leases to Lessee and Lessee hereby rents from Lessor all the machinery, equipment and other personal property ("Equipment") described in Equipment Lease Schedule(s) which are or may from time to time be executed by Lessor and Lessee and attached hereto or incorporated herein by reference ("Schedules"), upon the terms and conditions set forth in this Lease, as supplemented by the terms and conditions set forth in the appropriate Schedule identifying such items of Equipment. All of the terms and conditions of this Lease shall govern the rights and obligations of Lessor and Lessee except as specifically modified in writing. Whenever reference is made herein to "this Lease" it shall be deemed to include each of the various Schedules identifying all items of Equipment, all of which constitute one undivided lease of the Equipment, and the terms and conditions of which are incorporated herein by reference.

2. CONDITIONS PRECEDENT: (a) The obligation of Lessor to lease any of the Equipment to Lessee hereunder shall be subject, on or as of the acceptance date for such Equipment, to (i) Lessee's acceptance of such Equipment, as evidenced by Lessor's receipt of an acceptance certificate in form and substance acceptable to Lessor with respect thereto; (ii) Lessee's execution and delivery, at Lessee's expense (but only to the extent such costs do not exceed an aggregate cost of \$5,000.00), of an opinion of Lessee's counsel, a certificate of authorization and incumbency, Uniform Commercial Code financing statements (to be filed by Lessor) and other filings and publications as may be appropriate with respect to Lessor's interest in the Equipment including filings with the United States Interstate Commerce Commission; (iii) there not having occurred, in Lessor's reasonable judgment, since the date of filing of the latest quarterly financial statements with the S.E.C. as required by the Securities Acts, and other than as disclosed therein, any material adverse change in the financial condition of Lessee or in Lessee's ability to perform its obligations hereunder; (iv) there having occurred no change in applicable law that would have a material adverse impact on the transactions contemplated by this Lease (unless Lessor and Lessee shall have agreed upon appropriate adjustments and indemnities to compensate for such change); and (v) Lessee's representations and warranties contained in this Lease being true and accurate as if made on and as of such date, and Lessee's having performed and complied with all of its covenants and obligations hereunder and under any purchase agreement. Lessee's execution of any Schedule shall constitute its representation and warranty that there has

been no material adverse change in its business or financial condition since the date referenced above in this Section 2.

3. TERM: The obligations under this Lease shall commence upon the written acceptance thereof by Lessor and shall end upon full performance and observance of each and every term, condition and covenant set forth in this Lease, each Schedule hereto and any extensions thereof, except that, in the event of any material impairment of Lessee's right to quiet enjoyment of any portion of the Equipment, arising by reason of any act or failure to act of Lessor, which is a direct cause of such impairment (including, without limitation, the foreclosure of any lien, encumbrance, security interest or other claim of any third party against the Equipment which arises by or through Lessor and/or its assigns), which impairment is not extinguished or otherwise remedied by Lessor within one hundred twenty (120) days of Lessor's receipt of written or telephonic notice from Lessee of such impairment, Lessee may, at Lessee's option, terminate this Lease, but only to the extent of such Equipment actually affected by such impairment. The rental term of the Equipment listed in each Schedule shall commence on the date that the first Rental Payment is due and shall terminate on the last day of the term stated in such Schedule unless such Schedule has been extended or otherwise modified in writing and signed by the Lessor and Lessee. Lessor, at its option, may terminate any Schedule as to which the Equipment listed therein has not been delivered to Lessee prior to the outside commitment date specified in such Schedule.

4. RENTAL PAYMENTS: The rent for the Equipment described in each Schedule shall be due and payable on the dates set forth therein. Such rent shall be payable at the office of Lessor, 201 Merritt Seven, Norwalk, Connecticut 06856-5151 or at such office as Lessor may otherwise designate.

5. DELIVERY AND INSTALLATION: Lessee will select the type, quantity and supplier of each item of Equipment designated in the appropriate Schedule and Lessor will accept an assignment of any existing purchase order therefor satisfactory in form and substance to Lessor. Lessor shall have no liability for any delivery or failure by the supplier to fill the purchase order or meet the conditions thereof. Lessee, at its expense, will pay all transportation, packing, taxes, duties, insurance, installation, testing and other charges in connection with the delivery, installation and use of the Equipment.

6. WARRANTIES: LESSOR, NOT BEING THE MANUFACTURER OF THE EQUIPMENT NOR THE MANUFACTURER'S AGENT, MAKES NO EXPRESS OR IMPLIED WARRANTY OF ANY KIND WHATSOEVER WITH RESPECT TO THE EQUIPMENT, INCLUDING, BUT NOT LIMITED TO: THE MERCHANTABILITY OF THE EQUIPMENT OR ITS FITNESS FOR ANY PARTICULAR PURPOSE; THE DESIGN OR CONDITION OF THE EQUIPMENT; THE QUALITY OR CAPACITY OF THE EQUIPMENT; THE WORKMANSHIP IN THE EQUIPMENT; COMPLIANCE OF THE EQUIPMENT WITH THE REQUIREMENTS OF ANY LAW, RULE, SPECIFICATION OR CONTRACT PERTAINING THERETO; PATENT

INFRINGEMENT; OR LATENT DEFECTS. Lessee accordingly agrees not to assert any claim whatsoever against Lessor based thereon. Lessee further agrees not to assert any claim whatsoever against Lessor for loss of anticipatory profits or consequential damage caused other than by or through Lessor's gross negligence or willful misconduct. Lessor shall have no obligation to install, erect, test, adjust, service, or maintain the Equipment. Lessee shall look to the manufacturer and/or seller for any claims related to the Equipment.

Lessor hereby acknowledges that any manufacturer's and/or seller's warranties are for the benefit of both Lessor and Lessee. NOTWITHSTANDING THE FOREGOING, LESSEE'S OBLIGATIONS TO PAY THE RENTALS OR OTHERWISE UNDER THIS LEASE SHALL BE AND ARE ABSOLUTE AND UNCONDITIONAL, EXCEPT THAT LESSEE SHALL BE ENTITLED TO AN ABATEMENT, REDUCTION OR SETOFF AGAINST RENT, AND ALL OTHER REMEDIES AVAILABLE AT LAW AND IN EQUITY AGAINST LESSOR (AND ANY ASSIGNEE THEREOF), IN THE EVENT OF A FORECLOSURE BY ANY PERSON HOLDING A LIEN THROUGH LESSOR (AND ANY ASSIGNEE THEREOF) ON ANY EQUIPMENT AND IN THE EVENT OF ANY MATERIAL INTERRUPTION OF LESSEE'S RIGHT TO QUIET ENJOYMENT OF THE EQUIPMENT DUE TO ANY ACT OR FAILURE TO ACT BY LESSOR AND ANY ASSIGNEE THEREOF (INCLUDING ANY BANKRUPTCY OF LESSOR OR ITS ASSIGNEE, INVOLUNTARY OR OTHERWISE), WHICH IS A DIRECT CAUSE OF SUCH FORECLOSURE OR INTERRUPTION OF LESSEE'S RIGHT TO QUIET ENJOYMENT; PROVIDED, HOWEVER, THAT SUCH RIGHT OF LESSEE TO ABATE, REDUCE OR SETOFF AGAINST RENT REQUIRED TO BE PAID UNDER THIS LEASE AS A RESULT OF ANY SUCH FORECLOSURE OR INTERRUPTION OF LESSEE'S RIGHT TO QUIET ENJOYMENT SHALL BE LIMITED TO THAT PORTION OF THE EQUIPMENT ACTUALLY AFFECTED BY SUCH FORECLOSURE OR INTERRUPTION OF LESSEE'S RIGHT TO QUIET ENJOYMENT.

To the extent permitted by the manufacturer or seller, and provided Lessee is not in default under this Lease, Lessor shall make available and assign to Lessee all manufacturer's and/or seller's warranties with respect to Equipment.

7. **TITLE TO AND LOCATION OF EQUIPMENT:** Title to each item of Equipment leased hereunder shall remain with the Lessor at all times and the Lessee shall have no right, title or interest therein except as expressly set forth in this Lease. Lessee, at its expense, will protect and defend Lessor's title to the Equipment except from or against any claims arising by or through Lessor and its assigns, and will keep the Equipment free and clear from any and all claims, liens, encumbrances and legal processes except for those created or arising by, through, or under Lessor. Lessor assumes no liability and makes no representation as to the treatment by Lessee of this Lease, the Equipment or the Rental Payments for financial statement or tax purposes.

All items of Equipment shall at all times be and remain personal property notwithstanding that any such Equipment may now or hereafter be affixed to realty. The Equipment shall be delivered to the location specified in the Schedule with respect thereto.

The Lessor shall be permitted to display notice of its ownership of the Equipment by affixing to each item of Equipment an identifying stencil or plate or any other indicia of ownership and Lessee will not alter, deface, cover or remove such ownership identification.

8. USE OF EQUIPMENT, INSPECTION AND REPORTS: Lessee may possess and use the Equipment in accordance with this Lease, provided that any such use is in conformity with all applicable laws, including, without limitation, all Environmental Laws (as defined in Section 16 hereof), any insurance policies, and any warranties of the manufacturer with respect to the Equipment. Lessee may use the Equipment for purposes including, without limitation, the holding and transport of sulfuric acid, provided, however, that except for the holding and transport of sulfuric acid, Lessee shall not, without Lessor's prior written consent, otherwise use or permit the Equipment to be used to contain or transport any explosive, hazardous, toxic, dangerous or environmentally threatening waste, material or matter. Lessor shall have the right, upon reasonable notice to the Lessee and during the Lessee's regular business hours, to inspect the Equipment at the premises of the Lessee or to the extent reasonable wherever the Equipment may be located. Lessee shall promptly notify Lessor of all details arising out of any alleged encumbrances on the Equipment or any accident which may result in a claim against the Lessor allegedly resulting from the use or operation thereof. The Lessee will maintain or cause to be maintained all records, logs, reports, and compliance certificates relating to the care, use and maintenance of the Equipment and shall make such records available for inspection at Lessor's request. In addition, the Lessee will make available (or will cause to be made available) to the Lessor such information as the Lessor shall request from time to time in order to enable the Lessor to fulfill its Federal, state, local and foreign tax return obligations and shall furnish for inspection and copying such original records or copies of available records necessary to satisfy tax audit requirements and to conduct effectively any tax contest.

Lessee agrees that, if requested by Lessor, it will, prior to the return of an item of Equipment to Lessor hereunder, remove any addition or modification made by Lessee to the Equipment, except those required by Lessee's normal maintenance program and by Section 9 hereof, and restore the Equipment to its original condition as when first accepted by Lessee, ordinary wear and tear from normal and proper use thereof alone excepted.

9. OPERATING RULES AND REGULATIONS: Lessee agrees to comply with all local, state and Federal governmental laws, regulations and requirements relating to the operation and/or use of the Equipment, including the Interchange Rules and all other rules of the Association of American Railroads, Federal Railroad Administration, and the Interstate Commerce Commission or any successors thereto. In case any equipment or appliance on any Equipment shall be required to be changed or replaced, or any additional or other equipment or appliance is

required to be installed on such Equipment in order to comply with such laws, regulations, requirements and rules, Lessee agrees to make such changes, additions and replacements promptly at its own expense and title thereto shall be immediately vested in Lessor.

10. FURTHER ASSURANCES: Lessee shall execute and deliver to Lessor upon Lessor's request such instruments and assurances as Lessor in the reasonable exercise of its discretion deems necessary for the confirmation or perfection of this Lease and Lessor's rights hereunder. In furtherance thereof, Lessor may file or record this Lease or a financing statement with respect thereto so as to give notice to any interested parties. The Lessor is authorized to file a financing statement concerning the Equipment signed only by the Lessor in accordance with the Uniform Commercial Code. Any such filing or recording shall not be deemed evidence of any intent to create a security interest under the Uniform Commercial Code. Lessor, at Lessee's expense (but only to the extent that the costs to be borne by Lessee for any and all filings required by this Lease do not exceed an aggregate cost of \$5,000.00), will cause this Lease to be filed in accordance with 49 U.S.C. Section 11303(a) with the Interstate Commerce Commission.

11. RISKS OF LOSS: All risk of loss, damage, theft or destruction to each item of Equipment, except while such equipment is in Lessor's possession, shall be borne by the Lessee. No such loss, damage, theft or destruction of the Equipment, in whole or in part, shall impair the obligations of Lessee under this Lease all of which shall continue in full force and effect and Lessee, at Lessor's option, shall either (a) place the affected Equipment in good repair, condition and working order or (b) pay the Lessor the amount covering such affected Equipment set forth in Addendum "A" of the applicable Schedule - Stipulated Loss Values plus all other prior and current period amounts then due and payable, less the net amount of the recovery, if any, actually received by Lessor from insurance or otherwise for such loss, damage, theft or destruction. After compliance with the foregoing to Lessor's satisfaction and provided Lessee is not in default under this Lease, Lessor shall pay to Lessee any sums that Lessor receives from insurance or otherwise in excess of the amount set forth in subsection (b) and Lessee shall be subrogated to Lessor's rights with respect to any insurance policies or claims for reimbursement by others with respect to such loss, damage, theft or destruction.

12. INSURANCE:

a. General Liability and Property Damage Insurance. Lessee represents and warrants that it will maintain in effect at its own expense (i) comprehensive general liability insurance, including death, bodily injury and property damage, in an amount not less than twenty million (\$20,000,000.00) combined single limit coverage in the aggregate and (ii) such other property damage insurance (exclusive of manufacturer's product liability insurance) with respect to the

Equipment as is of the type and in the amount as specified in each Schedule. All insurance provided for in this Section shall be effected with insurance companies satisfactory to Lessor.

b. Insurance Against Loss or Damage to Equipment. Lessee represents and warrants that it will provide all-risk insurance covering the Equipment including fire and explosion, and lightning and electrical damage, provided that such insurance shall at all times while the Equipment is subject to this Lease be in an amount which, when paid, will be not less than the Stipulated Loss Value of the Equipment from time to time.

c. Lessor as Additional Insured; Notice. Any policies of insurance carried in accordance with this Section and any policies taken out in substitution or replacement for any such policies shall name Lessor, as owner of the Equipment, as additional insured thereunder, and, with respect to insurance carried in accordance with paragraph (b), said policies shall be made payable to Lessor as loss payee, but only to the extent of such amounts as Lessee is obligated under this Lease, and shall provide for at least thirty (30) days written notice of cancellation to Lessor. Prior to delivery of Equipment, Lessee shall furnish proof of such insurance to Lessor. After delivery of Equipment, Lessor shall have no right to require a change in the types or amounts of Lessee's insurance set forth herein.

13. EXPENSES, FEES AND TAXES: In addition to the Rental Payments, Lessee shall pay promptly when due, all costs, expenses, fees, charges and taxes (including sales, use, excise, personal property, ad valorem, documentary stamp, income withholding and other taxes), all of the foregoing being herein collectively called "Impositions" incurred in connection with the titling, licensing, registration, use, rental, shipment, transportation, delivery, purchase, ownership or operation of the Equipment, and on or relating to this Lease and any Schedule. In case any report or return is required to be filed with respect to any taxes, Lessee will, to the extent legally permissible, file such report or return or notify Lessor in writing to the extent Lessor must file such report or return in sufficient time for Lessor to make such filing of the required report or return. All reports and returns filed by Lessee will be in Lessee's name and account number and will show Lessor as owner of the Equipment. To the extent reasonably requested by Lessor, Lessee will promptly supply Lessor a copy of such reports or returns. Lessee shall promptly reimburse Lessor for any Impositions charged to or assessed against Lessor, except for taxes based on or measured by the net income of Lessor, that are imposed by (1) the United States of America or (2) any State of the United States of America or any political subdivision of any such state in which Lessor is subject to Impositions.

If Lessee should fail to pay any of the Impositions for which Lessee is liable hereunder, Lessor may, but shall not be required to, pay the same for the account of Lessee. Lessee shall reimburse Lessor, upon demand,

as additional rental hereunder, for the full amount of any Impositions paid by Lessor which constitute an obligation of Lessee hereunder.

14. LESSOR'S PERFORMANCE OF LESSEE'S OBLIGATIONS: If Lessee shall fail to duly and promptly perform any of its obligations under this Lease with respect to the Equipment, Lessor may (at its option) perform any act or make any payment which Lessor deems necessary for the maintenance and preservation of the Equipment and Lessor's title thereto, including payments for satisfaction of liens, repairs, taxes, levies and insurance and all sums so paid or incurred by Lessor, together with interest as provided below, and any reasonable legal fees incurred by Lessor in connection therewith shall be additional rent under this Lease and payable by Lessee to Lessor on demand. The performance of any act or payment by Lessor as aforesaid shall not be deemed a waiver or release of any obligation or default on the part of the Lessee, except that if Lessee promptly reimburses Lessor as required herein, Lessee's obligations and default (as to the amounts reimbursed) shall be deemed satisfied and waived.

15. LATE CHARGES: Should Lessee fail to duly pay any part of any Rental Payment or other sum to be paid to Lessor under this Lease, then Lessee shall pay interest on such delinquent payment from the due date until paid at a per annum rate of 2% plus the Chase Manhattan Bank, N.A. Prime Rate, said interest rate not to exceed the highest legal contract rate of interest.

16. INDEMNIFICATION: Lessee assumes liability for, and hereby agrees to indemnify, protect and keep harmless Lessor, its agents, employees, officers, directors, successor and assigns from and against any and all liabilities, obligations, losses, damages, injuries, claims, demands, penalties, actions, costs and expenses, including reasonable attorney's fees, of whatsoever kind and nature, arising out of (a) the use, condition (including, but not limited to, latent and other defects and whether or not discoverable by Lessee or Lessor), operation, ownership, selection, or delivery of any item of Equipment, regardless of where, how and by whom operated, (b) any investigation, litigation or proceeding involving or connected with any Equipment or the use thereof which is related to any environmental cleanup, audit, compliance or other matter relating to the protection of the environment or the Release by Lessee or any user of any Equipment of any Hazardous Material; or (c) the presence on or under or the escape, seepage, leakage, spillage, discharge, emission or Release from, any Equipment owned or operated by Lessee or any user thereof of any Hazardous Material (including any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Law) regardless of whether caused by or within the control of Lessee or any user of any Equipment; provided that Lessee shall not be obligated to indemnify Lessor for any such claim, loss damage or liability which results from Lessors own willful misconduct or gross negligence which is a direct cause of such claim, loss, damage or liability, from the time the Equipment is purchased by Lessor until it is returned by Lessee to

Lessor (due to default or otherwise) or purchased by Lessee. "Environmental Laws" shall mean all applicable federal, state or local statutes, laws, ordinances, codes, rules, regulations and guidelines having the force of law (including consent decrees and administrative orders) relating to public health and safety and protection of the environment. "Hazardous Material" shall mean (a) any hazardous substance, as defined by CERCLA; (b) any "hazardous waste," as defined by the Resource Conservation and Recovery Act, as amended; (c) any petroleum product; (d) any pollutant or contaminant or hazardous, dangerous or toxic chemical material or substance within the meaning of any other applicable federal, state or local law, regulation, ordinance or requirement (including consent decrees and administrative orders) relating to or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or material, all as amended or hereafter amended. "Release" shall mean a 'release' as such term is defined in CERCLA. "CERCLA" shall mean the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended. The indemnities and assumptions of liabilities and obligations herein provided for shall continue in full force and effect notwithstanding the expiration or other termination of this Lease. Lessee is an independent contractor and nothing contained in this Lease shall authorize Lessee or any other person to operate any item of Equipment so as to incur or impose any liability or obligation for or on behalf of Lessor. The indemnification agreement contained herein is intended solely for the benefit of Lessor and its assigns and, notwithstanding anything to the contrary herein, the terms of this indemnification agreement shall in no event extend to any entity involved in the manufacture, sale, maintenance or repair of any Equipment.

17. NO OFFSET: This Lease is a net lease and all Rental Payments shall be paid when due by Lessee irrespective of any set-off, counterclaim, recoupment, defense or other right which Lessee may have against Lessor, the supplier of the Equipment, or any other party, except that Lessee shall retain all such remedies against Lessor and its assigns in the event of a foreclosure by any person holding a lien through Lessor (and any assignee thereof) on any Equipment and in the event of any material interruption of Lessee's right to quiet enjoyment of any Equipment due to any act or failure to act by Lessor and any assignee thereof (including any bankruptcy of Lessor or its assignee, involuntary or otherwise), which is a direct cause of such interruption of Lessee's quiet enjoyment of such Equipment.

18. PURCHASE OPTION: Lessee shall have an option to purchase or otherwise acquire title or ownership of all Equipment on any Schedule if (a) a purchase option is referred to in the Schedule relating to the Equipment and (b) Lessee is not in default under this Lease, and (c) any such purchase option is exercised by Lessee's written notice to Lessor, at Lessor's address stated above, at least 180 days prior to the end of the original lease term of any such Schedule and (d) the purchase price shall be payable promptly upon the expiration of the original term and

(e) Lessee purchases all but not less than all Equipment on the Schedule. Any purchase option price stated as "Fair Market Value" ("FMV") for Equipment shall be determined on the basis of, and shall be equal in amount to, the value which one would obtain in an arm's-length transaction between an informed and willing buyer-user (other than a Lessee currently in possession and a used equipment dealer) and an informed and willing seller under no compulsion to sell and, in such determination, costs of removal of Equipment from its location of current use shall not be a deduction from such value. In the event Lessee purchases the Equipment, Lessee shall be responsible for all applicable sales tax.

In the event the FMV is not agreed upon by Lessee and Lessor, it shall be determined by the average of three (3) independent appraisals by parties which shall include two parties, one selected by Lessee and one selected by Lessor and a third mutually selected by Lessee and Lessor. The fees and expenses of all such appraisers shall be borne equally by Lessee and Lessor. Lessee may rescind its election to purchase at any time prior to 180 days before the end of the original lease term, for any such Equipment, and the Lease shall continue in full force and effect from the date of such notice at its then prevailing rent.

19. RENEWAL: If a renewal rental is set forth in any Schedule, Lessee may, at its option, renew the lease term relating to such Schedule for not less than all Equipment covered by such Schedule by giving Lessor written notice at least 180 days before the expiration of the original term or the anniversary date of any prior renewal thereof, and paying to Lessor the amount of the renewal rental, provided that such renewal option is not exercisable if Lessee is in default under this Lease. Upon such notification and payment, the lease term covering such Schedule shall be renewed for the number of periods specified in such Schedule at the stated renewal rental, but the other provisions and conditions of this Lease shall continue unchanged. If Lessee fails to return the Equipment at the end of the original lease term or any renewal thereof, and does not exercise its renewal option or purchase option as aforesaid, then the Lease shall automatically be renewed from month to month with rent payable at the monthly rate applicable during the original term. Lessor shall have the right to terminate any month to month renewal upon thirty (30) days written notice to Lessee. In the event that any renewal option is at "fair market value," and the same is not agreed upon by Lessee and Lessor, it shall be determined by the average of three (3) independent appraisals by parties which shall include two parties, one selected by Lessee and one selected by Lessor, and a third mutually selected by Lessee and Lessor. The fees and expenses of all such appraisers shall be borne equally by Lessee and Lessor.

20. ASSIGNMENT BY LESSEE: Without Lessor's prior written consent, which consent shall not be unreasonably withheld, Lessee may not, by operation of law or otherwise, (a) assign, transfer, pledge, hypothecate or otherwise dispose of this Lease or any interest therein

or (b) subject or lend the Equipment or permit same to be used by anyone other than Lessee or Lessee's employees or agents in the normal course of business, provided, however, that Lessee may trip lease the Equipment to its customers in the normal course of Lessee's business. Irrespective of any permitted assignment, transfer, pledge or other disposition or any permitted sublease or trip lease, Lessee agrees to remain primarily liable to Lessor under all terms and conditions of this Lease.

21. ASSIGNMENT BY LESSOR: For the purpose of providing funds for financing the purchase of the Equipment, or for any other purpose, Lessee agrees (a) that Lessor may assign, sell or encumber all or any other part of this Lease, the Equipment and the Rental Payments hereunder and (b) in the event of any such assignment of Rental Payments hereunder and written notice thereof to Lessee, to unconditionally pay directly to any such assignee all rentals and other sums due or to become due under this Lease and (c) that the Equipment leased hereunder may be mortgaged by Lessor under a chattel mortgage. In any such event, the right, title and interest of the mortgagee under any such chattel mortgage shall by the express terms of such chattel mortgage be subject to the leasehold interest of Lessee in and to the Equipment hereunder.

22. MAINTENANCE AND REPAIRS: Lessee, at all times and at its own expense, shall maintain and service the Equipment, or cause the Equipment to be maintained and serviced, in good repair and operating condition, ordinary wear and tear from normal and proper use thereof alone excepted, so that the Equipment shall at all times comply with the applicable Interchange standards set for such Equipment by the Association of American Railroads ("AAR"), or any successors thereto, and be and remain in good operating order and repair by industry standards and fit for the purposes for which the Equipment was designed. In any event, the Equipment shall at all times satisfy the criteria below:

a. All damaged or broken parts will be repaired promptly according to AAR specifications and procedures;

b. Exterior sides will be free of rust and corrosion and free of all advertising;

c. The Equipment will conform at all times to the operating regulations of the United States Department of Transportation, AAR, Federal Railroad Administration (FRA), or their successors, or those of any other government agency having jurisdiction over the use and operation of the Equipment; and

d. The Equipment shall, at all times, be maintained in compliance with the original manufacturer's recommended maintenance procedures and policies. In any event, Lessee shall maintain the Equipment or cause the Equipment to be maintained on the same scheduling

basis that Lessee employs for similar equipment, whether owned or leased.

23. RETURN OF EQUIPMENT: Upon the expiration or earlier termination of the original or extended term of any Schedule under this Lease, unless Lessee shall have duly exercised any renewal or purchase option with respect thereto, Lessee will, at its reasonable expense, (a) insure and deliver all but not less than all of the Equipment to Lessor at such major railroad interchange point or points, located in the continental United States, as may be designated by Lessor in writing, for such disposition; or (b) furnish or arrange for the transport and storage of such Equipment in a secure and controlled environment on Lessee's premises until such Equipment has been sold, leased or otherwise disposed of by Lessor, such period not to exceed one hundred eighty (180) days. All movement to Lessee's premises is to be at the risk and expense of Lessee, however the storage of each item of Equipment at Lessee's premises is to be at the risk and expense of Lessor. At any time during such one hundred eighty (180) day period, Lessee shall cause such Equipment to be transported to such Interchange point or points as shall be designated by Lessor in writing upon any sale, lease or other disposition of all or any of such Equipment. All movement from Lessee's premises is to be at the risk and expense of Lessor.

All Equipment so delivered by Lessee to Lessor shall be returned to the designated location(s) in the same condition as when first accepted by Lessee, ordinary wear and tear resulting from the normal and proper use thereof alone excepted, free of any special advertising, cleansed (interior and exterior) of any silt, sludge or other debris and otherwise in the condition in which it is required to be maintained hereunder and the tank and tank lining shall be in good condition with no exposed metal or bare metal surface.

Lessor or its representative will inspect the Equipment to verify that the units have been returned in compliance with the terms and conditions hereunder. Additional wear and tear beyond the extent permitted herein shall be deemed excessive wear and tear and Lessee, at its option, shall be responsible to either promptly make such repairs as are required to correct excessive wear and tear, or to forward the affected items of Equipment to a repair facility for such repairs and pay the costs of such repairs. Until such Equipment is returned to Lessor in proper condition, Lessee shall pay rent therefor at the then prevailing rate applicable under this Lease.

In the Event of Default by Lessee under this Lease, Lessee will return all Equipment to Lessor in the same manner.

24. EVENTS OF DEFAULT: Lessee shall be in default under this Lease upon the happening of any of the following events or conditions ("Events of Default"):

(a) Failure by Lessee to make payment of any installment of rent or any other indebtedness or obligation now or hereafter owed by Lessee to Lessor under this Lease within ten (10) days after receipt by Lessee of written or telephonic notice of such non-payment; or (b) failure by Lessee to perform any other obligation, covenant or liability contained in this Lease within ten (10) days after receipt by Lessee of written notice of such non-performance; or (c) any material warranty, representation or statement made or furnished to Lessor by or on behalf of Lessee proves to have been false in any material respect when made or furnished; or (d) a non-insured loss, theft, damage, or destruction, or the attempted sale or encumbrance by Lessee of any of the Equipment, or the making, by, through or under Lessee, of any levy, seizure or attachment thereof or thereon; or (e) the substantial liquidation, dissolution, termination of existence, discontinuance of its business, insolvency, business failure, or appointment of a receiver of any part of the property of, or assignment for the benefit of creditors by Lessee or the commencement of any proceedings under any voluntary bankruptcy, reorganization or arrangement laws by or against Lessee; or (f) the institution of any involuntary bankruptcy proceeding against Lessee or the appointment of a receiver without Lessee's consent, and such proceedings or appointment continues and is ongoing for a period of sixty (60) days; or (g) Lessee shall, except as permitted in Section 8 hereof, or elsewhere under this Lease, use or permit the Equipment to be used to contain or transport any hazardous, toxic, dangerous or environmentally threatening waste, material or matter.

25. REMEDIES OF LESSOR: Upon the occurrence of any Event of Default and at any time thereafter (subject to any applicable grace provisions), Lessor may without any further notice exercise one or more of the following remedies as Lessor in its sole discretion shall elect: (a) declare all unpaid prior and current period rentals due under this Lease, together with per diem rent from the date of the last regular rental installment to the date of such declaration, to be immediately due and payable; (b) terminate this Lease as to any or all items of Equipment; (c) take possession of the Equipment wherever found without any liability or suit, action or other proceeding by the Lessee and remove the same; (d) cause Lessee at its expense to promptly return the Equipment to Lessor and in the condition set forth in Section 23; (e) sell, lease or otherwise dispose of the Equipment or any item thereof; (f) sell or lease the Equipment or any part thereof, at public auction or by private sale or lease at such time or times and upon such terms as Lessor may determine, free and clear of any rights of Lessee and, if notice thereof is required by law, any notice in writing of any such sale or lease by Lessor to Lessee not less than ten (10) days prior to the date thereof shall constitute reasonable notice thereof to Lessee; (g) proceed by appropriate action either by law or in equity to enforce performance by Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof; (h) exercise any and all rights accruing to a Lessor under any applicable law upon a default by a Lessee. In addition, Lessor shall be entitled to recover immediately as liquidated damages for loss of a bargain and not as a penalty an amount

equal to the Stipulated Loss Value for Equipment (as set forth in Addendum "A" for the applicable Schedule) on the date of Lessor declaring this Lease in default, together with interest as provided herein. After default at the request of Lessor and to the extent requested by Lessor, Lessee shall comply with the provisions of Section 23 of this Lease. Lessor may, but shall not be required to, sell Equipment at private or public sale, in bulk or in parcels, with or without notice, without having the Equipment present at the place of sale; or Lessor may, but shall not be required to, lease, otherwise dispose of or keep idle all or part of the Equipment. The proceeds of sale, lease or other disposition and the proceeds of any and all legal remedies and proceedings actually paid to Lessor, if any, shall be applied (1) to all Lessor's costs, charges, and expenses incurred in enforcing this Lease, including, without limitation, reasonable attorneys' fees, and in taking, removing, holding, repairing and selling, leasing or otherwise disposing of Equipment; then, (2) to the extent not previously paid by Lessee, to pay Lessor the Stipulated Loss Value for Equipment and all other sums, including any unpaid rent and any indemnification then remaining unpaid thereon; then (3) to reimburse Lessee any Stipulated Loss Value previously paid directly by Lessee to Lessor as liquidated damages; (4) any surplus shall be retained by Lessor; Lessee shall pay any deficiency in (1) and (2) forthwith. None of the remedies under this Lease are intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to herein or otherwise available to Lessor in law or in equity. Any repossession or subsequent sale or lease by Lessor of any item Equipment shall not bar an action for a deficiency as herein provided, and the bringing of an action or the entry of judgment against the Lessee shall not bar the Lessor's right to repossess any or all items of Equipment.

26. SEVERABILITY: Any provision of this Lease which is prohibited or unenforceable in any jurisdiction shall be ineffective to the extent of such prohibition and unenforceable without invalidating the remaining provisions hereof.

27. NOTICES: Any notice or other communication given under this Lease shall be sent to the following addresses or to such other address as either of the parties may designate in writing to the other from time to time:

LESSOR:

Pitney Bowes Credit Corporation
201 Merritt Seven
Norwalk, CT 06856-5151

Attn: Vice President, Operations

LESSEE:

Magma Copper Company
7400 North Oracle Road, Ste. 200
Tucson, AZ 85704

Attn: Treasurer

Any such notice or other communication shall, if not actually delivered prior thereto, be deemed to have been delivered three (3) business days

after the date when it shall have been mailed by registered or certified mail, all charges prepaid.

28. AMENDMENTS AND WAIVERS: This instrument and the Schedules executed by Lessor and Lessee constitute the entire agreement between Lessor and Lessee with respect to the Equipment and the subject matter of this Lease. No term or provision of this Lease may be changed, waived, amended or terminated except by a written agreement signed by both Lessor and Lessee, except that Lessor may insert the serial number of any item of Equipment on the appropriate Schedule after delivery thereof. No express or implied waiver by Lessor of any Event of Default hereunder shall in any way be, or be construed to be, a waiver of any future or subsequent Event of Default whether similar in kind or otherwise.

29. CONSTRUCTION: This Lease shall in all respects be governed by and construed in accordance with the laws of the State of New York. The titles of the sections of this Lease are for convenience only and shall not define or limit any of the terms or provisions hereof. Time is of the essence of this Lease in each of its provisions.

30. PARTIES: The provisions of this Lease shall be binding upon, and inure to the benefit of, the assigns, representatives and successors of the Lessor and Lessee. If there is more than one Lessee named in this Lease, the liability of each shall be joint and several.

31. LESSEE'S QUIET ENJOYMENT: So long as Lessee and its assigns shall pay and perform all of its obligations and covenants hereunder, Lessor shall not disturb Lessee's or its assigns' quiet enjoyment and use of the Equipment for its intended purposes. By acceptance of any assignment of this Lease from Lessor, any assignee hereof agrees, with and for the benefit of Lessee and its assigns, that as long as Lessee and its assigns shall perform all of its obligations and covenants hereunder, Lessee's and its assigns' quiet enjoyment and use of the Equipment for its intended purposes shall not be disturbed by such assignee or any party lawfully claiming by, through or under such assignee.

32. EARLY TERMINATION: Provided Lessee is not in default under this Lease or any other agreement between the Lessor and Lessee, Lessee shall at any time on or after the expiration of five (5) years from the commencement date of the Schedule which Lessee seeks to terminate, in accordance with the provisions set forth below, and upon no less than 120 days prior written notice to Lessor, (hereinafter called "120 Day Notice Period") have the right to terminate the Schedule with respect to the Equipment listed on such Schedule, provided however, no termination of the Schedule shall occur unless and until, during the 120 Day Notice Period (1) Lessee shall: (i) use its best efforts to obtain bids for the cash purchase of such Equipment at its fair market value, such bids to be ON AN AS IS, WHERE IS BASIS, WITHOUT RECOURSE OR WARRANTY TO LESSOR, (ii) certify to Lessor in writing the amount of the highest bid received

by Lessee and the name and address of the party submitting such bid (hereinafter called "Lessee's Certificate"), (iii) pay Lessor in cash at the time of delivery of Lessee's Certificate required in (ii) immediately above, the amount, if any by which the applicable Termination Value (as provided below) exceeds the amount of the highest bid as stated in such Lessee's Certificate, and (2) the sale contemplated hereby shall have been consummated as hereinafter set forth. If for any reason a sale is not consummated, Lessor shall refund to Lessee any amount paid by Lessee pursuant to subsection (iii) above, and the Lease shall continue in full force and effect.

After Lessor's receipt of the Lessee's Certificate and payment required and provided the party identified as the highest bidder in Lessee's Certificate does not withdraw or modify their bid, Lessor, shall sell such Equipment WITHOUT RECOURSE OR WARRANTY, to the bidder identified in the Lessee's Certificate for cash in the amount of the full purchase price together with any taxes thereon; and thereupon Lessee shall deliver such Equipment to Lessor in accordance with the terms of this Lease. The total purchase price realized at such sale shall be retained by Lessor and in addition Lessee shall pay Lessor in cash upon demand all reasonable expenses incurred by Lessor in selling such Equipment (including all expenses, if any, incurred by Lessor in the transportation of the Equipment to the buyer) subject to limitations for transportation expenses set forth in Section 23 hereof.

Lessee shall remain liable for all rent payments accruing under the applicable Schedule with respect to such Equipment through the date of Lessor's sale of such Equipment. Lessee thereafter shall be relieved of all obligations to pay rent accruing after the date of such sale with respect to such Equipment and the Schedule shall thereupon terminate with respect to such Equipment except for such obligations which by the terms of this Lease expressly survive termination. Notwithstanding the foregoing, upon written notice to Lessee within the 120 Day Notice Period Lessor may elect not to sell such Equipment to the highest bidder identified in Lessee's Certificate. If Lessor elects the option stated in this paragraph it shall notify Lessee in writing of such election. In such event Lessor shall require Lessee to deliver such Equipment to the Lessor in accordance with the terms of this Lease. Concurrently, Lessee will pay Lessor in cash the amount, if any, by which the applicable Termination Value (as provided on the Termination Value Table attached to the applicable Schedule) exceeds the amount of the highest bid as stated in Lessee's Certificate. Thereafter, Lessee shall (1) be relieved of all obligations to pay rental payments accruing under the Schedule with respect to such Equipment due and payable after the expiration of the 120 Day Notice Period and (2) remain liable (i) for rent payments due and not paid prior to the expiration of the 120 Day Notice Period under the Schedule with respect to such Equipment, and (ii) for all such obligations which, by the terms of this Lease, expressly survive the termination hereof, and the Schedule shall terminate with respect to such Equipment.

Notwithstanding the foregoing, Lessee may at its option, upon written notification given to Lessor prior to Lessor making commitment to sell or release the Equipment to a third party, elect to rescind Lessee's notice of termination with respect to such Equipment, whereupon the Schedule shall not terminate with respect to such Equipment pursuant to this Section 32, but shall, provided no default has occurred and is continuing hereunder and Lessor has not by reason thereof terminated the Schedule, continue in full force and effect as though no such notice of termination had been given by Lessee. Failure of Lessee to deliver Lessee's Certificate to Lessor prior to the expiration of the 120 Day Notice Period will be deemed conclusive evidence of Lessee's election to rescind its notice of termination. Should Lessee elect to rescind its notice of termination, Lessor shall refund to Lessee any amount paid by Lessee to Lessor pursuant to paragraph 32(1)(iii) hereof.

33. TAX INDEMNITY: Lessee acknowledges that, to the best of its knowledge, the monthly rent payment provided for in Section 4 is computed on the assumptions that the Lessor will be entitled to depreciation deductions, with respect to the full cost of each item of Equipment, allowed under Section 167(a) and 168(a) of the Internal Revenue Code of 1986 as amended (the "Code") as in effect on the date hereof, utilizing the applicable (1) depreciation method provided in Section 168(b)(1)(A) and (B) of the Code; (2) convention described in Section 168(d)(1) of the Code; and (3) recovery period and classification of 7 years as determined under Section 168(c) and (e) of the Code, commencing in Lessor's current taxable year. Lessee also acknowledges that cost recovery and depreciation deductions for state and local income tax purposes will be computed under applicable law. All such federal, state and local deductions shall be referred to hereinafter as "Tax Benefits." Lessee represents and warrants to Lessor that, on or before December 31, 1999 but not thereafter, (i) the Equipment will not become "tax-exempt use property" as defined in Section 168(h)(1) of the Code, (ii) the Equipment will not be used predominately outside the United States of America within the meaning of Section 168(g)(1)(A) of the Code and (iii) the Equipment will not be used outside of the United States of America in such a manner that Lessor's income, loss or deductions would be treated as derived from or allocable to sources outside of the United States.

If, as the result of a breach of representations (i) or (ii) above by Lessee, Tax Benefits are lost, disallowed, eliminated, reduced, recaptured, compromised, delayed or otherwise made unavailable to Lessor (any of the foregoing being hereafter called a "Loss"), Lessee shall pay to Lessor, as additional Rent, an amount in cash which in the opinion of an arbitrator mutually agreeable to Lessor and Lessee is equal to that which provides Lessor with the same net after-tax yield that Lessor originally anticipated realizing from the transaction contemplated by the Lease prior to the Loss. The amount payable to Lessor shall be paid no later than fifteen (15) days after issuance of the arbitrator's decision, which shall be accompanied by a written statement describing in reasonable detail such Loss and the computation of the amount so

payable. The costs of the arbitrator shall be borne equally by Lessor and Lessee. In the event of a breach of the representation and warranty as stated in (iii) above, if any item of income, credit or deduction with respect to the Equipment shall not be treated as derived from, or allocable to, sources within the United States for a given taxable year (any such event hereinafter referred to as a "Foreign Loss"), then Lessee shall pay to Lessor, as additional Rent and as determined by an arbitrator mutually agreeable to Lessor and Lessee, such amount as, after deduction of all taxes required to be paid by Lessor in respect of the receipt of such amounts under the laws of any Federal, state or local government or taxing authority of the United States, shall equal the sum of: (I) the excess of (x) the foreign tax credits which Lessor would have been entitled to for such year had no such Foreign Loss occurred over (y) the Foreign tax credit to which Lessor was limited as a result of such Foreign Loss and (II) the amount of any interest, penalties or additions to tax payable as a result of such Foreign Loss. The amount payable to Lessor shall be paid no later than fifteen (15) days after issuance of the arbitrator's decision, which shall be accompanied by a written statement describing in reasonable detail such Loss and the computation of the amount so payable. The costs of the arbitrator shall be borne equally by Lessor and Lessee.

Such representations by Lessee do not guarantee and shall not be construed as guaranteeing that this Lease will qualify as an operating lease or true lease for federal or state income tax purposes or that any other Tax Benefits are or will be available to Lessor.

For purposes of this Section 33, the term "Lessor" shall include the affiliated taxpayer group within the meaning of Section 1504 of the Code of which Lessor is a member. The provisions of this Section 33 shall survive the expiration or earlier termination of this Lease.

34. REPRESENTATIONS AND WARRANTIES OF LESSEE: Lessee hereby represents, warrants and covenants that, with respect to this Lease and any related documents: (a) the execution, delivery and performance thereof by Lessee have been duly authorized by all necessary corporate action; (b) the individual executing such documents is duly authorized to do so; (c) the Lease and any related documents constitute legal, valid and binding agreements of Lessee enforceable in accordance with their respective terms; (d) Lessee need not obtain the consent or approval of any party in order to enter into this Lease or to perform Lessee's obligations hereunder; (e) Lessee is in good standing in the state of its incorporation and is qualified to do business in each state where it is necessary to be so qualified; (f) any and all financial statements or other information with respect to the Lessee supplied to Lessor in connection with this Lease and the transactions contemplated hereby are true and complete.

35. FINANCIAL REPORTING: So long as Lessee is subject to the Securities and Exchange Commission's financial statement reporting requirements, Lessee will furnish to Lessor (i) as soon as available,

but in any event not later than one hundred twenty (120) days after the end of each fiscal year of Lessee, Lessee's Annual Report and Form 10-K; (ii) as soon as available, but in any event not later than ninety (90) days after the end of each of the first three quarterly periods of each fiscal year of Lessee, Lessee's Quarterly Report to Shareholders and Form 10-Q; and (iii) promptly, such additional publicly available financial and other information as Lessor may from time to time reasonably request. If, however, at any time throughout the term of this Lease, Lessee shall not be subject to the Securities and Exchange Commission's financial statement reporting requirements, then, Lessee will furnish to Lessor (i) as soon as available, but in any event not later than one hundred twenty (120) days after the end of each fiscal year of Lessee, a consolidated balance sheet of Lessee as at the end of such fiscal year, and the related consolidated statements of income, retained earnings, shareholders' equity, and cash flows of Lessee for such fiscal year, together with comparative figures for the immediately preceding fiscal year, all in reasonable detail, prepared in accordance with generally accepted accounting principles and accompanied by a report of nationally recognized independent public accountants; and (ii) as soon as available, but in any event not later than ninety (90) days after the end of each of the first three quarterly periods of each fiscal year of Lessee, a consolidated balance sheet of Lessee as at the end of such quarterly period and the related statements of income, retained earnings, shareholders' equity, and cash flows of Lessee for the expired portion of the fiscal year then ended, together with comparative figures for the same periods of the preceding fiscal year, all in reasonable detail and accompanied by a certificate of Lessee's chief financial officer stating that such financial statements fairly present the financial position of Lessee at the dates thereof and the results of operations for the periods covered thereby subject to normal year-end adjustments.

** accountants

36. ATTORNEYS' FEES: All reasonable attorneys' fees and costs incurred in connection with any disputes arising under this Lease which are submitted to a fact-finder for determination, whether through litigation, arbitration or otherwise, shall be borne by the non-prevailing party.

LESSEE HEREBY ACKNOWLEDGES RECEIPT OF AN EXECUTED AND TRUE COPY OF THIS LEASE.

IN WITNESS WHEREOF, the Lessor and Lessee have each caused this Lease to be duly executed.

LESSOR:

PITNEY BOWES CREDIT CORPORATION

By: *[Signature]*
Title: Region Vice President
Date: December 3, 1992

LESSEE:

MAGMA COPPER COMPANY

By: *[Signature]*
Title: Treasurer
Date: December 9, 1992

[Signature]
INITIAL

STATE OF ARIZONA)
) ss
COUNTY OF PIMA)

On this 9th day of December, 1992 before me personally appeared Thomas L. Garrett, Jr., to me personally known, who being by me duly sworn says that such person is Treasurer of Magma Copper Company, that the foregoing Master Equipment Lease Agreement was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Notary Public

My Commission Expires Oct. 23, 1996



LEASE SCHEDULE

Master Equipment
Lease Agreement No.: 0063842

Account Billing No.: _____

Master Equipment
Lease Agreement Date: December 3, 1992

Lessee Purchase
Order No.: _____

Lease Schedule No.: 801

Outside Commitment
Date: February 28, 1993

Lease Schedule Date: December 23, 1992

7 year class recovery property

Between PITNEY BOWES CREDIT CORPORATION (Lessor) and MAGMA COPPER COMPANY (Lessee.)

1. Equipment Description

Fifty-three (53) 13,946 gallon railroad tank cars, DOT 111A100w2, non-coiled and non-insulated, manufactured in 1992 by Trinity Industries as more fully described on Schedule A attached hereto and made a part hereof.

2. Equipment Location

The above Equipment is to be located and delivered to Lessee's premises at San Manuel, AZ.

3. Billing Address

Accounts Payables, P. O. Box M, San Manuel, AZ 85631

4. Original Rental Term

One Hundred Eighty Months. Payable monthly in advance.

5. Aggregate Rental For Original Rental Term

\$ 3,389,725.80 Payable as follows:
Rental Payment of \$ 18,831.81, plus interim rent, plus applicable Sales/Use Tax. The first Rental Payment of \$18,831.81, plus applicable Sales/Use Tax is due on December 30, 1992.

6. Number and Amount of Advance Rental Payments

Number: One Amount: \$ 18,831.81

7. Renewal Option Fair Market Value

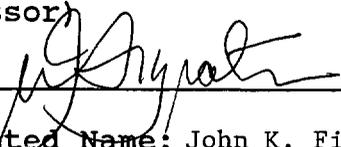
8. Purchase Option Fair Market Value

9. Minimum Liability Insurance Coverage to be carried by Lessee per Section 12(A) of the Master Equipment Lease Agreement is \$20,000,000 million per occurrence.

10. THIS SCHEDULE AND ITS TERMS AND CONDITIONS ARE HEREBY INCORPORATED BY REFERENCE IN THE ABOVE MASTER EQUIPMENT LEASE AGREEMENT. LESSEE PERMITS LESSOR TO INSERT MODEL AND SERIAL NUMBERS OF EQUIPMENT WHEN DETERMINED BY LESSOR. LESSEE REPRESENTS AND WARRANTS THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN ITS BUSINESS OR FINANCIAL CONDITION SINCE THE DATE SET FORTH IN SECTION 2 OF THE LEASE.

Accepted by:

PITNEY BOWES CREDIT CORPORATION
(Lessor)

By: 

Printed Name: John K. Fitzpatrick

Title: Region Vice President

Date: December 23, 1992

MAGMA COPPER COMPANY

(Lessee)

By: 

Printed Name: Thomas L. Garrett, Jr.

Title: Treasurer

Date: December 23, 1992

SCHEDULE A

This Schedule A is attached to and made a part of Lease Schedule No. 801 dated December 23, 1992 to Master Equipment Lease Agreement No. 0063842 dated December 3, 1992 between Pitney Bowes Credit Corporation, as Lessor, and Magma Copper Comapny, as Lessee.

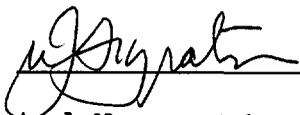
EQUIPMENT DESCRIPTION

Fifty-three (53) 13,946 gallon railroad tank cars, DOT 111A100W2, non-coiled and non-insulated, manufactured in 1992 by Trinity Industries and bearing the following reporting marks:

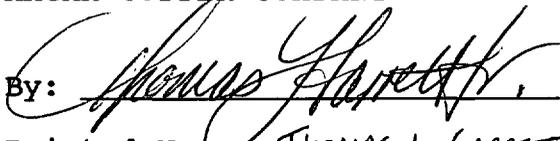
PVCX 13290 through and including 13299
PVCX 13302
PVCX 13304
PVCX 13306
PVCX 13315
PVCX 13320
PVCX 13351 through and including 13353
PVCX 13355 through and including 13379
PVCX 13381
PVCX 13382
PVCX 13384 through and including 13387
PVCX 13389
PVCX 13390
PVCX 13393
PVCX 13396

and all attachments, accessions, substitutions thereto.

PITNEY BOWES CREDIT CORPORATION

By: 
Printed Name: John K. Fitzpatrick
Title: Region Vice President

MAGMA COPPER COMPANY

By: 
Printed Name: THOMAS L. GARRETT, JR.
Title: Treasurer

ADDENDUM A

STIPULATED LOSS VALUE

This Addendum is made part of Lease Schedule No. 801 dated December 23, 1992 to Master Equipment Lease Agreement No. 0063842 dated as of December 3, 1992 between Pitney Bowes Credit Corporation as Lessor and Magma Copper Company as Lessee.

Stipulated Loss Value shall be determined by multiplying the Lessor's cost of the Equipment \$2,537,487.00 by the percentage set forth below opposite the month in which the determination is being made, ~~and adding thereto all Rental Payments due and to become due through said month.~~ *Key*

<u>Date of Determination</u>	<u>Stipulated Loss Value stated as a % of Lessor's cost of the Equipment</u>	<u>Date of Determination</u>	<u>Stipulated Loss Value stated as a % of Lessor's cost of the Equipment</u>
Month 1	103.727	Month 31	100.898
Month 2	103.716	Month 32	100.727
Month 3	103.703	Month 33	100.552
Month 4	103.687	Month 34	100.373
Month 5	103.662	Month 35	100.190
Month 6	103.628	Month 36	100.003
Month 7	103.587	Month 37	99.813
Month 8	103.537	Month 38	99.617
Month 9	103.484	Month 39	99.419
Month 10	103.424	Month 40	99.217
Month 11	103.355	Month 41	99.013
Month 12	103.283	Month 42	98.804
Month 13	103.204	Month 43	98.593
Month 14	103.116	Month 44	98.378
Month 15	103.025	Month 45	98.159
Month 16	102.932	Month 46	97.939
Month 17	102.832	Month 47	97.714
Month 18	102.726	Month 48	97.486
Month 19	102.614	Month 49	97.255
Month 20	102.496	Month 50	97.020
Month 21	102.375	Month 51	96.782
Month 22	102.248	Month 52	96.541
Month 23	102.115	Month 53	96.297
Month 24	101.980	Month 54	96.048
Month 25	101.838	Month 55	95.797
Month 26	101.691	Month 56	95.542
Month 27	101.540	Month 57	95.283
Month 28	101.386	Month 58	95.022
Month 29	101.228	Month 59	94.757
Month 30	101.065	Month 60	94.488

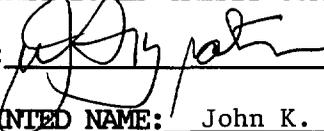
<u>Date of Determination</u>	<u>Stipulated Loss Value stated as a % of Lessor's cost of the Equipment</u>	<u>Date of Determination</u>	<u>Stipulated Loss Value stated as a % of Lessor's cost of the Equipment</u>
Month 61	94.216	Month 111	76.846
Month 62	93.940	Month 112	76.442
Month 63	93.660	Month 113	76.039
Month 64	93.377	Month 114	75.634
Month 65	93.091	Month 115	75.228
Month 66	92.801	Month 116	74.820
Month 67	92.508	Month 117	74.409
Month 68	92.210	Month 118	73.997
Month 69	91.909	Month 119	73.583
Month 70	91.605	Month 120	73.165
Month 71	91.296	Month 121	72.746
Month 72	90.984	Month 122	72.326
Month 73	90.669	Month 123	71.902
Month 74	90.349	Month 124	71.475
Month 75	90.026	Month 125	71.047
Month 76	89.699	Month 126	70.619
Month 77	89.370	Month 127	70.189
Month 78	89.038	Month 128	69.758
Month 79	88.705	Month 129	69.323
Month 80	88.369	Month 130	68.886
Month 81	88.029	Month 131	68.448
Month 82	87.687	Month 132	68.006
Month 83	87.342	Month 133	67.563
Month 84	86.993	Month 134	67.118
Month 85	86.643	Month 135	66.669
Month 86	86.289	Month 136	66.217
Month 87	85.932	Month 137	65.765
Month 88	85.572	Month 138	65.312
Month 89	85.212	Month 139	64.857
Month 90	84.850	Month 140	64.400
Month 91	84.488	Month 141	63.940
Month 92	84.124	Month 142	63.478
Month 93	83.757	Month 143	63.014
Month 94	83.389	Month 144	62.547
Month 95	83.020	Month 145	62.078
Month 96	82.646	Month 146	61.607
Month 97	82.273	Month 147	61.132
Month 98	81.897	Month 148	60.654
Month 99	81.518	Month 149	60.175
Month 100	81.137	Month 150	59.695
Month 101	80.755	Month 151	59.214
Month 102	80.372	Month 152	58.731
Month 103	79.989	Month 153	58.243
Month 104	79.604	Month 154	57.755
Month 105	79.215	Month 155	57.264
Month 106	78.826	Month 156	56.769
Month 107	78.435	Month 157	56.273
Month 108	78.040	Month 158	55.775
Month 109	77.644	Month 159	55.272
Month 110	77.247	Month 160	54.766

<u>Date of</u> <u>Determination</u>	<u>Stipulated Loss Value</u> <u>stated as a % of Lessor's</u> <u>cost of the Equipment</u>
--	--

Month 161	54.260
Month 162	53.752
Month 163	53.242
Month 164	52.731
Month 165	52.215
Month 166	51.698
Month 167	51.179
Month 168	50.655
Month 169	50.130
Month 170	49.602
Month 171	49.071
Month 172	48.535
Month 173	48.013
Month 174	47.503
Month 175	47.006
Month 176	46.520
Month 177	46.029
Month 178	45.552
Month 179	45.086
Month 180	44.615
Thereafter	44.900

LESSOR:

PTINEY BOWES CREDIT CORPORATION

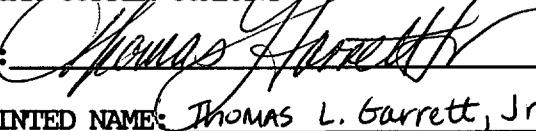
BY:  _____

PRINTED NAME: John K. Fitzpatrick

TITLE: Region Vice President

LESSEE:

MAGMA COPPER COMPANY

BY:  _____

PRINTED NAME: Thomas L. Garrett, Jr.

TITLE: Treasurer

ADDENDUM B

TERMINATION VALUE TABLE

This Addendum B is attached to and made part of Lease Schedule No. 801 dated as of December 23, 1992 to Master Equipment Lease Agreement No. 0063842 dated as of December 3, 1992 between Pitney Bowes Credit Corporation as Lessor and Magma Copper Company as Lessee.

Termination Value shall be determined by multiplying the Lessor's cost of the Equipment \$2,537,487.00 by the percentage set forth below opposite the month in which the determination is being made, ~~and adding thereto all Rental Payments due and to become due through said month.~~ *WJ*

<u>Termination Occuring After Payment</u>	<u>Termination Value</u>	<u>Termination Occuring After Payment</u>	<u>Termination Value</u>
60	94.488	91	84.488
61	94.216	92	84.124
62	93.940	93	83.757
63	93.660	94	83.389
64	93.377	95	83.020
65	93.091	96	82.646
66	92.801	97	82.273
67	92.508	98	81.897
68	92.210	99	81.518
69	91.909	100	81.137
70	91.605	101	80.755
71	91.296	102	80.372
72	90.984	103	79.989
73	90.669	104	79.604
74	90.349	105	79.215
75	90.026	106	78.826
76	89.699	107	78.435
77	89.370	108	78.040
78	89.038	109	77.644
79	88.705	110	77.247
80	88.369	111	76.846
81	88.029	112	76.442
82	87.687	113	76.039
83	87.342	114	75.634
84	86.993	115	75.228
85	86.643	116	74.820
86	86.289	117	74.409
87	85.932	118	73.997
88	85.572	119	73.583
89	85.212	120	73.165
90	84.850	121	72.746

Termination
Occuring
After Payment

Termination
Value

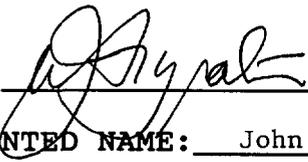
Termination
Occuring
After Payment

Termination
Value

122	72.326	152	58.731
123	71.902	153	58.243
124	71.475	154	57.755
125	71.047	155	57.264
126	70.619	156	56.769
127	70.189	157	56.273
128	69.758	158	55.775
129	69.323	159	55.272
130	68.886	160	54.766
131	68.448	161	54.260
132	68.006	162	53.752
133	67.563	163	53.242
134	67.118	164	52.731
135	66.669	165	52.215
136	66.217	166	51.698
137	65.765	167	51.179
138	65.312	168	50.655
139	64.857	169	50.130
140	64.400	170	49.602
141	63.940	171	49.071
142	63.478	172	48.535
143	63.014	173	48.013
144	62.547	174	47.503
145	62.078	175	47.006
146	61.607	176	46.520
147	61.132	177	46.029
148	60.654	178	45.552
149	60.175	179	45.086
150	59.695	180	44.615
151	59.214		

LESSOR:

PITNEY BOWES CREDIT CORPORATION

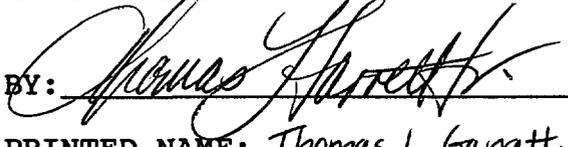
BY: 

PRINTED NAME: John K. Fitzpatrick

TITLE: Region Vice President

LESSEE:

MAGMA COPPER COMPANY

BY: 

PRINTED NAME: Thomas L. Garrett, Jr.

TITLE: Treasurer