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12897 Colonial Dr. • Mt. Airy, Md. 21771
301-253-6040

1-282A003

October 9, 1991

17559
REGISTRATION NO. FILED 1423

OCT 9 1991 -9 50 AM

INTERSTATE COMMERCE COMMISSION

Ms. Mildred Lee
Recordations Unit
Interstate Commerce Commission
12th & Constitution Avenue, N.W.
Washington, D.C. 20423

NOTA OPERATING UNIT
OCT 9 9 43 AM '91

Dear Ms. Lee:

Enclosed is a Lease Agreement dated as of September 30, 1991, between the following parties:

Lessor: Caterpillar Financial Services Corporation
3322 West End Avenue
Nashville, TN 37203

Lessee: Inland Steel Company
30 West Monroe Street
Chicago, IL 60603

The equipment involved in this transaction is listed on Schedule 1 to the Lease.

Please record this agreement as a primary document. The filing fee of \$16 is enclosed. Thank you for your assistance.

Sincerely,

Mary Ann Oster

Mary Ann Oster
Research Consultant

Enclosures

Covered by Mary Ann Oster

Interstate Commerce Commission
Washington, D.C. 20423

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OFFICE OF THE SECRETARY

Mary A. Oster

Research Consultant

Oster Researching Services

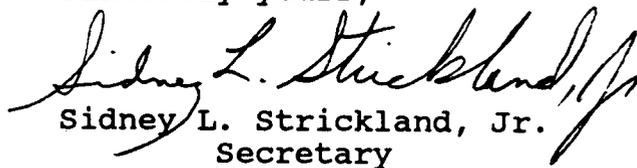
12897 Colonial Dr.

Mt. Airy MD. 21771

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 10/9/91 at 9:50am , and assigned recordation number(s). 17559

Sincerely yours,


Sidney L. Strickland, Jr.
Secretary



CATERPILLAR FINANCIAL SERVICES CORPORATION

3322 West End Avenue, Suite 610
Nashville, TN 37203-0990

RECORDATION NO. 17559
FILED 123

OCT 9 1991 - 9 50 AM

INTERSTATE COMMERCE COMMISSION

CAT MASTER TAX LEASE

This LEASE ("Lease") dated as of 9/30, 19 91, is between Caterpillar Financial Services Corporation, a Delaware corporation, with its principal office at 3322 West End Avenue, Nashville, TN 37203-0990 ("Lessor") and Inland Steel Company

a Delaware Corporation with its principal office at 30 West Monroe Street, Chicago, IL 60603 ("Lessee").

Lessor agrees to acquire and to lease to Lessee, and Lessee agrees to hire from Lessor certain personal property (the "Units" and individually a "Unit") described in any Schedule (the "Schedule") attached hereto or which may in the future be attached hereto (any such Schedule upon execution by Lessee and Lessor becoming a part hereof) upon the terms and conditions hereinafter set forth:

Section 1 Procurement and Delivery

1.1 Lessee shall select (a) each Unit it desires to hire from Lessor and (b) the vendor of such Unit, and Lessor, in reliance on such selection and subject to Section 1.3 hereof, will, on or prior to the "Delivery Date" (as hereinafter defined) of such Unit, either (i) enter into a purchase agreement for such Unit with such vendor, or (ii) accept assignment from Lessee, using Lessor's standard form, of all of Lessee's right, title and interest in and to such Unit and any existing purchase agreement with such vendor. The "Delivery Date" of each Unit shall be the later of the date on which (a) Lessor executes the Schedule covering such Unit, (b) Lessor takes title to such Unit or (c) Lessee or its agent takes control and/or physical possession of such Unit.

1.2 If Lessee has taken title to any Unit, then this Section 1.2 shall apply with respect to such Unit in lieu of Section 1.1 hereof. On a date agreed upon by Lessor and Lessee (the "Delivery Date"), Lessor agrees to purchase from (subject to Section 1.3 hereof) and lease back to Lessee and Lessee agrees to sell to and hire back from Lessor such Unit, provided Lessee has executed and delivered to Lessor or its designee a bill of sale, in Lessor's standard form, with respect to such Unit. Lessee represents and warrants that as of the Delivery Date such Unit and Lessee's right, title and interest in and to such Unit shall be free from all claims, liens, security interests and encumbrances.

1.3 The obligation of Lessor to purchase and pay for any Unit to be leased under any Schedule executed by Lessee and Lessor is subject to (a) the Delivery Date of such Unit being on or prior to the earlier of (i) the "placed-in service" date (as defined for Federal income tax purposes) of such Unit or, in the case of a transaction to which Section 1.2 applies, the date which is three months following such "placed in service" date, or (ii) the Utilization Date set forth in such Schedule; (b) no Event of Default (as hereinafter defined) or any event which with notice or lapse of time or both would become an Event of Default existing as of the Delivery Date of such Unit; and (c) no material adverse change in Lessee's financial or operating condition having occurred after the execution by Lessee and Lessor of such Schedule and prior to the Delivery Date of such Unit. If any of the foregoing conditions are not met with respect to any Unit, Lessee shall in a timely manner, upon the request of Lessor, discharge any obligation to pay for such Unit which Lessor may have assumed or incurred, and, upon such discharge, Lessor shall assign to Lessee, without recourse or warranty, any interest of Lessor in such Unit. All conditions set forth in this Section 1.3 shall be deemed satisfied with respect to any Unit unless prior to the Delivery Date of such Unit Lessor shall have notified Lessee to the contrary in writing or by telegram or telex.

1.4 Lessee shall execute and deliver to Lessor, within seven days following the Delivery Date of each Unit, a Delivery Supplement in the form attached hereto.

1.5 Lessee represents and warrants to Lessor that (a) Lessee has the power to make, deliver and perform under this Lease and all instruments and documents contemplated by this Lease; (b) Lessee has taken all necessary and appropriate action to authorize the execution, delivery and performance of this Lease and all instruments and documents contemplated by this Lease; (c) the person or persons executing and delivering this Lease and all instruments and documents contemplated by this Lease are authorized to do so on behalf of Lessee; (d) this Lease constitutes a valid obligation of Lessee, legally binding upon it and enforceable in accordance with its terms; and (e) the execution, delivery and performance of this Lease and all instruments and documents contemplated by this Lease do not and will not require any consent or approval which has not been obtained. At the request of Lessor, Lessee shall provide a certificate, in form and substance satisfactory to Lessor, as to the foregoing representations and warranties.

Section 2 Term, Rent and Payment

2.1 The term of this Lease as to each Unit shall commence on the Delivery Date in respect thereof and continue as specified in the applicable Schedule.

2.2 Lessee shall pay to Lessor, at the principal office of Lessor set forth above or at such other location as Lessor may designate in writing, rental for each Unit in the amounts and at the times set forth in the applicable Schedule. Lessee shall pay to Lessor, on demand, interest at the rate set forth in the applicable Schedule on the amount of any rental payment or other payment not made when due under this Lease from the date due until payment is received by Lessor.

2.3 An amount equal to one rental payment for all of the Units Lessee desires to lease pursuant to a Schedule must accompany each such Schedule executed by Lessee and submitted to Lessor for acceptance. If Lessor accepts and executes such Schedule, said amount shall be applied to the first rental payment due thereunder. If Lessor does not accept such Schedule, said amount will be returned to Lessee.

2.4 This Lease is a net lease, and Lessee shall not be entitled to any abatement or reduction of rent or any setoff against rent, whether arising by reason of any past, present or future claims of any nature by Lessee against Lessor or otherwise. Except as otherwise expressly provided herein, this Lease shall not terminate, nor shall the obligations of Lessor or Lessee be otherwise affected by reason of any defect in, damage to, loss of possession or use or destruction of any Unit, however caused, by the attachment of any lien, encumbrance, security interest or other claim of any third party to any Unit, by any restriction of or interference with Lessee's use of any Unit, or by the insolvency of or the commencement by or against Lessee of any bankruptcy, reorganization or similar proceeding, or for any other cause, whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding. It is the intention of the parties that all rent and other amounts payable by Lessee hereunder shall be payable in all events in the manner and at the times herein provided unless Lessee's obligations in respect thereof have been terminated pursuant to the express provisions of this Lease.

Section 3 Warranty Disclaimer

LESSEE ACKNOWLEDGES AND AGREES THAT (a) EACH UNIT IS OF A SIZE, DESIGN AND MANUFACTURE SELECTED BY LESSEE, (b) EACH UNIT IS SUITABLE FOR LESSEE'S PURPOSES AND CONTAINS ALL SAFETY FEATURES DEEMED NECESSARY BY LESSEE, (c) LESSOR IS NOT A MANUFACTURER THEREOF, (d) THE VENDOR IS NOT AN AGENT OF LESSOR AND (e) LESSOR HAS NOT MADE, AND DOES NOT HEREBY MAKE, ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE TITLE, MERCHANTABILITY, CONDITION, QUALITY, DESCRIPTION, DURABILITY OR SUITABILITY OF ANY SUCH UNIT IN ANY RESPECT OR IN CONNECTION WITH THE PURPOSES AND USES OF LESSEE, OR WITH RESPECT TO THE APPROPRIATE CHARACTERIZATION OF THIS TRANSACTION BY LESSEE FOR FINANCIAL STATEMENT, TAX, OR ANY OTHER PURPOSES. As long as no Event of Default shall have occurred and be continuing, Lessor assigns to Lessee, to the extent assignable, any warranties of the vendor with respect to any Unit, provided that any action taken by Lessee by reason thereof shall be at the expense of Lessee.

Section 4 Possession, Use and Maintenance

4.1 Lessee shall not (a) use, operate, maintain or store any Unit improperly, carelessly, unsafely or in violation of any applicable law or regulation of any governmental authority or for any purpose other than in the conduct of its business, (b) abandon any Unit, (c) except as may be provided in a Rider to this Lease, sublease any Unit or permit the use thereof by anyone other than Lessee without the prior written consent of Lessor, (d) permit the use of any Unit to be changed from that specified in the applicable Delivery Supplement and the Application Survey attached to the applicable Schedule as Exhibit 1 without the prior written consent of Lessor, (e) permit the location of any Unit to be changed from that specified in the applicable Schedule without the prior written consent of Lessor, or (f) sell, assign or transfer, or directly or indirectly create, incur or suffer to exist any lien, claim, security interest or encumbrance on any of its rights hereunder or in any Unit.

4.2 Lessee shall at its expense at all times during the term of this Lease maintain the Units in good operating order, repair and condition and shall perform maintenance at least as frequently as set forth in any applicable operator's guide, service manual, and lubrication and maintenance guide for the Units. In repairing and/or maintaining the Units, Lessee shall use replacement parts distributed by or authorized by the manufacturer of the Units.

4.3 Lessee shall not alter any Unit or affix any accessory or equipment to any Unit if such alteration or addition would impair the originally intended function or use or reduce the value of such Unit. Lessee shall not make any "non-severable" addition (as defined for Federal income tax purposes) to any Unit without the prior written consent of Lessor. Any alteration or addition to any Unit, including the alteration of any safety feature, shall be at the sole risk of and shall be the sole responsibility of Lessee. All parts, accessories and equipment affixed to any Unit, excluding temporary replacements, shall thereupon be the property of Lessor. If no Event of Default has occurred and is continuing, Lessee may remove at its expense any such parts, accessories and equipment at the expiration of the term of this Lease with respect to such Unit, provided they are readily removable and that removal will not impair the originally intended function or use of such Unit.

4.4 If Lessor supplies Lessee with labels stating that the Units are leased from Lessor, Lessee shall affix and keep the same upon a prominent place on the Units during the term of this Lease.

4.5 Upon prior notice to Lessee, Lessor or its agent shall have the right (but not the obligation) at all reasonable times to inspect any Unit and observe its use and to inspect any maintenance records relating to any Unit. Lessor assumes no responsibility and waives no rights as a result of any such inspection or observation.

4.6 The Units are and shall remain the personal property of Lessor irrespective of their use or manner of attachment to realty.

Section 5 Taxes and Tax Indemnity

5.1 Lessee agrees to promptly pay or reimburse Lessor for all fees and taxes of any nature, together with any penalties, fines or additions to tax, or interest thereon (all of the foregoing hereafter the "Impositions"), arising at any time prior to, during or subsequent to the term of this Lease and levied upon Lessor by any taxing authority with respect to or in connection with any Unit, excluding, however, taxes measured by Lessor's net income (but not excluding any net income taxes which by the terms of the statute imposing such tax expressly relieve Lessee or Lessor from the payment of any Impositions which Lessee would otherwise be obligated to pay or reimburse). If Lessor is not entitled to a corresponding and equal deduction with respect to any Imposition which Lessee is required to pay or reimburse hereunder and such payment or reimbursement constitutes income to Lessor, then Lessee shall also pay to Lessor the amount of any Impositions which Lessor is obligated to pay in respect of (a) such payment or reimbursement by Lessee and (b) any payment by Lessee made pursuant to this sentence. Lessee shall prepare and file, in a manner satisfactory to Lessor, any reports or returns which may be required with respect to the Units.

5.2 This Lease is entered into on the basis that Lessor shall be entitled to (A) depreciation deductions with respect to the Units, in accordance with Section 168(a) of the Internal Revenue Code of 1986, as amended (the "Code"), based upon the applicable depreciation method and recovery period specified in Sections 168(b) and (c), respectively, of the Code as identified by Lessee and (B) for state income tax purposes, deductions analogous to (A) (all of the foregoing hereafter the "Tax Benefits"). If Lessor, for any reason other than those excepted from the application of this Section 5.2 in subsections (i) through (iv), below, shall lose or lose the right to claim or if there shall be disallowed, deferred or recaptured with respect to Lessor, any of the Tax Benefits with respect to any Unit (any of the foregoing hereafter a "Loss"), then, within thirty (30) days after written notice to Lessee by Lessor that a Loss has occurred, Lessee shall pay Lessor an amount which, in the reasonable opinion of Lessor, will cause Lessor's net after-tax rate of return over the term of this Lease in respect to such Unit to equal the net after-tax rate of return that would have been realized if Lessor had been entitled to its anticipated utilization of all of the Tax Benefits. Lessor shall not be entitled to a payment under this Section 5.2, however, for any Loss arising solely as a direct result of any of the following: (i) a failure of Lessor to timely or properly claim the Tax Benefits for a Unit, (ii) a foreclosure by any person holding a lien through Lessor on any Unit, which foreclosure results solely from an act of Lessor, (iii) a Casualty Occurrence, if the Casualty Value in connection therewith has been paid by Lessee, or (iv) the failure of Lessor to have sufficient taxable income or tax liability to utilize such Tax Benefits. Lessor shall be under no obligation to contest any action which may result in a Loss. Lessee acknowledges and confirms that Lessor's classification of the Units in accordance with Section 168(e) of the Code and Lessor's entitlement to the Tax Benefits is based solely upon Lessee's representations as to the proper classification of the Units as aforesaid. For purposes of Sections 5.1 and 5.2, "Lessor" shall include any affiliated group (within the meaning of Section 1504 of the Code) of which Lessor is a member for any year in which a consolidated or combined income tax return is filed for such affiliated group.

Section 6 Loss or Damage and Waiver and Indemnity

6.1 Lessee shall bear the risk of any loss, damage or Casualty Occurrence (as hereinafter defined) to any Unit prior to, during or subsequent to (until such Unit is returned to Lessor pursuant to Section 9 hereof) the term of this Lease as to such Unit. If any Unit shall become damaged, from any cause whatsoever, Lessee shall give Lessor prompt notice thereof. If Lessor reasonably determines that such damage is not irreparable so as to constitute a Casualty Occurrence, then Lessee shall, at its expense, promptly restore such Unit to the condition required by Section 4 hereof. If any Unit shall become worn-out, lost, stolen, destroyed or irreparably damaged (as reasonably determined by Lessor), from any cause whatsoever, or taken by condemnation or otherwise (any such occurrence hereafter a "Casualty Occurrence") prior to, during or subsequent to (until such Unit is returned to Lessor pursuant to Section 9 hereof) the term of this Lease as to such Unit, Lessee shall give Lessor prompt notice thereof. On the first rental payment date following such Casualty Occurrence or, if there is no such rental payment date, thirty days after such Casualty Occurrence, Lessee shall pay to Lessor any rental and other payment then due in respect to such Unit, plus a sum equal to the Casualty Value of such Unit computed as specified in Exhibit 2 attached to the applicable Schedule. Upon the making of such payment by Lessee, the term of this Lease as to such Unit shall terminate and Lessor shall be entitled to possession of such Unit. Provided that Lessor has received the Casualty Value for such Unit, Lessee shall be entitled to any recovery in respect of such Unit from insurance or otherwise to the extent it does not exceed the Casualty Value of such Unit, and any excess shall be retained by Lessor.

6.2 LESSEE HEREBY RELEASES ANY CLAIM NOW OR HEREAFTER EXISTING AGAINST LESSOR ON ACCOUNT OF, AND AGREES TO DEFEND, INDEMNIFY AND HOLD LESSOR, ITS EMPLOYEES, DIRECTORS, OFFICERS AND SHAREHOLDERS HARMLESS FROM, ANY AND ALL CLAIMS OF LESSEE AND/OR THIRD PARTIES (INCLUDING, BUT NOT LIMITED TO, CLAIMS RELATING TO PATENT INFRINGEMENT, BASED UPON STRICT LIABILITY IN TORT AND FOR CONSEQUENTIAL DAMAGES), LOSSES, LIABILITIES, DEMANDS, SUITS, JUDGMENTS AND CAUSES OF ACTION, AND ANY COSTS OR EXPENSES IN CONNECTION THEREWITH, INCLUDING ALL REASONABLE ALLOCATED CHARGES OF LESSOR'S INTERNAL COUNSEL AND ANY OTHER REASONABLE ATTORNEYS' FEES AND EXPENSES INCURRED BY LESSOR, WHICH MAY RESULT FROM OR ARISE IN ANY MANNER OUT OF THE DELIVERY (INCLUDING, BUT NOT LIMITED TO, ANY DELAY IN OR FAILURE OF DELIVERY), SELECTION, PURCHASE, ACCEPTANCE OR REJECTION, OWNERSHIP,

POSSESSION, CONDITION, USE, OPERATION, MAINTENANCE OR REPAIR OF ANY UNIT PRIOR TO, DURING OR SUBSEQUENT TO (UNTIL SUCH UNIT IS RETURNED TO LESSOR PURSUANT TO SECTION 9 HEREOF) THE TERM OF THIS LEASE AS TO SUCH UNIT, OR WHICH MAY BE ATTRIBUTABLE TO ANY DEFECT IN ANY UNIT, ARISING FROM THE MATERIAL USED THEREIN OR FROM THE DESIGN, MANUFACTURE OR TESTING THEREOF, OR FROM ANY USE, MAINTENANCE, SERVICE, REPAIR OR TESTING OF ANY UNIT REGARDLESS OF WHEN SUCH DEFECT SHALL BE DISCOVERED, WHETHER OR NOT SUCH UNIT IS IN THE POSSESSION OF LESSEE AND NO MATTER WHERE IT IS LOCATED.

Section 7 Insurance

Lessee, at its expense, shall keep each Unit insured against all risks for not less than the Casualty Value of such Unit and shall maintain comprehensive public liability insurance (including product and broad form contractual liability) covering each Unit for not less than \$500,000 for combined coverage for bodily injury and property damage. All such insurance shall be in such form and with such companies as Lessor shall approve, shall specify Lessor (or its designee) and Lessee as named insureds, shall be primary, without right of contribution from any other insurance carried by Lessor, and shall provide that such insurance may not be cancelled or altered so as to affect the interest of Lessor without at least thirty days' prior written notice to Lessor. All insurance covering loss or damage to the Units shall name Lessor (or its designee) as loss payee and shall be payable solely to Lessor. Lessee shall not make adjustments with insurers except with Lessor's prior written consent and hereby irrevocably appoints Lessor as Lessee's attorney in fact to receive payment of and endorse all checks, drafts and other documents and to take any other actions necessary to pursue insurance claims and recover payments if Lessee fails to do so. Lessee shall promptly notify Lessor of any occurrence which may become the basis of a claim under any such insurance coverage and shall provide Lessor with all requested pertinent data. As soon as possible, but no later than the first Delivery Date of any Unit, Lessee shall deliver to Lessor, in form and substance satisfactory to Lessor, evidence of such insurance coverage.

Section 8 Default

8.1 Each of the following shall constitute an event of default ("Event of Default") hereunder: (a) Lessee shall fail to make any payment to Lessor when due hereunder; (b) any representation or warranty of Lessee contained herein or in any document furnished to Lessor in connection herewith shall be incorrect or misleading when made; (c) Lessee shall fail to observe or perform any other covenant, agreement or warranty made by Lessee hereunder and such failure shall continue for ten days after written notice thereof to Lessee; (d) any default shall occur under any other agreement between Lessee and Lessor or any affiliate of Lessor; (e) Lessee or any guarantor of this Lease shall cease to do business, become insolvent, make an assignment for the benefit of creditors or file any petition or action under any bankruptcy, reorganization, insolvency or moratorium law, or any other law or laws for the relief of, or relating to, debtors; (f) any involuntary petition shall be filed under any bankruptcy statute against Lessee or any guarantor of this Lease or any receiver, trustee, custodian or similar official shall be appointed to take possession of the properties of Lessee or any guarantor of this Lease, unless such petition or appointment ceases to be in effect within thirty days of said filing or appointment; or (g) any breach or repudiation by any guarantor shall occur under any guaranty obtained by Lessor in connection with this Lease.

8.2 If any Event of Default shall occur, Lessor, at its option, may (a) proceed by appropriate court action or actions either at law or in equity to enforce performance by Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof; or (b) by notice in writing to Lessee terminate this Lease, whereupon all rights of Lessee to use the Units shall terminate, but Lessee shall remain liable as hereinafter provided; and thereupon Lessor may require Lessee to return the Units pursuant to Section 9 hereof or Lessor may, without notice, liability or legal process, enter upon the premises where any of the Units may be and take possession thereof and thenceforth hold the same free from any right of Lessee, its successors or assigns; but Lessor shall, nevertheless, have a right to recover from Lessee (whether or not Lessor takes possession of the Units) any and all amounts which under the terms of this Lease may be then due or which may have accrued to the date of such termination and also to recover forthwith from Lessee (i) as damages for loss of the bargain and not as a penalty, a sum, with respect to each Unit, equal to the Casualty Value of such Unit and (ii) any damages and expenses in addition thereto which Lessor shall have sustained by reason of the breach of any covenant, representation or warranty contained in this Lease other than for the payment of rental. Upon receipt from Lessee of all amounts to which Lessor is entitled pursuant to the preceding sentence, Lessor shall, provided Lessee shall have returned the Units to Lessor pursuant to Section 9 hereof, undertake commercially reasonable efforts to sell or, at Lessor's option, re-lease the Units, and the proceeds of any such sale or re-lease shall be applied in the following order: First, to reimburse Lessor for all reasonable expenses of retaking, holding, preparing for sale or re-lease and selling or re-leasing the Units, including any taxes and the reasonable allocated charges, costs and expenses of Lessor's internal counsel and any other reasonable attorneys' fees and expenses incurred by Lessor; Second, to the extent not previously paid by Lessee, to pay Lessor all amounts to which Lessor is entitled pursuant to the preceding sentence as of the date of Lessor's receipt of said proceeds; Third, to reimburse Lessee for any sums previously paid by Lessee to Lessor as damages for loss of the bargain pursuant to (i) above; and Fourth, any surplus shall, to the extent permitted by law, be retained by Lessor. Lessee shall promptly pay Lessor any deficiency in priorities First and Second above. Lessee acknowledges that sales for cash or on credit to a wholesaler, retailer or user of the Units are all commercially reasonable.

8.3 Lessee agrees to pay all reasonable allocated charges, costs and expenses of Lessor's internal counsel and any other reasonable attorneys' fees, expenses and out-of-pocket costs incurred by Lessor in enforcing this Lease.

8.4 The remedies herein provided in favor of Lessor shall not be deemed exclusive but shall be cumulative and shall be in addition to all other remedies in its favor existing at law or in equity.

8.5 If Lessee fails to perform any of its obligations under this Lease, Lessor may (but need not) at any time thereafter perform such obligation, and the expenses incurred by Lessor in connection therewith shall be payable by Lessee upon demand.

Section 9 Return of Units

Upon expiration of the term of this Lease with respect to each Unit, or if Lessor shall rightfully demand possession of such Unit, Lessee, at its expense, shall forthwith deliver possession of such Unit to Lessor, appropriately protected and in the condition required by Section 4 hereof, at the option of Lessor, (a) to the premises of the nearest Caterpillar dealer selling equipment of the same type as such Unit, or (b) on board such carrier as Lessor shall specify and shipping the same, freight collect, to the destination designated by Lessor. If such Unit is not in the condition required by Section 4 hereof, Lessee shall pay to Lessor, on demand, all costs and expenses incurred by Lessor to bring such Unit into said condition.

Section 10 Assignment

All or any of the rights of Lessor under this Lease and title to the Units may be assigned by Lessor at any time. If notified by Lessor, Lessee shall make all payments due under this Lease to the party designated in such notice, without offset or deduction whatsoever as provided in Section 2.4 hereof. No assignment of this Lease or any right or obligation hereunder may be made by Lessee or any assignee of Lessee without the prior written consent of Lessor. This Lease shall be binding upon and inure to the benefit of Lessor and Lessee and their respective successors and assigns. If this Lease is assigned by Lessor to a partnership or trust, the term "Lessor" shall thenceforth mean and include such partnership or trust and shall also include (a) for purposes of Sections 3, 5.1, 5.2, 6.2 and 7 hereof, each partner in or beneficiary of such partnership or trust and (b) for purposes of Sections 5.1 and 5.2 hereof, any affiliated group of which such partner or beneficiary is a member for any year in which a consolidated or combined income tax return is filed for such affiliated group.

Section 11 Further Assurances

Lessee will, at its expense, do any further act and execute, acknowledge, deliver, file, register and record any further documents which Lessor may reasonably request in order to protect Lessor's title to the Units and Lessor's rights and benefits under this Lease.

Section 12 Effect of Waiver

No delay or omission to exercise any right, power or remedy accruing to Lessor upon any breach or default of Lessee hereunder shall impair any such right, power or remedy nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein or of or in any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default. Any waiver or consent by Lessor of or to any breach or default under this Lease must be in writing specifically set forth.

Section 13 Severability and Survival of Covenants

If any provision of this Lease shall be invalid under any applicable law, such provision shall be inapplicable and deemed omitted but the remaining provisions hereof shall be given effect in accordance with the manifest intent hereof. All obligations of Lessee under Sections 1, 2, 4, 5, 6, 7, 8, 9, 10 and 11 shall survive the expiration or termination of this Lease to the extent required for their full observance and performance.

Section 14 Applicable Law and Jurisdiction

This Lease shall be governed by and construed under the laws of the State of Illinois, and Lessee hereby consents to the jurisdiction of and venue in any state or federal court located within the State of Illinois.

Section 15 Effect and Modification of Lease

This Lease exclusively and completely states the rights of Lessor and Lessee with respect to the leasing of the Units and supersedes all prior agreements, oral or written, with respect thereto. Time is of the essence of this Lease. No variation or modification of this Lease shall be valid unless in writing.

Section 16 Financial Information

Lessee shall keep its books and records in accordance with generally accepted accounting principles and practices and shall deliver to Lessor its annual audited financial statements and such other unaudited financial statements as may be reasonably requested by Lessor. Lessee represents and warrants to Lessor that all credit, financial and other information submitted to Lessor in connection with this Lease is and shall be true, correct and complete.

Section 17 Notices

All demands and notices hereunder shall be in writing and shall be deemed given when personally delivered or deposited in the mail, postage prepaid, addressed to each party at the address set forth in the applicable Schedule or at such other address as may hereafter be furnished in writing by such party to the other.

Section 18 Counterparts

Two counterparts of this Lease have been executed by the parties hereto. One counterpart has been prominently marked "Lessor's Copy." One counterpart has been prominently marked "Lessee's Copy." Only the counterpart marked "Lessor's Copy" shall evidence a monetary obligation of Lessee.

IN WITNESS WHEREOF, the parties hereto have duly executed this Lease.

Inland Steel Company

("Lessee")

CATERPILLAR FINANCIAL SERVICES CORPORATION

("Lessor")

By _____

[Signature]

Title _____

Vice President & Treasurer

Date _____

September 27, 19 91

By _____

[Signature]

Title _____

Manager Corporate Accounts

Date _____

9-30, 19 91

**RIDER
to
CAT Master Tax Lease**

This is a Rider to the CAT Master Tax Lease dated as of September 30, 1991 (the "Lease") between Caterpillar Financial Services Corporation ("Lessor") and Inland Steel Company ("Lessee"). The reference to the address of the Lessor in the second line of the first introductory paragraph of the Lease is hereby deleted and replaced with: "3322 West End Avenue, Nashville, Tennessee 37203." Capitalized terms which are not defined in this Rider shall have the meanings ascribed to them in the Lease. Any inconsistencies between the language of this Rider and the Lease shall be resolved in favor of this Rider. All references in the Lease to "as provided herein" and the like shall be deemed to refer to the Lease as amended by this Rider.

1. The following language in clause (a) of Section 1.3 is hereby deleted: "or prior to the earlier of (i) the 'placed in service' date (as defined for Federal income tax purposes) of such Unit or, in the case of a transaction to which Section 1.2 applies, the date which is three months following such 'placed in service' date, or (ii)".
2. Clause (d) of Section 1.5 of the Lease is hereby amended by adding the following at the end of such Section: "except as the enforceability thereof may be limited by (i) bankruptcy, insolvency or similar laws affecting creditor's rights generally and (ii) general principles of equity (whether considered in a proceeding at law or in equity)."

Furthermore, the last sentence of Section 1.5 is amended to read as follows: "At the request of Lessor, Lessee shall provide a certificate, in form and substance satisfactory to Lessor, in its reasonable discretion, as to the foregoing representations and warranties."

3. The following language in the second sentence of Section 2.4 is hereby deleted: "or by the insolvency of or the commencement by or against Lessee of any bankruptcy, reorganization or similar proceeding, or for any other cause, whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding."
4. The following parenthetical is hereby inserted between the phrases "any governmental authority" and "or for any purpose" in clause (a) of Section 4.1: "(including the rules and regulations of the United States Department of Transportation and the Interstate Commerce Commission, except such waivers of any such rules and regulations as shall apply to Lessee from time to time)."

The following language is hereby added at the beginning of clause (f) of Section 4.1: "except as otherwise expressly provided herein,". Furthermore, the following is hereby added at the end of clause (f) of Section 4.1:

"except: the respective rights of the Lessee and the Lessor under the Lease; liens for taxes either assessed or payable but not yet due or being contested in good faith and by appropriate proceedings; and inchoate materialmen's, mechanics, workmen's or similar liens arising during the ordinary course of business. It is understood that the Units will be operated at the Lessee's Indiana Harbor Works and on property adjoining the Harbor Works."

5. The first sentence of Section 4.2 is hereby amended to read as follows:

"Lessee shall at its expense at all times during the term of this Lease maintain the Units in good operating order, repair and condition and shall perform maintenance at least as frequently as established by applicable rules and regulations of any governmental authority, subject to such waivers of any such rules and regulations as shall apply to Lessee from time to time and shall, to the extent not inconsistent with such rules and regulations, maintain the Units as set forth in the applicable maintenance manual of the Peoria Locomotive Works."

In addition, the words "... (or the equivalent of such replacement parts)." are hereby added at the end of Section 4.2. The following sentence is hereby added at the end of Section 4.2: "Lessee shall return the Units to Lessor in the condition in which Lessee is to maintain the Units under this Lease; provided that the end-plates of each such Unit shall be brought into compliance with applicable rail interchange height regulations upon return of such Units to Lessor, regardless of any waiver of any such regulation as shall apply to Lessee at such time."

6. The following sentence is hereby added at the end of Section 4.3: "If any equipment or appliance is required to be installed on any Unit, or any modification or alteration is required to be made to any Unit in order to comply with any rule or regulation of any governmental authority (except any waivers of any such rules and regulations as shall apply to Lessee from time to time) Lessee, at its sole cost and expense, shall make such changes, additions or replacements."

7. The words "taxes measured by Lessor's net income" and the second parenthetical in the first sentence of Section 5.1 are hereby deleted and the following substituted therefor:

"any income, value added or franchise taxes (applied in lieu of any income taxes or as additional income taxes) based on, or measured by, the net income of the Lessor or any assignee of the Lessor; franchise taxes based on the corporate characteristics of the Lessor; and any tax or similar charge resulting from a transfer or other disposition by the Lessor of a Unit following return of such Unit to Lessor pursuant to Section 9 hereof or assignment by the Lessor of such Unit pursuant to Section 10 hereof. Lessor agrees that no taxes or similar charges required to be paid by Lessee pursuant to this Lease shall be included in rental due from Lessee pursuant to this Lease."

In addition, the last sentence of Section 5.1 is hereby deleted.

8. The word "solely" in the third sentence of Section 5.2 as well as the word "or" immediately preceding clause (iv) of such Section are hereby deleted and the following added after clause (iv):

",(v) a transfer or disposition by the Lessor of a Unit or any interest therein or any interest in the rent derived therefrom following return of such Unit to Lessor pursuant to Section 9 hereof or assignment by the Lessor of such Unit pursuant to Section 10 hereof, or (vi) any defect in the tax characteristics of the ownership structure (excluding this Lease) selected by the Lessor or existing for the Lessor with respect to the Units. In the case of any change in the Code enacted or effective after the date of this Lease which adversely impacts the Tax Benefits, Lessor and Lessee shall negotiate in good faith the acceptability of lump sum reimbursement of such shortfall or inclusion of such shortfall in the remaining rental payments."

In addition, the fourth sentence of Section 5.2 is hereby deleted and the following substituted at the end of such Section:

"Upon receipt by the Lessor of a written notification from the Internal Revenue Service or other taxing authority (hereinafter collectively called the "Applicable Taxing Authority") of any proposed assessment or other action which would result in a Loss for which an amount may be payable by the Lessee in accordance with

this Section 5.2 (hereinafter called a "Disallowance"), the Lessor shall promptly notify the Lessee of such Disallowance after receipt of such written notification from the Applicable Taxing Authority and shall contest such Disallowance in any reasonable and appropriate manner, if so requested by the Lessee. The Lessor shall be under no obligation whatsoever to contest such Disallowance unless:

- (a) the Lessee shall request the Lessor to contest such Disallowance within thirty (30) days after receipt by the Lessee of notice from the Lessor and within thirty (30) days thereafter an independent tax counsel selected by the Lessor and acceptable to the Lessee shall render, at Lessee's sole expense, a written opinion that the Lessor has a reasonable basis for contesting such Disallowance; and
- (b) the Lessee shall pay the Lessor on demand all reasonable costs and expenses, including, without limitation, legal fees and expenses, incurred by the Lessor in connection with contesting such Disallowance.

"The Lessor, at its sole option, may choose to forego any and all administrative appeals, proceedings, hearings and conferences with the Applicable Taxing Authority in respect of such Disallowance, but shall contest the Disallowance in a court of competent jurisdiction which court shall be selected by the Lessor at its sole option and, if requested by the Lessee, shall appeal any adverse determination; provided, however, that nothing contained in this paragraph shall require the Lessor to contest any Disallowance if the Lessor shall waive the payment by the Lessee of any amount that might otherwise be payable by the Lessee under this Section 5.2 by way of indemnity in respect of such Disallowance.

"At all stages of any contest of a Disallowance, the Lessor shall pursue the contest by any proceedings available under applicable law, regulations or court rules which in its sole discretion it determines to pursue, and shall determine in its sole discretion whether (a) to petition for a redetermination of the deficiency proposed to be assessed as a result of the Disallowance or (b) to pay the deficiency and institute an action in a court of competent jurisdiction for a refund of taxes paid, in which case the Lessee shall pay the amount of such deficiency by adjusting the rent applicable to the Units in such a manner as to allow the Lessor, in its reasonable opinion, to maintain its anticipated after-tax

rate of return and total net after-tax cash flow. The Lessee shall provide counsel (selected by the Lessee) to conduct such contest, or to assist counsel of the Lessor in conducting such contest, as the Lessor in its sole discretion shall determine, it being agreed that the ultimate control of any such contest shall be in the sole discretion of the Lessor.

"The Lessor shall not enter into a settlement or other compromise with respect to any Disallowance without the prior written consent of the Lessee, unless the Lessor shall waive its right to be indemnified with respect to such Disallowance under this Section, provided, however, that the Lessor shall not be required to appeal or otherwise seek review of any adverse decision of a court of appeal unless, in the opinion of tax counsel to the Lessor, such appeal or other action has a reasonable chance of succeeding."

9. The following is hereby added at the end of Section 6.2:

"Notwithstanding anything contained in this Lease to the contrary, Lessee does not assume any liabilities or obligations, nor shall Lessee be required to pay, satisfy or discharge any claims, liens, charges or encumbrances, nor shall Lessee have any obligation to indemnify and save harmless the Lessor or any other person from and against any claim, lien, charge or encumbrance if such claim, lien, charge or encumbrance arose in connection with circumstances arising after redelivery of the Equipment to the Lessor pursuant to Section 9 hereof or arose out of, or relates to, any failure of the Lessor or any successor to perform its obligations under this Lease or any claim asserted by any person having an interest in or claim against the Lessor or the Equipment not arising out of the Lessee's use, purchase, possession, operation, maintenance, repairs or disposition of the Equipment, or arose out of the gross negligence or willful misconduct of the Lessor, its agents or employees."

10. The first sentence of Section 7 is hereby deleted and replaced with the following:

"Throughout the term of this Lease, Lessee at its expense, shall carry and maintain property damage insurance with respect to the Units and comprehensive public liability insurance, in each case with such coverages and deductibles as is customarily maintained by companies in the same or a similar business, which

coverages shall not vary significantly from those coverages carried by Lessee at the time of entering into the Lease.

The first clause of the second sentence is hereby deleted and replaced with the following: "All such insurance shall be in such form and with such insurers as Lessor shall approve, in its reasonable discretion..."

The fourth sentence of Section 7 is hereby deleted and replaced with the following: "Lessee shall provide Lessor with prompt notice of any adjustment with the insurers with respect to the Units."

11. The following is hereby added at the end of clause (a) of Section 8.1: "and such failure shall continue for 10 days after written notice thereof to Lessee;".

The word "material" is hereby added immediately preceding the word "representation" in clause (b) of Section 8.1.

The word "ten" is hereby changed to "thirty" in clause (c) of Section 8.1.

The word "thirty" is hereby changed to "sixty" in clause (f) of Section 8.1.

12. Section 9 is hereby deleted and replaced with the following:

"Upon expiration of the term of this Lease with respect to each Unit, or if Lessor shall rightfully demand possession of such Unit, Lessee shall, at the option of Lessor, store the Units at the Lessee's Indiana Harbor Works without charge to the Lessor for a period not to exceed 90 days from the date of expiration of the term of the Lease, or, at Lessee's expense, arrange for rail delivery of the Units to the Peoria Locomotive Works, Creve Coeur, IL. If, during such 90-day period, the Lessor sells the Units to any party other than Lessee, Lessee shall assume no delivery expenses with respect to the Units. If, upon the expiration of such 90-day period, the Units remain unsold, the Lessee shall assume responsibility for rail delivery expenses to Creve Coeur, IL with respect to the Units. While any Units are stored on Lessee property during the 90-day period described above, Lessee shall maintain insurance with respect to the Units and use due care to protect the Units, provided that, Lessee shall assume no further liability (other than as set forth in this Lease) with respect to the Units following the earlier to occur of: 1) the expiration of the above-described 90-day period and 2) delivery of the Units, at the request of Lessor, to any rail carrier. If, on the date of

expiration of the term of the Lease with respect to each Unit, such Unit is not in the condition required by Section 4 hereof, Lessee shall pay to Lessor on demand, all costs and expenses incurred by Lessor, to bring such Unit into said condition."

13. The first sentence of Section 10 is hereby amended by adding the following at the end of such sentence:

" , provided that, any such assignment shall not relieve the original Lessor from its duties and obligations under this Lease and shall not be construed to be an assumption by the assignee of such duties and obligations."

14. The first sentence of Section 16 is hereby amended to read as follows:

"Lessee shall keep its books and records in accordance with generally accepted accounting principles and practices and shall make available for Lessor's review, on Lessee's premises, such unaudited financial statements as may be reasonably requested by Lessor."

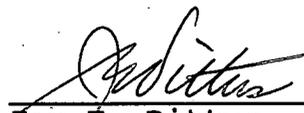
15. Section 18 is hereby deleted in its entirety.

IN WITNESS WHEREOF, the parties hereto have duly executed this Rider as of the date of the Lease.

Inland Steel Company

Caterpillar Financial Services Corporation

By: _____


Jay E. Dittus
Vice President & Treasurer

By: _____


Title: Manager Corporate Accounts



CATERPILLAR FINANCIAL SERVICES CORPORATION

3322 West End Avenue, Suite 610
Nashville, TN 37203-0990

CAT VALUE OPTION SCHEDULE NO. 1 TO CAT MASTER TAX LEASE
DATED AS OF 9/30, 19 91
BETWEEN CATERPILLAR FINANCIAL SERVICES CORPORATION AND
Inland Steel Company

| A. Description of Units | Rental Rate | Purchase Option Price |
|--|-------------|-----------------------|
| Four (4) Peoria Locomotive Works Model SC-15A Locomotives | | |
| S/N: 140-89 | \$7,420 | \$315,000 |
| 141-90 | 7,420 | 315,000 |
| 142-91 | 7,420 | 315,000 |
| 143-91 | 7,420 | 315,000 |

B. **Term and Rental:** The Lease term for each Unit shall commence on the Delivery Date in respect thereof and shall continue for 120 months. During the Lease term, Lessee shall pay rental in ~~advance~~ ^{arrears} for each Unit, at the rate set forth in Section A hereof for such Unit, in consecutive monthly installments commencing on (i) the fifteenth day of the month in which the Delivery Date occurs, with respect to Units for which the Delivery Date is one of the first fifteen days of a calendar month, or (ii) the first day of the month following the month in which the Delivery Date occurs, with respect to Units for which the Delivery Date is subsequent to the fifteenth day of a calendar month.

Master Tax Lease
Dated
Between Caterpillar Financial Services Corporation
And INLAND STEEL COMPANY

CASUALTY VALUE

Description : (4) SWITCHER LOCOMOTIVES

The Casualty Value of each Unit shall be an amount equal to the percentage of the total aggregate rents due under the lease set forth opposite the number of the rent payment due on the next rent payment date following the Casualty Occurrence. If the Casualty Occurrence takes place after the last rent payment date, the Casualty Value shall be an amount equal to the percentage of the total aggregate rent set forth opposite such last rental payment number.

| No. of Rental Payment | Payment Due Date | % of Total Aggregate Rentals (*) | No. of Rental Payment | Payment Due Date | % of Total Aggregate Rentals (*) |
|-----------------------------|------------------------|---|-----------------------------|------------------------|---|
| ----- | | | | | |
| 1 | | 91.627271 | 61 | | 70.569831 |
| 2 | | 91.443334 | 62 | | 70.078038 |
| 3 | | 91.245933 | 63 | | 69.583312 |
| 4 | | 91.047081 | 64 | | 69.084809 |
| 5 | | 90.840682 | 65 | | 68.580185 |
| 6 | | 90.628718 | 66 | | 68.072529 |
| 7 | | 90.415181 | 67 | | 67.560994 |
| 8 | | 90.188600 | 68 | | 67.042625 |
| 9 | | 89.955018 | 69 | | 66.521483 |
| 10 | | 89.719696 | 70 | | 65.996359 |
| 11 | | 89.473861 | 71 | | 65.465323 |
| 12 | | 89.222670 | 72 | | 64.931051 |
| 13 | | 88.969600 | 73 | | 64.392692 |
| 14 | | 88.705879 | 74 | | 63.848319 |
| 15 | | 88.436661 | 75 | | 63.300603 |
| 16 | | 88.165422 | 76 | | 62.748697 |
| 17 | | 87.883390 | 77 | | 62.190670 |
| 18 | | 87.595717 | 78 | | 61.629194 |
| 19 | | 87.305880 | 79 | | 61.063419 |
| 20 | | 87.003844 | 80 | | 60.492291 |
| 21 | | 86.696402 | 81 | | 59.919224 |
| 22 | | 86.386644 | 82 | | 59.341768 |
| 23 | | 86.068425 | 83 | | 58.759712 |
| 24 | | 85.746238 | 84 | | 58.175265 |
| 25 | | 85.421619 | 85 | | 57.586341 |
| 26 | | 85.088423 | 86 | | 56.992726 |
| 27 | | 84.751141 | 87 | | 56.396630 |
| 28 | | 84.411309 | 88 | | 55.795965 |
| 29 | | 84.062780 | 89 | | 55.190518 |
| 30 | | 83.710045 | 90 | | 54.582497 |
| 31 | | 83.354638 | 91 | | 53.969815 |
| 32 | | 82.989644 | 92 | | 53.353828 |
| 33 | | 82.621014 | 93 | | 52.737349 |
| 34 | | 82.249591 | 94 | | 52.116145 |
| 35 | | 81.871179 | 95 | | 51.491649 |

| No. of Rental Payment | Payment Date | % of Total Aggregate Rentals (*) | No. of Rental Payment | Payment Date | % of Total Aggregate Rentals (*) |
|-----------------------------|-----------------|---|-----------------------------|-----------------|---|
| 36 | | 81.489723 | 96 | | 50.865677 |
| 37 | | 81.105373 | 97 | | 50.234903 |
| 38 | | 80.713933 | 98 | | 49.600764 |
| 39 | | 80.319346 | 99 | | 48.965073 |
| 40 | | 79.921763 | 100 | | 48.324504 |
| 41 | | 79.516984 | 101 | | 47.680493 |
| 42 | | 79.108956 | 102 | | 47.034852 |
| 43 | | 78.697825 | 103 | | 46.384257 |
| 44 | | 78.279005 | 104 | | 45.731096 |
| 45 | | 77.857746 | 105 | | 45.077708 |
| 46 | | 77.433283 | 106 | | 44.419305 |
| 47 | | 77.002884 | 107 | | 43.757623 |
| 48 | | 76.570033 | 108 | | 43.094173 |
| 49 | | 76.133886 | 109 | | 42.425631 |
| 50 | | 75.691710 | 110 | | 41.753729 |
| 51 | | 75.246990 | 111 | | 41.079981 |
| 52 | | 74.798882 | 112 | | 40.401059 |
| 53 | | 74.344651 | 113 | | 39.718696 |
| 54 | | 73.887781 | 114 | | 39.034405 |
| 55 | | 73.427428 | 115 | | 38.344858 |
| 56 | | 72.960048 | 116 | | 37.663489 |
| 57 | | 72.490294 | 117 | | 36.991729 |
| 58 | | 72.016957 | 118 | | 36.314811 |
| 59 | | 71.537697 | 119 | | 35.645382 |
| 60 | | 71.055604 | END OF LEASE | | 34.984183* |

(*) Does not include any rent payment or other amount then due.

Initialed: 
(Lessee)

