

RECORDATION NO. 20444 FILED 1/25

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OF COUNSEL
URBAN A. LESTER

Alvord part - Ed Alford

January 2, 1997

Mr Vernon A Williams
Secretary
Surface Transportation Board
Washington, D C 20423

Dear Mr Williams

Enclosed for recordation pursuant to the provisions of 49 U S C Section 11301(a), are two (2) copies of a Master Equipment Lease, dated as of June 20, 1995, a primary document as defined in the Board's Rules for the Recordation of Documents, with Acceptance Schedule No 03 attached thereto, dated January 5, 1997

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

Lessor	Star Bank 425 Walnut Street, Cincinnati, Ohio 15225
Lessee	AMG Resources Corporation 4100 Grand Avenue Pittsburgh, Pennsylvania 15225

A description of the railroad equipment covered by the enclosed document is
37 gondola railcars set forth on Schedule C attached thereto

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RECEIVED
SURFACE TRANSPORTATION
BOARD

Mr. Vernon A. Williams

January 2, 1997

Page 2

Also enclosed is a check in the amount of \$22.00 payable to the order of the Surface Transportation Board covering the required recordation fee

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

Very truly yours,

A handwritten signature in black ink, appearing to read "R. Alvord", with a long horizontal flourish extending to the right.

Robert W. Alvord

RWA/bg
Enclosures

SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20427-0001

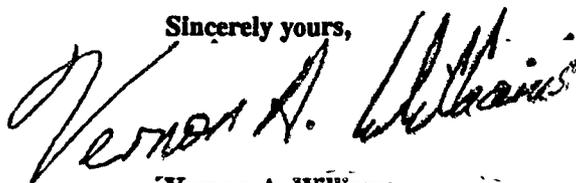
1/2/97

Robert W. Alvord
Alvord And Alvord
918 Sixteenth Street, NW, Ste. 000
Washington, DC., 20006-2973

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 1/2/97 at 11:50AM, and assigned recordation number(s). 20444 .13271-B.

Sincerely yours,

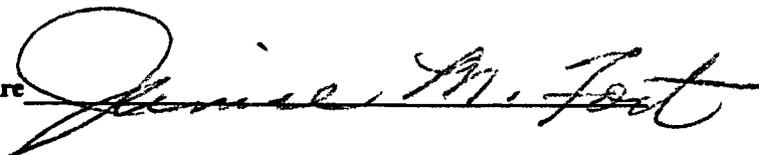


Vernon A. Williams
Secretary

Enclosure(s)

\$ 44.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature



MASTER EQUIPMENT LEASE

Star Bank, National Association

This is a Master Equipment Lease between

Cincinnati, Ohio

whose principal office is located at 425 Walnut Street

AMG Resources Corporation

JAN 2 1997 11 50 AM

whose principal office is

located at 4100 Grand Ave.

Pittsburgh

State of Pennsylvania

("Lessee")

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

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

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

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

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

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

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

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

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

10 NON-CANCELLABLE AGREEMENT; LESSEE'S OBLIGATIONS UNCONDITIONAL. This Agreement cannot be cancelled or terminated except as expressly provided herein Lessee agrees that its obligation to pay all rent and other amounts payable hereunder and to perform its duties with respect hereto shall be absolute and unconditional and is not and shall not be subject to

- (a) Any setoff, counterclaim, recoupment, defense, or other right which Lessee may have against Lessor, the manufacturer, or supplier of any Equipment or anyone else for any reason whatsoever
- (b) Any defect in the condition, design, title, operation, or fitness for use, or any damage to loss of any Equipment,
- (c) Any insolvency, reorganization or similar proceedings by or against Lessee, or
- (d) Any other event or circumstances whatsoever, whether or not similar to the foregoing

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

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

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

12 LESSOR'S RIGHTS TO PERFORM. If Lessee fails to make any payment required to be made hereunder or fails to comply with any other agreements contained herein, Lessor may make such payment or comply with such agreement, and the amount of such payment or compliance, shall be payable by Lessee on demand and until paid shall bear interest at the Lessor's Prime Rate plus 4% up to any maximum rate permitted by Ohio and federal law

Prime Rate" shall mean the rate announced as such from time to time by Lessor Such rate is determined solely by Lessor pursuant to market factors and its own operating needs and such rate is not necessarily Lessor's best or most favorable rate for Equipment or other loans

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

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

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

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

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

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

19 PURCHASE OPTION. Lessor and Lessee hereby agree that so long as no Event of Default shall have occurred and be continuing, Lessee shall have the option to purchase the Equipment at the expiration of the lease term for the purchase option price set forth in the Supplement. In order to exercise said option with respect to any given item of Equipment, Lessee must give Lessor written notice at least ninety (90) days prior to the expiration of the lease term with respect thereto and remit the purchase price in cash to Lessor or its assigns on or before said expiration date. After receipt of the purchase price in accordance with this paragraph, Lessor will transfer to Lessee all of its rights, title and interest in the Equipment purchased as-is, where-is, without recourse, representation or warranty of any kind, express or implied. Fair Market Sales Value for the purpose of this Section only shall be determined on the basis of and be equal in amount to the value that would be obtained in a transaction between an informed and willing buyer and an informed and willing seller, and the cost of moving the Equipment from the location of current use shall not be a deduction from such value.

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

Southern District of Ohio
Cincinnati, Ohio

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

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

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

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

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

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

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

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

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

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

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

Florence E. Kaminski

LESSEE AMG Resources Corporation

WITNESS

By Brian S. Cohen

Karen Weinman

Title Controller

WITNESS

LESSOR Star Bank, National Association

State of Pennsylvania

By John M. Moore

County of Allegheny

Title Vice President

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

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

X Florence E. Kaminski
Notary Public

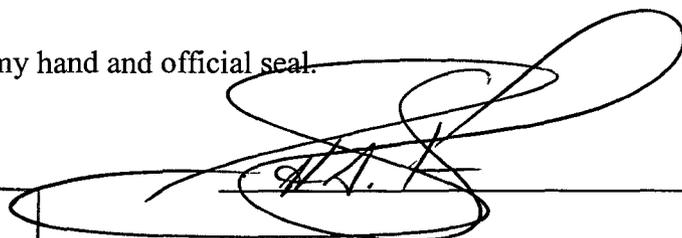
NON CANCEL LABEL AGREEMENT

State of Pa
County of Lawrence

On this, the 30 day of Dec, 1996 before me Scott A. Korba the undersigned officer, personally appeared Brian S. Cohen who acknowledged himself to be the Controller of AMG Resources Corporation and Michael DiCecco who acknowledged himself to be Assistant Vice President of Star Bank, National Association, and they as such Controller and Assistant Vice President being authorized to do so, executed the foregoing instrument for the purpose therein contained by signing the name of the corporations by themselves as Controller and Assistant Vice President.

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

NOTARIAL SEAL
Scott A. Korba, Notary Public
New Castle, Lawrence County, PA
My Commission Expires July 2, 1998



Notary Public

ACCEPTANCE SUPPLEMENT

(True Lease)

Supplement No 03 to Master Equipment Lease No 992. Commencement Date January 5, 1997. Initial Lease Term Eighty-Four Mths. THIS ACCEPTANCE SUPPLEMENT is executed and delivered by Star Bank, National Association ("Lessor") and AMG Resources Corporation ("Lessee"), pursuant to, and in accordance with the Master Equipment Lease dated June 20, 1995 between Lessor and Lessee (the "Agreement"), defined terms therein being used herein with their defined meanings

A The Equipment covered by this Acceptance Supplement has a total acquisition cost of Five Hundred Forty Thousand, Nine Hundred Ninety - Dollars (\$ 540,990.00) and consists of the items identified on Schedule C. attached hereto and made a part hereof.

B Lessee confirms that said Equipment has been delivered to it, on the day of 19, duly assembled and installed in good working order and condition, at the following location

Physical Location

4100 Grand Ave. Pittsburgh, PA 15225

Tax District

County Alleghany Twnshp/School Dist

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

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

E As rent for said Equipment throughout the term of lease referred to in the preceding paragraph D, Lessee shall pay to Lessor in accordance with the terms of the Agreement 84 consecutive rental payments of \$ 6,775.04 each Rental payments shall be made monthly The first Rent Payment Date shall be January 5, 1997 with subsequent rental payments commencing February 5, 1997 to and including December 30, 2003 Lessee shall pay applicable sales or use tax added to each Rent Payment

F Tax Indemnity

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

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

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

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

G Pursuant to Section 9 of the Agreement Lessee shall maintain at a minimum the following insurance coverage Personal Property Amount \$ 540,990.00 Liability Amount \$ 1,000,000.00

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

Star Bank, National Association

Equipment Finance Division

425 Walnut St. #8135

Cincinnati, OH 45202

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

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

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

[x] \$ See Additional Provisions

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

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

J Additional Provisions. The Lessee and Lessor further agree as follows. At the expiration of the initial Lease Term, the Lessee,

at its option, may either: (a) Purchase all, but not less than all, of the Equipment for 30% of the Original Lease Amount, or;

(b) Extend the Lease for an additional twenty-four months at monthly rental payments equal to 1.19274% of the

Lease Amount, or; (3) Return all, but not less than all of the Equipment to Lessor.

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

LESSOR Star Bank, National Association

LESSEE AMG Resources Corporation

By [Signature] Title A.V.P.

The undersigned affirms that s/he is duly authorized to execute and deliver this acceptance Supplement on behalf of Lessee By: [Signature] Title Controller

Witness [Signature] D. Elliott

Witness [Signature] D. Elliott

Lease No. 992

Supplement No. 03

**SCHEDULE A
STIPULATED LOSS VALUES**

THIS SCHEDULE A is to that Certain Master Equipment Lease ("Agreement") dated June 20, 1995 and Acceptance Supplement No. 03 thereto, between Star Bank, National Association ("Lessor") and AMG Resources Corporation ("Lessee"). Terms defined in the Agreement shall have the same meanings when used herein. Stipulated Loss Values are calculated by multiplying original Equipment Cost by Stipulated Loss Value Percentage.

Payment Date	*Stipulated Loss Percentage	Rent Payment Date	*Stipulated Loss Value Percentage	Rent Payment Date	*Stipulated Loss Value Percentage
1ST PYMT	99.49	29TH PYMT	81.41	57TH PYMT	57.34
2ND PYMT	98.98	30TH PYMT	80.64	58TH PYMT	56.39
3RD PYMT	98.45	31ST PYMT	79.87	59TH PYMT	55.42
4TH PYMT	97.93	32ND PYMT	79.09	60TH PYMT	54.45
5TH PYMT	97.38	33RD PYMT	78.30	61ST PYMT	53.48
6TH PYMT	96.83	34TH PYMT	77.51	62ND PYMT	52.50
7TH PYMT	96.26	35TH PYMT	76.71	63RD PYMT	51.51
8TH PYMT	95.68	36TH PYMT	75.91	64TH PYMT	50.51
9TH PYMT	95.09	37TH PYMT	75.09	65TH PYMT	49.51
10TH PYMT	94.49	38TH PYMT	74.27	66TH PYMT	48.50
11TH PYMT	93.88	39TH PYMT	73.44	67TH PYMT	47.50
12TH PYMT	93.27	40TH PYMT	72.61	68TH PYMT	46.58
13TH PYMT	92.63	41ST PYMT	71.77	69TH PYMT	45.46
14TH PYMT	91.99	42ND PYMT	70.92	70TH PYMT	44.44
15TH PYMT	91.34	43RD PYMT	70.06	71ST PYMT	43.41
16TH PYMT	90.69	44TH PYMT	69.20	72ND PYMT	42.38
17TH PYMT	90.02	45TH PYMT	68.33	73RD PYMT	41.34
18TH PYMT	89.35	46TH PYMT	67.45	74TH PYMT	40.31
19TH PYMT	88.66	47TH PYMT	66.57	75TH PYMT	39.27
20TH PYMT	87.98	48TH PYMT	65.68	76TH PYMT	38.24
21ST PYMT	87.28	49TH PYMT	64.78	77TH PYMT	37.21
22ND PYMT	86.57	50TH PYMT	63.87	78TH PYMT	36.18
23RD PYMT	85.86	51ST PYMT	62.95	79TH PYMT	35.15
24TH PYMT	85.14	52ND PYMT	62.03	80TH PYMT	34.13
25TH PYMT	84.40	53RD PYMT	61.11	81ST PYMT	33.10
26TH PYMT	83.67	54TH PYMT	60.17	82ND PYMT	32.08
27TH PYMT	82.92	55TH PYMT	59.24	83RD PYMT	31.04
28TH PYMT	82.17	56TH PYMT	58.29	84TH PYMT	30.00

In addition to rent payment.

Star Bank, National Association
Lessor:

AMG Resources Corporation

Lessee:

By: M. A. D. V.

By: Brian S. Cohen

Title: AUP

Title: Controller

SCHEDULE B
SUPPLEMENT NO. 03 TO MASTER EQUIPMENT LEASE NO. 992

MAINTENANCE PROVISIONS

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

APPROVED AND AGREED to by the parties hereto as of the 5th day of January, 1997.

LESSOR:

LESSEE:

STAR BANK, NATIONAL ASSOCIATION

AMG RESOURCES CORPORATION

The undersigned affirms that s/he is duly authorized to execute and deliver this

**SCHEDULE C
EQUIPMENT LIST**

AMG Resources Corporation

AS LESSEE

STAR BANK, NATIONAL ASSOCIATION AS LESSOR

LEASE NO. 305-99203

Thirty - Seven (37) 5000 Cubic Foot 125 Gondolas, (32) 1975 and (5) 1976

<u>CAR NUMBER</u>	<u>DATE BUILT</u>	<u>CAR NUMBER</u>	<u>DATE BUILT</u>
AMGX 5005	10/01/75	AMGX 5070	12/01/75
AMGX 5010	10/01/75	AMGX 5072	12/01/75
AMGX 5015	10/01/75	AMGX 5076	12/01/75
AMGX 5017	10/01/75	AMGX 5081	12/01/75
AMGX 5023	10/01/75	AMGX 5082	12/01/75
AMGX 5031	11/01/75	AMGX 5088	12/01/75
AMGX 5033	11/01/75	AMGX 5089	12/01/75
AMGX 5038	11/01/75	AMGX 5092	12/01/75
AMGX 5039	11/01/75	AMGX 5094	12/01/75
AMGX 5042	11/01/75	AMGX 5205	11/01/75
AMGX 5043	11/01/75	AMGX 5206	12/01/75
AMGX 5045	11/01/75	AMGX 5207	01/01/76
AMGX 5047	11/01/75	AMGX 5208	01/01/76
AMGX 5048	11/01/75	AMGX 5209	02/01/76
AMGX 5050	11/01/75	AMGX 5210	02/01/76
AMGX 5051	12/01/75	AMGX 5211	02/01/76
AMGX 5052	12/01/75	AMGX 5054	12/01/75
AMGX 5057	12/01/75	AMGX 5063	12/01/75
AMGX 5066	12/01/75		

INITIALS: LESSOR: ND

LESSEE: Bc

BILL OF SALE

This Bill of Sale, dated the 5th day of Janaury, 1997 from AMG Resources Corporaiton, hereinafter called "Seller" to Star Bank, National Association, hereinafter called "Buyer"

WITNESSETH:

In consideration of the receipt of a sum of \$ 540,990.00 the receipt of which is hereby acknowledged, Seller does hereby sell, assign, transfer, convey and deliver to Buyer all property and the equipment of whatsoever kind of character listed, described or otherwise referred to as follows:

Equipment as listed on Schedule C attached hereto

Seller covenants and warrants that:

- A. It is the owner of, and has absolute title to, each and every item of said property free and clear of all claims, liens, encumbrances and all other defects of title, of any kind whatsoever.
- B. It has not made any prior sale, assignment or transfer of any item of said property to any person, firm or corporation
- C. It has the present right, power and authority to sell, assign and transfer each and every item of said property to buyer.
- D. Each and every item of said property is in good repair, condition and working order.
- E. All acts, proceedings and things necessary and required by law and the articles of association and by-laws of Seller to make this Bill of Sale a valid, binding and legal obligation of Seller have been done, taken and have happened; and the execution and delivery hereof have in all respects been duly authorized in accordance with law and said articles of association and by-laws.

Seller shall forever warrant and defend the sale, assignment, transfer, conveyance and delivery of each and every item of said property to Buyer, it successors and assigns, against each and every person whomsoever lawfully claiming the same.

Possession of said property and equipment shall not be transferred to Buyer but shall be retained by Seller, it being the intention of Buyer to lease said property and Equipment to Seller.

This Bill of Sale is binding upon the successors and assigns of Seller and insures to the benefit of the successors and assigns of Buyer.

IN WITNESS WHEREOF, the undersigned Seller has caused this instrument to be executed on the day and year first above appearing, by and through an office thereunto duly authorized.

AMG RESOURCES CORPORATION

By: _____

Title: _____



BUSINESS GUARANTY

\$ 540,990.00

January 5, 19 97

The undersigned, jointly and severally, if more than one, in consideration of any loan or other financial accommodation heretofore or at any time hereafter made or granted to AMG Resources Corporation

(the "Customer") by

National Association

Star Bank, its successors or assigns (the "Bank"), hereby guarantees irrevocably, absolutely and unconditionally the prompt payment when due of each and every liability of Customer to the Bank, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, and whether incurred alone or with others, as maker, co-maker, endorser, guarantor or surety in a principal amount not to exceed Five Hundred Forty Thousand, Nine Hundred Ninety ----- 540,990.00 Dollars (\$) in

aggregate at any one time, plus interest thereon and all expenses, costs of collection, legal expenses and attorney's fees paid or incurred by the Bank as a result of any default by the Customer or in collection and/or enforcing any of such liabilities and in enforcing this guaranty (all such liabilities, interest, costs, fees and expenses are referred to hereinafter as the "Obligations") The undersigned, or any of them, will at anytime at the Bank's request endorse any of the Obligations as to "payment guaranteed " The liability of the undersigned shall be absolute and unconditional and the undersigned undertakes and guarantees to pay all of the Obligations and strictly perform all of the foregoing terms, covenants and conditions of the Obligations, notwithstanding that any of the Obligations shall be void, voidable, dischargeable, invalid or unenforceable as against the Customer or any of the Customer's creditors, including a trustee in bankruptcy or receiver of the Customer, or that enforcement of the Obligations may be delayed, by reason of any fact or circumstance, including without limiting the generality of the foregoing, any exchange or release of any lien on or security interest in any collateral, failure by any person to file any document or to take any action to make any such Obligation enforceable in accordance with its terms

SECURITY INTEREST/COLLATERAL As security for the payment of the Obligations and the performance of the undersigned's obligations under this guaranty, the undersigned hereby grants to Bank a security interest in any property, together with all additions thereto and substitutions therefor, and the proceeds, products, accessions and any insurance or damage claims with respect thereto, now or hereafter in the possession of or pledged to the Bank belonging to the undersigned, or any of them, or in which the undersigned, or any of them, may have an interest (which property shall hereinafter be called the "Collateral"), provided, however, that any such additional security interests shall not be created in any real property used, to be used, or which is expected to be used as principal residence of any individual undersigned or in household goods owned by any of the undersigned In addition, the undersigned hereby grants the Bank a security interest in all deposits and account balances and credits of the undersigned or other sums credited by or due from the Bank to the undersigned in the possession of or in transit to the Bank, now existing or hereafter arising or coming due (including without limitation certificates of deposit, repurchase agreements, and securities in transit), and such amounts and all proceeds thereof may at all times be held and treated as Collateral hereunder

ADDITIONAL COLLATERAL As additional security for the payment of the Obligations and the performance of the undersigned's obligations under the guaranty, the undersigned grants to the Bank a security interest in the following additional Collateral

none

(if none, state "None")

Together with all additions thereto and substitutions therefor, and the proceeds, products, accessions, and any insurance or damage claims with respect thereto

Signature

Signature

The undersigned, as to any securities which are Collateral deposited with, pledged or mortgaged hereunder to the Bank, shall provide Bank with the certificates representing same, endorsed in blank or accompanied by an assignment or assignments sufficient to transfer title thereto to Bank or its nominee, and shall hold in trust for and immediately deliver to Bank with said endorsements or assignments, any and all securities received in addition to or in exchange for and all rights to subscribe to securities incident thereto The undersigned shall maintain and protect any Collateral in the possession of the undersigned and shall maintain adequate insurance on all of the Collateral

The Bank is expressly granted the right at its option to transfer at any time to itself or to its nominee, with or without a designation that it is a pledgee, or to take whatever action is necessary to become record holder of any Collateral delivered, pledged or mortgaged hereunder, including but not limited to securities, and to exercise all of the rights and privileges in connection with said Collateral to which the Bank or its nominee may be entitled as record holder thereof, and to receive the income thereupon and hold the same as additional Collateral herefor, or apply it to any secured hereby Such transfer of Collateral by the Bank to itself or its nominee, with or without a designation that the Bank is a pledgee, shall not operate as a discharge of the Obligations or the guaranty of the undersigned, or any of them, to the Bank The Bank shall be entitled to operate, use or exercise any right of ownership pertaining to the Collateral as it deems necessary to preserve the value of the Collateral as security for the Obligations and this guaranty, and the undersigned irrevocably appoints the Bank as its attorney-in-fact to do all things and acts in connection therewith The Bank shall not be liable to the undersigned or any third party for damages arising from the manner in which the Collateral is held, operated, used or rights of ownership exercised by the Bank

Further, the undersigned agrees to (a) deliver to the Bank such additional Collateral as may be requested by the Bank should it deem itself insecure, and such additional Collateral shall be subject to all the provisions of this guaranty, and (b) at any time at the Bank's request, sign financing statements, trust receipts, security agreements, mortgages, registration agreements or other documents deemed by Bank as necessary to evidence, perfect, secure, preserve, protect and/or enforce this guaranty and existing or additional security interests in Collateral created in the Bank hereunder or otherwise, and/or to facilitate sale or other realization by Bank of same, and irrevocably appoints the Bank as its attorney-in-fact to do all things and acts deemed by the Bank as necessary in connection therewith The undersigned, or any of them, will at any time at the Bank's request, deliver to the Bank such financial statements or other financial information as requested by the Bank

DEFAULT At the Bank's option, all Obligations shall become immediately due and payable without notice or demand (except that all Obligations shall become automatically due and payable upon the occurrence of an event of default described in (v) or (vii) below), upon the occurrence of any of the following events of default (i) failure of the Customer to deliver additional collateral as provided above, (ii) default in the payment or performance of any of the Obligations, or breach of any covenant or default as to any liability contained or referred to in the note evidencing the Obligations or this guaranty, (iii) any representation or warranty made by the Customer or the undersigned to the Bank is or becomes false in any material respect, (iv) an event of default occurs under any other document, agreement or instrument between Customer or the undersigned and the Bank or delivered by Customer or the undersigned to the Bank, (v) Customer or the undersigned does not repay when due any borrowed money obligation or the holder of such obligation declares or may declare such obligation due prior to its stated maturity, (vi) failure to pay when due any premium on any insurance policy held as or supporting any of the Collateral, (vii) death, dissolution, termination of existence, insolvency, business failure, appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or commencement of any proceedings under any bankruptcy, insolvency, or reorganization laws by or against any of the Customer or the undersigned, (viii) in the opinion of the holder there has been a material adverse change in the financial affairs or operating condition of the Customer or the undersigned in the value of the Collateral, (ix) levy upon, attachment, or seizure by legal process of any Customer's or the undersigned's property or the institution of garnishment or attachment proceedings against Customer or the undersigned, or (x) if the Bank for any good faith reason deems itself insecure Such listing of events of defaults shall not affect the Bank's right otherwise to make demand if this note is payable on demand Upon the occurrence of any such event of default, and at any time thereafter, the Bank may exercise all rights and remedies of a secured party under the Uniform Commercial Code as adopted in the state where the principal office of the Bank is located or under the laws of any state where Collateral is located, exercise all voting rights and receive all dividends and other distributions related to any securities which are Collateral, and without making demand against any person for payment of the Obligations or first resorting to any other Collateral, the Bank may sell or otherwise dispose of any or all of the Collateral (with the right to bid for and buy free from any redemption right) at public or private sale or at any broker's board or exchange, for cash, upon credit, or for future delivery Any requirement of reasonable notice under the Uniform Commercial Code shall be met if such notice is mailed, postage prepaid, to the person entitled to such notice at least five (5) days prior to the sale or disposition of the Collateral The undersigned acknowledge that a public sale would not be commercially reasonable in the event that the Bank, in its sole discretion, deems that a public sale would require a registration of Collateral under any federal or state securities law, and in such case the undersigned waives any right to require a public sale on the ground that the proceeds of a private sale may be less than the proceeds of a public sale

THIS AGREEMENT IS SUBJECT TO THE ADDITIONAL PROVISIONS SET FORTH ON THE REVERSE SIDE HEREOF

MISCELLANEOUS So long as the undersigned, or any of them, shall be then directly or contingently liable to the Bank, as maker, co-maker, endorser, surety, or guarantor of any other note, bill of exchange, or other instrument, or shall be then directly or contingently liable to the Bank for any other reason, then the Bank may continue to hold any Collateral deposited hereunder, and may thereafter exercise all rights with respect to said Collateral granted herein even though this Guaranty shall have been surrendered to the undersigned, or any of them

No renewals or extensions of time or payment of the Obligations at any rate of interest, release, surrender, exchange or modification of any collateral securing the Obligations or this guaranty, no release (including an adjudication in bankruptcy) of any person primarily or secondarily liable on the Obligations (including any maker, co-maker, endorser, guarantor or surety), no delay in enforcement of payment of the Obligations or this guaranty and no delay, omission or forbearance in exercising any right or power with respect to the Obligations or this guaranty shall affect the liability of any of the undersigned or rights of the Bank hereunder Further, the undersigned, and each of them, authorizes and ratifies any payment of any part of the Obligations by the Customer or payment of any liability under this guaranty by the undersigned, or any of them, to the same extent as if made by each of them individually, and agrees, consents to, and confirms that any extension of any Statute of Limitations resulting from such payment and affecting enforcement of collection of the Obligations of the Customer, or the liabilities under this guaranty of the undersigned, or any of them, shall to the same degree also extend any Statute of Limitations affecting enforcement and collection of the liabilities under this guaranty as to all of the undersigned, or any of them

Any and all payments upon the Obligations made by the Customer, or by any of the undersigned, or by any other person, and the proceeds of any and all collateral securing the payment of the Obligations and the guaranty may be applied by the Bank upon such of the items of the Obligations as it may determine

Each of the undersigned waives promptness and diligence on the part of the Bank, presentment, protest, demand, notice of dishonor or default, notice of acceptance of this guaranty, notice of any loans made, renewals or extensions granted, notice of any collateral release, surrendered, exchanged or modified, or other action taken in reliance hereon and all demands and notices of any kind in connection with this guaranty or the Obligations

The undersigned hereby waives any claim, right or remedy which such undersigned may now have or hereafter acquire against the Customer that arises hereunder and/or from the performance by the undersigned hereunder including, without limitation, any claim, remedy or right of subrogation, reimbursement, exoneration, contribution, indemnification, or participation in any claim, right or remedy of the undersigned against the Customer or any security which the undersigned now has or hereafter acquires, whether or not such claim, right or remedy arises in equity, under contract, by statute, under common law or otherwise

All notices, if any, required to be sent to the undersigned, or any of them, including notices that the Bank intends to or has exercised any right hereunder which the Bank may exercise at its option, shall be deemed sufficient if sent to the address given below, or if no address is given then to the last address of the undersigned known to the Bank, and shall be effective upon mailing, postage prepaid by the Bank

This guaranty shall inure to the benefit of the Bank, and its successors and assigns, and shall bind each of the undersigned, and their respective successors, legal representatives, and heirs, as the case may be The Bank may, at its option, assign this guaranty to any other party who is or becomes the endorsee or assignee of any part of the Obligations, or who is in possession or the bearer of any part of the Obligations which are payable to the bearer, and the undersigned, and each of them, shall continue to be liable under this guaranty to such other party to the extent of such endorsed, assigned, or possessed Obligations The rights and obligations of the undersigned under this guaranty may not be assigned or delegated and any attempted assignment or delegation shall be void Each of the undersigned agrees that his death, or the death of the Customer or of any other maker, co-maker, endorser, guarantor, or surety of the Obligations shall not terminate the rights or powers of or authority granted to the Bank hereunder

Each of the undersigned which is a corporation warrants that it has the corporate power to execute this guaranty and any other document executed or delivered in connection with this guaranty and to grant a security interest in the Collateral, that all the necessary corporate actions have been taken to permit the undersigned to give this guaranty, and that the person(s) executing this guaranty is (are) duly empowered to do so on behalf of the undersigned and that the execution or performance of this guaranty is not a breach or violation of any instrument concerning such corporation or any agreement to which such corporation is a party Each of the undersigned which is a partnership warrants that it has the power to execute this guaranty, that all necessary partnership actions have been taken to permit the undersigned to give this guaranty, and that the person(s) executing this guaranty is (are) duly empowered to do so on behalf of the undersigned and that the execution and performance of this guaranty is not a breach or violation of any instrument concerning such partnership or any agreement to which such partnership is a party Each of the undersigned signing on behalf of the partnership hereby represents and warrants that he or she has all necessary power and authority to execute and enter into this guaranty on behalf of the partnership

If the undersigned is a resident of Kentucky or if the principal office of the Bank is located in Kentucky, the obligations of the undersigned shall terminate on the date which is thirty (30) years from the date of this guaranty (the "Termination Date"), with respect to any new extensions of credit by the Bank to the Customer after the Termination Date The termination of this guaranty on the Termination Date shall not affect the liability of the undersigned with respect to Obligations created or incurred prior to the Termination Date or extensions or renewals of, interest accruing on, or fees, costs or expenses incurred with respect to such Obligations on or after the Termination Date

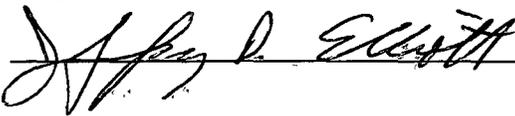
GOVERNING LAW/JURISDICTION This Guaranty shall be deemed made in the state in which the principal office of the Bank is located and the documents evidencing same, and all the rights and obligations of the undersigned and the Bank hereunder, shall in all respects be governed by and construed in accordance with the laws of such state including all matters of construction, validity, and performance Without limitation on the ability of the Bank to exercise all its rights as to the collateral security for this guaranty or to initiate and prosecute in any applicable jurisdiction related to payment of guaranteed amounts hereunder, the undersigned and the Bank agree that any action or proceeding commenced by or on behalf of the parties arising out of or relating to this guaranty, and/or the documents evidencing same, shall be commenced and maintained exclusively in the court of applicable general jurisdiction located in the federal district where the Bank is located The undersigned and the Bank also agree that a summons and complaint commencing an action or proceeding in any such proper court by or on behalf of such parties shall be properly served and shall confer personal jurisdiction on a party, to which said party consents, if (a) served personally or by certified mail to the other party at any of its addresses noted herein, or (b) as otherwise provided under the laws of the state in which the principal office of the Bank is located The Bank's agreement to provide credit to the Customer according to the terms negotiated with the Customer are, in part, related to this provision on jurisdiction, which the Bank deems a vital part of this guaranty agreement AS A SPECIFICALLY BARGAINED INDUCEMENT FOR THE BANK TO EXTEND CREDIT EVIDENCED BY THIS NOTE, THE BANK AND THE OBLIGORS EACH WAIVE TRIAL BY JURY WITH RESPECT TO ANY ACTION, CLAIM, SUIT OR PROCEEDING IN RESPECT OF OR ARISING OUT OF THIS NOTE OR THE LOAN EVIDENCED HEREBY AND/OR THE CONDUCT OF THE RELATIONSHIP BETWEEN THE BANK AND THE OBLIGORS

The following shall be applicable in any jurisdiction or circumstance in which the application or effect of same is not prohibited by law, and is void and of no effect in any jurisdiction or circumstance in which same is prohibited by law:

Each of the undersigned as maker or endorser, hereby authorizes any attorney-at-law to appear in any court of record in any county in the State of Ohio or elsewhere where any of the undersigned reside, signed this note or can be found, after the holder declares an event of default and accelerates the balances due under this note, to waive the issuance of service of process and confess judgment against any or all of the undersigned in favor of the holder of this note for the amounts then appearing due, together with the costs of suit, and thereupon to release all errors and waive all right of appeal and stay of execution, but no such judgment or judgments against one of the undersigned shall be a bar to a subsequent judgment or judgments against any of the undersigned against which/whom judgment has not been obtained hereunder Each of the undersigned agrees and consents that the attorney confessing judgment on behalf of the undersigned hereunder may also be counsel to the Bank or its affiliates, waives any conflict of interest which might otherwise arise, and consents to the Bank paying such confessing attorney a legal fee or allowing such attorneys fees to be paid from any proceeds of collection of this Note or collateral security therefor The undersigned are jointly and severally liable hereon and this warrant of attorney to confess judgment is a joint and several warrant of attorney

WARNING — BY SIGNING THIS PAPER YOU GIVE UP YOUR RIGHT TO NOTICE AND COURT TRIAL. IF YOU DO NOT PAY ON TIME A COURT JUDGMENT MAY BE TAKEN AGAINST YOU WITHOUT YOUR PRIOR KNOWLEDGE AND THE POWERS OF A COURT CAN BE USED TO COLLECT FROM YOU REGARDLESS OF ANY CLAIMS YOU MAY HAVE AGAINST THE CREDITOR WHETHER FOR RETURNED GOODS, FAULTY GOODS, FAILURE ON HIS PART TO COMPLY WITH THE AGREEMENT OR ANY OTHER CAUSE (OHIO REVISED CODE SECTION 2323.13).

Witnesses



City

State


AMG Industries Corporation

Address _____
