

RECORDATION NO. 22596 + A FILED

ALVORD AND ALVORD
ATTORNEYS AT LAW
918 SIXTEENTH STREET, N.W.
SUITE 200
WASHINGTON, D.C.

DEC 13 '99 1:19 PM

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

20006-2973

OF COUNSEL
URBAN A. LESTER

(202) 393-2266
FAX (202) 393-2156

December 13, 1999

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 an Equipment Lease Agreement, dated as of November 11, 1999, a primary document as defined in the Board's Rules for the Recordation of Documents and two (2) copies of a Schedule to Lease Agreement, a secondary document related thereto.

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

Lessor: U.S. Bancorp Leasing & Financial
7659 SW Mohawk St.
Tualatin, OR 97062

Lessee: Tri-State Generation and
Transmission Association, Inc.
1100 West 116th Avenue
Westminster, CO 80234

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

fifty-five (55) open top hopper cars
CUEX 84001 through CUEX 84055

Mr. Vernon A. Williams
December 13, 1999
Page 2

Also enclosed is a check in the amount of \$26.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "Robert W. Alvord", with a stylized flourish at the end.

Robert W. Alvord

RWA/kb
Enclosures

DEC 13 '99 1:19 PM

U.S. BANCORP LEASING & FINANCIAL
7659 SW Mohawk St
Tualatin, OR 97062

EQUIPMENT LEASE AGREEMENT
Equipment
Lease No. 0002922

THIS EQUIPMENT LEASE AGREEMENT dated as of **November 11, 1999**, by and between **U.S. Bancorp Leasing & Financial**, a Oregon corporation ("Lessor"), whose address is as set forth above and **Tri-State Generation and Transmission Association, Inc.**, a corporation

formed under the laws of the state of Colorado

("Lessee"), whose address is 1100 West 116th Avenue
Westminster, Colorado 80234

In consideration of the premises and for other good and valuable consideration, the receipt whereof is hereby acknowledged, Lessor and Lessee hereby agree as follows:

1. **LEASE.** Lessor hereby leases to Lessee and Lessee hereby hires from Lessor the units of equipment, furniture, machinery and other property ("Equipment") described in the Terms Schedule(s) and Certificate(s) of Acceptance attached or to be attached hereto, upon the terms and conditions set forth in this Equipment Lease Agreement ("Lease"), the Terms Schedule(s), the Certificate(s) of Acceptance and all other schedules attached or to be attached hereto.
2. **TERM and RENT.** The duration of this Lease shall be, as to each unit or units of Equipment, as stated in the Terms Schedule(s) corresponding to said unit or units of Equipment, and shall commence, as to each unit or units of Equipment, upon the dates stated in such Terms Schedule(s). As rent for the Equipment, Lessee agrees to pay to Lessor, without demand or notice, at the address of Lessor set forth above, or at such other place as Lessor may designate from time to time, the rentals set forth in the Terms Schedule(s) on the dates and in the amounts set forth in the Terms Schedule(s) together with Additional Rent as set forth in paragraph 3 below.
3. **ADDITIONAL RENT.** Lessee agrees to pay as Additional Rent the following additional sums as rent to Lessor:
 - (a) The amounts called for in the Interim Funding Schedule(s), if any, attached hereto.
 - (b) An amount equal to 5% of the unpaid balance of any payment under this Lease not made when due or within 10 business days thereafter. Such amount shall be assessed for each month or part thereof such payment is delinquent and shall be due and payable immediately upon any such delinquency.
 - (c) The Additional Rent provided in paragraphs 10, 11, 12, and 14 hereof, and any schedules referred to therein.
4. **PURCHASE OF EQUIPMENT.** Lessor and Lessee agree, with respect to disposition of the Equipment at the end of the term of the Lease, as is provided in the Terms Schedule(s) attached hereto.

5. **NO WARRANTIES.** LESSOR MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE EQUIPMENT, INCLUDING ANY WARRANTY REGARDING THE CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE EQUIPMENT, OR REGARDING ANY PATENT, COPYRIGHT OR OTHER INFRINGEMENT. LESSEE HEREBY WAIVES ANY CLAIM IT MIGHT HAVE AGAINST LESSOR FOR ANY LOSS, DAMAGE OR EXPENSE ARISING OUT OF OR IN CONNECTION WITH THE EQUIPMENT, ANY DEFECT THEREIN, ANY USE OR MAINTENANCE THEREOF OR ANY SERVICING OR ADJUSTMENT THERETO. LESSOR LEASES THE EQUIPMENT, AND LESSEE HIRES THE EQUIPMENT, "AS IS." Lessor hereby assigns to Lessee, for so long as this Lease is not terminated by reason of Lessee's default, any manufacturer, factory, supplier or dealer warranty, whether express or implied, on the Equipment to the extent that such warranty may be assigned. Any recovery under such a warranty shall be made payable to Lessee, and all proceeds of such recovery shall be used to repair or replace the Equipment.
6. **DELIVERY and INSTALLATION.** Lessee hereby assigns to Lessor all Lessee's right in any contract or agreement to purchase the Equipment and Lessor agrees, subject to the terms of any commitment letter between the parties, Lessee's execution of a Terms Schedule covering the Equipment, and the procedures established by Lessor from time to time, to make payment thereunder. Lessee has selected the type, quantity and supplier of each item of Equipment. Lessee agrees to indemnify and hold Lessor harmless from and against any loss, liability, damage, claim or expense (including court costs and attorneys' fees) incurred by reason of assertion by any manufacturer, vendor, contractor or supplier of the Equipment or any claim arising out of Lessee's failure to accept the Equipment or otherwise consummate the transaction contemplated hereby. Lessor shall have no liability for any failure of a manufacturer, vendor, contractor or supplier to supply and/or install the Equipment properly or meet the conditions of any purchase order, bid, proposal or purchase agreement relating thereto. Notwithstanding the services provided by Lessor in disbursing

funds to manufacturers, vendors, contractors and other suppliers of Equipment, Lessor shall have no liability to Lessee or others with respect to any mechanic's or materialmen's lien filed, recorded or asserted in connection with the Equipment or its delivery or installation. In addition to the rent payable under the Lease, Lessee will pay all transportation, packing taxes, duties, installation, testing and other charges in connection with the delivery, installation and use of the Equipment to the extent not already included in the cost of the Equipment referred to in the Terms Schedule(s) attached hereto.

7. **USE, MAINTENANCE and INSPECTION.** Lessee agrees that the Equipment heretofore delivered to and accepted by it, if any, is in good and first class repair, order, operating condition and appearance and agrees that it will execute a Certificate of Acceptance in a form satisfactory to Lessor upon its acceptance of each item of Equipment delivered to it. Lessee, at its own cost and expense, agrees to care for and maintain the Equipment in good operating order and repair, in accordance with the manufacturer's recommendations, and agrees to provide all parts, supplies and repairs necessary therefor during the term hereof. Lessee shall, upon request by Lessor and at Lessee's expense, enter into and keep in force throughout the term of this Lease maintenance agreements for the Equipment satisfactory to Lessor with the manufacturer of the Equipment or some other party satisfactory to Lessor. Lessee shall not make any additions or add any attachments or accessories to the Equipment if the same would or might result in a decrease in the value of the Equipment upon its return to Lessor. All additions, attachments or accessories that become permanent and all repairs at any time made or placed upon the Equipment shall become the property of Lessor. Lessee shall remove any temporary additions, attachments or accessories and restore the Equipment to its original condition (ordinary wear and tear excepted), all at Lessee's expense, prior to returning the Equipment to Lessor. Lessee will not use, operate, maintain or store any of the Equipment improperly, carelessly or in violation of this Lease; nor use, operate or modify the Equipment other than in a manner and for the use contemplated by the manufacturer thereof or otherwise than in the conduct of the lawful business of Lessee; nor use, operate or modify the Equipment in violation of any ordinances, laws, statutes, regulations or requirements of any governmental authority or entity having or claiming jurisdiction. Lessor shall at any time during normal business hours have the right to inspect and examine the Equipment wherever it may be located.

8. **INSURANCE.** Lessee, at its expense, shall procure and maintain insurance, in such amounts, with such companies and under such policies as are satisfactory to Lessor, covering the risks that are customary in Lessee's business. Lessee's public liability insurance shall name Lessor as an additional insured and, at a minimum, shall insure Lessor and Lessee against all claims, demands, or actions for any loss, damage or injury to any property, or bodily injury or death to any person, in amounts not less than the amounts customarily carried by enterprises in Lessee's business, unless a specific amount is called for in additional provisions hereof. Lessee's property

damage insurance, including, without limitation, theft, fire and extended coverage, and including any additional coverage required by Lessor in additional provisions hereof, shall name Lessor as loss payee. In addition, Lessee shall cause the Equipment to be insured, at a minimum, in an amount equal to its replacement value from time to time. Each policy of insurance shall provide that it may not be altered or canceled without 30 days prior written notice to Lessor. Lessee shall furnish such evidence as Lessor may reasonably require regarding such insurance. The proceeds of any public liability insurance shall be payable first to or on behalf of Lessor to the extent of Lessor's liability, if any, with the balance payable to or on behalf of Lessee. The proceeds of any payment of loss for physical damage, theft, fire, extended coverage, collision or any other insurance providing coverage of risks of loss to owners of the Equipment shall be payable solely to Lessor and shall be applied by Lessor in accordance with the provisions of paragraph 9 hereof, with any balance of insurance proceeds after such application to be the property of Lessor.

9. **LOSS and DAMAGE.** From and after the time the Equipment leaves the premises of the vendor of the Equipment and at all times thereafter, the risk of loss or damage to the Equipment from any and every cause whatsoever, whether or not such loss or damage is covered by insurance, shall be borne by Lessee and not Lessor; provided that the foregoing shall not prejudice any rights the Lessee may have against a vendor or supplier. No loss or damage to the Equipment or to any part thereof shall relieve Lessee of any obligation under this Lease, except as specifically provided herein. Lessee shall promptly notify Lessor of any loss or damage to any item of Equipment, and shall cooperate fully with Lessor in determining the nature, extent and cause of any such loss or damage. In the event of loss or damage to any item of Equipment, Lessee shall have the option, within thirty days or within such longer time to which Lessor may agree in writing to: (a) repair or restore the Equipment to good condition and working order; or (b) replace the Equipment with similar Equipment satisfactory to Lessor, which Equipment shall be in good repair, condition and working order (which replacement shall be subject to this lease); or (c) pay Lessor in cash an amount equal to the sum of (i) all rentals and other payments remaining to be paid under the Lease, discounted to present value using the implicit lease rate; plus (ii) an amount equal to (aa) in the event that the applicable Terms Schedule to this Lease grants to Lessee the right or option to purchase the Equipment at the end of the Lease term hereof for a specified dollar amount or percentage of original cost, the amount or percentage so specified in the Terms Schedule, or (bb) in the event that the applicable Terms Schedule to this Lease grants to Lessee the option to purchase the Equipment at the end of the Lease term hereof for the fair market value of the Equipment, such amount as the Lessor and Lessee may agree would have been the fair market value of the Equipment at the end of the Lease term had the Equipment not been lost or damaged or, if Lessor and Lessee are unable to agree on any such amount, the greater of twenty percent (20%) of the original cost of the Equipment or the amount which an

independent appraisal paid for by Lessee determines would have been the fair market value of the Equipment at the end of the Lease term, all of which amounts set forth in this subparagraph (ii) shall be discounted to present value using the implicit lease rate; plus (iii) any amounts due from Lessee to Lessor under the Tax Indemnification Schedule, if any, attached hereto. The amount set forth in subparagraph 9(c) above shall hereinafter be referred to as the "Stipulated Loss Value" of the Equipment unless a Stipulated Loss Value Schedule is attached hereto, in which case the amounts set forth on such Schedule shall be the "Stipulated Loss Value" of the Equipment. Upon payment of the Stipulated Loss Value, rent shall abate with respect to the items of Equipment covered thereby for which Lessee has paid, and Lessee shall become entitled to said Equipment in its then existing condition AS IS, WHERE IS, AND WITHOUT WARRANTY OF LESSOR, EXPRESS OR IMPLIED, WITH RESPECT TO ANY MATTER WHATSOEVER. During the thirty-day period in which Lessee shall, pursuant to this paragraph 9, repair, replace or pay Lessor for any lost or damaged Equipment, Lessor shall apply insurance proceeds as directed in writing by Lessee for such purposes.

10. INDEMNIFICATION.

- (a) **USE INDEMNIFICATION.** Lessee agrees to defend at its own cost and to indemnify and hold harmless Lessor, its agents and employees, from and against any and all loss, liability, damage, claim or expense (including court costs and reasonable attorneys' fees) imposed on, incurred by, or asserted against Lessor, however caused, resulting directly or indirectly from or pertaining to the use, condition (including, without limitation, latent or other defects, whether or not discoverable by Lessor or Lessee) or operation of the Equipment or the performance of this Lease (including, without limitation, such loss, liability, damage, claim or expense arising from the death or injury to any agent or employee of Lessee or Lessor, or any third person, or damage to the property of Lessee or Lessor, their agents or employees, or any third person, firm or corporation).

11. TAXES, LICENSING and REGISTRATION. Lessee will keep the Equipment free and clear of all security interests, levies, liens and encumbrances and, as Additional Rent during the term of the Lease, shall pay all assessments, license and registration fees, taxes (including sales, use, excise, personal property, ad valorem, stamp, documentary and other taxes) and all other governmental charges, fees, fines or penalties whatsoever, whether payable by Lessor or Lessee, on or relating to the Equipment or the use, registration, rental, shipment, transportation, delivery, ownership or operation thereof, and on or relating to this Lease. Lessee shall file all returns required therefor and furnish copies thereof to Lessor at its request; provided, however, that Lessor may at its option elect to file such returns and pay such taxes, in which case Lessee will

promptly reimburse Lessor the payment of such taxes. The foregoing shall not include any tax measured by Lessor's income. Lessee hereby represents that all sales, use and transfer taxes payable with respect to the Equipment have been paid or will be paid when due or that no such taxes are payable with respect thereto.

12. LESSOR'S PERFORMANCE OF LESSEE'S OBLIGATIONS. If Lessee shall fail to duly and promptly perform any of its obligations under this Lease with respect to the Equipment, Lessor may, at its option, perform any act or make any payment which Lessor deems necessary for the maintenance and preservation of the Equipment and Lessor's title thereto, including payments for satisfaction of liens, repairs, taxes, levies and insurance, and all sums so paid or incurred by Lessor, together with interest from the date paid at the stated prime rate of Colorado National Bank plus two percent, changing as such prime rate changes and compounded annually, together with any reasonable legal fees incurred by Lessor in connection therewith, shall be Additional Rent under this Lease and payable by Lessee to Lessor on demand. The performance of any act or payment by Lessor as aforesaid shall not be deemed a waiver or release of any obligation or default on the part of Lessee.

13. NET LEASE. This Lease is a net lease. Lessee's obligation to make payments hereunder shall be absolute, irrevocable and independent, and all rental and other payments shall be paid by Lessee irrespective of any set-off, counterclaim, recoupment, defense or other right which Lessee may have against any vendor or supplier of the Equipment, Lessor or any other party.

14. SURRENDER. Upon the expiration (except to the extent provided in paragraph 4 hereof) or earlier termination of this Lease, Lessee shall return each item of Equipment, together with all maintenance agreements, service and other records, handbooks, manuals, instructions, certificates and other written materials relating to the Equipment, to Lessor free and clear of all security interests, liens, encumbrances or charges, free of all advertising or insignias placed thereon by Lessee, and in good condition, repair and working order, ordinary wear and tear excepted. Such Equipment shall be surrendered by Lessee, at its sole cost and expense, to a place designated by Lessor. If Lessee shall for any reason fail to return such Equipment to Lessor within 10 days after expiration or termination of this Lease, in accordance with Lessor's instructions, Lessee shall pay as Additional Rent for each month or fraction thereof after expiration or termination of the Lease, an amount equal to the regular monthly rental payments for such Equipment. Such Additional Rent shall not apply toward or reduce the amount that Lessee shall be required to pay in the event it exercises its option, if any, to acquire the Equipment. Proper return of the Equipment shall not be deemed to have occurred unless and until the Equipment conforms to all of the manufacturer's specifications with respect to normal function, capability, design and condition and is eligible for the manufacturer's standard, full service maintenance contract, if such is customarily available.

15. **DEFAULT.** Lessee shall be in default under this Lease if (a) Lessee fails to pay when due any sum of money to be paid under this Lease or under any other lease or agreement between Lessor and Lessee and such failure continues thereafter for a period of 10 business days; (b) Lessee fails to perform or observe any other material covenant, condition or obligation required to be performed or observed by Lessee hereunder or under any other lease agreement between Lessor and Lessee; (c) any warranty, representation or statement made or furnished to Lessor by or on behalf of Lessee proves to have been false in any material respect when made or furnished; (d) any item of Equipment is lost, stolen, damaged or destroyed and not repaired, replaced or paid for in accordance with the provisions of paragraph 9 above; (e) Lessee sells or encumbers any item of Equipment or any item of Equipment is the subject of any levy, seizure or attachment for nonpayment of any judgment, tax or other obligation; (f) Lessee terminates its existence, discontinues business, becomes unable to pay its debts as they come due, permits a receiver to be appointed with respect to any item of Equipment, makes an assignment for the benefit of creditors or files or has filed against it a petition under the bankruptcy laws that remains undismissed for forty-five days.

16. **REMEDIES OF LESSOR.** Upon the occurrence of a default by Lessee hereunder and at any time thereafter (subject to any applicable grace provisions), Lessor may exercise any one or more of the following remedies, as Lessor in its sole discretion shall elect: (a) declare all unpaid rentals under this Lease to be immediately due and payable; the amount to be due to be computed as hereinafter set forth; (b) cancel this Lease as to any or all items of Equipment, but no such cancellation shall be deemed to occur unless written notice to that express effect is given by Lessor to Lessee and no such cancellation shall in any way affect or prejudice Lessor's right to exercise other remedies provided herein, including Lessor's right to accelerate and collect the unpaid rentals under this Lease; (c) whether or not this Lease is canceled, take immediate possession of any or all of the Equipment, without notice or demand and without court order or process, and for such purpose, enter upon any premises without liability for so doing; (d) sell, lease or otherwise dispose of the Equipment, or any item thereof, at a public or private sale or lease at such time or times and upon such terms as Lessor may determine, free and clear of any rights of Lessee; (e) proceed by appropriate action either at law or in equity to enforce performance by Lessee of the applicable covenants of this Lease or recover damages for the breach thereof; and (f) exercise any and all rights accruing to a lessor of personal property under any applicable law upon a default by a lessee

In furtherance of the foregoing, Lessor shall be entitled to recover immediately as liquidated damages, and not as a penalty, a sum equal to the aggregate of the following: (i) all unpaid rentals and other amounts or other sums which are past due and payable under this Lease; (ii) any expenses paid or incurred by Lessor in connection with the repossession, holding, repair, appraisal, transportation and subsequent sale, lease or other disposition of the Equipment, including attorneys fees and court costs; and (iii) an amount equal to the difference between

(aa) all unpaid rentals and other amounts, including any Additional Rent payable in accordance with paragraph 3 of this Lease, to become due under this Lease, each of which unpaid rentals and other amounts shall be discounted to present value using the implicit lease rate (collectively, "Unpaid Rentals"), together with the amount or percentage of original cost for which Lessee would have been permitted or required to purchase the Equipment at the end of the lease term hereof, as set forth in the applicable Terms Schedule attached hereto, which amount shall be discounted to present value using the implicit lease rate ("Purchase Amount") and (bb) the then fair market value of any Equipment returned to or repossessed by Lessor ("Return Value"); provided, however, that the Return Value of each such item of Equipment shall be deemed to be an amount equal to the proceeds, if any, of any sale or lease thereof by Lessor. If Lessor is unable, after the exercise of reasonable efforts, to sell or lease any such item of Equipment, the Return Value of such item of Equipment shall be deemed to be zero. If the Return Value of the Equipment exceeds the sum of the Unpaid Rentals plus the Purchase Amount, Lessor shall be entitled to the excess.

If Lessor elects to exercise its rights under the liquidated damages clause, Lessor agrees not to exercise any of the other remedies set forth herein. Other than as limited by this section 16, no right or remedy conferred upon or reserved to Lessor by this Lease shall be exclusive of any other right or remedy herein or by law provided; all rights and remedies of Lessor conferred on Lessor by this Lease or by law shall be cumulative and in addition to every other right and remedy available to Lessor.

In the event of any default, Lessee will pay to Lessor Lessor's reasonable attorneys' fees and such other out of pocket costs and expenses as shall be expended or incurred by Lessor in the enforcement of any right or privilege hereunder.

17. **ASSIGNMENT.** LESSEE SHALL NOT PLEDGE OR HYPOTHECATE THIS LEASE, NOR SHALL LESSEE SUBLET OR SELL, TRANSFER, ASSIGN OR ENCUMBER THE EQUIPMENT OR ANY PART THEREOF WITHOUT THE PRIOR WRITTEN CONSENT OF LESSOR, AND LESSEE SHALL NOT ASSIGN THIS LEASE WITHOUT THE PRIOR WRITTEN CONSENT OF LESSOR. Consent by Lessor to assignment of this Lease shall not release Lessee or any guarantors of this Lease from obligations hereunder unless Lessor specifically agrees to such release in writing. Consent to any one of the foregoing acts shall not be deemed consent to any subsequent or similar act. Lessor may at any time assign all or any portion of its right, title and interest in, under and to this Lease, all of the rents and other sums at any time due or to become due or at any time owed or payable by Lessee under any of the provisions hereof and in and to the Equipment covered by this Lease. Lessee hereby waives and agrees that it will not assert against any assignee of Lessor any claims or defenses which it may have against Lessor. The term "Lessor" as used herein shall include any assignee or subsequent assignee then holding any rights of the Lessor hereunder.

18. **OWNERSHIP by LESSOR.** Title to the Equipment is and shall remain in Lessor's name. Lessee agrees that, even if

invoices relating to the Equipment or any part thereof are issued in the name of Lessee, or Lessee pays any portion of the costs of the Equipment, the Equipment is, and at all times shall remain, the sole and exclusive property of Lessor, and the only interest Lessee shall have in the Equipment is that of a lessee. To the extent Lessee has or may have any rights in the Equipment other than those of a lessee, such rights are hereby assigned and transferred to Lessor. The Equipment shall at all times be and remain personal property notwithstanding that any such Equipment may now or hereafter be affixed to realty. The Equipment has been or shall be delivered to the location specified in the Terms Schedule attached hereto, and shall not thereafter be removed from such location without the prior written consent of Lessor. Lessor shall be permitted to display notice of its ownership of the Equipment by affixing to the Equipment an identifying stencil or plate or any other indicia of ownership, and Lessee will not alter, deface, or remove such ownership identification.

Lessee hereby grants to Lessor a security interest in all the Equipment, and in any additional property that may be described in the "Additional Provision" section of this Lease, to secure to Lessor the repayment of all amounts owed under this Lease and the performance by Lessee of all its obligations under this lease. Lessee shall execute and deliver to Lessor such documents as Lessor deems necessary for the confirmation or perfection of Lessor's rights in the Equipment or any additional collateral, including any financing statements Lessor may request. Lessee hereby appoints Lessor its true and lawful attorney-in-fact, with full power and authority in its place and stead to execute and file in Lessee's name and on Lessee's behalf such documents, including without limitation such financing statements, as Lessor may in its sole discretion deem necessary or advisable in order to perfect or otherwise protect its interests in the Equipment or any additional collateral.

19. REPRESENTATIONS. Lessee represents and warrants that if Lessee is not a natural person, it is a legal entity duly organized and existing under the laws of its state of formation, as set forth above, that it has the power and authority to execute, deliver and perform this Lease, that all proceedings required to be taken by it to execute, deliver and perform this Lease have been duly and properly taken, that it is not in default under any material obligation and that no event has occurred that, with notice or the passage of time, would constitute such a default, that there neither exists nor is there threatened any legal action or proceeding which, if adversely determined, would have a materially adverse effect on the business, assets or financial condition of Lessee and that the financial statements of Lessee and guarantors of this Lease, if any, heretofore delivered to Lessor were when given and are as of the date hereof true and correct in all material respects and present fairly the financial condition of Lessee and any such guarantors. Lessee further represents and warrants that the Equipment is leased for and shall be used exclusively for business purposes.

20. FINANCIAL STATEMENTS and INFORMATION. Lessee has furnished Lessor a balance sheet and profit and loss statement as of and for its most recently completed fiscal year

for which financial statements are available. Lessee shall also furnish Lessor complete financial statements, audited if Lessee customarily obtains audited financial statements, including a profit and loss statement and balance sheet, within 120 days after the end of each fiscal year of Lessee, in each case on a basis consistent with the method used for the financial statements previously provided to Lessor. Lessee shall also provide Lessor with such additional periodic financial statements and such other financial information as Lessor may reasonably request during the term of this Lease. If this Lease is guaranteed by any person or entity, Lessee shall also cause the guarantor(s) to provide Lessor with such financial statements as Lessor may reasonably request during the term of this Lease.

21. SECURITY. Lessee agrees that its obligations under this Lease shall be secured by any collateral security rights set forth or referred to in the Collateral Schedule, if any, attached hereto.

22. NOTICES. Any notices required or permitted to be given under this Lease shall be in writing and shall be deemed duly given if delivered personally or mailed, postage prepaid by first class mail, to the addresses set forth above or such other address of which either party may give notice to the other party hereto. A notice given as provided above shall be deemed given when personally delivered or, if mailed, forty-eight (48) hours after it has been deposited in the United States mail, duly addressed and postage prepaid.

23. FINANCE LEASE. Lessor and Lessee intend and agree that this Lease shall constitute a "finance lease" under Article 2.5 of the Colorado Uniform Commercial Code. In this regard, Lessor and Lessee acknowledge and agree (a) that Lessor did not select, manufacture or supply the Equipment, (b) that Lessee selected the supplier supplying the Equipment and directed Lessor to acquire the Equipment from that person, and (c) that Lessor acquired the Equipment or the right to possession and use of the Equipment in connection with this Lease. Lessor and Lessee further acknowledge and agree that Lessee is entitled to any promises and warranties provided to Lessor in connection with the Equipment and that Lessee may communicate with the person supplying the Equipment and receive an accurate and complete statement of those promises and warranties, including any disclaimers and limitations of such promises and warranties or of remedies. If, however, it is determined for any reason whatsoever that this Lease is not a "finance lease," each and every provision of this Lease shall nevertheless be fully applicable and effective.

24. MISCELLANEOUS. Time is of the essence for this Lease. No waiver of any of Lessee's obligations hereunder shall be deemed to take place unless waived in a writing signed by Lessor and no such waiver shall be deemed a waiver of any subsequent breach of the same or any other obligation of this Lease. Lessor makes no representations, express or implied, concerning the legal character of the transaction evidenced hereby for tax or other purposes.

The laws of the State of Colorado shall govern this Lease. Lessee shall furnish Lessor, at the request of Lessor from time to time, such additional information as Lessor may reasonably require. Any provision of this Lease which is prohibited or

unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof. Lessee shall execute and deliver to Lessor, upon Lessor's request, such instruments and assurances as Lessor deems necessary for the confirmation or perfection of Lessor's rights hereunder including any financing statements Lessor may request.

The person or persons signing this Lease certify that they have full and complete authority to do so and that this Lease is a valid obligation of the parties on whose behalf this Lease is respectively executed.

Lessee agrees that if at any time it does not have an agent for service of legal process registered with the Colorado Secretary of State, the Colorado Secretary of State shall be Lessee's agent for service of process, and that service on the Secretary of State, together with the mailing of a copy of any such process to Lessee as specified in paragraph 22 above, shall constitute valid and effective service of process on Lessee. Lessee further agrees that in the event of any litigation related to this Lease or any guarantees of any obligations under this Lease, venue shall be proper in the District Court for the City and County of Denver, Colorado, as well as in any other court in which venue would otherwise be proper.

25. NO ORAL MODIFICATIONS. This Lease and all documents executed in connection with this Lease may not be altered, modified or rescinded except by a written instrument signed by both Lessor and Lessee.

Lessor's signature:

[Handwritten Signature]

Lessee's signature:

[Handwritten Signature]
General Manager

ADDITIONAL PROVISIONS. The following additional provisions are part of this Lease (none if left blank).

IN WITNESS WHEREOF, the parties execute this Equipment Lease Agreement, to be effective only upon Lessor's acceptance indicated by the signature of its authorized officer below.

Accepted by Lessor this November 30, 1999.

U.S. Bancorp Leasing & Financial
(LESSOR)
By: *[Handwritten Signature]*
An Authorized Officer Thereof

Subscribed and sworn to before me this the 10 day of December, 1999.

[Handwritten Signature] My Commission Expires: 1-31-2000
Notary Public

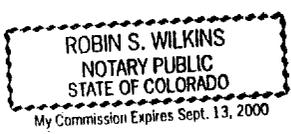


Tri-State Generation and Transmission Association, Inc.
(LESSEE)

By: *[Handwritten Signature]*
Frank R. Knutson, General Manager

Subscribed and sworn to before me this the 30TH day of NOVEMBER, 1999.

* *[Handwritten Signature]* My Commission Expires: 9-13-2000
Notary Public



THIS LEASE SHALL NOT BE BINDING UPON LESSOR UNLESS EXECUTED BY AN AUTHORIZED OFFICER THEREOF