

REGULATORY INFORMATION DISTRIBUTION SYSTEM (RIDS)

ACCESSION NBR: 8709100193 DOC. DATE: 87/08/31 NOTARIZED: NO DOCKET #  
 FACIL: STN-50-529 Palo Verde Nuclear Station, Unit 2, Arizona Publi 05000529  
 AUTH. NAME AUTHOR AFFILIATION  
 PAGE, J. F. Mudge, Rose, Guthrie, Alexander & Ferden  
 RECIP. NAME RECIPIENT AFFILIATION  
 MIRAGLIA, F. J. Office of Nuclear Reactor Regulation, Director (Post 870411)

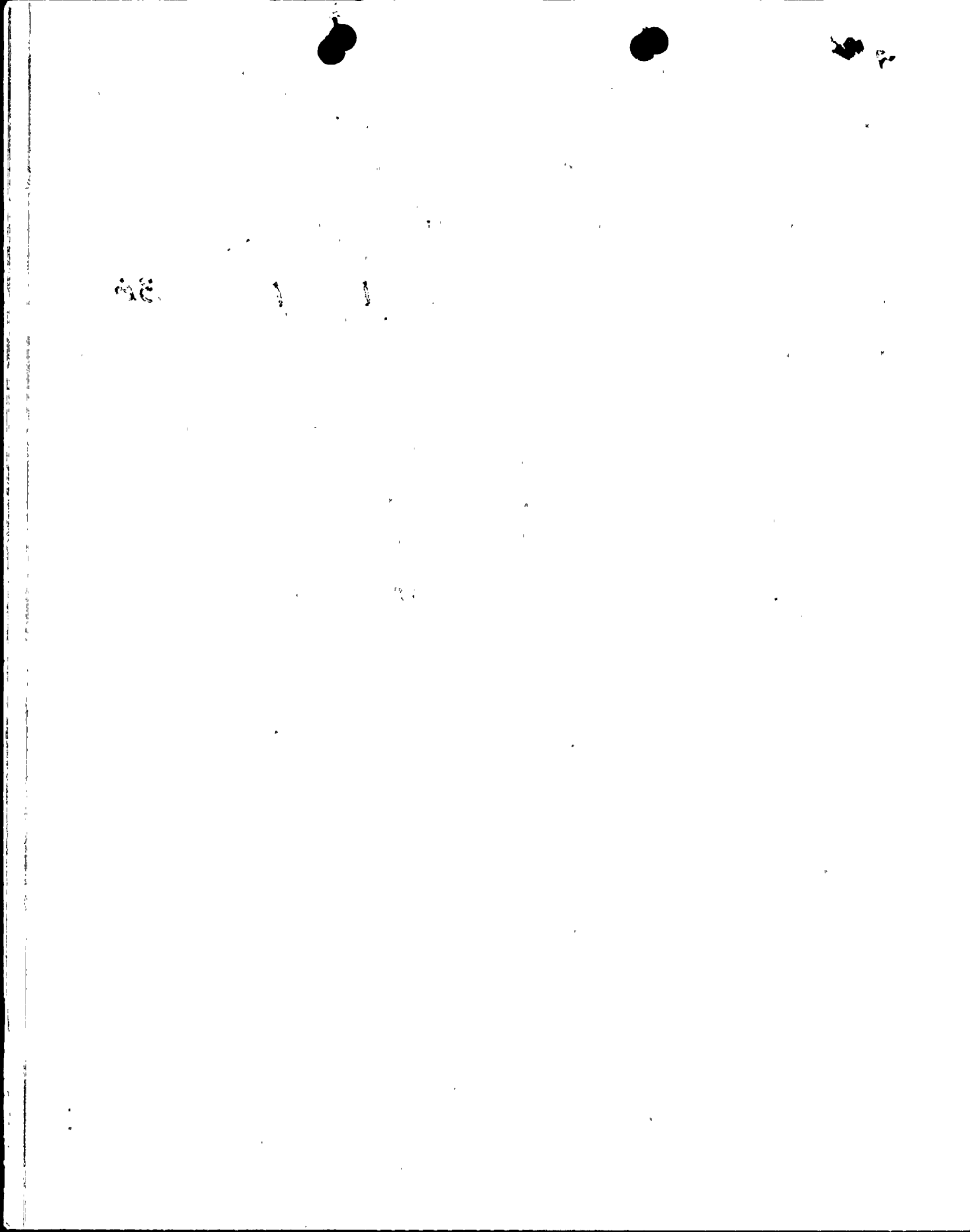
SUBJECT: Transmits Amend 2 to Facility Lease re sale & leaseback transaction w/util as lessee & Emerson Capital Corp as owner participant ref in 870728 ltr to Commission. Amend schedules basic rent & casualty & special casualty values.

DISTRIBUTION CODE: B005D COPIES RECEIVED: LTR 1 ENCL 1 SIZE: 36  
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NOTES: Standardized plant.

05000529

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|           | NSIC            | 06 | 1      | 1    |  |              |    |        |      |
| NOTES:    |                 |    | 1      | 1    |  |              |    |        |      |



MUDGE ROSE GUTHRIE ALEXANDER & FERDON

2121 K STREET, N.W.  
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333 SOUTH GRAND AVENUE  
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75002, PARIS, FRANCE  
(1) 42. 61. 57. 71

August 31, 1987

VIA FEDERAL EXPRESS

Director of Nuclear Reactor Regulation  
Attention: Mr. Frank J. Miraglia, Director  
Division of Pressurized Water Reactor  
Licensing - B  
U.S. Nuclear Regulatory Commission  
Washington, D.C. 20555

Re: Sale and Leaseback Financing Transactions  
by Arizona Public Service Company - Palo  
Verde Nuclear Generating Station Unit 2  
NRC Docket Nos. STN 50-529

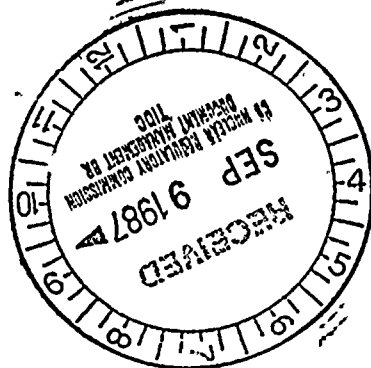
Gentlemen:

The purpose of this letter is to transmit to the Commission a copy of the Amendment No.2 to Facility Lease relating to the sale and leaseback transaction in which Arizona Public Service Company is the lessee and Emerson Capital Corporation (assignee of Emerson Finance Co.) is the owner participant referred to in my letter dated July 28, 1987 to the Commission. The purpose of Amendment No.2 is to amend the schedules of Basic Rent, Casualty Values, Special Casualty Values, Extraordinary Casualty Values and Modified Special Casualty Values to reflect the financing of certain Transaction Expenses by the Lessor thereunder.

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PDR ADDCK 05000529  
I PDR

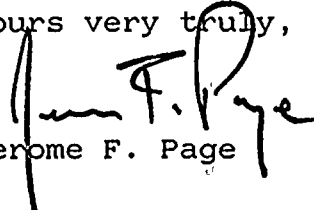


Boos  
1/1



If you have any questions, please do not hesitate to call.

Yours very truly,

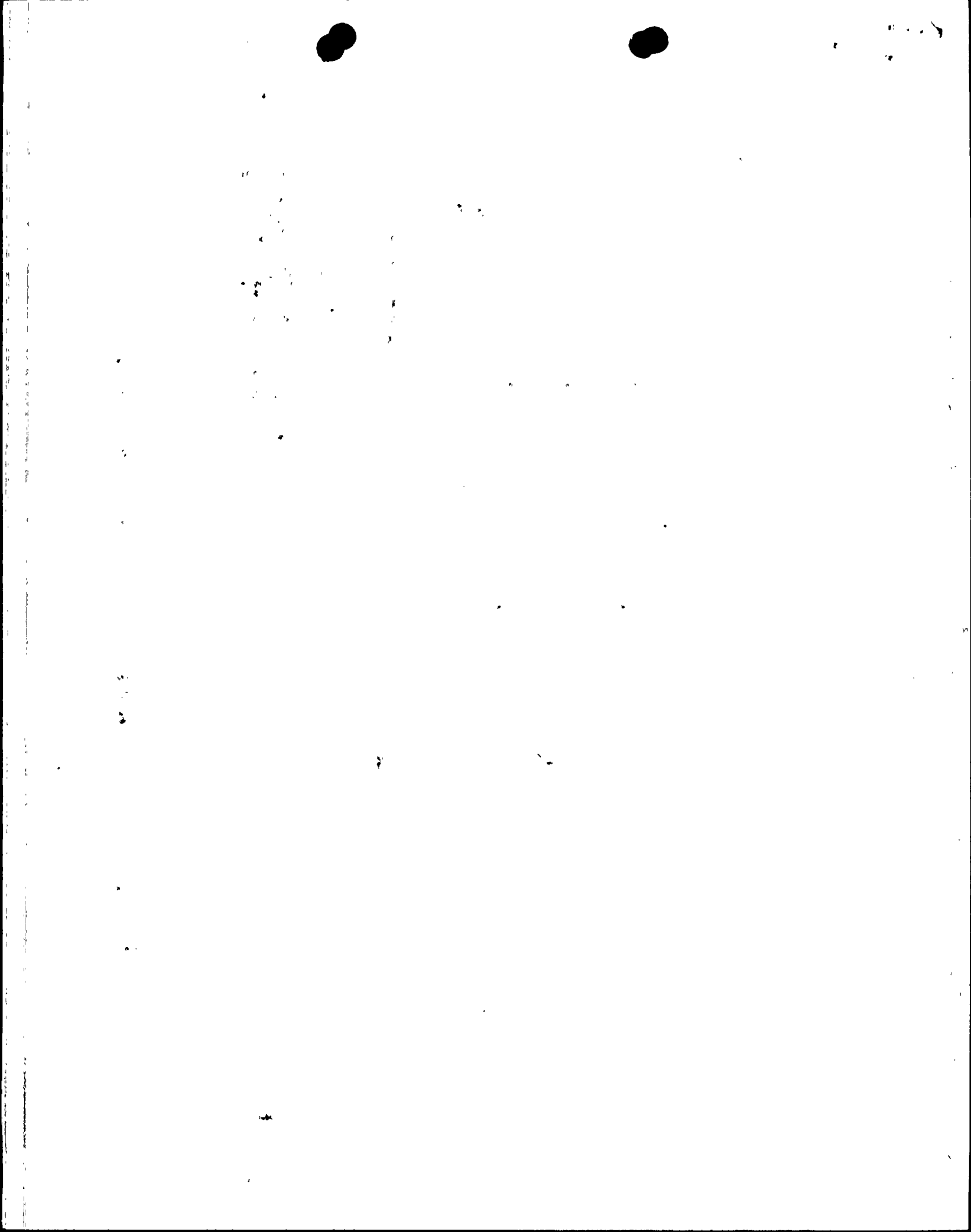
  
Jerome F. Page

JFP:mtm

Copies to: Edwin J. Reis, Esq.  
Deputy Assistant General Counsel  
Nuclear Regulatory Commission  
7735 Old Georgetown Road  
Bethesda, Maryland 21930

Oreste Russ Pirfo, Esq.  
Office of General Counsel  
Nuclear Regulatory Commission  
7735 Old Georgetown Road  
Bethesda, Maryland 21930

Arthur C. Gehr, Esq.  
Snell & Wilmer  
3100 Valley Bank Center  
Phoenix, Arizona 85073



When Recorded, Return to: David A. Sprentall  
SNELL & WILMER  
3100 Valley Bank Center  
Phoenix, Arizona 85073

CERTAIN RIGHTS OF THE LESSOR UNDER THE FACILITY LEASE AS AMENDED BY THIS AMENDMENT NO. 2 THERETO HAVE BEEN ASSIGNED TO, AND ARE SUBJECT TO A SECURITY INTEREST IN FAVOR OF, CHEMICAL BANK, AS INDENTURE TRUSTEE UNDER A TRUST INDENTURE, MORTGAGE, SECURITY AGREEMENT AND ASSIGNMENT OF FACILITY LEASE DATED AS OF AUGUST 1, 1986. THIS AMENDMENT NO. 2 HAS BEEN EXECUTED IN SEVERAL COUNTERPARTS. SEE SECTION 3(d) OF THIS AMENDMENT NO. 2 FOR INFORMATION CONCERNING THE RIGHTS OF HOLDERS OF VARIOUS COUNTERPARTS HEREOF.

THIS COUNTERPART IS NOT THE ORIGINAL COUNTERPART.

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AMENDMENT NO. 2

dated as of June 1, 1987

to

FACILITY LEASE

dated as of August 1, 1986

between

THE FIRST NATIONAL BANK OF BOSTON  
not in its individual capacity, but solely  
as Owner Trustee under a Trust Agreement  
dated as of August 1, 1986 with Emerson  
Capital Corporation (assignee of Emerson  
Finance Co.)

Lessor

and

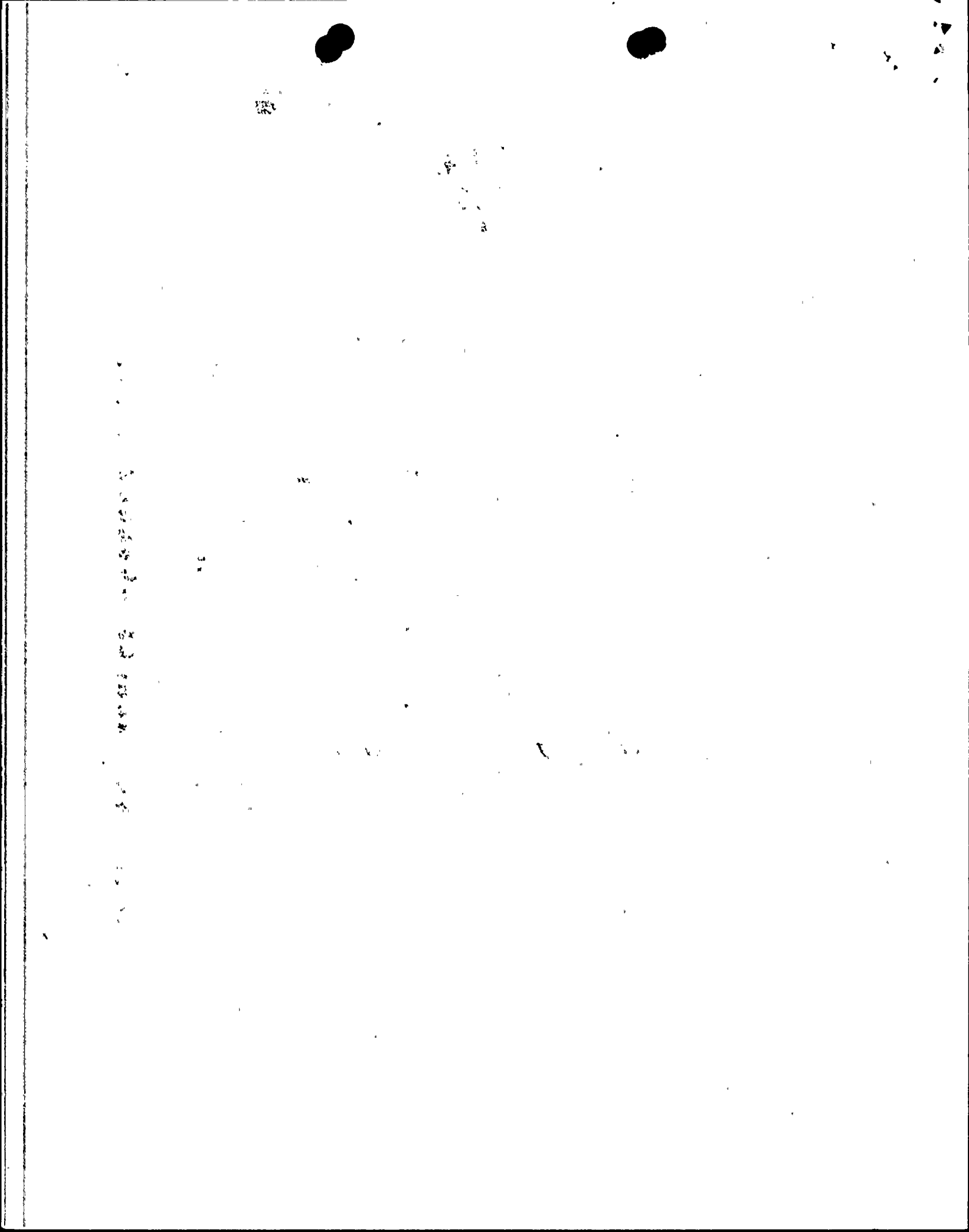
ARIZONA PUBLIC SERVICE COMPANY,

Lessee

---

Original Facility Lease Recorded on August 18, 1986,  
as Instrument No. 86-439438 and Amendment No. 1 to  
Facility Lease Recorded on November 21, 1986, as  
Instrument No. 86-645156 in Maricopa County  
Recorder's Office, State of Arizona.

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AMENDMENT NO. 2, dated as of June 1, 1987 (Amendment No. 2), to the Facility Lease dated as of August 1, 1986 between THE FIRST NATIONAL BANK OF BOSTON, a national banking association, not in its individual capacity, but solely as Owner Trustee under a Trust Agreement, dated as of August 1, 1986, with Emerson Capital Corporation, a Delaware corporation, as assignee of Emerson Finance Co. (the Lessor), and ARIZONA PUBLIC SERVICE COMPANY, an Arizona corporation (the Lessee).

W I T N E S S E T H :

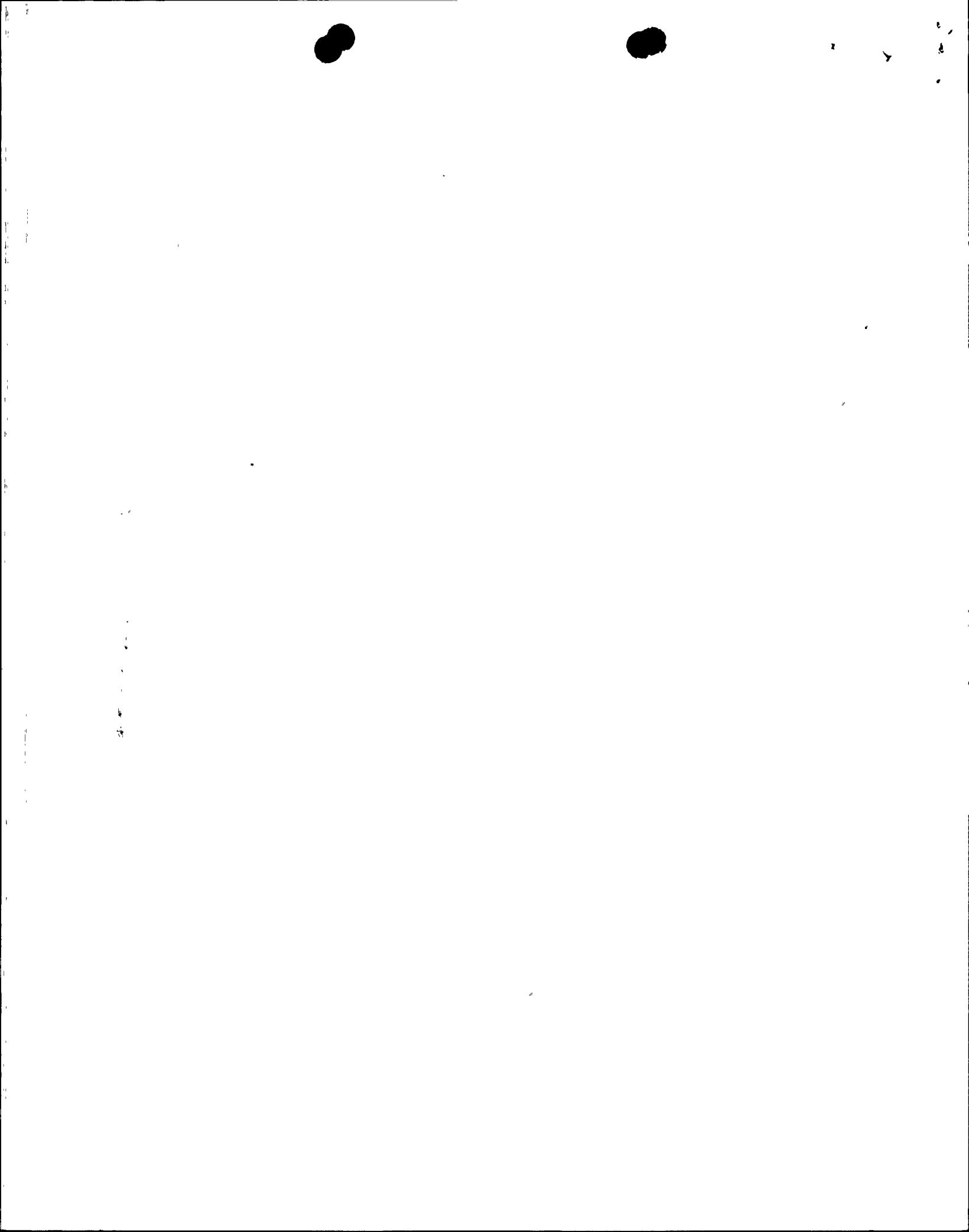
WHEREAS, the Lessee and the Lessor have heretofore entered into a Facility Lease dated as of August 1, 1986 (the Facility Lease), providing for the lease by the Lessor to the Lessee of the Undivided Interest and the Real Property Interest;

WHEREAS, the Lessee and the Lessor have heretofore entered into an Amendment No. 1 to Facility Lease dated as of November 1, 1986, providing for certain amendments to the Facility Lease and adjustments to Basic Rent and to the schedules of Casualty Values, Extraordinary Casualty Values, Special Casualty Values and Modified Special Casualty Values;

WHEREAS, Section 3(e) of the Facility Lease provides for an adjustment to Basic Rent and to the schedules of Casualty Values, Extraordinary Casualty Values, Special Casualty Values and Modified Special Casualty Values in order to preserve Net Economic Return in the event, among other things, of any change in the Current Pricing Assumptions; and

WHEREAS, in connection with the payment of Transaction Expenses, there has been a change in the Current Pricing Assumptions;

NOW, THEREFORE, in consideration of the premises and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:



## SECTION 1. Definitions.

For purposes hereof, capitalized terms used herein and not otherwise defined herein or in the recitals shall have the meanings assigned to such terms in Appendix A to the Facility Lease.

## SECTION 2. Amendments.

(a) Schedule 1 to the Facility Lease is hereby replaced with Schedule 1 hereto.

(b) Schedule 2 to the Facility Lease is hereby replaced with Schedule 2 hereto.

(c) Schedule 3 to the Facility Lease is hereby replaced with Schedule 3 hereto.

(d) Schedule 4 to the Facility Lease is hereby replaced with Schedule 4 hereto.

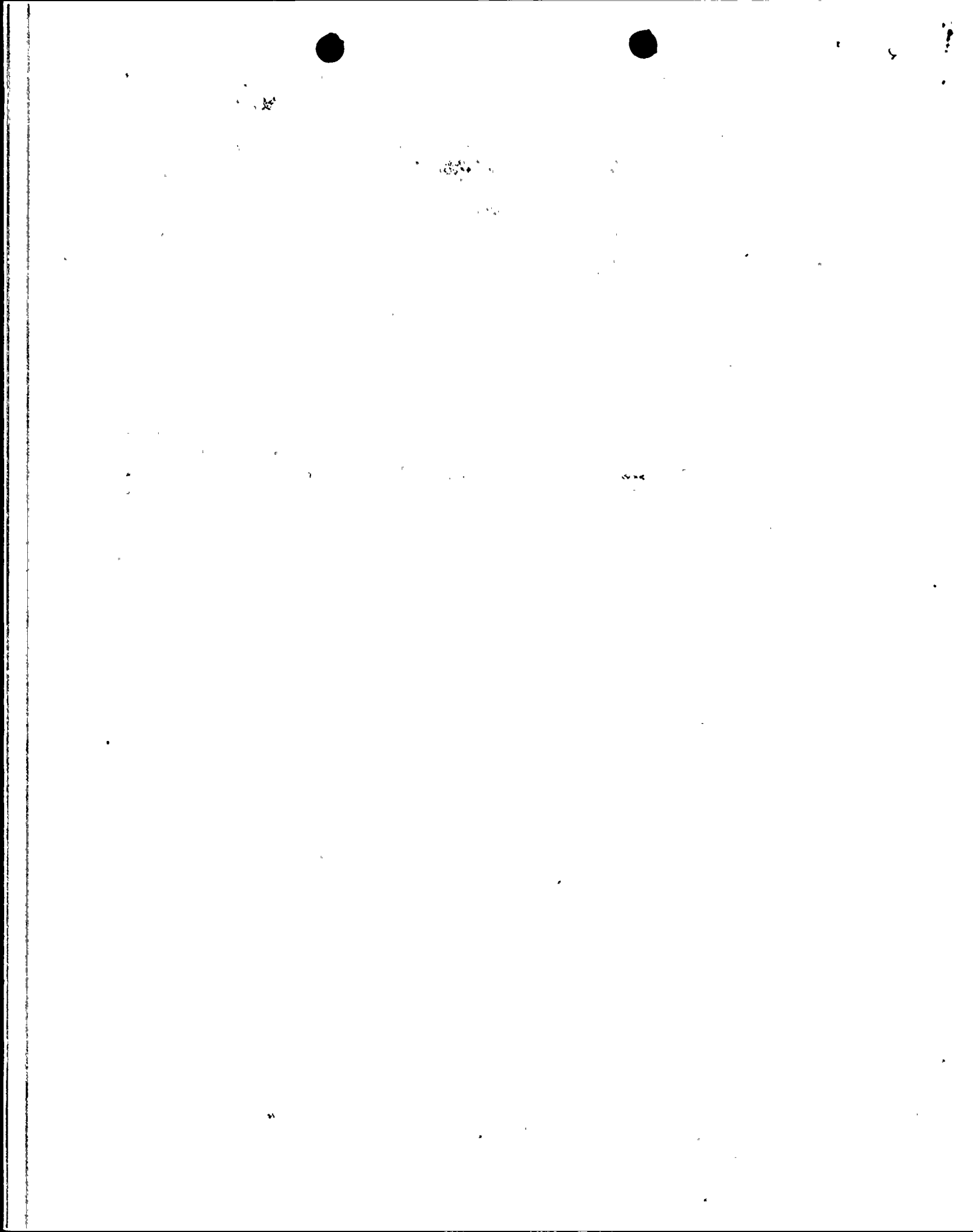
(e) Schedule 5 to the Facility Lease is hereby replaced with Schedule 5 hereto.

## SECTION 3. Miscellaneous.

(a) Dating. Although this Amendment No. 2 is dated as of the date first above written for convenience, the actual dates of execution hereof by the parties hereto are respectively the dates set forth under the signatures hereto, and this Amendment No. 2 shall be effective on the latest of such dates.

(b) Governing Law. This Amendment No. 2 has been negotiated and delivered in the State of New York and shall be governed by, and be construed in accordance with, the laws of the State of New York, except to the extent that pursuant to the law of the State of Arizona such law is mandatorily applicable hereto.

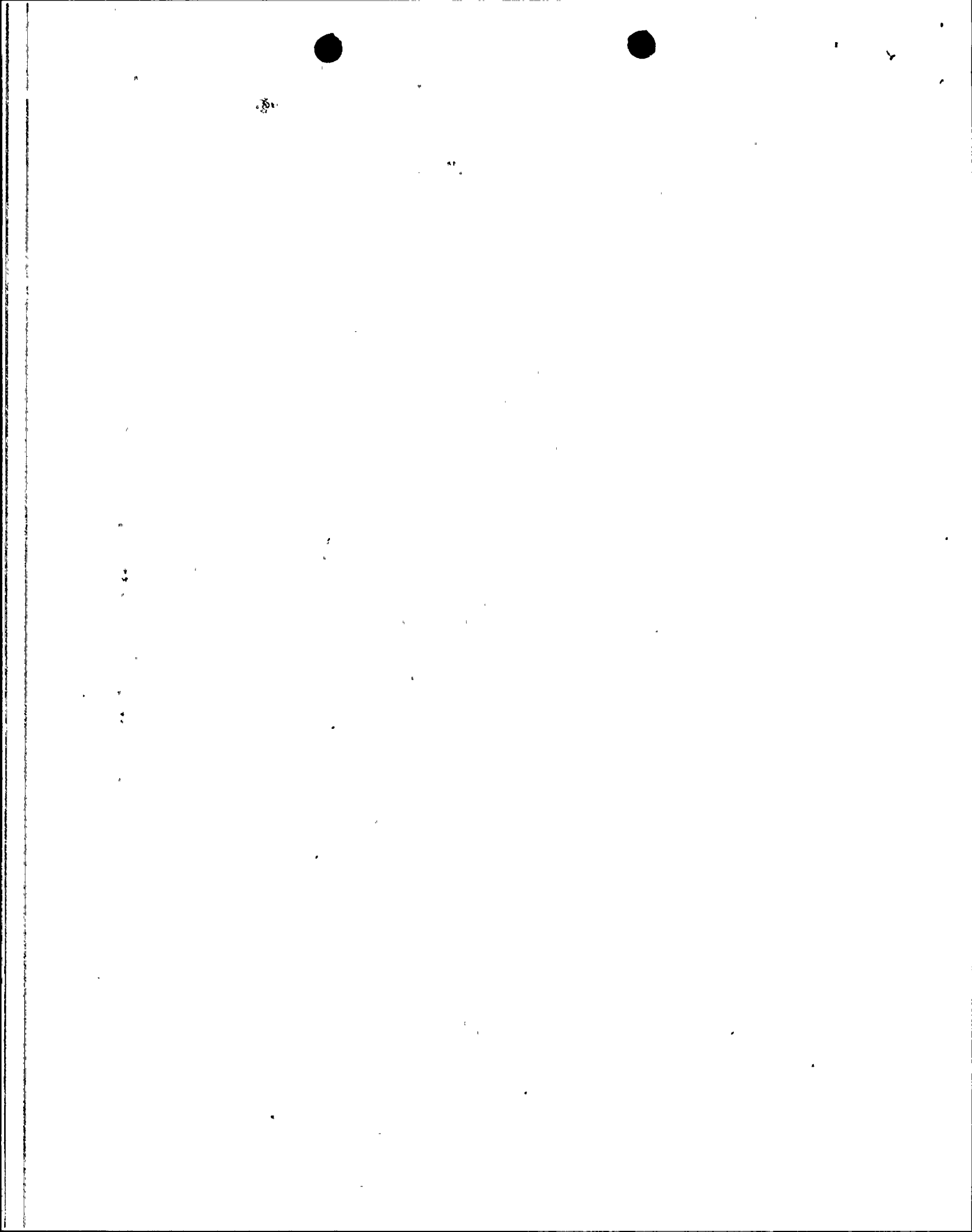
(c) Disclosure. Pursuant to Arizona Revised Statutes Section 33-401, the beneficiary of the Trust Agreement is Emerson Capital Corporation, a Delaware corporation. The address of the beneficiary is 8000



West Florissant Avenue, St. Louis, Missouri 63136,  
Attention: President. A copy of the Trust Agreement is  
available for inspection at the offices of the Owner  
Trustee at 100 Federal Street, Boston, Massachusetts  
02110, Attention of Corporate Trust Division.

(d) Original Counterpart. The single executed  
original of this Amendment No. 2 marked "THIS  
COUNTERPART IS THE ORIGINAL COUNTERPART" and containing  
the receipt of the Indenture Trustee thereon shall be  
the "Original" of this Amendment No. 2. No security  
interest in this Amendment No. 2 may be created or con-  
tinued through the transfer or possession of any coun-  
terpart other than the "Original".

(e) Counterpart Execution. This Amendment  
No. 2 may be executed in any number of counterparts and  
by each of the parties hereto or thereto on separate  
counterparts, all such counterparts together constitut-  
ing one and the same instrument.



IN WITNESS WHEREOF, each of the parties hereto has caused this Amendment No. 2 to Facility Lease to be duly executed by an officer thereunto duly authorized.

THE FIRST NATIONAL BANK OF  
BOSTON,  
not in its individual  
capacity, but solely as  
Owner Trustee under a Trust  
Agreement dated as of  
August 1, 1986, with  
Emerson Capital Corporation  
(assignee of Emerson  
Finance Co.)

By \_\_\_\_\_



Martin P. Henry  
Assistant Vice President

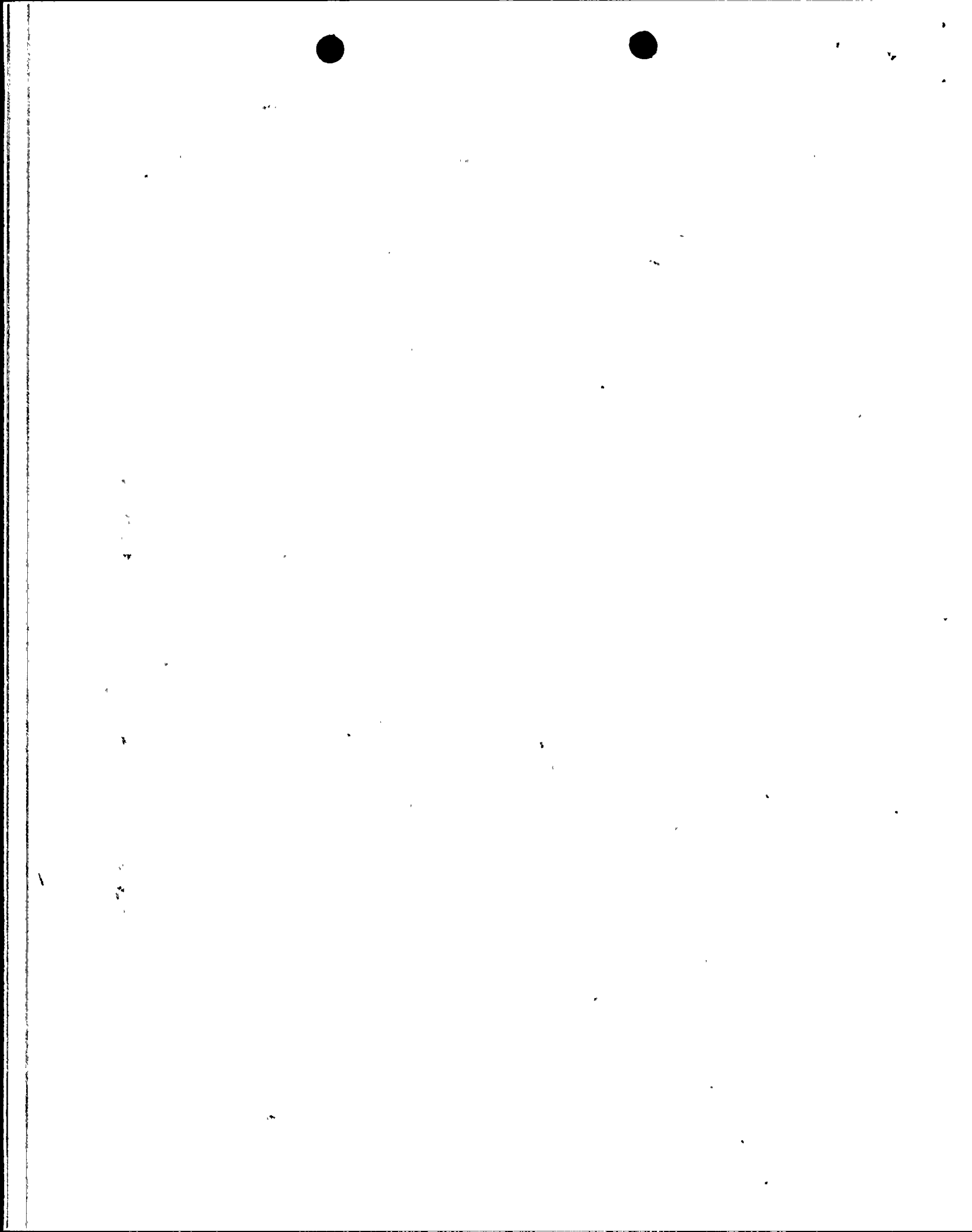
Date: July 29, 1987

ARIZONA PUBLIC SERVICE  
COMPANY

By \_\_\_\_\_

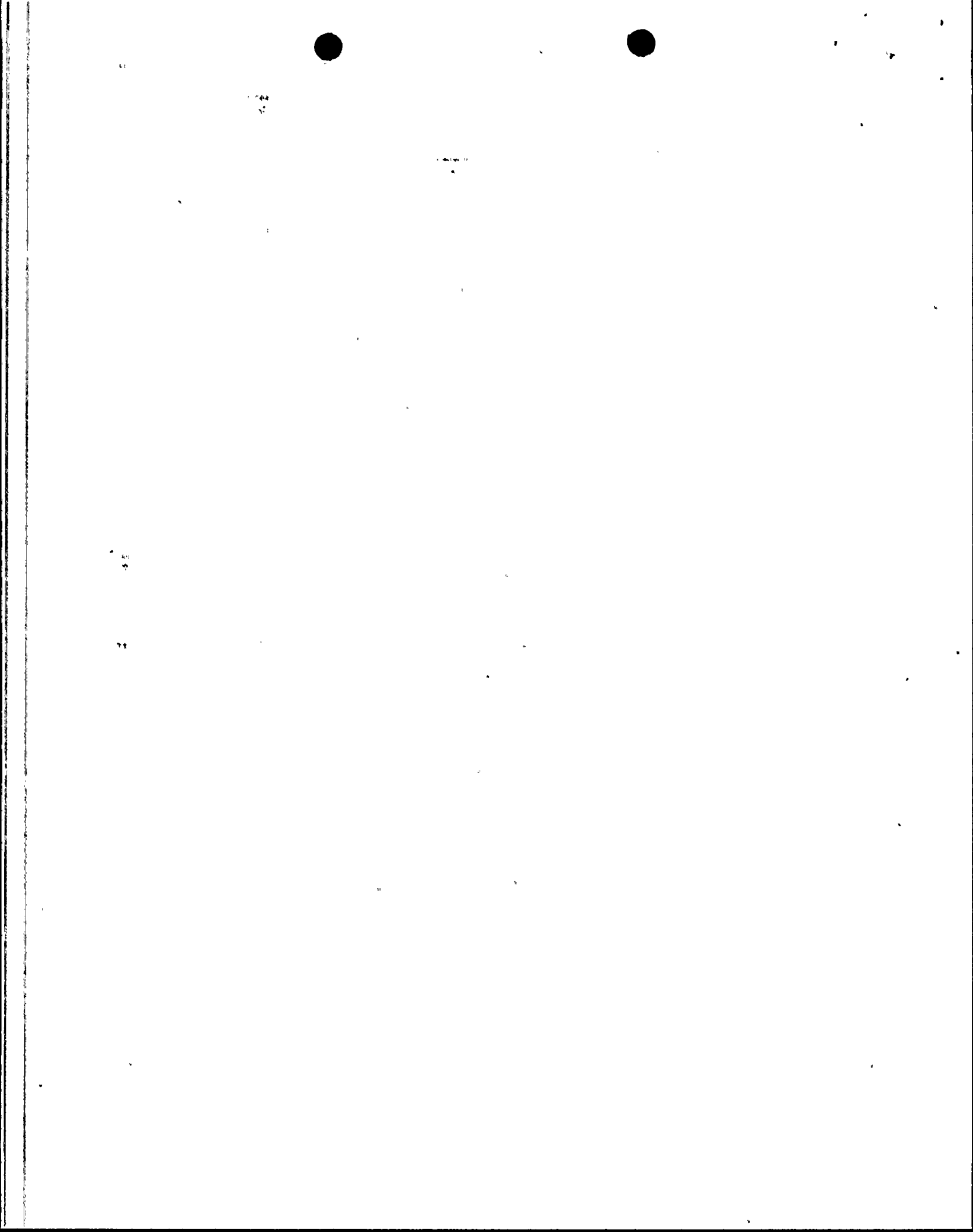
William J. Hemelt  
Treasurer and Assistant  
Secretary

Date: July 29, 1987









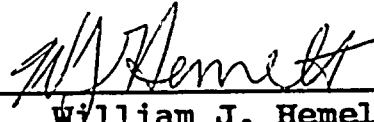
IN WITNESS WHEREOF, each of the parties hereto has caused this Amendment No. 2 to Facility Lease to be duly executed by an officer thereunto duly authorized.

THE FIRST NATIONAL BANK OF  
BOSTON,  
not in its individual  
capacity, but solely as  
Owner Trustee under a Trust  
Agreement dated as of  
August 1, 1986, with  
Emerson Capital Corporation  
(assignee of Emerson  
Finance Co.)

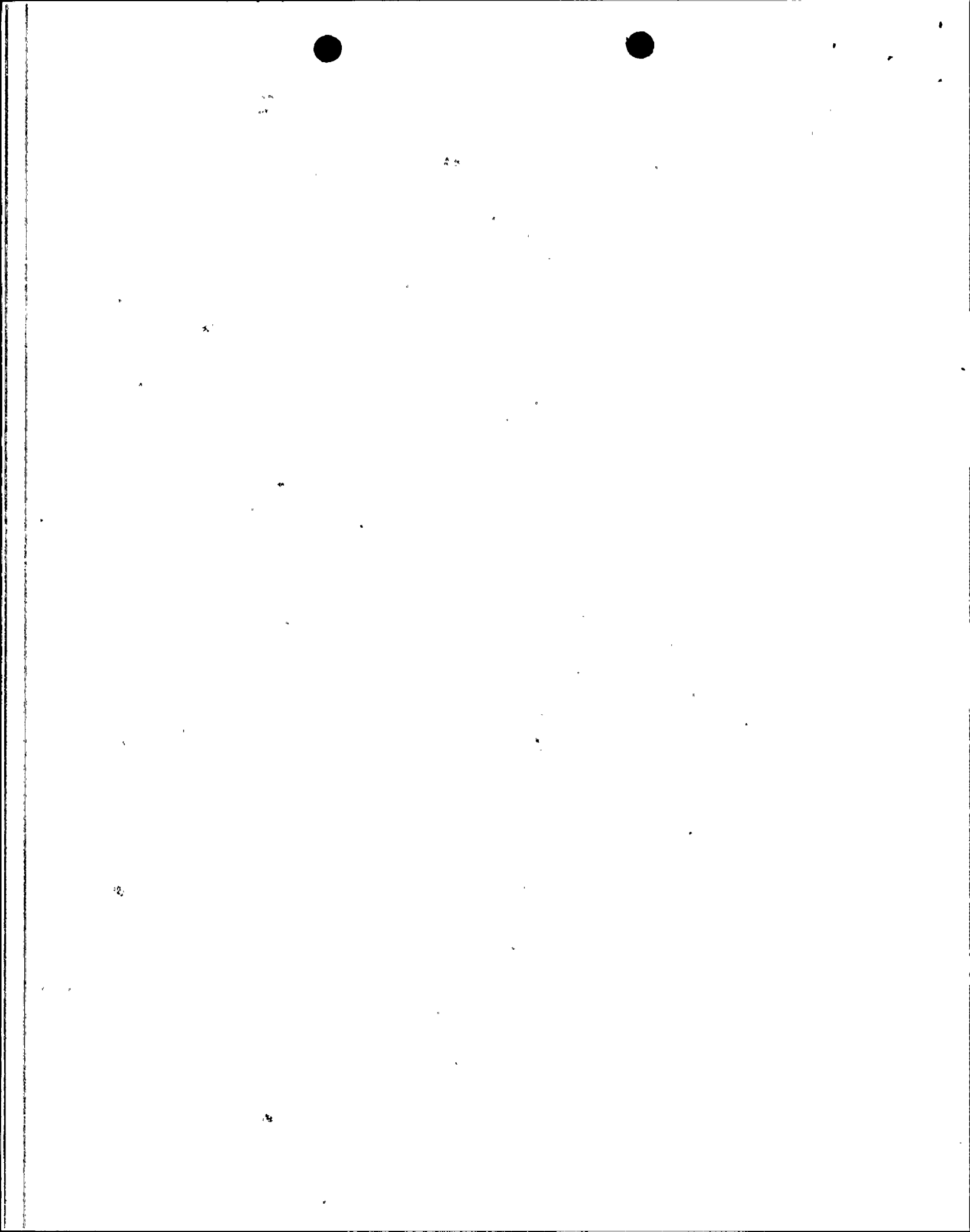
By \_\_\_\_\_  
Martin P. Henry  
Assistant Vice President

Date: July 29, 1987

ARIZONA PUBLIC SERVICE  
COMPANY

By  \_\_\_\_\_  
William J. Hemelt  
Treasurer and Assistant  
Secretary

Date: July 29, 1987



Commonwealth of  
Massachusetts                    )  
  ) ss:  
County of Suffolk                )

The foregoing instrument was acknowledged before me this 29th day of July, 1987, by MARTIN P. HENRY, Assistant Vice President of THE FIRST NATIONAL BANK OF BOSTON, a national banking association, on behalf of the banking association as Owner Trustee under the Trust Agreement dated as of August 1, 1986 with Emerson Capital Corporation (assignee of Emerson Finance Co.).

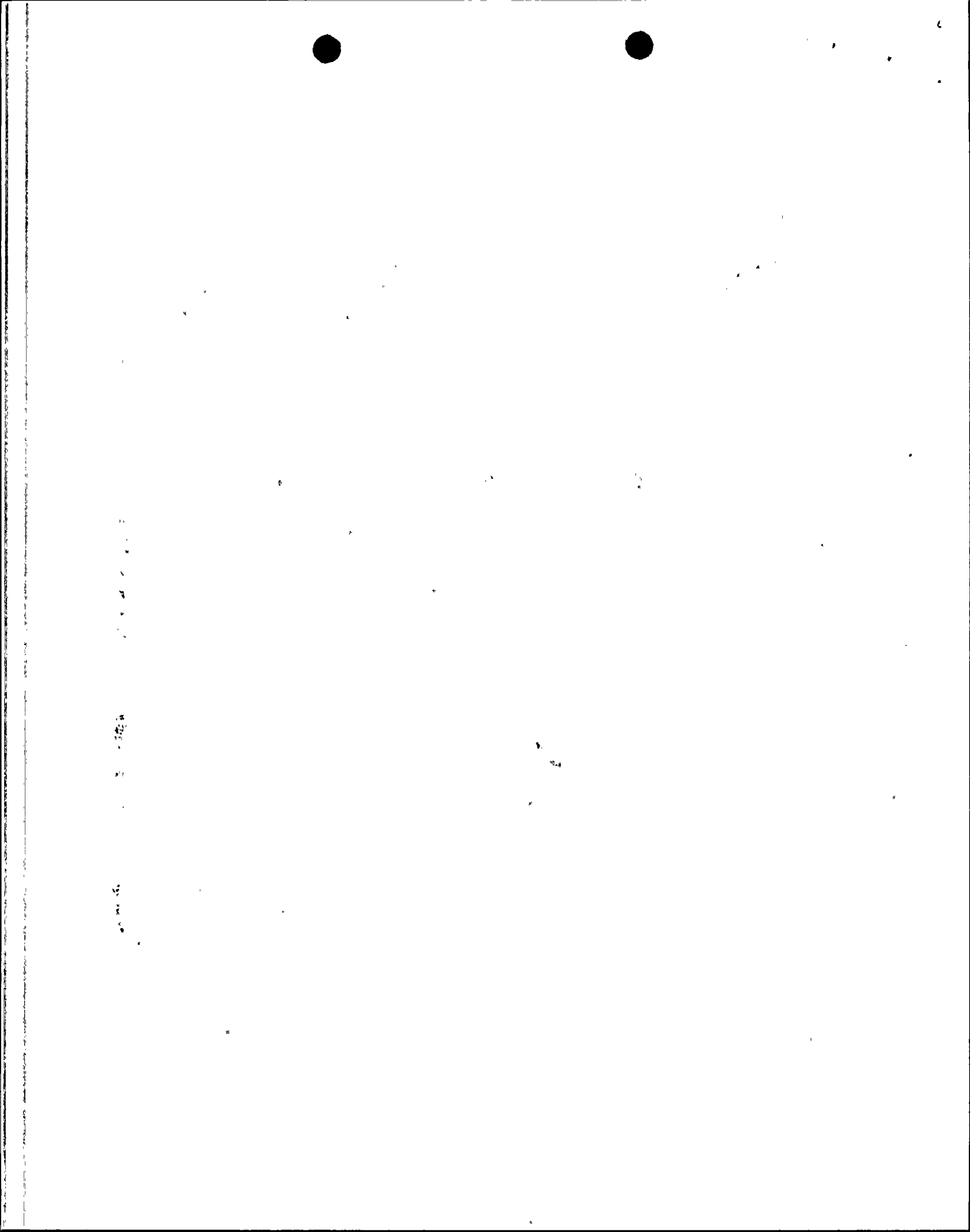
\_\_\_\_\_  
Notary Public

State of Arizona                 )  
  ) ss:  
County of Maricopa               )

The foregoing instrument was acknowledged before me this 29th day of July, 1987, by WILLIAM J. HEMELT, Treasurer and Assistant Secretary of ARIZONA PUBLIC SERVICE COMPANY, an Arizona corporation, on behalf of the corporation.



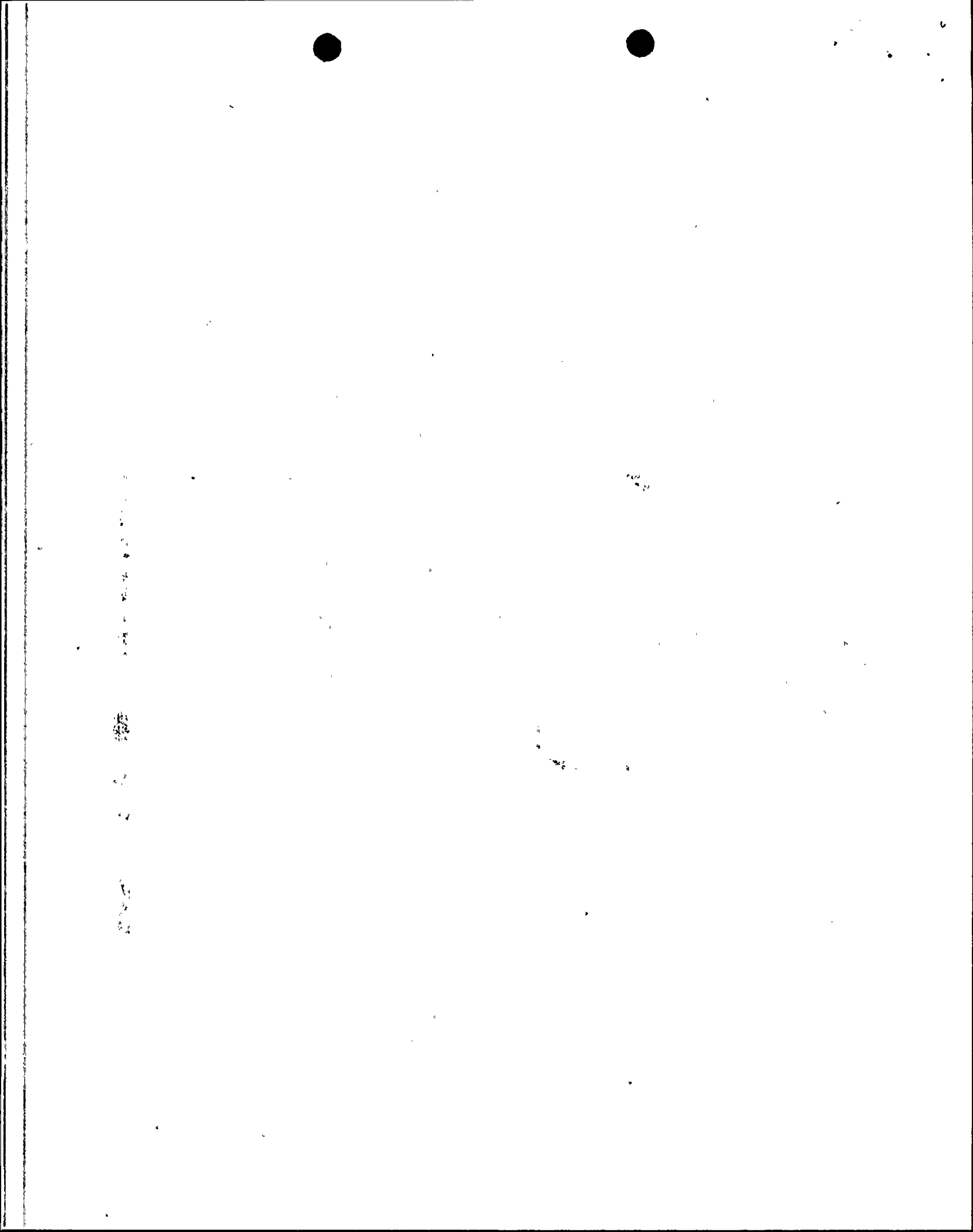
\_\_\_\_\_  
*Tanya L. Baca*  
Notary Public



SCHEDULE 1  
to  
AMENDMENT NO. 2

BASIC RENT PERCENTAGES

| Basic Rent<br>Payment Date | Basic<br>Rent<br>Number | Basic Rent<br>% of<br>Facility Cost | Basic Rent<br>Payment Date | Basic<br>Rent<br>Number | Basic Rent<br>% of<br>Facility Cost |
|----------------------------|-------------------------|-------------------------------------|----------------------------|-------------------------|-------------------------------------|
| 12 /30 /1986               | 0                       | 3.6826923%                          | 12 /30 /2001               | 30                      | 5.4667097%                          |
| 6 /30 /1987                | 1                       | 4.4727625%                          | 6 /30 /2002                | 31                      | 5.4667097%                          |
| 12 /30 /1987               | 2                       | 4.4727625%                          | 12 /30 /2002               | 32                      | 5.4667097%                          |
| 6 /30 /1988                | 3                       | 4.4727625%                          | 6 /30 /2003                | 33                      | 5.4667097%                          |
| 12 /30 /1988               | 4                       | 4.4727625%                          | 12 /30 /2003               | 34                      | 5.4667097%                          |
| 6 /30 /1989                | 5                       | 4.4727625%                          | 6 /30 /2004                | 35                      | 5.4667097%                          |
| 12 /30 /1989               | 6                       | 4.4727625%                          | 12 /30 /2004               | 36                      | 5.4667097%                          |
| 6 /30 /1990                | 7                       | 4.4727625%                          | 6 /30 /2005                | 37                      | 5.4667097%                          |
| 12 /30 /1990               | 8                       | 4.4727625%                          | 12 /30 /2005               | 38                      | 5.4667097%                          |
| 6 /30 /1991                | 9                       | 4.4727625%                          | 6 /30 /2006                | 39                      | 5.4667097%                          |
| 12 /30 /1991               | 10                      | 4.4727625%                          | 12 /30 /2006               | 40                      | 5.4667097%                          |
| 6 /30 /1992                | 11                      | 4.4727625%                          | 6 /30 /2007                | 41                      | 5.4667097%                          |
| 12 /30 /1992               | 12                      | 4.4727625%                          | 12 /30 /2007               | 42                      | 5.4667097%                          |
| 6 /30 /1993                | 13                      | 4.4727625%                          | 6 /30 /2008                | 43                      | 5.4667097%                          |
| 12 /30 /1993               | 14                      | 4.4727625%                          | 12 /30 /2008               | 44                      | 5.4667097%                          |
| 6 /30 /1994                | 15                      | 4.4727625%                          | 6 /30 /2009                | 45                      | 5.4667097%                          |
| 12 /30 /1994               | 16                      | 4.4727625%                          | 12 /30 /2009               | 46                      | 5.4667097%                          |
| 6 /30 /1995                | 17                      | 4.4727625%                          | 6 /30 /2010                | 47                      | 5.4667097%                          |
| 12 /30 /1995               | 18                      | 4.4727625%                          | 12 /30 /2010               | 48                      | 5.4667097%                          |
| 6 /30 /1996                | 19                      | 4.4727625%                          | 6 /30 /2011                | 49                      | 5.4667097%                          |
| 12 /30 /1996               | 20                      | 4.4727625%                          | 12 /30 /2011               | 50                      | 5.4667097%                          |
| 6 /30 /1997                | 21                      | 4.4727625%                          | 6 /30 /2012                | 51                      | 5.4667097%                          |
| 12 /30 /1997               | 22                      | 5.4667097%                          | 12 /30 /2012               | 52                      | 5.4667097%                          |
| 6 /30 /1998                | 23                      | 5.4667097%                          | 6 /30 /2013                | 53                      | 5.4667097%                          |
| 12 /30 /1998               | 24                      | 5.4667097%                          | 12 /30 /2013               | 54                      | 5.4667097%                          |
| 6 /30 /1999                | 25                      | 5.4667097%                          | 6 /30 /2014                | 55                      | 5.4667097%                          |
| 12 /30 /1999               | 26                      | 5.4667097%                          | 12 /30 /2014               | 56                      | 5.4667097%                          |
| 6 /30 /2000                | 27                      | 5.4667097%                          | 6 /30 /2015                | 57                      | 5.4667097%                          |
| 12 /30 /2000               | 28                      | 5.4667097%                          | 12 /30 /2015               | 58                      | 5.4667097%                          |
| 6 /30 /2001                | 29                      | 5.4667097%                          |                            |                         |                                     |

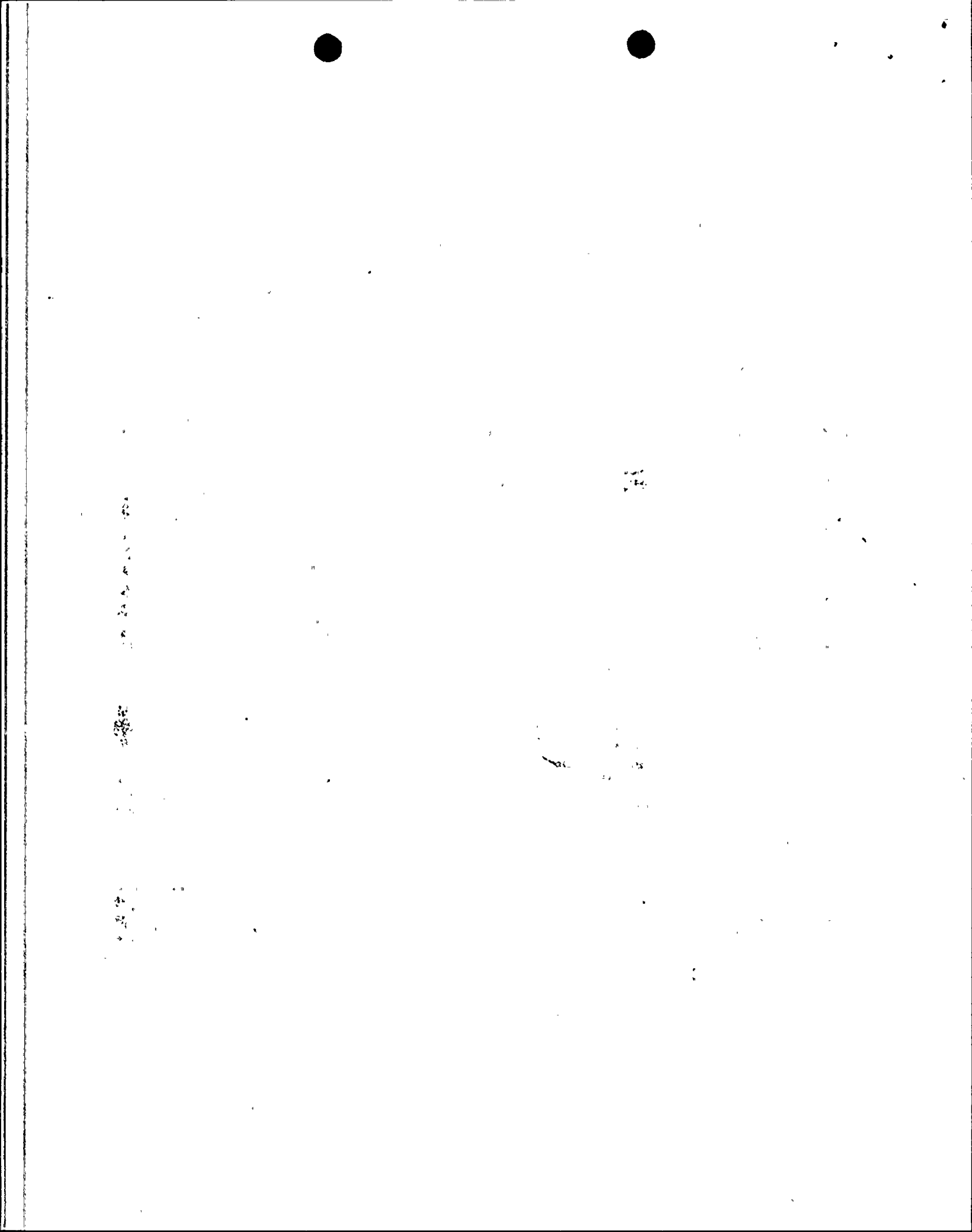




SCHEDULE 2  
to  
AMENDMENT NO. 2

SCHEDULE OF CASUALTY VALUES

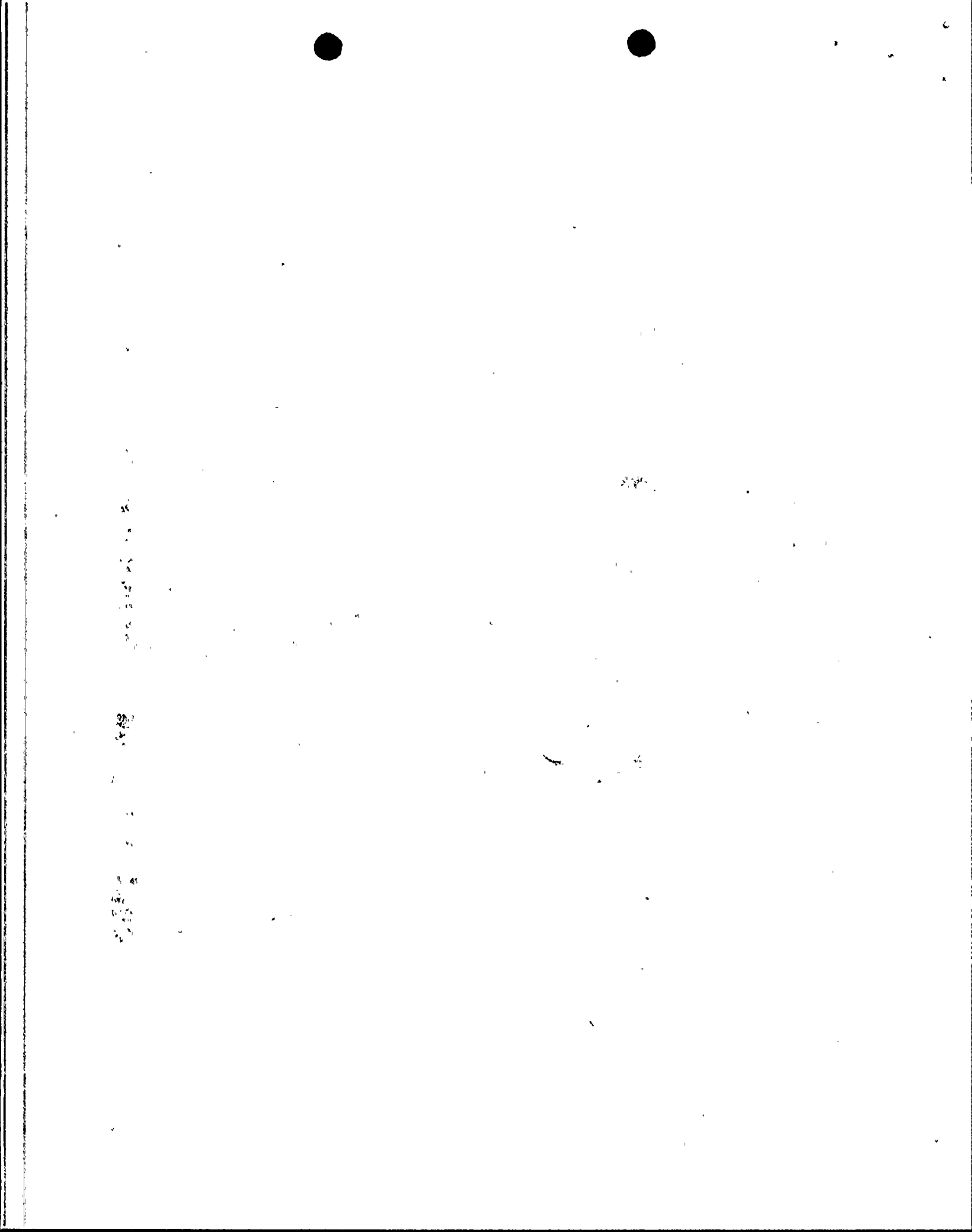
| Basic Rent<br>Payment<br>Date<br>----- | Casualty<br>Value<br>----- | Basic Rent<br>Payment<br>Date<br>----- | Casualty<br>Value<br>----- |
|--|----------------------------|--|----------------------------|
| 6 /30 /1987                            | 105.6725379                | 12 /30 /2001                           | 97.5441602                 |
| 12 /30 /1987                           | 104.0325095                | 6 /30 /2002                            | 95.6324941                 |
| 6 /30 /1988                            | 105.5943273                | 12 /30 /2002                           | 93.6659902                 |
| 12 /30 /1988                           | 107.0285141                | 6 /30 /2003                            | 91.6371397                 |
| 6 /30 /1989                            | 108.3390789                | 12 /30 /2003                           | 89.5511282                 |
| 12 /30 /1989                           | 109.5436758                | 6 /30 /2004                            | 87.4000356                 |
| 6 /30 /1990                            | 110.6239366                | 12 /30 /2004                           | 85.1896002                 |
| 12 /30 /1990                           | 111.5839191                | 6 /30 /2005                            | 82.9114449                 |
| 6 /30 /1991                            | 112.4239382                | 12 /30 /2005                           | 80.5718867                 |
| 12 /30 /1991                           | 113.1440455                | 6 /30 /2006                            | 78.1621631                 |
| 6 /30 /1992                            | 113.7390325                | 12 /30 /2006                           | 75.6892416                 |
| 12 /30 /1992                           | 114.2170869                | 6 /30 /2007                            | 73.1439428                 |
| 6 /30 /1993                            | 114.5612811                | 12 /30 /2007                           | 70.5339583                 |
| 12 /30 /1993                           | 114.7696173                | 6 /30 /2008                            | 67.8496649                 |
| 6 /30 /1994                            | 114.8237344                | 12 /30 /2008                           | 65.0995940                 |
| 12 /30 /1994                           | 114.7199472                | 6 /30 /2009                            | 62.2737396                 |
| 6 /30 /1995                            | 114.4382418                | 12 /30 /2009                           | 59.3815621                 |
| 12 /30 /1995                           | 113.9860110                | 6 /30 /2010                            | 56.4140213                 |
| 6 /30 /1996                            | 113.4930549                | 12 /30 /2010                           | 53.3790937                 |
| 12 /30 /1996                           | 112.9838731                | 6 /30 /2011                            | 50.2706801                 |
| 6 /30 /1997                            | 112.4579673                | 12 /30 /2011                           | 47.0940129                 |
| 12 /30 /1997                           | 110.9223452                | 6 /30 /2012                            | 43.8469180                 |
| 6 /30 /1998                            | 109.3693067                | 12 /30 /2012                           | 40.5315528                 |
| 12 /30 /1998                           | 107.8153952                | 6 /30 /2013                            | 37.1927800                 |
| 6 /30 /1999                            | 106.2700412                | 12 /30 /2013                           | 33.7460798                 |
| 12 /30 /1999                           | 104.6313588                | 6 /30 /2014                            | 30.2829307                 |
| 6 /30 /2000                            | 102.9386552                | 12 /30 /2014                           | 26.8099446                 |
| 12 /30 /2000                           | 101.1958537                | 6 /30 /2015                            | 23.4286252                 |
| 6 /30 /2001                            | 99.3962545                 | 12 /30 /2015                           | 20.0000000                 |



SCHEDULE 3  
to  
AMENDMENT NO. 2

SCHEDULE OF SPECIAL CASUALTY VALUES

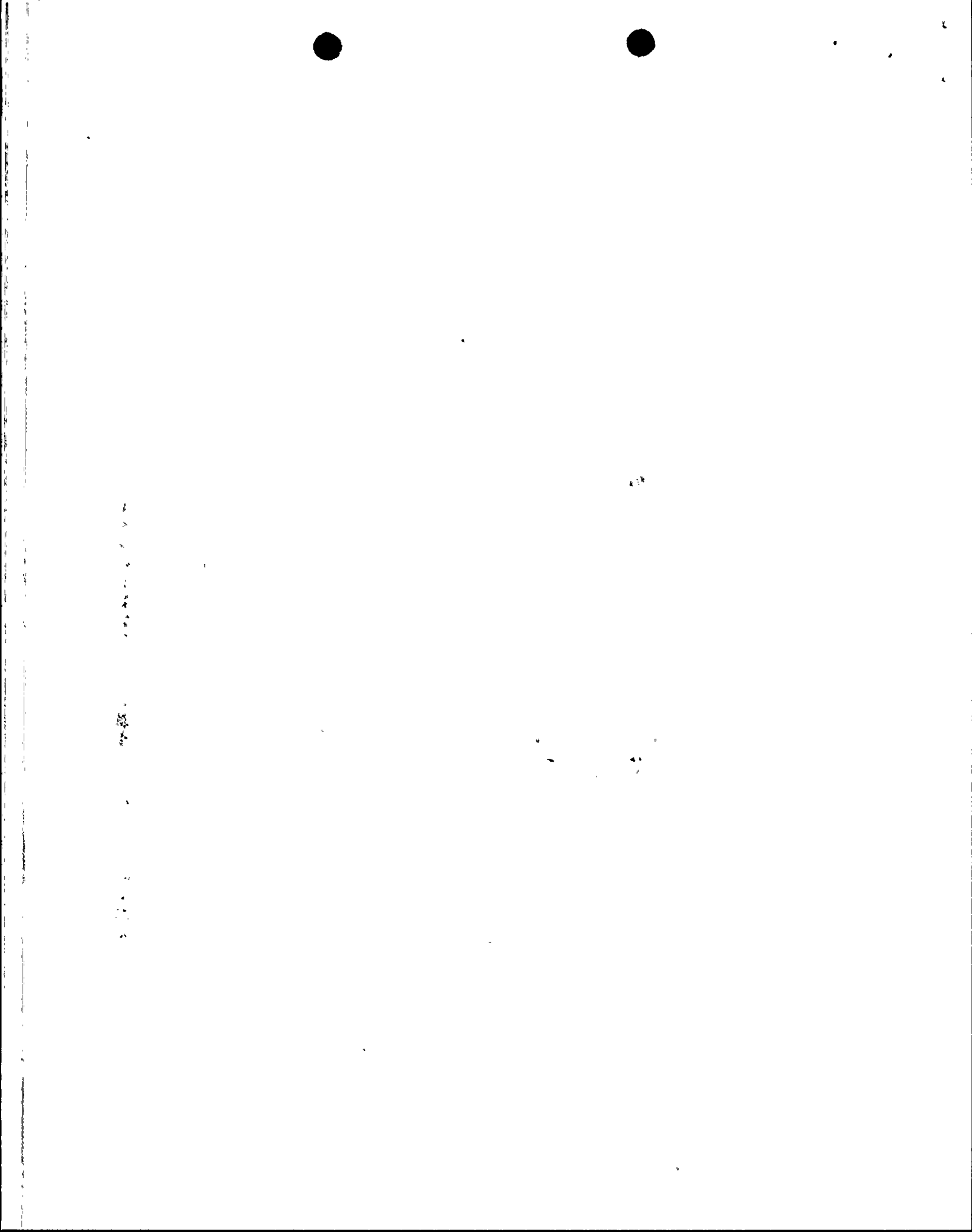
| Basic Rent<br>Payment<br>Date<br>----- | Termination<br>Value<br>----- | Basic Rent<br>Payment<br>Date<br>----- | Termination<br>Value<br>----- |
|--|-------------------------------|--|-------------------------------|
| 6 /30 /1987                            | 105.5812561                   | 12 /30 /2001                           | 96.5485634                    |
| 12 /30 /1987                           | 103.9333883                   | 6 /30 /2002                            | 94.5513933                    |
| 6 /30 /1988                            | 105.4866932                   | 12 /30 /2002                           | 92.4920420                    |
| 12 /30 /1988                           | 106.9116362                   | 6 /30 /2003                            | 90.3623702                    |
| 6 /30 /1989                            | 108.2121633                   | 12 /30 /2003                           | 88.1668786                    |
| 12 /30 /1989                           | 109.4058604                   | 6 /30 /2004                            | 85.8969035                    |
| 6 /30 /1990                            | 110.4742852                   | 12 /30 /2004                           | 83.5573758                    |
| 12 /30 /1990                           | 111.4214153                   | 6 /30 /2005                            | 81.1390414                    |
| 6 /30 /1991                            | 112.2474782                   | 12 /30 /2005                           | 78.6472651                    |
| 12 /30 /1991                           | 112.9524308                   | 6 /30 /2006                            | 76.0722507                    |
| 6 /30 /1992                            | 113.5309615                   | 12 /30 /2006                           | 73.4198429                    |
| 12 /30 /1992                           | 113.9911463                   | 6 /30 /2007                            | 70.6796430                    |
| 6 /30 /1993                            | 114.3159362                   | 12 /30 /2007                           | 67.8580189                    |
| 12 /30 /1993                           | 114.5032016                   | 6 /30 /2008                            | 64.9439098                    |
| 6 /30 /1994                            | 114.5344383                   | 12 /30 /2008                           | 61.9442861                    |
| 12 /30 /1994                           | 114.4058058                   | 6 /30 /2009                            | 58.8474468                    |
| 6 /30 /1995                            | 114.0971212                   | 12 /30 /2009                           | 55.6610115                    |
| 12 /30 /1995                           | 113.6155942                   | 6 /30 /2010                            | 52.3739415                    |
| 6 /30 /1996                            | 113.0908259                   | 12 /30 /2010                           | 48.9920428                    |
| 12 /30 /1996                           | 112.5470997                   | 6 /30 /2011                            | 45.5068594                    |
| 6 /30 /1997                            | 111.9836828                   | 12 /30 /2011                           | 41.9210646                    |
| 12 /30 /1997                           | 110.4073282                   | 6 /30 /2012                            | 38.2297052                    |
| 6 /30 /1998                            | 108.8100588                   | 12 /30 /2012                           | 34.4319213                    |
| 12 /30 /1998                           | 107.2081178                   | 6 /30 /2013                            | 30.5692984                    |
| 6 /30 /1999                            | 105.6106095                   | 12 /30 /2013                           | 26.5537587                    |
| 12 /30 /1999                           | 103.9152937                   | 6 /30 /2014                            | 22.4729169                    |
| 6 /30 /2000                            | 102.1610927                   | 12 /30 /2014                           | 18.3291892                    |
| 12 /30 /2000                           | 100.3515124                   | 6 /30 /2015                            | 14.2195235                    |
| 6 /30 /2001                            | 98.4793994                    | 12 /30 /2015                           | 10.0000000                    |



SCHEDULE 4  
to  
AMENDMENT NO. 2

SCHEDULE OF MODIFIED SPECIAL CASUALTY VALUES

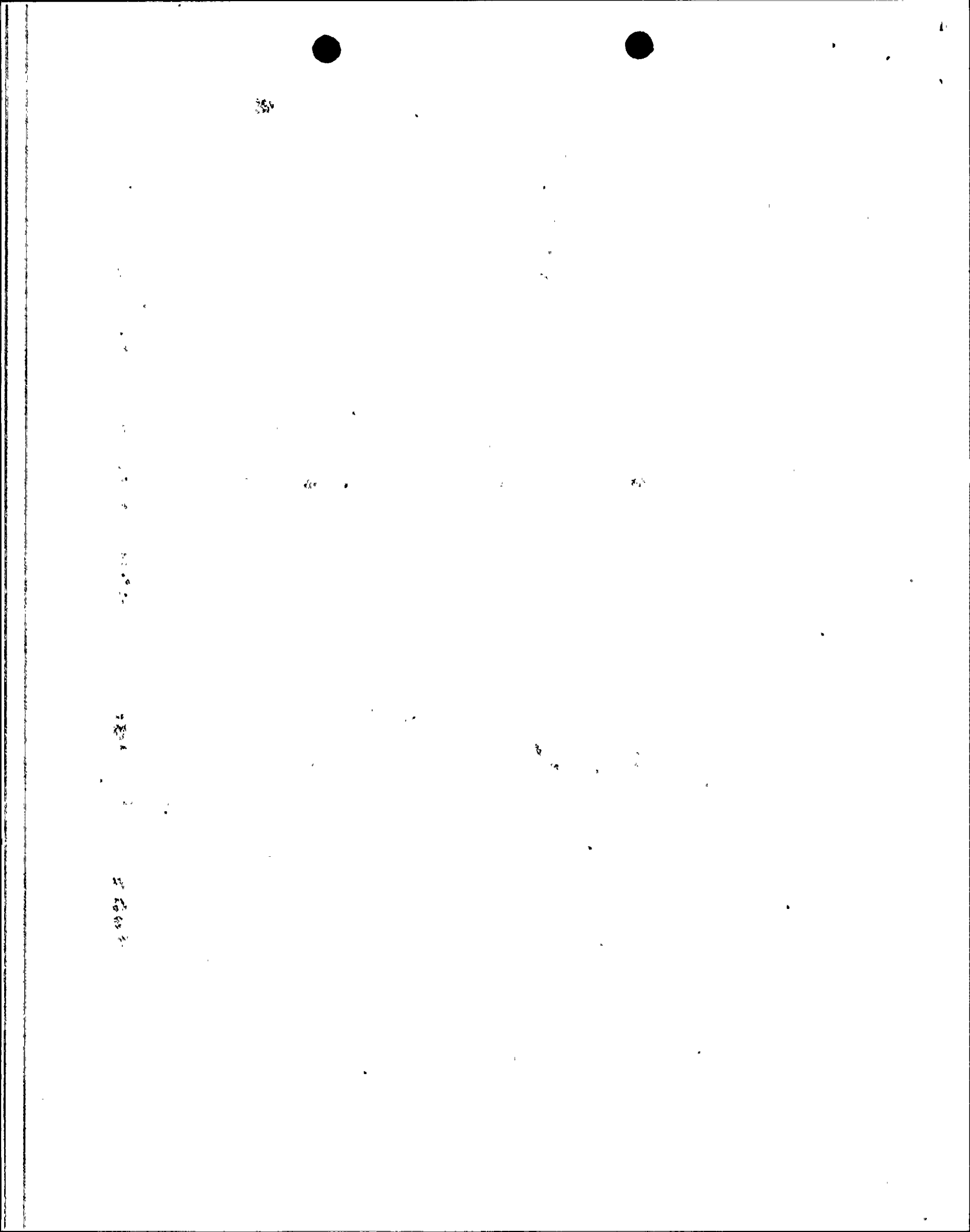
| Basic Rent<br>Payment<br>Date<br>----- | Modified<br>Special<br>Casualty<br>Value<br>----- | Basic Rent<br>Payment<br>Date<br>----- | Modified<br>Special<br>Casualty<br>Value<br>----- |
|--|---|--|---|
| 6 /30 /1987                            | 105.4899743                                       | 12 /30 /2001                           | 95.5529666  |
| 12 /30 /1987                           | 103.8342670                                       | 6 /30 /2002                            | 93.4702924  |
| 6 /30 /1988                            | 105.3790592                                       | 12 /30 /2002                           | 91.3180938  |
| 12 /30 /1988                           | 106.7947583                                       | 6 /30 /2003                            | 89.0876006  |
| 6 /30 /1989                            | 108.0852477                                       | 12 /30 /2003                           | 86.7826290  |
| 12 /30 /1989                           | 109.2680449                                       | 6 /30 /2004                            | 84.3937715  |
| 6 /30 /1990                            | 110.3246339                                       | 12 /30 /2004                           | 81.9251513  |
| 12 /30 /1990                           | 111.2589116                                       | 6 /30 /2005                            | 79.3666378  |
| 6 /30 /1991                            | 112.0710183                                       | 12 /30 /2005                           | 76.7226436  |
| 12 /30 /1991                           | 112.7608161                                       | 6 /30 /2006                            | 73.9823384  |
| 6 /30 /1992                            | 113.3228905                                       | 12 /30 /2006                           | 71.1504442  |
| 12 /30 /1992                           | 113.7652057                                       | 6 /30 /2007                            | 68.2153432  |
| 6 /30 /1993                            | 114.0705913                                       | 12 /30 /2007                           | 65.1820795  |
| 12 /30 /1993                           | 114.2367859                                       | 6 /30 /2008                            | 62.0381547  |
| 6 /30 /1994                            | 114.2451423                                       | 12 /30 /2008                           | 58.7889783  |
| 12 /30 /1994                           | 114.0916643                                       | 6 /30 /2009                            | 55.4211541  |
| 6 /30 /1995                            | 113.7560006                                       | 12 /30 /2009                           | 51.9404610  |
| 12 /30 /1995                           | 113.2451774                                       | 6 /30 /2010                            | 48.3338618  |
| 6 /30 /1996                            | 112.6885969                                       | 12 /30 /2010                           | 44.6049919  |
| 12 /30 /1996                           | 112.1103264                                       | 6 /30 /2011                            | 40.7430388  |
| 6 /30 /1997                            | 111.5093984                                       | 12 /30 /2011                           | 36.7481163  |
| 12 /30 /1997                           | 109.8923111                                       | 6 /30 /2012                            | 32.6124925  |
| 6 /30 /1998                            | 108.2508109                                       | 12 /30 /2012                           | 28.3322897  |
| 12 /30 /1998                           | 106.6008405                                       | 6 /30 /2013                            | 23.9458168  |
| 6 /30 /1999                            | 104.9511778                                       | 12 /30 /2013                           | 19.3614376  |
| 12 /30 /1999                           | 103.1992285                                       | 6 /30 /2014                            | 14.6629031  |
| 6 /30 /2000                            | 101.3835303                                       | 12 /30 /2014                           | 9.8484339   |
| 12 /30 /2000                           | 99.5071711  | 6 /30 /2015                            | 5.0104218   |
| 6 /30 /2001                            | 97.5625442  | 12 /30 /2015                           | 0.0000000   |



SCHEDULE 5  
to  
AMENDMENT NO. 2

SCHEDULE OF EXTRAORDINARY CASUALTY VALUES

| Basic Rent<br>Payment<br>Date | Extraordinary<br>Casualty<br>Value | Basic Rent<br>Payment<br>Date | Extraordinary<br>Casualty<br>Value |
|-------------------------------|------------------------------------|-------------------------------|------------------------------------|
| -----                         | -----                              | -----                         | -----                              |
| 6 /30 /1987                   | 105.7181788                        | 12 /30 /2001                  | 98.0419586                         |
| 12 /30 /1987                  | 104.0820702                        | 6 /30 /2002                   | 96.1730446                         |
| 6 /30 /1988                   | 105.6481443                        | 12 /30 /2002                  | 94.2529644                         |
| 12 /30 /1988                  | 107.0869530                        | 6 /30 /2003                   | 92.2745245                         |
| 6 /30 /1989                   | 108.4025368                        | 12 /30 /2003                  | 90.2432530                         |
| 12 /30 /1989                  | 109.6125835                        | 6 /30 /2004                   | 88.1516017                         |
| 6 /30 /1990                   | 110.6987623                        | 12 /30 /2004                  | 86.0057124                         |
| 12 /30 /1990                  | 111.6651709                        | 6 /30 /2005                   | 83.7976467                         |
| 6 /30 /1991                   | 112.5121681                        | 12 /30 /2005                  | 81.5341974                         |
| 12 /30 /1991                  | 113.2398528                        | 6 /30 /2006                   | 79.2071193                         |
| 6 /30 /1992                   | 113.8430680                        | 12 /30 /2006                  | 76.8239410                         |
| 12 /30 /1992                  | 114.3300572                        | 6 /30 /2007                   | 74.3760927                         |
| 6 /30 /1993                   | 114.6839536                        | 12 /30 /2007                  | 71.8719280                         |
| 12 /30 /1993                  | 114.9028251                        | 6 /30 /2008                   | 69.3025425                         |
| 6 /30 /1994                   | 114.9683824                        | 12 /30 /2008                  | 66.6772479                         |
| 12 /30 /1994                  | 114.8770179                        | 6 /30 /2009                   | 63.9868860                         |
| 6 /30 /1995                   | 114.6088021                        | 12 /30 /2009                  | 61.2418373                         |
| 12 /30 /1995                  | 114.1712194                        | 6 /30 /2010                   | 58.4340612                         |
| 6 /30 /1996                   | 113.6941695                        | 12 /30 /2010                  | 55.5726191                         |
| 12 /30 /1996                  | 113.2022598                        | 6 /30 /2011                   | 52.6525904                         |
| 6 /30 /1997                   | 112.6951095                        | 12 /30 /2011                  | 49.6804870                         |
| 12 /30 /1997                  | 111.1798537                        | 6 /30 /2012                   | 46.6555243                         |
| 6 /30 /1998                   | 109.6489306                        | 12 /30 /2012                  | 43.5813686                         |
| 12 /30 /1998                  | 108.1190338                        | 6 /30 /2013                   | 40.5045208                         |
| 6 /30 /1999                   | 106.5997571                        | 12 /30 /2013                  | 37.3422403                         |
| 12 /30 /1999                  | 104.9893914                        | 6 /30 /2014                   | 34.1879376                         |
| 6 /30 /2000                   | 103.3274364                        | 12 /30 /2014                  | 31.0503222                         |
| 12 /30 /2000                  | 101.6180243                        | 6 /30 /2015                   | 28.0331760                         |
| 6 /30 /2001                   | 99.8546821                         | 12 /30 /2015                  | 25.0000000                         |





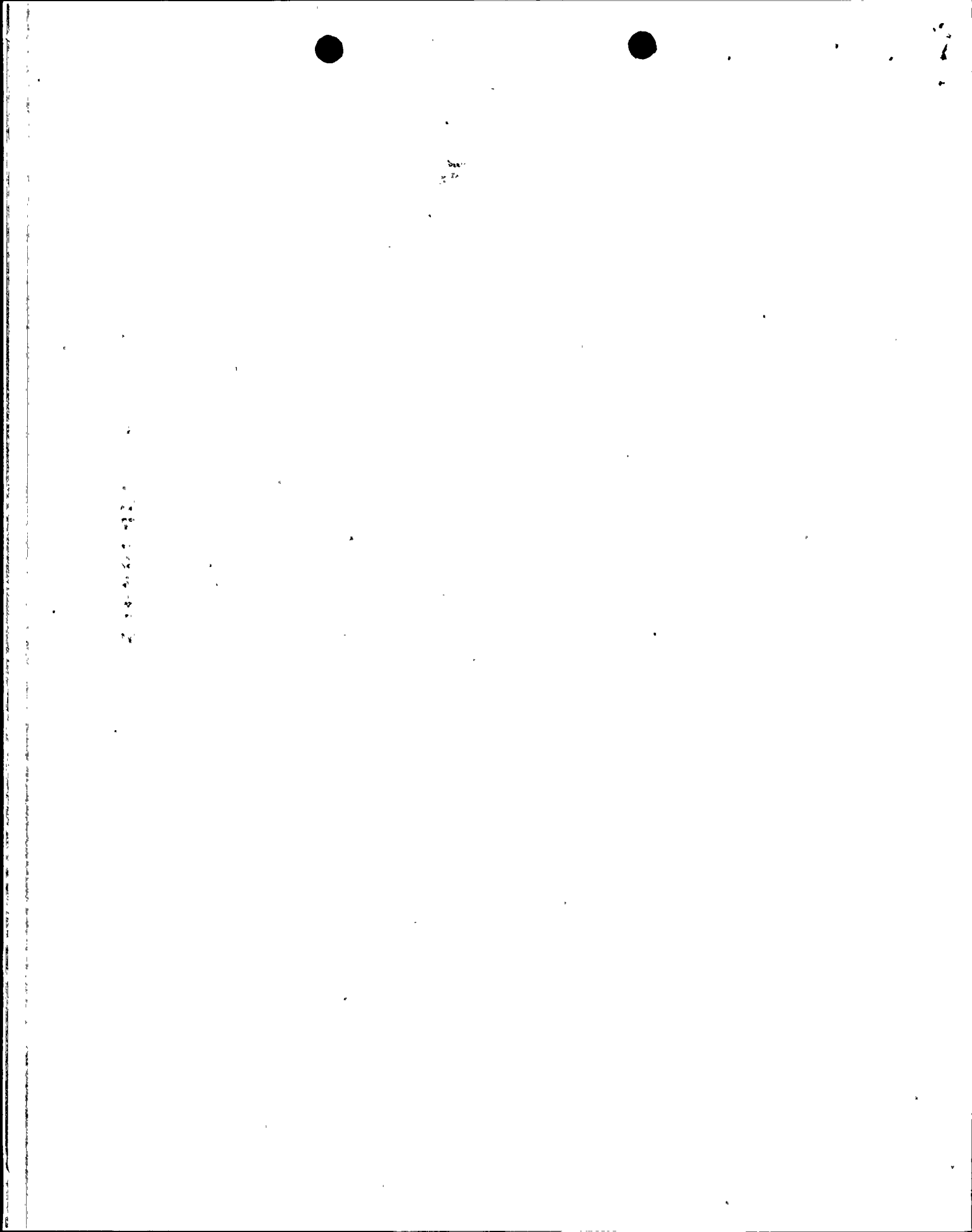
**AMENDMENT NO. 2 TO FACILITY LEASE  
EMERSON CAPITAL CORPORATION  
CERTIFICATION, REQUEST, INSTRUCTION AND CONSENT**

Reference is made to (i) the Participation Agreement, dated as of August 1, 1986, among the parties whose signatures appear below, as heretofore amended (such Participation Agreement, as so amended, is hereinafter referred to as the Participation Agreement), (ii) the Facility Lease (as defined in the Participation Agreement), as heretofore amended (such Facility Lease, as so amended, is hereinafter referred to as the Facility Lease), and (iii) the Indenture (as defined in the Participation Agreement), as heretofore amended and supplemented (such Indenture, as so amended and supplemented, is hereinafter referred to as the Indenture). Capitalized terms used herein without definition shall have the respective meanings given such terms in Appendix A to the Participation Agreement.

1. The Equity Participant hereby requests the Lessee to enter into an amendment to the Facility Lease in the form attached as Exhibit A hereto (Amendment No. 2).

2. The undersigned President of the Equity Participant hereby certifies that the schedules of Basic Rent Percentages, Casualty Values, Special Casualty Values, Modified Special Casualty Values and Extraordinary Casualty Values have been prepared in compliance with the method for adjustment described in Section 3(e) of the Facility Lease.

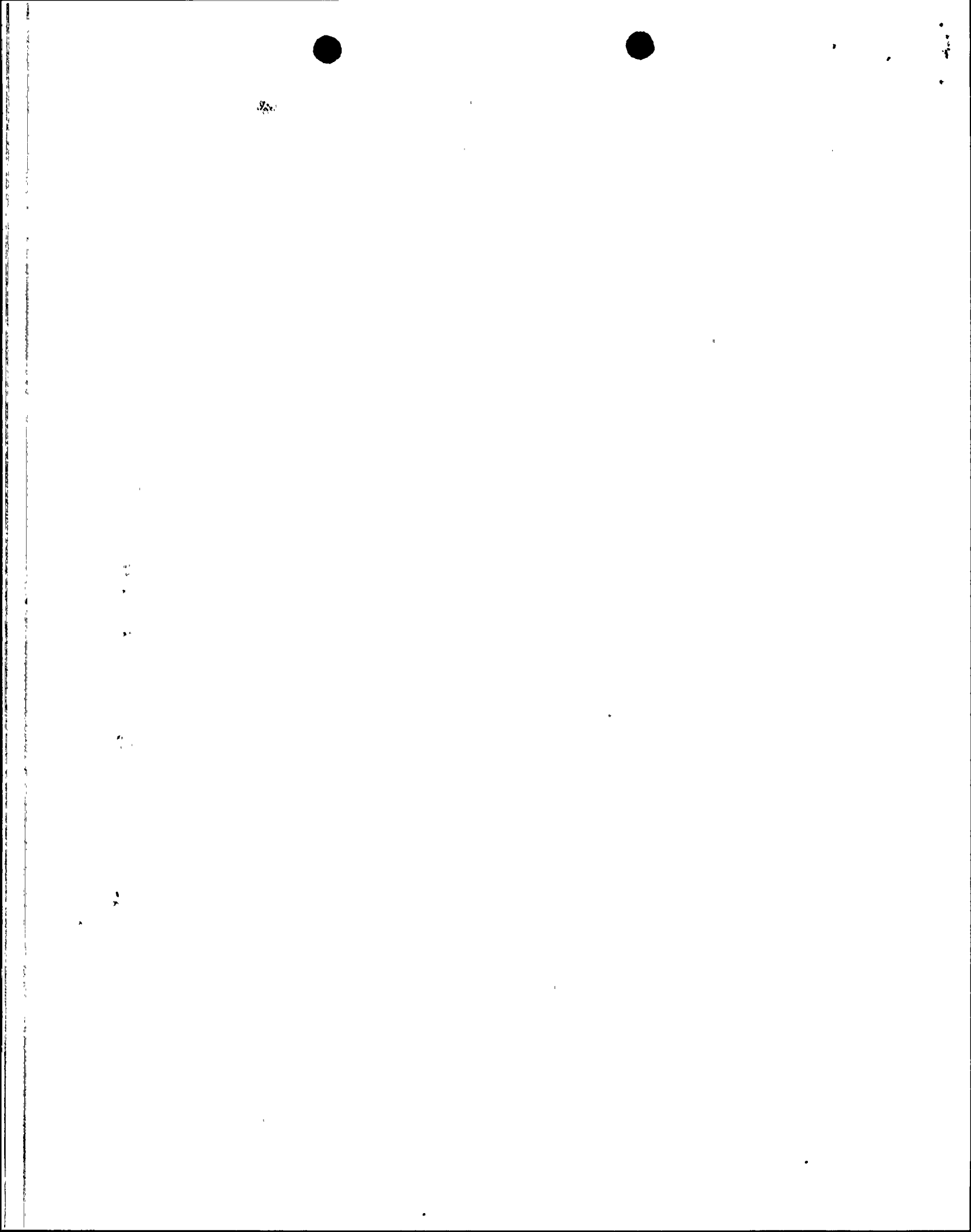
3. In accordance with Section 2.01 of the Trust Agreement, the Equity Participant hereby requests and instructs the Owner Trustee to execute and deliver (i) this Certification, Request, Instruction and Consent, (ii) Amendment No. 2 and (iii) all other agreements, instruments and certificates contemplated by the Transaction Documents in connection with this Certification, Request, Instruction and Consent and Amendment No. 2.



4. The Lessee hereby represents that Amendment No. 2 does not constitute an amendment to the Facility Lease that would require the consent of the Holders of the Notes now Outstanding. In accordance with Section 10.2(ii) of the Indenture, the Lessee and the Owner Trustee hereby instruct the Indenture Trustee to consent to Amendment No. 2, and the Indenture Trustee so consents.

5. The Lessee agrees that it shall cause to be made or given the recordation, notice and filings set forth in Schedule 1 hereto and represents that such recordation, notice and filings are all the recordations, notices and filings necessary in order to preserve, protect and perfect the Owner Trustee's rights and interests under the Facility Lease, as amended by Amendment No. 2 and the Indenture Trustee's rights and interests under the Indenture.

6. This Certification, Request, Instruction and Consent may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which, when so executed and delivered, shall be an original, but all such counterparts shall together constitute but one and the same instrument. This Request, Instruction and Consent shall be effective on and as of the latest of the dates of execution hereof by the parties thereto; provided, however, that paragraph 1 hereof shall be effective on and as of the date of execution hereof by the Equity Participant.



IN WITNESS WHEREOF, the parties hereto have each caused this Certification, Request, Instruction and Consent to be duly executed by their respective officers thereunto duly authorized as of the dates set forth below.

EMERSON CAPITAL CORPORATION

By Paul Sharp  
President

Date: July 29, 1987

ARIZONA PUBLIC SERVICE  
COMPANY

By \_\_\_\_\_  
Treasurer and  
Assistant Secretary

Date: July 29, 1987

THE FIRST NATIONAL BANK OF  
BOSTON, as Owner Trustee

By \_\_\_\_\_  
Assistant Vice President

Date: July 29, 1987

CHEMICAL BANK, as Indenture  
Trustee

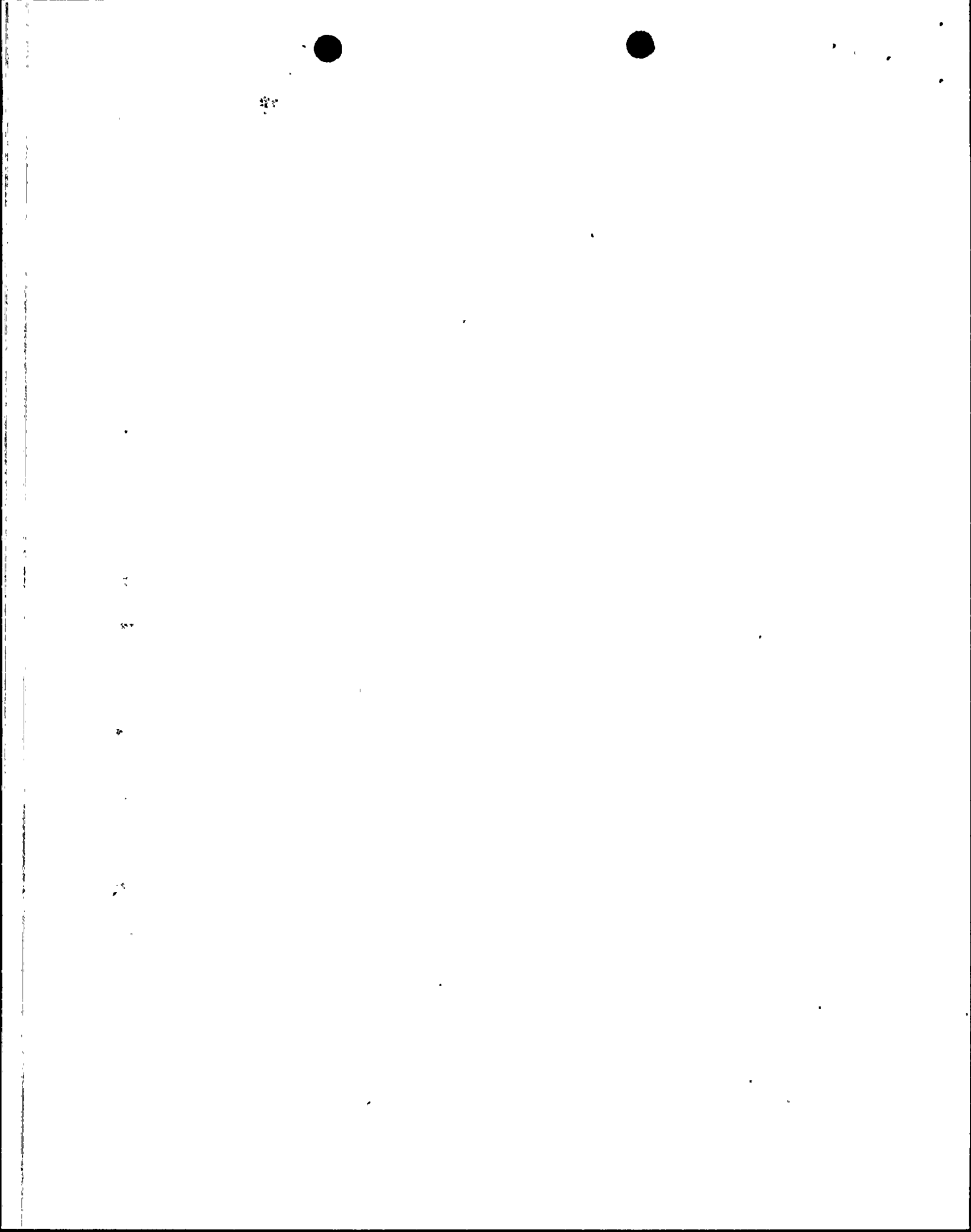
By \_\_\_\_\_  
Vice President

Date: July 29, 1987

PVNGS FUNDING CORP., INC.

By \_\_\_\_\_  
President

Date: July 29, 1987



IN WITNESS WHEREOF, the parties hereto have each caused this Certification, Request, Instruction and Consent to be duly executed by their respective officers thereunto duly authorized as of the dates set forth below.

EMERSON CAPITAL CORPORATION

By \_\_\_\_\_  
President

Date: July 29, 1987

ARIZONA PUBLIC SERVICE  
COMPANY

By *M. J. Bennett*  
Treasurer and  
Assistant Secretary

Date: July 29, 1987

THE FIRST NATIONAL BANK OF  
BOSTON, as Owner Trustee

By \_\_\_\_\_  
Assistant Vice President

Date: July 29, 1987

CHEMICAL BANK, as Indenture  
Trustee

By \_\_\_\_\_  
Vice President

Date: July 29, 1987

PVNGS FUNDING CORP., INC.

By \_\_\_\_\_  
President

Date: July 29, 1987

21



IN WITNESS WHEREOF, the parties hereto have each caused this Certification, Request, Instruction and Consent to be duly executed by their respective officers thereunto duly authorized as of the dates set forth below.

EMERSON CAPITAL CORPORATION

By \_\_\_\_\_  
President

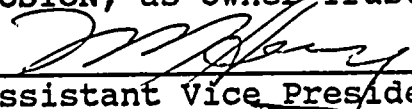
Date: July 29, 1987

ARIZONA PUBLIC SERVICE  
COMPANY

By \_\_\_\_\_  
Treasurer and  
Assistant Secretary

Date: July 29, 1987

THE FIRST NATIONAL BANK OF  
BOSTON, as Owner Trustee

By  \_\_\_\_\_  
Assistant Vice President

Date: July 29, 1987

CHEMICAL BANK, as Indenture  
Trustee

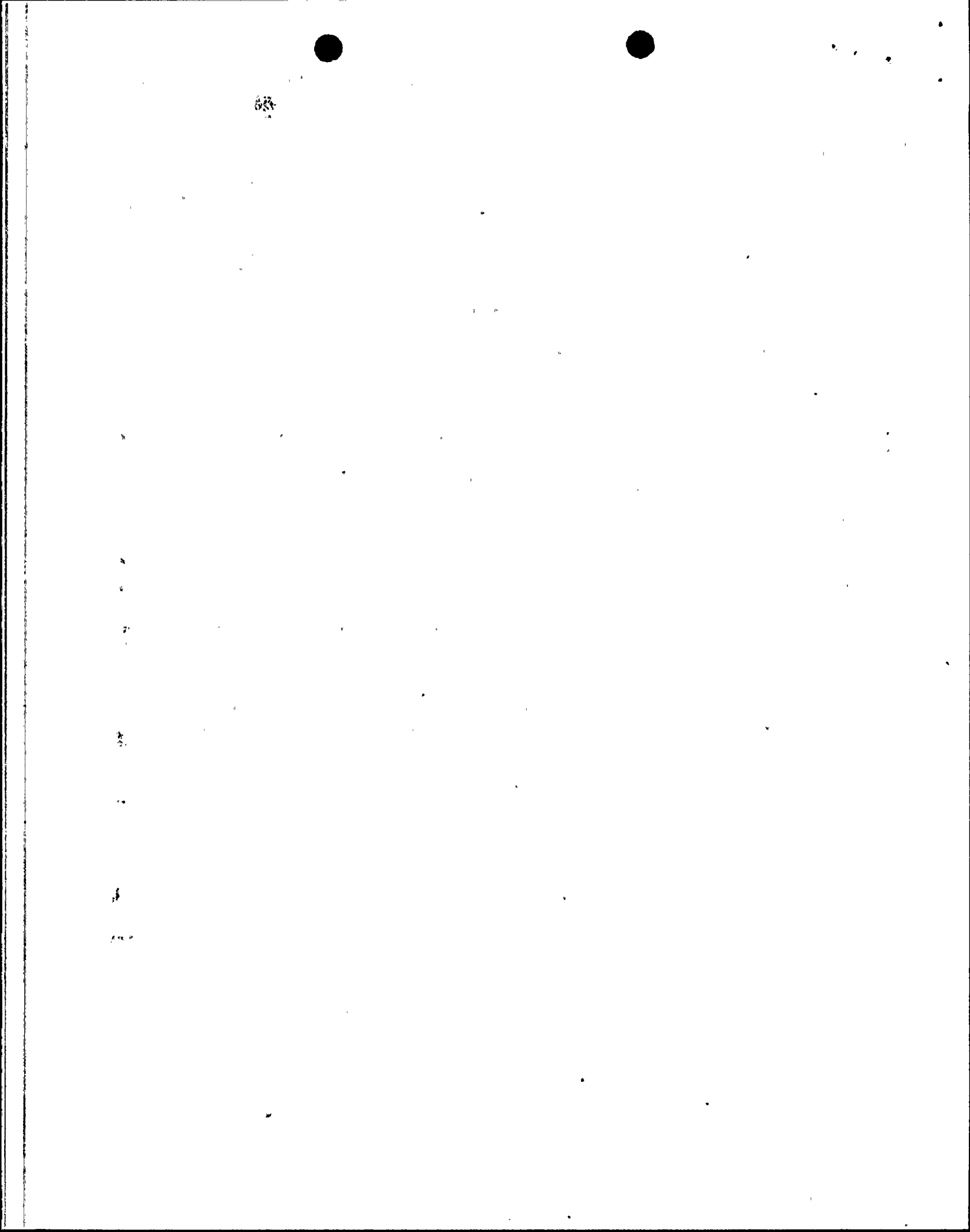
By \_\_\_\_\_  
Vice President

Date: July 29, 1987

PVNGS FUNDING CORP., INC.

By \_\_\_\_\_  
President

Date: July 29, 1987



IN WITNESS WHEREOF, the parties hereto have each caused this Certification, Request, Instruction and Consent to be duly executed by their respective officers thereunto duly authorized as of the dates set forth below.

EMERSON CAPITAL CORPORATION

By \_\_\_\_\_  
President

Date: July 29, 1987

ARIZONA PUBLIC SERVICE  
COMPANY

By \_\_\_\_\_  
Treasurer and  
Assistant Secretary

Date: July 29, 1987

THE FIRST NATIONAL BANK OF  
BOSTON, as Owner Trustee

By \_\_\_\_\_  
Assistant Vice President

Date: July 29, 1987

CHEMICAL BANK, as Indenture  
Trustee

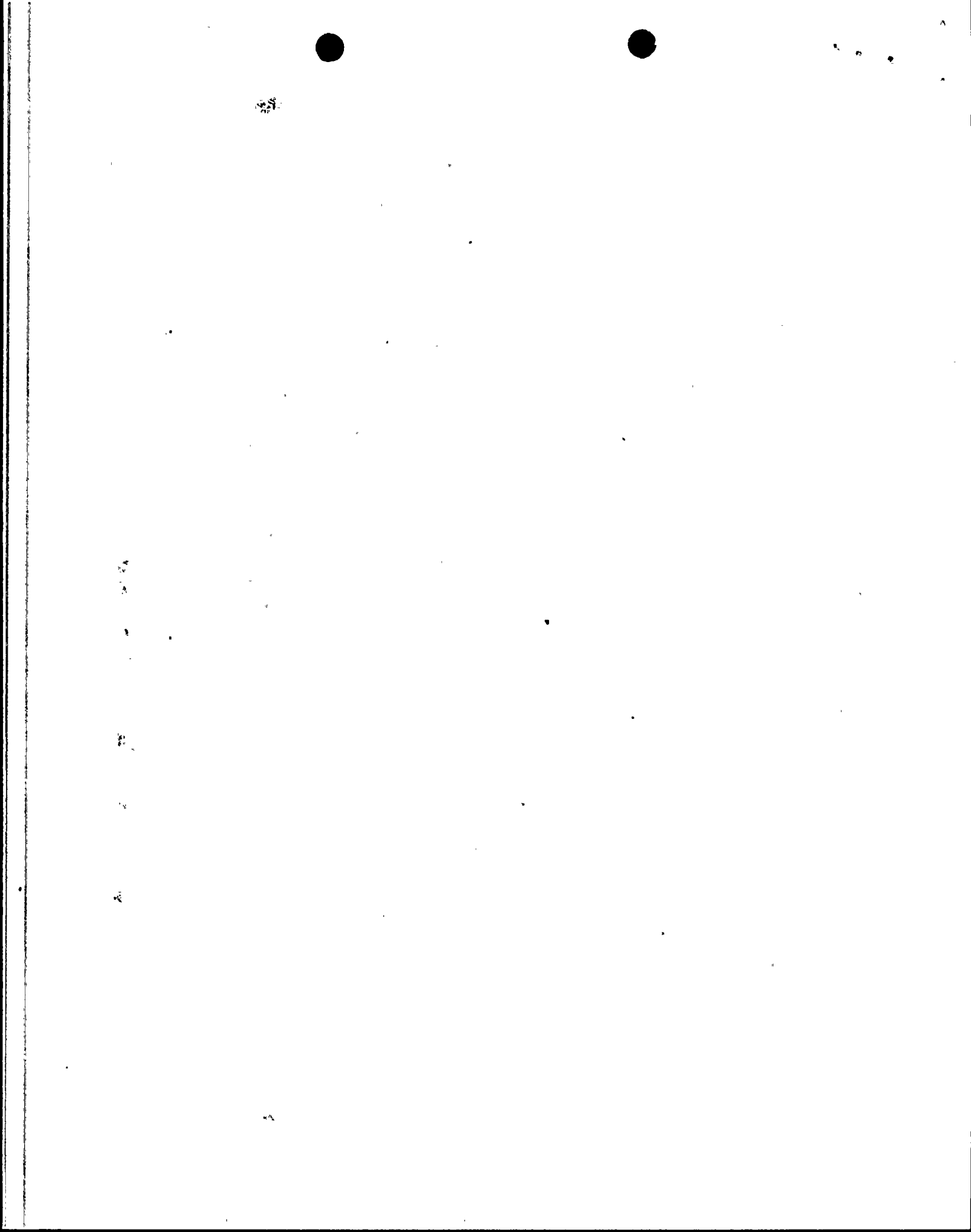
By \_\_\_\_\_  
Vice President

Date: July 29, 1987

PVNGS FUNDING CORP., INC.

By \_\_\_\_\_  
President

Date: July 29, 1987



IN WITNESS WHEREOF, the parties hereto have each caused this Certification, Request, Instruction and Consent to be duly executed by their respective officers thereunto duly authorized as of the dates set forth below.

EMERSON CAPITAL CORPORATION

By \_\_\_\_\_  
President

Date: July 29, 1987

ARIZONA PUBLIC SERVICE  
COMPANY

By \_\_\_\_\_  
Treasurer and  
Assistant Secretary

Date: July 29, 1987

THE FIRST NATIONAL BANK OF  
BOSTON, as Owner Trustee

By \_\_\_\_\_  
Assistant Vice President

Date: July 29, 1987

CHEMICAL BANK, as Indenture  
Trustee

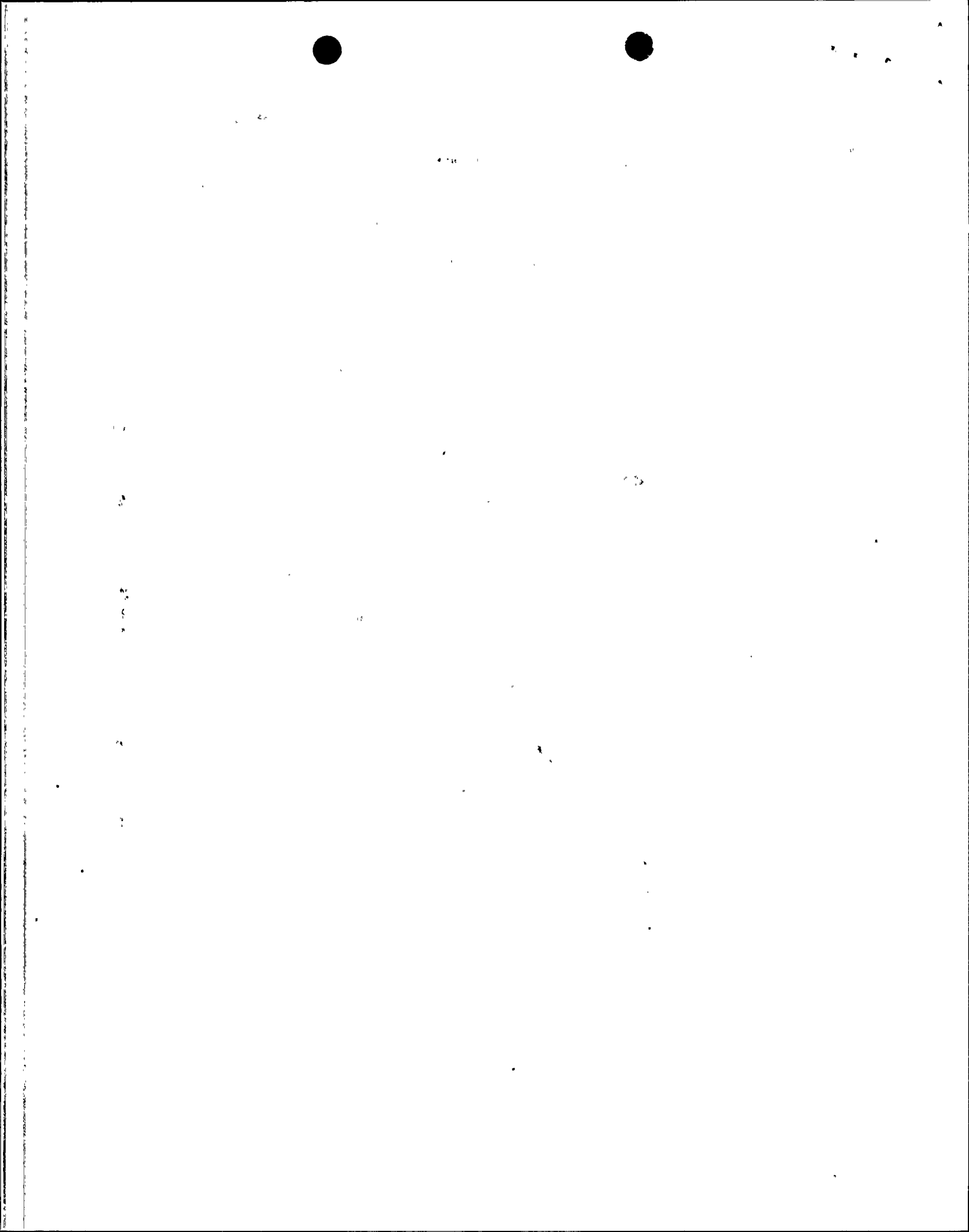
By \_\_\_\_\_  
Vice President

Date: July 29, 1987

PVNGS FUNDING CORP., INC.

By *JAB* \_\_\_\_\_  
President

Date: July 29, 1987



Schedule 1  
to  
Request, Instruction and Consent  
RECORDATION, NOTICE AND FILINGS

Part I. Recordation.

Amendment No. 2 to the Facility Lease will be recorded with the County Recorder of Maricopa County, Arizona.

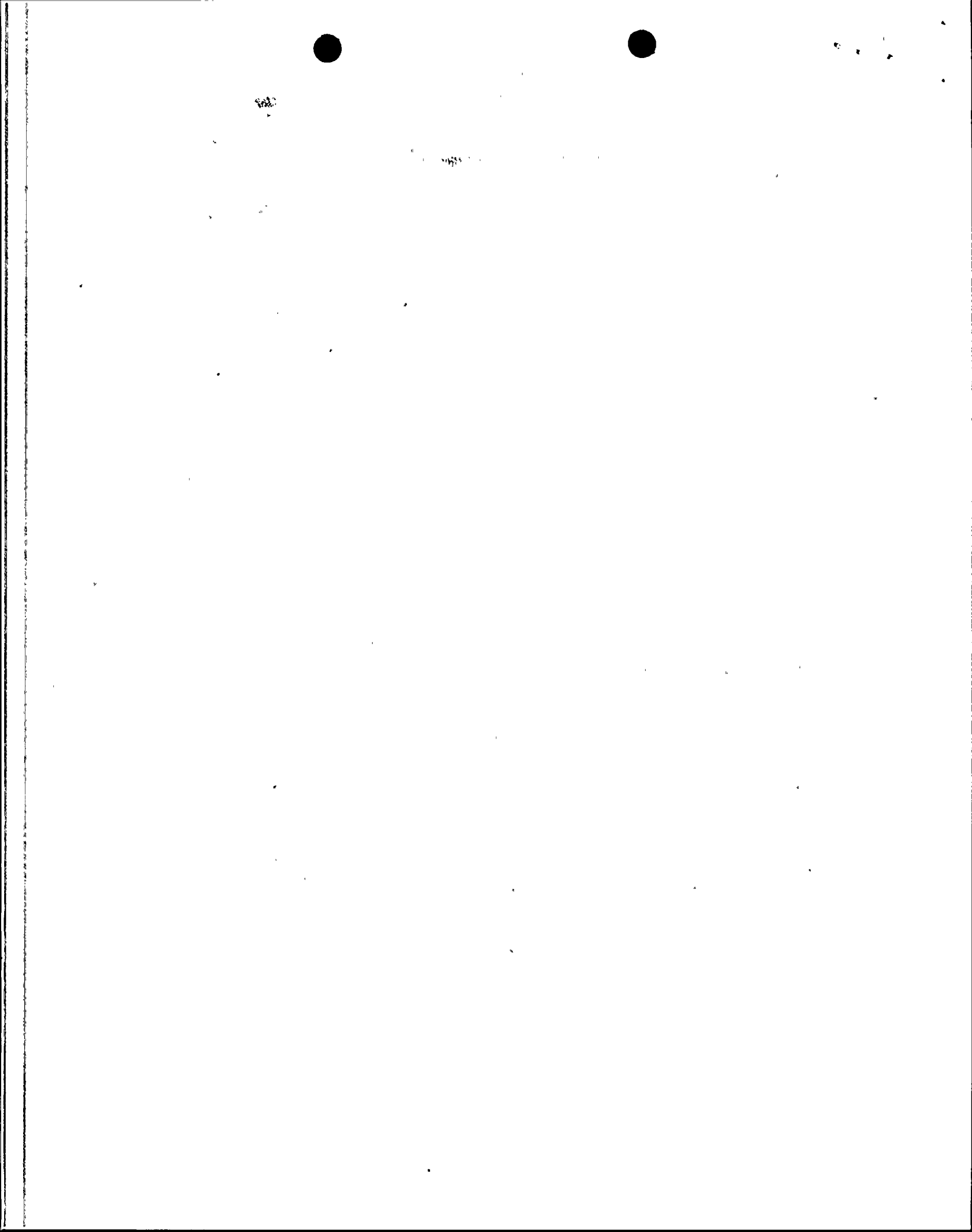
Part II. Notice.

By letter dated July 28, 1987, the Nuclear Regulatory Commission was given notice of Amendment No. 2 to the Facility Lease, in compliance with paragraph 2.B(8) of Facility Operating License NPF-41 (which paragraph was added by Amendment No. 4 to such License issued on August 15, 1986, and amended by Amendment No. 6 issued on December 11, 1986).

Part III. Filings.

(a) Separate financing statement amendments naming APS as "Lessee" and the Owner Participant's Owner Trustee as "Lessor", and the Indenture Trustee, as Assignee of the Owner Trustee, with respect to the Facility Lease, as heretofore amended and as further amended by Amendment No. 2, to be filed in the records of:

- (1) the Secretary of State of the State of Arizona (regular and public utility filings); and
- (2) the County Recorder of Maricopa County, Arizona.

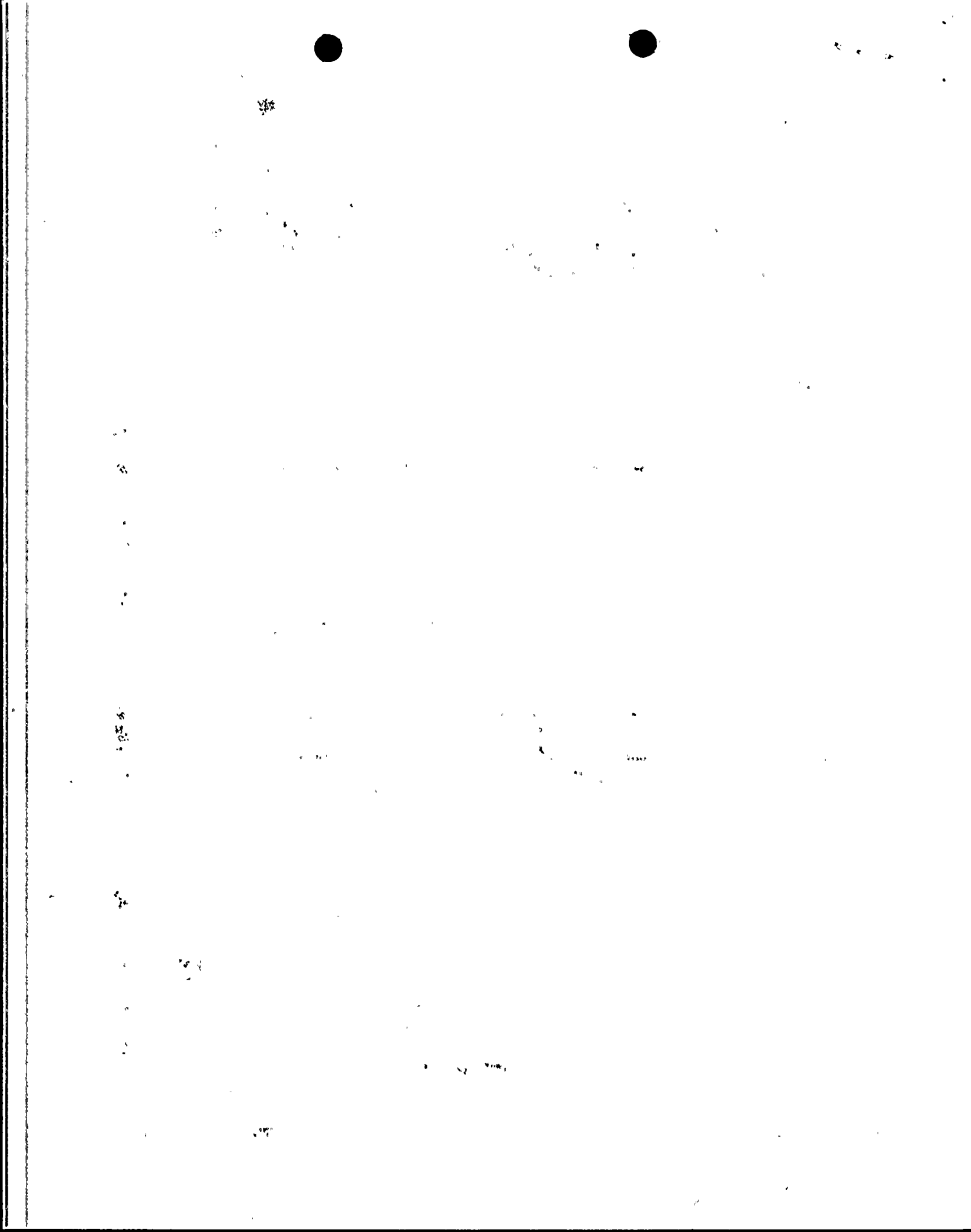




(b) Separate financing statement amendments naming the Owner Trustee as "Debtor" and the Indenture Trustee as "Secured Party", with respect to the Indenture, as amended by Supplemental Indenture No. 1 to be filed in the records of:

- (1) the Secretary of State of the State of Arizona; and
- (2) the County Recorder of Maricopa County, Arizona.

(c) A financing statement amendment naming the Owner Trustee as "Debtor" and the Indenture Trustee as "Secured Party" with respect to the Indenture, as amended by Supplemental Indenture No. 1 to be filed with the Secretary of State of the Commonwealth of Massachusetts and the Boston Town Clerk.



When Recorded, Return to: David A. Sprentall  
SNELL & WILMER  
3100 Valley Bank Center  
Phoenix, Arizona 85073

CERTAIN RIGHTS OF THE LESSOR UNDER THE FACILITY LEASE AS AMENDED BY THIS AMENDMENT NO. 2 THERETO HAVE BEEN ASSIGNED TO, AND ARE SUBJECT TO A SECURITY INTEREST IN FAVOR OF, CHEMICAL BANK, AS INDENTURE TRUSTEE UNDER A TRUST INDENTURE, MORTGAGE, SECURITY AGREEMENT AND ASSIGNMENT OF FACILITY LEASE DATED AS OF AUGUST 1, 1986. THIS AMENDMENT NO. 2 HAS BEEN EXECUTED IN SEVERAL COUNTERPARTS. SEE SECTION 3(d) OF THIS AMENDMENT NO. 2 FOR INFORMATION CONCERNING THE RIGHTS OF HOLDERS OF VARIOUS COUNTERPARTS HEREOF.

THIS COUNTERPART IS NOT THE ORIGINAL COUNTERPART.

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AMENDMENT NO. 2

dated as of June 1, 1987

to

FACILITY LEASE

dated as of August 1, 1986

between

THE FIRST NATIONAL BANK OF BOSTON  
not in its individual capacity, but solely  
as Owner Trustee under a Trust Agreement  
dated as of August 1, 1986 with Emerson  
Capital Corporation (assignee of Emerson  
Finance Co.)

Lessor

and

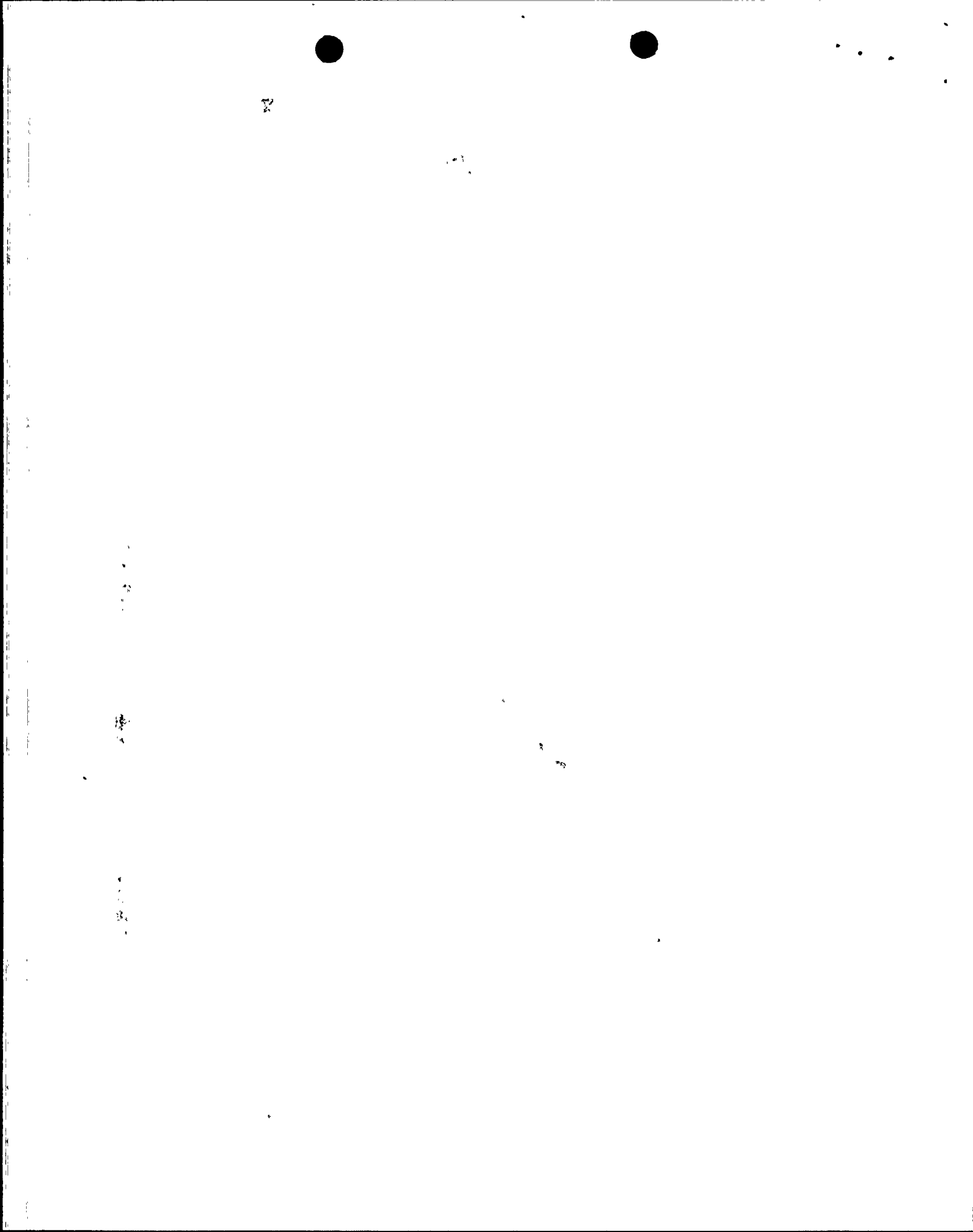
ARIZONA PUBLIC SERVICE COMPANY,

Lessee

---

Original Facility Lease Recorded on August 18, 1986,  
as Instrument No. 86-439438 and Amendment No. 1 to  
Facility Lease Recorded on November 21, 1986, as  
Instrument No. 86-645156 in Maricopa County  
Recorder's Office, State of Arizona.

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AMENDMENT NO. 2, dated as of June 1, 1987 (Amendment No. 2), to the Facility Lease dated as of August 1, 1986 between THE FIRST NATIONAL BANK OF BOSTON, a national banking association, not in its individual capacity, but solely as Owner Trustee under a Trust Agreement, dated as of August 1, 1986, with Emerson Capital Corporation, a Delaware corporation, as assignee of Emerson Finance Co. (the Lessor), and ARIZONA PUBLIC SERVICE COMPANY, an Arizona corporation (the Lessee).

W I T N E S S E T H :

WHEREAS, the Lessee and the Lessor have heretofore entered into a Facility Lease dated as of August 1, 1986 (the Facility Lease), providing for the lease by the Lessor to the Lessee of the Undivided Interest and the Real Property Interest;

WHEREAS, the Lessee and the Lessor have heretofore entered into an Amendment No. 1 to Facility Lease dated as of November 1, 1986, providing for certain amendments to the Facility Lease and adjustments to Basic Rent and to the schedules of Casualty Values, Extraordinary Casualty Values, Special Casualty Values and Modified Special Casualty Values;

WHEREAS, Section 3(e) of the Facility Lease provides for an adjustment to Basic Rent and to the schedules of Casualty Values, Extraordinary Casualty Values, Special Casualty Values and Modified Special Casualty Values in order to preserve Net Economic Return in the event, among other things, of any change in the Current Pricing Assumptions; and

WHEREAS, in connection with the payment of Transaction Expenses, there has been a change in the Current Pricing Assumptions;

NOW, THEREFORE, in consideration of the premises and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:



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## SECTION 1. Definitions.

For purposes hereof, capitalized terms used herein and not otherwise defined herein or in the recitals shall have the meanings assigned to such terms in Appendix A to the Facility Lease.

## SECTION 2. Amendments.

(a) Schedule 1 to the Facility Lease is hereby replaced with Schedule 1 hereto.

(b) Schedule 2 to the Facility Lease is hereby replaced with Schedule 2 hereto.

(c) Schedule 3 to the Facility Lease is hereby replaced with Schedule 3 hereto.

(d) Schedule 4 to the Facility Lease is hereby replaced with Schedule 4 hereto.

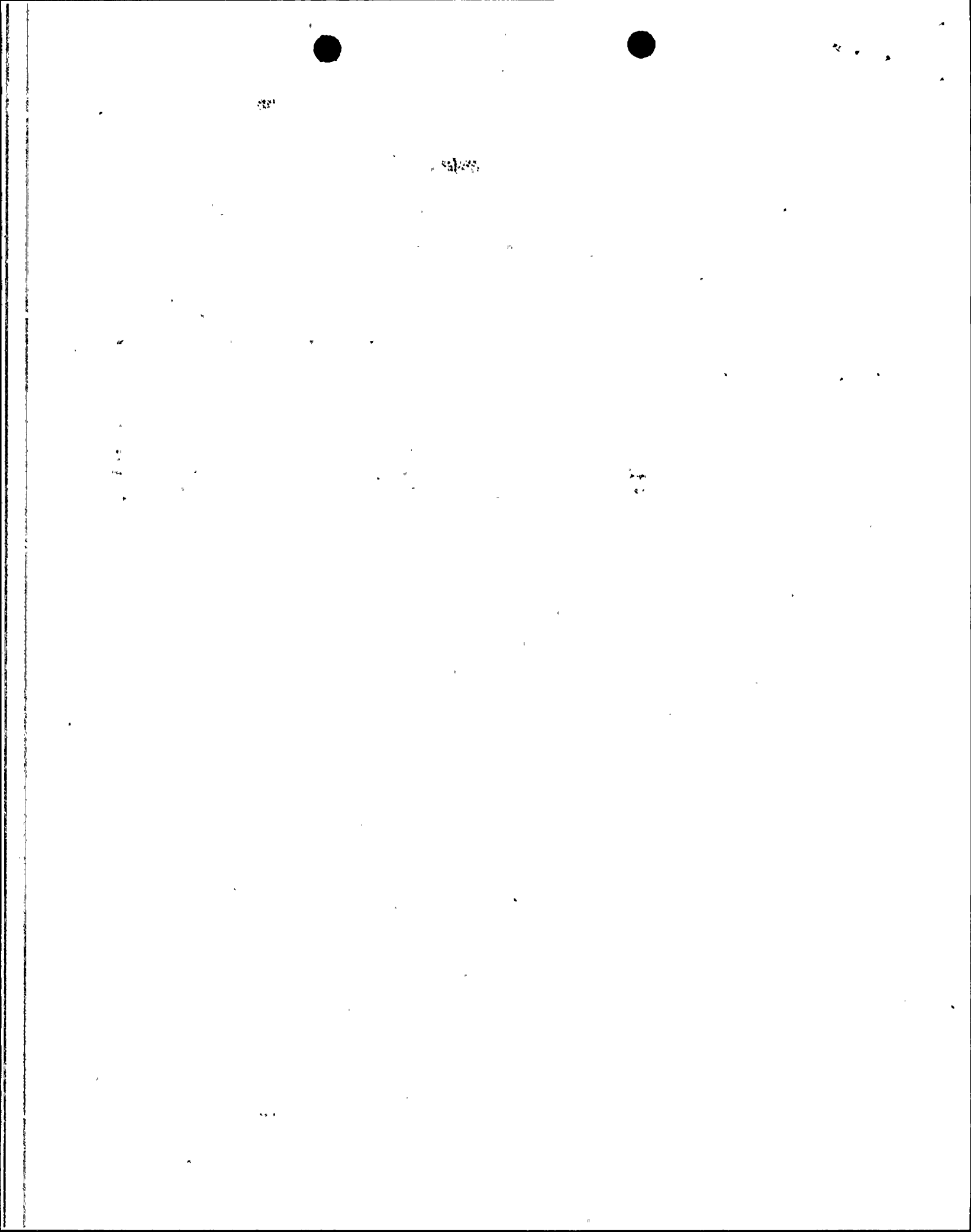
(e) Schedule 5 to the Facility Lease is hereby replaced with Schedule 5 hereto.

## SECTION 3. Miscellaneous.

(a) **Dating.** Although this Amendment No. 2 is dated as of the date first above written for convenience, the actual dates of execution hereof by the parties hereto are respectively the dates set forth under the signatures hereto, and this Amendment No. 2 shall be effective on the latest of such dates.

(b) **Governing Law.** This Amendment No. 2 has been negotiated and delivered in the State of New York and shall be governed by, and be construed in accordance with, the laws of the State of New York, except to the extent that pursuant to the law of the State of Arizona such law is mandatorily applicable hereto.

(c) **Disclosure.** Pursuant to Arizona Revised Statutes Section 33-401, the beneficiary of the Trust Agreement is Emerson Capital Corporation, a Delaware corporation. The address of the beneficiary is 8000

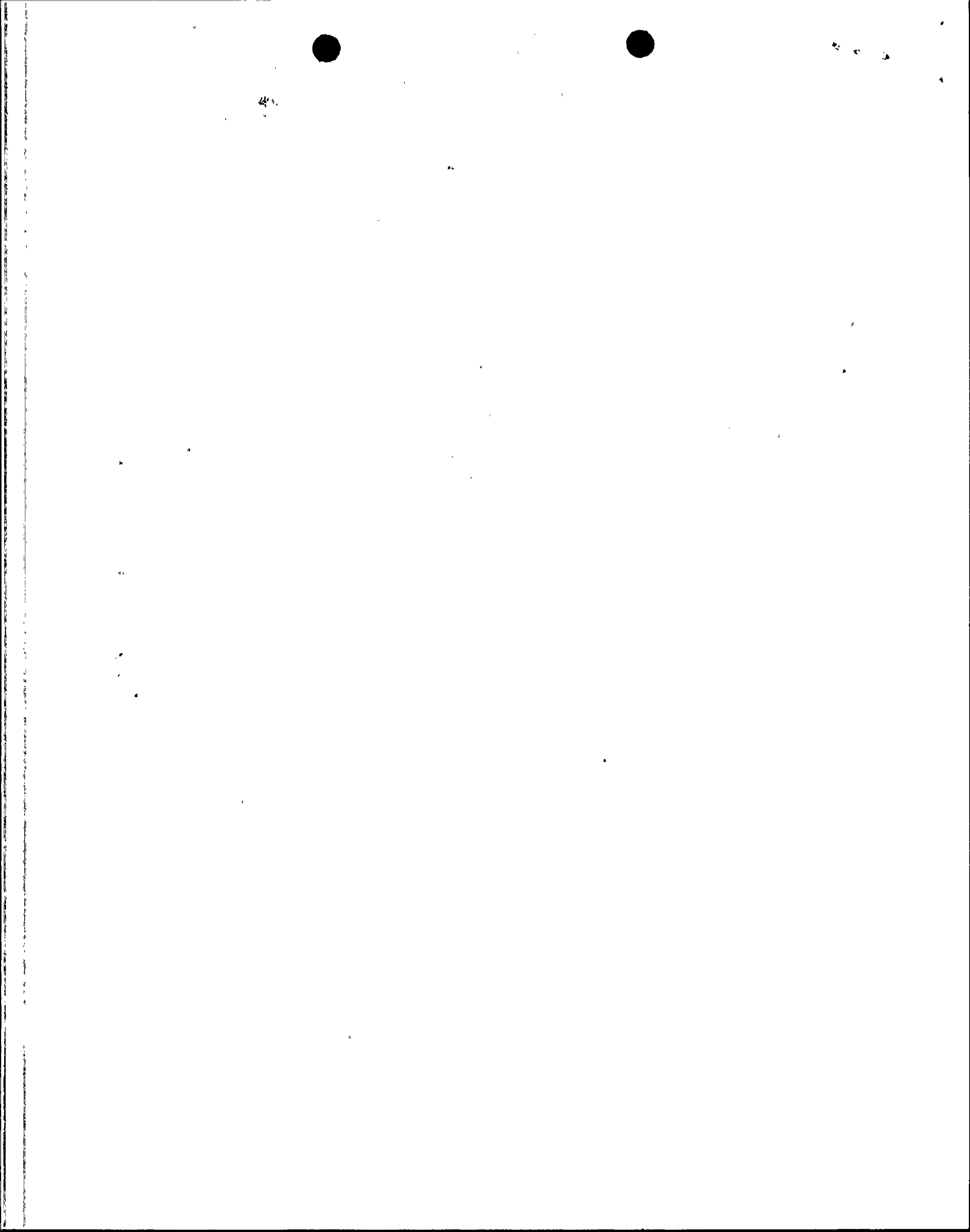




West Florissant Avenue, St. Louis, Missouri 63136,  
Attention: President. A copy of the Trust Agreement is  
available for inspection at the offices of the Owner  
Trustee at 100 Federal Street, Boston, Massachusetts  
02110, Attention of Corporate Trust Division.

(d) Original Counterpart. The single executed  
original of this Amendment No. 2 marked "THIS  
COUNTERPART IS THE ORIGINAL COUNTERPART" and containing  
the receipt of the Indenture Trustee thereon shall be  
the "Original" of this Amendment No. 2. No security  
interest in this Amendment No. 2 may be created or con-  
tinued through the transfer or possession of any coun-  
terpart other than the "Original".

(e) Counterpart Execution. This Amendment  
No. 2 may be executed in any number of counterparts and  
by each of the parties hereto or thereto on separate  
counterparts, all such counterparts together constitut-  
ing one and the same instrument.



IN WITNESS WHEREOF, each of the parties hereto has caused this Amendment No. 2 to Facility Lease to be duly executed by an officer thereunto duly authorized.

THE FIRST NATIONAL BANK OF  
BOSTON,  
not in its individual  
capacity, but solely as  
Owner Trustee under a Trust  
Agreement dated as of  
August 1, 1986, with  
Emerson Capital Corporation  
(assignee of Emerson  
Finance Co.)

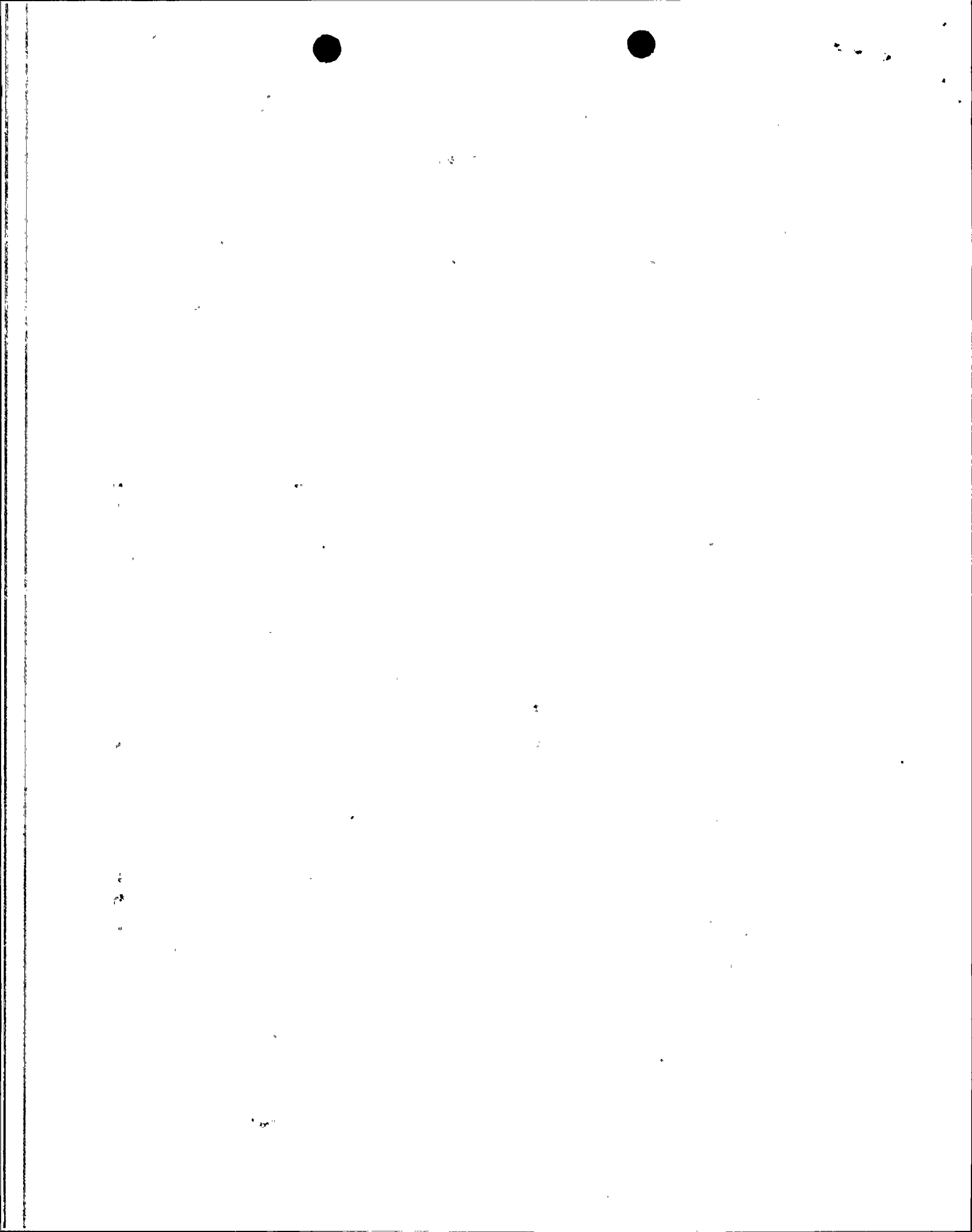
By \_\_\_\_\_  
Martin P. Henry  
Assistant Vice President

Date: July 29, 1987

ARIZONA PUBLIC SERVICE  
COMPANY

By \_\_\_\_\_  
William J. Hemelt  
Treasurer and Assistant  
Secretary

Date: July 29, 1987



Commonwealth of  
Massachusetts )  
 ) ss:  
County of Suffolk )

The foregoing instrument was acknowledged before me this 29th day of July, 1987, by MARTIN P. HENRY, Assistant Vice President of THE FIRST NATIONAL BANK OF BOSTON, a national banking association, on behalf of the banking association as Owner Trustee under the Trust Agreement dated as of August 1, 1986 with Emerson Capital Corporation (assignee of Emerson Finance Co.).

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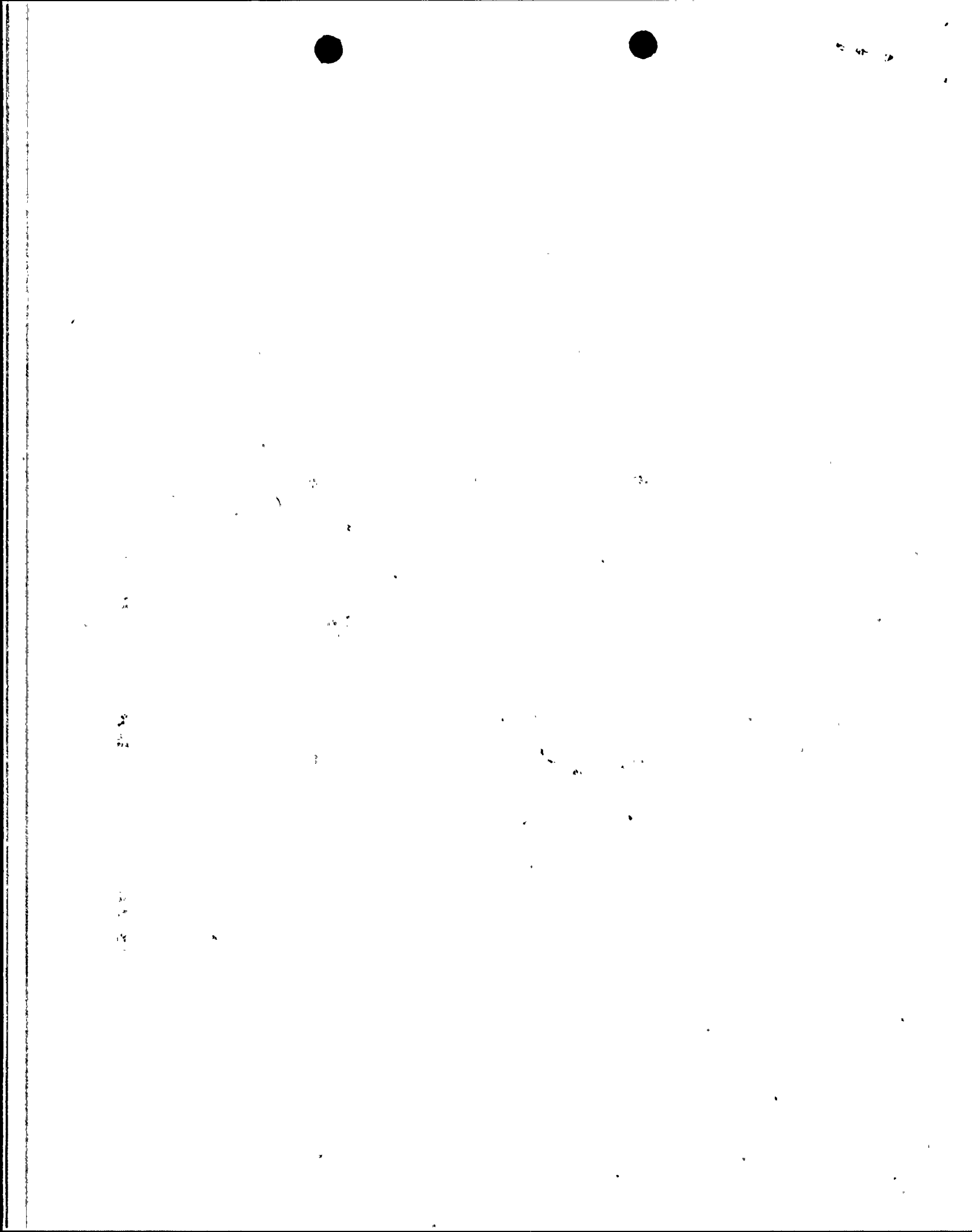
Notary Public

State of Arizona )  
 ) ss:  
County of Maricopa )

The foregoing instrument was acknowledged before me this 29th day of July, 1987, by WILLIAM J. HEMELT, Treasurer and Assistant Secretary of ARIZONA PUBLIC SERVICE COMPANY, an Arizona corporation, on behalf of the corporation.

---

Notary Public



SCHEDULE 1  
to  
AMENDMENT NO. 2

BASIC RENT PERCENTAGES

| Basic Rent<br>Payment Date | Basic<br>Rent<br>Number | Basic Rent<br>& of<br>Facility Cost | Basic Rent<br>Payment Date | Basic<br>Rent<br>Number | Basic Rent<br>& of<br>Facility Cost |
|----------------------------|-------------------------|-------------------------------------|----------------------------|-------------------------|-------------------------------------|
| 12 /30 /1986               | 0                       | 3.6826923%                          | 12 /30 /2001               | 30                      | 5.4667097%                          |
| 6 /30 /1987                | 1                       | 4.4727625%                          | 6 /30 /2002                | 31                      | 5.4667097%                          |
| 12 /30 /1987               | 2                       | 4.4727625%                          | 12 /30 /2002               | 32                      | 5.4667097%                          |
| 6 /30 /1988                | 3                       | 4.4727625%                          | 6 /30 /2003                | 33                      | 5.4667097%                          |
| 12 /30 /1988               | 4                       | 4.4727625%                          | 12 /30 /2003               | 34                      | 5.4667097%                          |
| 6 /30 /1989                | 5                       | 4.4727625%                          | 6 /30 /2004                | 35                      | 5.4667097%                          |
| 12 /30 /1989               | 6                       | 4.4727625%                          | 12 /30 /2004               | 36                      | 5.4667097%                          |
| 6 /30 /1990                | 7                       | 4.4727625%                          | 6 /30 /2005                | 37                      | 5.4667097%                          |
| 12 /30 /1990               | 8                       | 4.4727625%                          | 12 /30 /2005               | 38                      | 5.4667097%                          |
| 6 /30 /1991                | 9                       | 4.4727625%                          | 6 /30 /2006                | 39                      | 5.4667097%                          |
| 12 /30 /1991               | 10                      | 4.4727625%                          | 12 /30 /2006               | 40                      | 5.4667097%                          |
| 6 /30 /1992                | 11                      | 4.4727625%                          | 6 /30 /2007                | 41                      | 5.4667097%                          |
| 12 /30 /1992               | 12                      | 4.4727625%                          | 12 /30 /2007               | 42                      | 5.4667097%                          |
| 6 /30 /1993                | 13                      | 4.4727625%                          | 6 /30 /2008                | 43                      | 5.4667097%                          |
| 12 /30 /1993               | 14                      | 4.4727625%                          | 12 /30 /2008               | 44                      | 5.4667097%                          |
| 6 /30 /1994                | 15                      | 4.4727625%                          | 6 /30 /2009                | 45                      | 5.4667097%                          |
| 12 /30 /1994               | 16                      | 4.4727625%                          | 12 /30 /2009               | 46                      | 5.4667097%                          |
| 6 /30 /1995                | 17                      | 4.4727625%                          | 6 /30 /2010                | 47                      | 5.4667097%                          |
| 12 /30 /1995               | 18                      | 4.4727625%                          | 12 /30 /2010               | 48                      | 5.4667097%                          |
| 6 /30 /1996                | 19                      | 4.4727625%                          | 6 /30 /2011                | 49                      | 5.4667097%                          |
| 12 /30 /1996               | 20                      | 4.4727625%                          | 12 /30 /2011               | 50                      | 5.4667097%                          |
| 6 /30 /1997                | 21                      | 4.4727625%                          | 6 /30 /2012                | 51                      | 5.4667097%                          |
| 12 /30 /1997               | 22                      | 5.4667097%                          | 12 /30 /2012               | 52                      | 5.4667097%                          |
| 6 /30 /1998                | 23                      | 5.4667097%                          | 6 /30 /2013                | 53                      | 5.4667097%                          |
| 12 /30 /1998               | 24                      | 5.4667097%                          | 12 /30 /2013               | 54                      | 5.4667097%                          |
| 6 /30 /1999                | 25                      | 5.4667097%                          | 6 /30 /2014                | 55                      | 5.4667097%                          |
| 12 /30 /1999               | 26                      | 5.4667097%                          | 12 /30 /2014               | 56                      | 5.4667097%                          |
| 6 /30 /2000                | 27                      | 5.4667097%                          | 6 /30 /2015                | 57                      | 5.4667097%                          |
| 12 /30 /2000               | 28                      | 5.4667097%                          | 12 /30 /2015               | 58                      | 5.4667097%                          |
| 6 /30 /2001                | 29                      | 5.4667097%                          |                            |                         |                                     |



Vertical text or markings along the left edge of the page, possibly bleed-through from the reverse side.

Small cluster of markings or text in the center of the page.

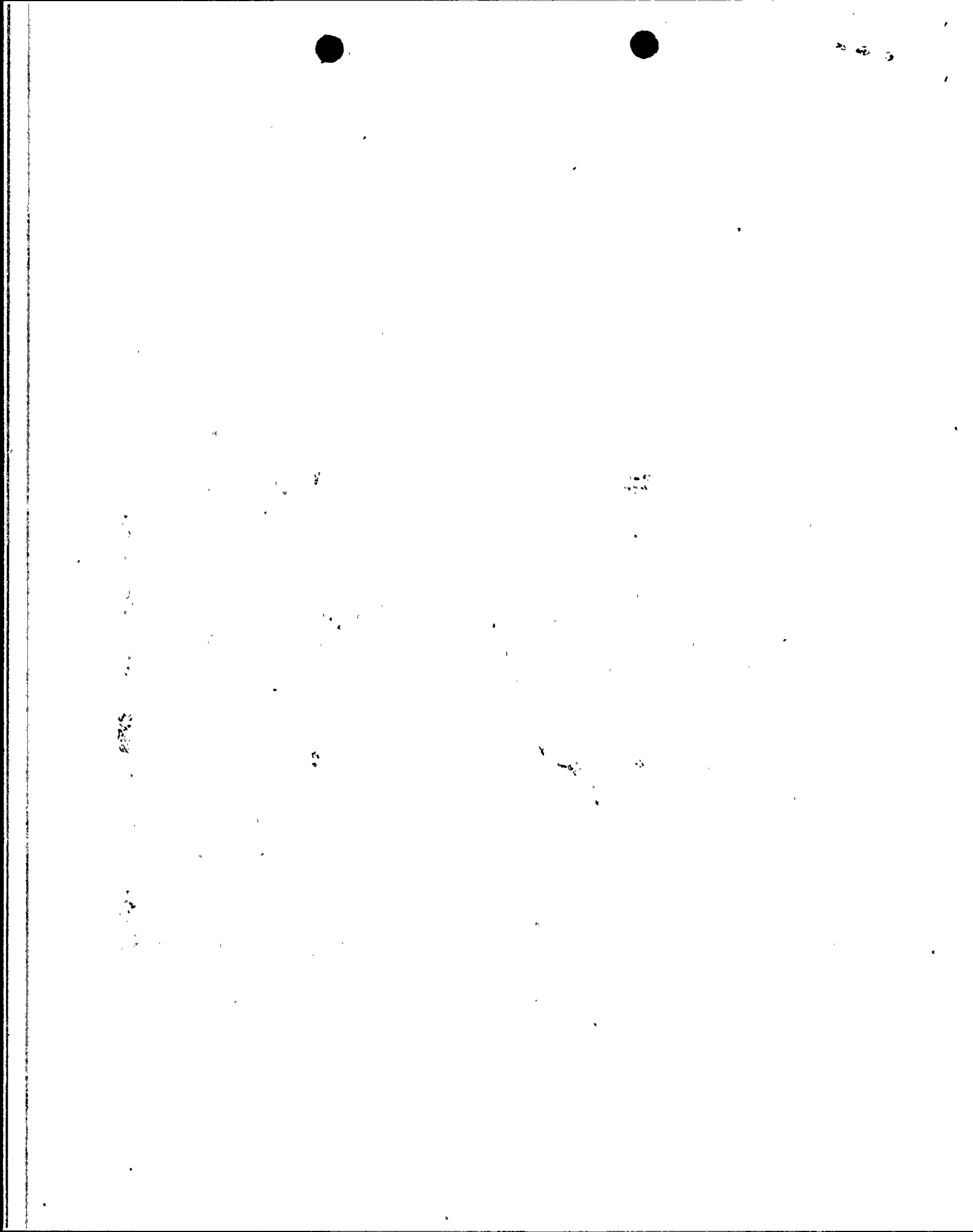
Small cluster of markings or text in the lower right quadrant of the page.



SCHEDULE 2  
to  
AMENDMENT NO. 2

SCHEDULE OF CASUALTY VALUES

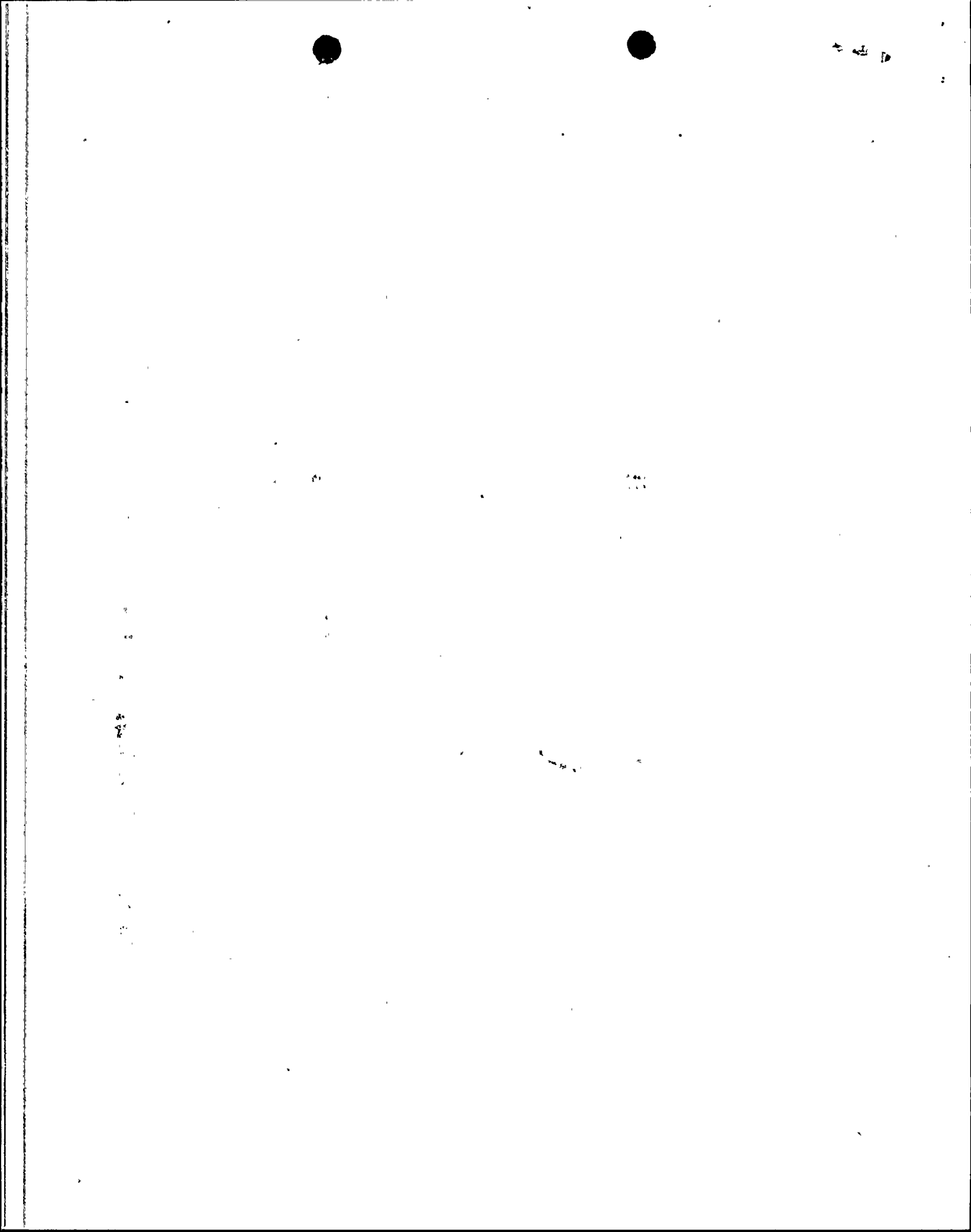
| Basic Rent<br>Payment<br>Date<br>----- | Casualty<br>Value<br>----- | Basic Rent<br>Payment<br>Date<br>----- | Casualty<br>Value<br>----- |
|--|----------------------------|--|----------------------------|
| 6 /30 /1987                            | 105.6725379                | 12 /30 /2001                           | 97.5441602                 |
| 12 /30 /1987                           | 104.0325095                | 6 /30 /2002                            | 95.6324941                 |
| 6 /30 /1988                            | 105.5943273                | 12 /30 /2002                           | 93.6659902                 |
| 12 /30 /1988                           | 107.0285141                | 6 /30 /2003                            | 91.6371397                 |
| 6 /30 /1989                            | 108.3390789                | 12 /30 /2003                           | 89.5511282                 |
| 12 /30 /1989                           | 109.5436758                | 6 /30 /2004                            | 87.4000356                 |
| 6 /30 /1990                            | 110.6239366                | 12 /30 /2004                           | 85.1896002                 |
| 12 /30 /1990                           | 111.5839191                | 6 /30 /2005                            | 82.9114449                 |
| 6 /30 /1991                            | 112.4239382                | 12 /30 /2005                           | 80.5718867                 |
| 12 /30 /1991                           | 113.1440455                | 6 /30 /2006                            | 78.1621631                 |
| 6 /30 /1992                            | 113.7390325                | 12 /30 /2006                           | 75.6892416                 |
| 12 /30 /1992                           | 114.2170869                | 6 /30 /2007                            | 73.1439428                 |
| 6 /30 /1993                            | 114.5612811                | 12 /30 /2007                           | 70.5339583                 |
| 12 /30 /1993                           | 114.7696173                | 6 /30 /2008                            | 67.8496649                 |
| 6 /30 /1994                            | 114.8237344                | 12 /30 /2008                           | 65.0995940                 |
| 12 /30 /1994                           | 114.7199472                | 6 /30 /2009                            | 62.2737396                 |
| 6 /30 /1995                            | 114.4382418                | 12 /30 /2009                           | 59.3815621                 |
| 12 /30 /1995                           | 113.9860110                | 6 /30 /2010                            | 56.4140213                 |
| 6 /30 /1996                            | 113.4930549                | 12 /30 /2010                           | 53.3790937                 |
| 12 /30 /1996                           | 112.9838731                | 6 /30 /2011                            | 50.2706801                 |
| 6 /30 /1997                            | 112.4579673                | 12 /30 /2011                           | 47.0940129                 |
| 12 /30 /1997                           | 110.9223452                | 6 /30 /2012                            | 43.8469180                 |
| 6 /30 /1998                            | 109.3693067                | 12 /30 /2012                           | 40.5315528                 |
| 12 /30 /1998                           | 107.8153952                | 6 /30 /2013                            | 37.1927800                 |
| 6 /30 /1999                            | 106.2700412                | 12 /30 /2013                           | 33.7460798                 |
| 12 /30 /1999                           | 104.6313588                | 6 /30 /2014                            | 30.2829307                 |
| 6 /30 /2000                            | 102.9386552                | 12 /30 /2014                           | 26.8099446                 |
| 12 /30 /2000                           | 101.1958537                | 6 /30 /2015                            | 23.4286252                 |
| 6 /30 /2001                            | 99.3962545                 | 12 /30 /2015                           | 20.0000000                 |



SCHEDULE 3  
to  
AMENDMENT NO. 2

SCHEDULE OF SPECIAL CASUALTY VALUES

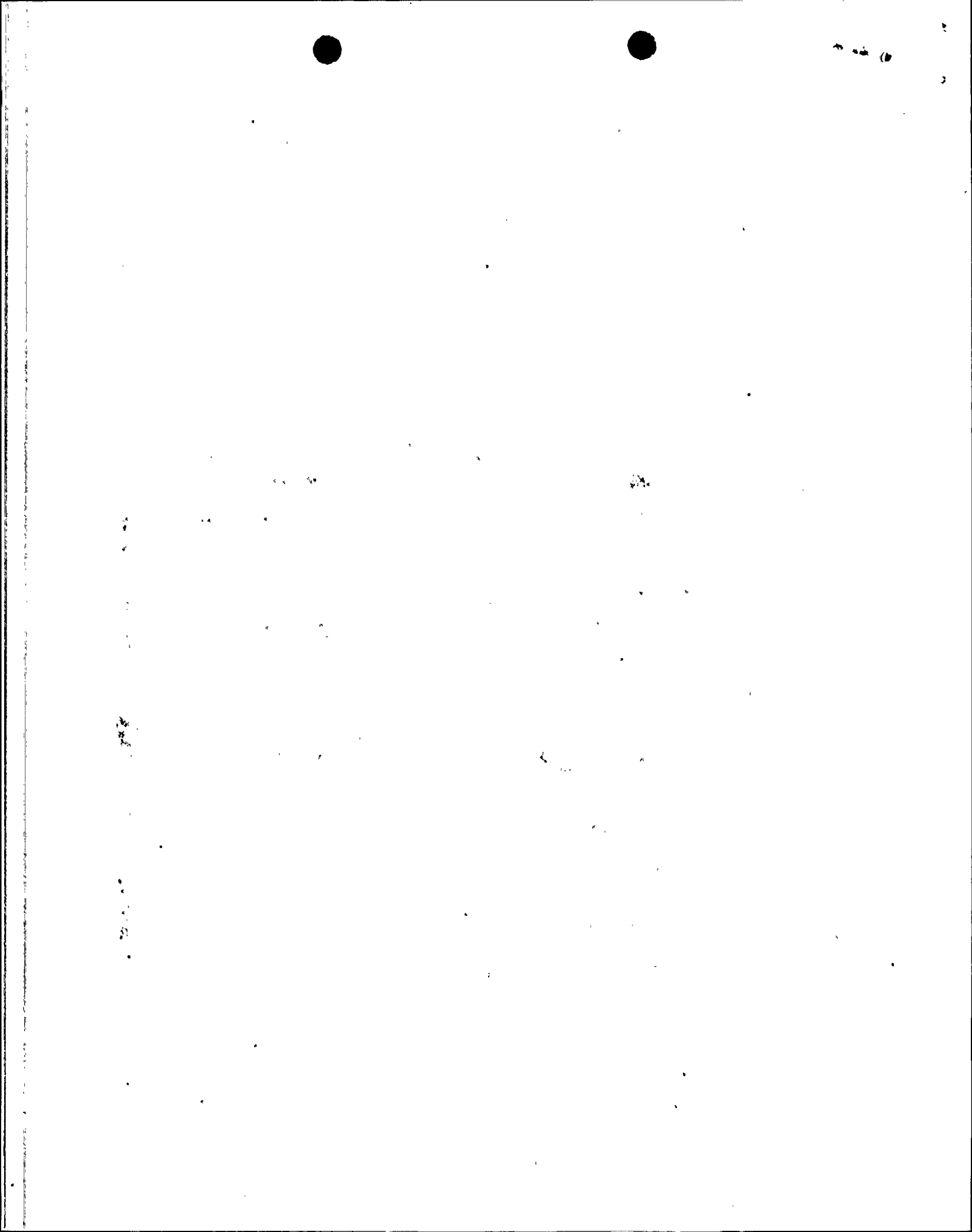
| Basic Rent<br>Payment<br>Date<br>----- | Termination<br>Value<br>----- | Basic Rent<br>Payment<br>Date<br>----- | Termination<br>Value<br>----- |
|--|-------------------------------|--|-------------------------------|
| 6 /30 /1987                            | 105.5812561                   | 12 /30 /2001                           | 96.5485634                    |
| 12 /30 /1987                           | 103.9333883                   | 6 /30 /2002                            | 94.5513933                    |
| 6 /30 /1988                            | 105.4866932                   | 12 /30 /2002                           | 92.4920420                    |
| 12 /30 /1988                           | 106.9116362                   | 6 /30 /2003                            | 90.3623702                    |
| 6 /30 /1989                            | 108.2121633                   | 12 /30 /2003                           | 88.1668786                    |
| 12 /30 /1989                           | 109.4058604                   | 6 /30 /2004                            | 85.8969035                    |
| 6 /30 /1990                            | 110.4742852                   | 12 /30 /2004                           | 83.5573758                    |
| 12 /30 /1990                           | 111.4214153                   | 6 /30 /2005                            | 81.1390414                    |
| 6 /30 /1991                            | 112.2474782                   | 12 /30 /2005                           | 78.6472651                    |
| 12 /30 /1991                           | 112.9524308                   | 6 /30 /2006                            | 76.0722507                    |
| 6 /30 /1992                            | 113.5309615                   | 12 /30 /2006                           | 73.4198429                    |
| 12 /30 /1992                           | 113.9911463                   | 6 /30 /2007                            | 70.6796430                    |
| 6 /30 /1993                            | 114.3159362                   | 12 /30 /2007                           | 67.8580189                    |
| 12 /30 /1993                           | 114.5032016                   | 6 /30 /2008                            | 64.9439098                    |
| 6 /30 /1994                            | 114.5344383                   | 12 /30 /2008                           | 61.9442861                    |
| 12 /30 /1994                           | 114.4058058                   | 6 /30 /2009                            | 58.8474468                    |
| 6 /30 /1995                            | 114.0971212                   | 12 /30 /2009                           | 55.6610115                    |
| 12 /30 /1995                           | 113.6155942                   | 6 /30 /2010                            | 52.3739415                    |
| 6 /30 /1996                            | 113.0908259                   | 12 /30 /2010                           | 48.9920428                    |
| 12 /30 /1996                           | 112.5470997                   | 6 /30 /2011                            | 45.5068594                    |
| 6 /30 /1997                            | 111.9836828                   | 12 /30 /2011                           | 41.9210646                    |
| 12 /30 /1997                           | 110.4073282                   | 6 /30 /2012                            | 38.2297052                    |
| 6 /30 /1998                            | 108.8100588                   | 12 /30 /2012                           | 34.4319213                    |
| 12 /30 /1998                           | 107.2081178                   | 6 /30 /2013                            | 30.5692984                    |
| 6 /30 /1999                            | 105.6106095                   | 12 /30 /2013                           | 26.5537587                    |
| 12 /30 /1999                           | 103.9152937                   | 6 /30 /2014                            | 22.4729169                    |
| 6 /30 /2000                            | 102.1610927                   | 12 /30 /2014                           | 18.3291892                    |
| 12 /30 /2000                           | 100.3515124                   | 6 /30 /2015                            | 14.2195235                    |
| 6 /30 /2001                            | 98.4793994                    | 12 /30 /2015                           | 10.0000000                    |



SCHEDULE 4  
to  
AMENDMENT NO. 2

SCHEDULE OF MODIFIED SPECIAL CASUALTY VALUES

| Basic Rent<br>Payment<br>Date<br>----- | Modified<br>Special<br>Casualty<br>Value<br>----- | Basic Rent<br>Payment<br>Date<br>----- | Modified<br>Special<br>Casualty<br>Value<br>----- |
|--|---|--|---|
| 6 /30 /1987                            | 105.4899743                                       | 12 /30 /2001                           | 95.5529666  |
| 12 /30 /1987                           | 103.8342670                                       | 6 /30 /2002                            | 93.4702924  |
| 6 /30 /1988                            | 105.3790592                                       | 12 /30 /2002                           | 91.3180938  |
| 12 /30 /1988                           | 106.7947583                                       | 6 /30 /2003                            | 89.0876006  |
| 6 /30 /1989                            | 108.0852477                                       | 12 /30 /2003                           | 86.7826290  |
| 12 /30 /1989                           | 109.2680449                                       | 6 /30 /2004                            | 84.3937715  |
| 6 /30 /1990                            | 110.3246339                                       | 12 /30 /2004                           | 81.9251513  |
| 12 /30 /1990                           | 111.2589116                                       | 6 /30 /2005                            | 79.3666378  |
| 6 /30 /1991                            | 112.0710183                                       | 12 /30 /2005                           | 76.7226436  |
| 12 /30 /1991                           | 112.7608161                                       | 6 /30 /2006                            | 73.9823384  |
| 6 /30 /1992                            | 113.3228905                                       | 12 /30 /2006                           | 71.1504442  |
| 12 /30 /1992                           | 113.7652057                                       | 6 /30 /2007                            | 68.2153432  |
| 6 /30 /1993                            | 114.0705913                                       | 12 /30 /2007                           | 65.1820795  |
| 12 /30 /1993                           | 114.2367859                                       | 6 /30 /2008                            | 62.0381547  |
| 6 /30 /1994                            | 114.2451423                                       | 12 /30 /2008                           | 58.7889783  |
| 12 /30 /1994                           | 114.0916643                                       | 6 /30 /2009                            | 55.4211541  |
| 6 /30 /1995                            | 113.7560006                                       | 12 /30 /2009                           | 51.9404610  |
| 12 /30 /1995                           | 113.2451774                                       | 6 /30 /2010                            | 48.3338618  |
| 6 /30 /1996                            | 112.6885969                                       | 12 /30 /2010                           | 44.6049919  |
| 12 /30 /1996                           | 112.1103264                                       | 6 /30 /2011                            | 40.7430388  |
| 6 /30 /1997                            | 111.5093984                                       | 12 /30 /2011                           | 36.7481163  |
| 12 /30 /1997                           | 109.8923111                                       | 6 /30 /2012                            | 32.6124925  |
| 6 /30 /1998                            | 108.2508109                                       | 12 /30 /2012                           | 28.3322897  |
| 12 /30 /1998                           | 106.6008405                                       | 6 /30 /2013                            | 23.9458168  |
| 6 /30 /1999                            | 104.9511778                                       | 12 /30 /2013                           | 19.3614376  |
| 12 /30 /1999                           | 103.1992285                                       | 6 /30 /2014                            | 14.6629031  |
| 6 /30 /2000                            | 101.3835303                                       | 12 /30 /2014                           | 9.8484339   |
| 12 /30 /2000                           | 99.5071711  | 6 /30 /2015                            | 5.0104218   |
| 6 /30 /2001                            | 97.5625442  | 12 /30 /2015                           | 0.0000000   |



SCHEDULE 5  
to  
AMENDMENT NO. 2

SCHEDULE OF EXTRAORDINARY CASUALTY VALUES

| Basic Rent<br>Payment<br>Date | Extraordinary<br>Casualty<br>Value | Basic Rent<br>Payment<br>Date | Extraordinary<br>Casualty<br>Value |
|-------------------------------|------------------------------------|-------------------------------|------------------------------------|
| -----                         | -----                              | -----                         | -----                              |
| 6 /30 /1987                   | 105.7181788                        | 12 /30 /2001                  | 98.0419586                         |
| 12 /30 /1987                  | 104.0820702                        | 6 /30 /2002                   | 96.1730446                         |
| 6 /30 /1988                   | 105.6481443                        | 12 /30 /2002                  | 94.2529644                         |
| 12 /30 /1988                  | 107.0869530                        | 6 /30 /2003                   | 92.2745245                         |
| 6 /30 /1989                   | 108.4025368                        | 12 /30 /2003                  | 90.2432530                         |
| 12 /30 /1989                  | 109.6125835                        | 6 /30 /2004                   | 88.1516017                         |
| 6 /30 /1990                   | 110.6987623                        | 12 /30 /2004                  | 86.0057124                         |
| 12 /30 /1990                  | 111.6651709                        | 6 /30 /2005                   | 83.7976467                         |
| 6 /30 /1991                   | 112.5121681                        | 12 /30 /2005                  | 81.5341974                         |
| 12 /30 /1991                  | 113.2398528                        | 6 /30 /2006                   | 79.2071193                         |
| 6 /30 /1992                   | 113.8430680                        | 12 /30 /2006                  | 76.8239410                         |
| 12 /30 /1992                  | 114.3300572                        | 6 /30 /2007                   | 74.3760927                         |
| 6 /30 /1993                   | 114.6839536                        | 12 /30 /2007                  | 71.8719280                         |
| 12 /30 /1993                  | 114.9028251                        | 6 /30 /2008                   | 69.3025425                         |
| 6 /30 /1994                   | 114.9683824                        | 12 /30 /2008                  | 66.6772479                         |
| 12 /30 /1994                  | 114.8770179                        | 6 /30 /2009                   | 63.9868860                         |
| 6 /30 /1995                   | 114.6088021                        | 12 /30 /2009                  | 61.2418373                         |
| 12 /30 /1995                  | 114.1712194                        | 6 /30 /2010                   | 58.4340612                         |
| 6 /30 /1996                   | 113.6941695                        | 12 /30 /2010                  | 55.5726191                         |
| 12 /30 /1996                  | 113.2022598                        | 6 /30 /2011                   | 52.6525904                         |
| 6 /30 /1997                   | 112.6951095                        | 12 /30 /2011                  | 49.6804870                         |
| 12 /30 /1997                  | 111.1798537                        | 6 /30 /2012                   | 46.6555243                         |
| 6 /30 /1998                   | 109.6489306                        | 12 /30 /2012                  | 43.5813686                         |
| 12 /30 /1998                  | 108.1190338                        | 6 /30 /2013                   | 40.5045208                         |
| 6 /30 /1999                   | 106.5997571                        | 12 /30 /2013                  | 37.3422403                         |
| 12 /30 /1999                  | 104.9893914                        | 6 /30 /2014                   | 34.1879376                         |
| 6 /30 /2000                   | 103.3274364                        | 12 /30 /2014                  | 31.0503222                         |
| 12 /30 /2000                  | 101.6180243                        | 6 /30 /2015                   | 28.0331760                         |
| 6 /30 /2001                   | 99.8546821                         | 12 /30 /2015                  | 25.0000000                         |

