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 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.

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MUDGE ROSE GUTHRIE ALEXANDER & FERDON

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12, RUE DE LA PAIX  
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(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

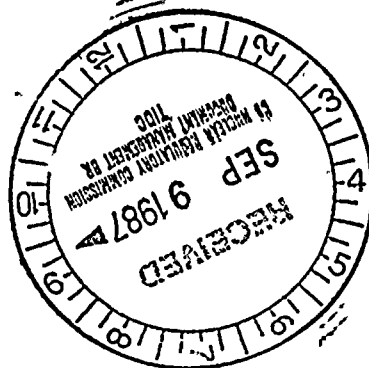
Re: Sale and Leaseback Financing Transactions  
by Arizona Public Service Company - Palo  
Verde Nuclear Generating Station Unit 2  
NRC Docket Nos. STN 50-529

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.

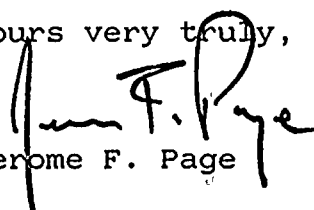
8709100193 870831  
PDR ADDCK 05000529  
I PDR

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

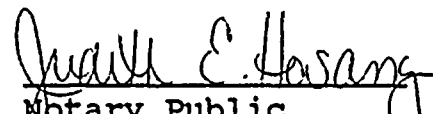
Date: July 29, 1987





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  
JUDITH E. HOSANG  
Notary Public

My Commission Expires December 10, 1993

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



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  
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

6728.EMERSON.ADJ.01:11



SCHEDULE 1  
to  
AMENDMENT NO. 2

BASIC RENT PERCENTAGES

Basic Rent Payment Date	Basic Rent Number	Basic Rent % of Facility Cost	Basic Rent Payment Date	Basic Rent Number	Basic Rent % of 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 Payment Date	Casualty Value	Basic Rent Payment Date	Casualty Value
-----	-----	-----	-----
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 Payment Date	Termination Value	Basic Rent Payment Date	Termination Value
-----	-----	-----	-----
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 Payment Date -----	Modified Special Casualty Value -----	Basic Rent Payment Date -----	Modified Special Casualty Value -----
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 Payment Date	Extraordinary Casualty Value
-----	-----
6 /30 /1987	105.7181788
12 /30 /1987	104.0820702
6 /30 /1988	105.6481443
12 /30 /1988	107.0869530
6 /30 /1989	108.4025368
12 /30 /1989	109.6125835
6 /30 /1990	110.6987623
12 /30 /1990	111.6651709
6 /30 /1991	112.5121681
12 /30 /1991	113.2398528
6 /30 /1992	113.8430680
12 /30 /1992	114.3300572
6 /30 /1993	114.6839536
12 /30 /1993	114.9028251
6 /30 /1994	114.9683824
12 /30 /1994	114.8770179
6 /30 /1995	114.6088021
12 /30 /1995	114.1712194
6 /30 /1996	113.6941695
12 /30 /1996	113.2022598
6 /30 /1997	112.6951095
12 /30 /1997	111.1798537
6 /30 /1998	109.6489306
12 /30 /1998	108.1190338
6 /30 /1999	106.5997571
12 /30 /1999	104.9893914
6 /30 /2000	103.3274364
12 /30 /2000	101.6180243
6 /30 /2001	99.8546821

Basic Rent Payment Date	Extraordinary Casualty Value
-----	-----
12 /30 /2001	98.0419586
6 /30 /2002	96.1730446
12 /30 /2002	94.2529644
6 /30 /2003	92.2745245
12 /30 /2003	90.2432530
6 /30 /2004	88.1516017
12 /30 /2004	86.0057124
6 /30 /2005	83.7976467
12 /30 /2005	81.5341974
6 /30 /2006	79.2071193
12 /30 /2006	76.8239410
6 /30 /2007	74.3760927
12 /30 /2007	71.8719280
6 /30 /2008	69.3025425
12 /30 /2008	66.6772479
6 /30 /2009	63.9868860
12 /30 /2009	61.2418373
6 /30 /2010	58.4340612
12 /30 /2010	55.5726191
6 /30 /2011	52.6525904
12 /30 /2011	49.6804870
6 /30 /2012	46.6555243
12 /30 /2012	43.5813686
6 /30 /2013	40.5045208
12 /30 /2013	37.3422403
6 /30 /2014	34.1879376
12 /30 /2014	31.0503222
6 /30 /2015	28.0331760
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   
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

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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

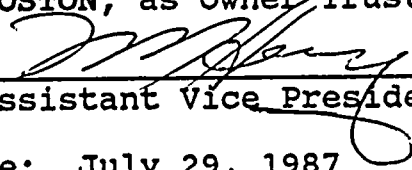
Date: July 29, 1987

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

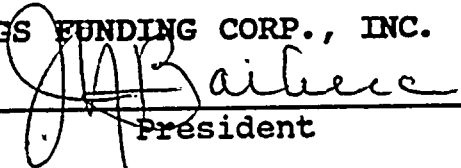
Date: July 29, 1987

CHEMICAL BANK, as Indenture  
Trustee

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

Date: July 29, 1987

PVNGS FUNDING CORP., INC.

By  \_\_\_\_\_  
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:



## 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

County of Suffolk

)  
) ss:  
)

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

County of Maricopa

)  
) ss:  
)

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 Payment Date	Basic Rent Number	Basic Rent & of Facility Cost	Basic Rent Payment Date	Basic Rent Number	Basic Rent & of 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%			

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SCHEDULE 2  
to  
AMENDMENT NO. 2

SCHEDULE OF CASUALTY VALUES

Basic Rent Payment Date	Casualty Value
-----	-----
6 /30 /1987	105.6725379
12 /30 /1987	104.0325095
6 /30 /1988	105.5943273
12 /30 /1988	107.0285141
6 /30 /1989	108.3390789
12 /30 /1989	109.5436758
6 /30 /1990	110.6239366
12 /30 /1990	111.5839191
6 /30 /1991	112.4239382
12 /30 /1991	113.1440455
6 /30 /1992	113.7390325
12 /30 /1992	114.2170869
6 /30 /1993	114.5612811
12 /30 /1993	114.7696173
6 /30 /1994	114.8237344
12 /30 /1994	114.7199472
6 /30 /1995	114.4382418
12 /30 /1995	113.9860110
6 /30 /1996	113.4930549
12 /30 /1996	112.9838731
6 /30 /1997	112.4579673
12 /30 /1997	110.9223452
6 /30 /1998	109.3693067
12 /30 /1998	107.8153952
6 /30 /1999	106.2700412
12 /30 /1999	104.6313588
6 /30 /2000	102.9386552
12 /30 /2000	101.1958537
6 /30 /2001	99.3962545

Basic Rent Payment Date	Casualty Value
-----	-----
12 /30 /2001	97.5441602
6 /30 /2002	95.6324941
12 /30 /2002	93.6659902
6 /30 /2003	91.6371397
12 /30 /2003	89.5511282
6 /30 /2004	87.4000356
12 /30 /2004	85.1896002
6 /30 /2005	82.9114449
12 /30 /2005	80.5718867
6 /30 /2006	78.1621631
12 /30 /2006	75.6892416
6 /30 /2007	73.1439428
12 /30 /2007	70.5339583
6 /30 /2008	67.8496649
12 /30 /2008	65.0995940
6 /30 /2009	62.2737396
12 /30 /2009	59.3815621
6 /30 /2010	56.4140213
12 /30 /2010	53.3790937
6 /30 /2011	50.2706801
12 /30 /2011	47.0940129
6 /30 /2012	43.8469180
12 /30 /2012	40.5315528
6 /30 /2013	37.1927800
12 /30 /2013	33.7460798
6 /30 /2014	30.2829307
12 /30 /2014	26.8099446
6 /30 /2015	23.4286252
12 /30 /2015	20.0000000



SCHEDULE 3  
to  
AMENDMENT NO. 2

SCHEDULE OF SPECIAL CASUALTY VALUES

Basic Rent Payment Date	Termination Value
-----	-----
6 /30 /1987	105.5812561
12 /30 /1987	103.9333883
6 /30 /1988	105.4866932
12 /30 /1988	106.9116362
6 /30 /1989	108.2121633
12 /30 /1989	109.4058604
6 /30 /1990	110.4742852
12 /30 /1990	111.4214153
6 /30 /1991	112.2474782
12 /30 /1991	112.9524308
6 /30 /1992	113.5309615
12 /30 /1992	113.9911463
6 /30 /1993	114.3159362
12 /30 /1993	114.5032016
6 /30 /1994	114.5344383
12 /30 /1994	114.4058058
6 /30 /1995	114.0971212
12 /30 /1995	113.6155942
6 /30 /1996	113.0908259
12 /30 /1996	112.5470997
6 /30 /1997	111.9836828
12 /30 /1997	110.4073282
6 /30 /1998	108.8100588
12 /30 /1998	107.2081178
6 /30 /1999	105.6106095
12 /30 /1999	103.9152937
6 /30 /2000	102.1610927
12 /30 /2000	100.3515124
6 /30 /2001	98.4793994

Basic Rent Payment Date	Termination Value
-----	-----
12 /30 /2001	96.5485634
6 /30 /2002	94.5513933
12 /30 /2002	92.4920420
6 /30 /2003	90.3623702
12 /30 /2003	88.1668786
6 /30 /2004	85.8969035
12 /30 /2004	83.5573758
6 /30 /2005	81.1390414
12 /30 /2005	78.6472651
6 /30 /2006	76.0722507
12 /30 /2006	73.4198429
6 /30 /2007	70.6796430
12 /30 /2007	67.8580189
6 /30 /2008	64.9439098
12 /30 /2008	61.9442861
6 /30 /2009	58.8474468
12 /30 /2009	55.6610115
6 /30 /2010	52.3739415
12 /30 /2010	48.9920428
6 /30 /2011	45.5068594
12 /30 /2011	41.9210646
6 /30 /2012	38.2297052
12 /30 /2012	34.4319213
6 /30 /2013	30.5692984
12 /30 /2013	26.5537587
6 /30 /2014	22.4729169
12 /30 /2014	18.3291892
6 /30 /2015	14.2195235
12 /30 /2015	10.0000000



SCHEDULE 4  
to  
AMENDMENT NO. 2

SCHEDULE OF MODIFIED SPECIAL CASUALTY VALUES

Basic Rent Payment Date	Modified Special Casualty Value	Basic Rent Payment Date	Modified Special Casualty Value
-----	-----	-----	-----
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 Payment Date	Extraordinary Casualty Value
-----	-----
6 /30 /1987	105.7181788
12 /30 /1987	104.0820702
6 /30 /1988	105.6481443
12 /30 /1988	107.0869530
6 /30 /1989	108.4025368
12 /30 /1989	109.6125835
6 /30 /1990	110.6987623
12 /30 /1990	111.6651709
6 /30 /1991	112.5121681
12 /30 /1991	113.2398528
6 /30 /1992	113.8430680
12 /30 /1992	114.3300572
6 /30 /1993	114.6839536
12 /30 /1993	114.9028251
6 /30 /1994	114.9683824
12 /30 /1994	114.8770179
6 /30 /1995	114.6088021
12 /30 /1995	114.1712194
6 /30 /1996	113.6941695
12 /30 /1996	113.2022598
6 /30 /1997	112.6951095
12 /30 /1997	111.1798537
6 /30 /1998	109.6489306
12 /30 /1998	108.1190338
6 /30 /1999	106.5997571
12 /30 /1999	104.9893914
6 /30 /2000	103.3274364
12 /30 /2000	101.6180243
6 /30 /2001	99.8546821

Basic Rent Payment Date	Extraordinary Casualty Value
-----	-----
12 /30 /2001	98.0419586
6 /30 /2002	96.1730446
12 /30 /2002	94.2529644
6 /30 /2003	92.2745245
12 /30 /2003	90.2432530
6 /30 /2004	88.1516017
12 /30 /2004	86.0057124
6 /30 /2005	83.7976467
12 /30 /2005	81.5341974
6 /30 /2006	79.2071193
12 /30 /2006	76.8239410
6 /30 /2007	74.3760927
12 /30 /2007	71.8719280
6 /30 /2008	69.3025425
12 /30 /2008	66.6772479
6 /30 /2009	63.9868860
12 /30 /2009	61.2418373
6 /30 /2010	58.4340612
12 /30 /2010	55.5726191
6 /30 /2011	52.6525904
12 /30 /2011	49.6804870
6 /30 /2012	46.6555243
12 /30 /2012	43.5813686
6 /30 /2013	40.5045208
12 /30 /2013	37.3422403
6 /30 /2014	34.1879376
12 /30 /2014	31.0503222
6 /30 /2015	28.0331760
12 /30 /2015	25.0000000

