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CABLE ADDRESSES
CRAVATH, N. Y.
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RECORDATION NO. 10085
FEB 12 1979

2-0430300
FEB 12 1979

Date.....

Fee \$ 50.00

FEB 12 1979 - 3 12 PM

INTERSTATE COMMERCE COMMISSION

ICC Washington, D. C.

February 8, 1979

Continental Grain Company
Participation Agreement dated
as of December 29, 1979

Dear Sir:

Pursuant to Section 20c of the Interstate Commerce Act and the Commission's rules and regulations thereunder, as amended, I enclose herewith on behalf of Continental Grain Company for filing and recordation counterparts of the following document:

Equipment Lease dated as of December 29, 1979, between First Security Bank of Utah, N.A., as Trustee, and Continental Grain Company, as Lessee.

The names and addresses of the parties to the aforementioned Agreement are as follows:

1. Trustee--Owner Trustee--Lessor--Mortgagor:

First Security Bank of Utah, N.A.,
79 South Main Street,
Salt Lake City, Utah 84111.

2. Lessee:

Continental Grain Company
277 Park Avenue
New York, N.Y. 10017

Continental Grain Company
Edward J. Walker

REC'D
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FEB 12 3 00 PM '79
REC'D

Please file and record the document referred to in this letter and cross-index it under the names of the Trustee--Owner Trustee--Lessor--Mortgagor, and the Lessee.

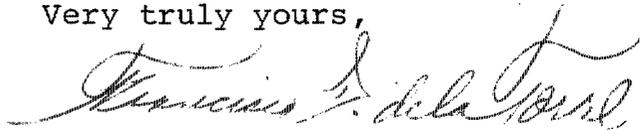
The equipment covered by the aforementioned document consists of the following:

Seven hundred (700) 100-Ton 4,750 Cubic Foot, Steel Covered Hopper Cars with Trough type hatch, (AAR Mechanical Designation: LO), bearing Continental Grain Company identifying numbers SSIX20000 through SSIX20699, both inclusive.

There is also enclosed a check for \$ 50 payable to the Interstate Commerce Commission, representing the fee for recording the Equipment Lease.

Please stamp all counterparts of the enclosed documents with your official recording stamp. You will wish to retain one copy of the instrument for your files. It is requested that the remaining counterparts be delivered to the bearer of this letter.

Very truly yours,



Francisco D. de la Torre
As Agent for Continental
Grain Company

H. G. Homme, Jr., Esq.,
Acting Secretary,
Interstate Commerce Commission,
Washington, D.C. 20423

Encls.

23N

BY HAND

RECORDATION NO. 10085 Filed 1425

EQUIPMENT LEASE

FEB 12 1979 -3 10 PM

INTERSTATE COMMERCE COMMISSION

THIS EQUIPMENT LEASE, dated as of the date set forth in Exhibit C hereto (the Lease), between FIRST SECURITY BANK OF UTAH, N.A., a national banking association, not in its individual capacity, but solely as trustee (the Lessor) under a Master Trust Agreement dated as of October 1, 1976 between it and Itel Capital Services Corporation (the Trust Agreement), and Continental Grain Company (the Lessee).

W I T N E S S E T H :

Section 1. Definitions; Construction of References.

In this Lease, unless the context otherwise requires:

(a) All references in this instrument to designated Sections and other subdivisions are to designated Sections and other subdivisions of this Lease, and the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Lease as a whole and not to any particular Section or other subdivision;

(b) The terms defined in this Section 1 or elsewhere in this Lease shall have the meanings assigned to them in this Section 1 or elsewhere and include the plural as well as the singular;

(c) Except as otherwise indicated, all the agreements or instruments hereinafter defined shall mean such agreements or instruments as the same may from time to time be supplemented or amended or the terms thereof waived or modified to the extent permitted by, and in accordance with, the terms thereof;

(d) The following terms shall have the following meanings for all purposes of this Lease:

Abatements shall have the meaning set forth in Section 4 hereof.

Appraisal shall mean a procedure whereby two independent appraisers or a third independent appraiser, none of whom shall be a manufacturer

of the Item of Leased Equipment for which Appraisal is required, shall determine the dollar amount in question. The Lessor or the Lessee, as the case may be, shall deliver a written notice to the other party appointing its appraiser within 15 days after receipt from the other party of a written notice appointing that party's appraiser. If within 15 days after appointment of the two appraisers as described above, the two appraisers are unable to agree upon the dollar amount in question, a third independent appraiser, who shall not be a manufacturer of such Item, shall be chosen within five days thereafter by the mutual consent of such first two appraisers or, if such first two appraisers fail to agree upon the appointment of a third appraiser, such appointment shall be made by an authorized representative of the American Arbitration Association or any organization successor thereto. The decision of the third appraiser so appointed and chosen shall be given within 10 days after the selection of such third appraiser and such decision shall be binding and conclusive on the Lessor and the Lessee. The Lessor and the Lessee shall pay the fees and expenses of the respective appraisers appointed by them and shall share equally the fees and expenses of the third appraiser, if any.

Basic Rent, Supplemental Rent and Rent shall have the meanings set forth in Section 3 hereof.

Beneficiaries, Daily Lease Rate Factor, Rent Commencement Date, Basic Rent Commencement Date, Basic Rent Dates, Expiration Date, First Delivery Date, Final Delivery Date, Interim Rent Date, First Basic Rent Date, Last Basic Rent Date, Basic Lease Rate Factor, Overdue Rate, Equipment Marking, Additional Lessee Equipment Marking, First Termination Date, Depreciable Life, Depreciation Method and Net Salvage Value shall have the meanings with respect to each Item of Equipment set forth in Exhibit C hereto.

Business Day, Closing Date, Notes and Purchase Documents shall have the meanings set forth in the Participation Agreement.

Casualty Value and Termination Value shall have the meanings with respect to each Group of Equipment set forth in Exhibit D hereto.

Claims shall have the meaning set forth in Section 13 hereof.

Code shall have the meaning set forth in Section 14 hereof.

Certificate of Acceptance shall mean a certificate of acceptance substantially in the form of Exhibit B hereto.

Default shall mean an event which, after the giving of notice or lapse of time, or both, would mature into an Event of Default.

Depreciation Deductions, Interest Deductions and Investment Credit shall have the meanings set forth in Section 15 hereof.

Equipment, and individually an Item or Item of Equipment, shall mean the items of equipment described in Exhibit A hereto.

Event of Default shall have the meaning set forth in Section 16 hereof.

Event of Loss shall have the meaning set forth in Section 11 hereof.

Fair Market Rental of an Item of Leased Equipment shall be determined on the basis of, and shall mean the aggregate dollar amount which would be obtainable in, an arm's-length transaction between an informed and willing user (other than a lessee currently in possession) and an informed and willing lessor under no compulsion to lease, and in such determination costs of removal from the location of current use shall not be a deduction from such value and all alternative uses in the hands of such user, including without limitation, the further leasing of such Item of Leased Equipment, shall be taken into account in making such determination. If the Lessor and the Lessee are unable to agree upon a determination of Fair Market Rental with respect to a particular Item of Leased Equipment, such Fair Market Rental shall be determined in accordance with the procedure for Appraisal.

Group of Equipment shall have the meaning set

forth in the Certificate of Acceptance with respect to each Item of Leased Equipment.

Impositions shall have the meaning set forth in Section 8 hereof.

Improvements shall have the meaning set forth in Section 15 hereof.

Indenture shall mean the Trust Indenture dated as of October 1, 1976 between United States Trust Company of New York, a New York corporation, not in its individual capacity, but solely as trustee thereunder (the Trustee), and the Lessor.

Leased Equipment, and individually an Item of Leased Equipment, shall have the meanings set forth in Section 2 hereof.

Lessor's Cost shall mean the total cost to the Lessor of an Item or the Items of Leased Equipment, as indicated by the context.

Liens and Lessor's Liens shall have the meanings set forth in Section 5 hereof.

Loss shall have the meaning set forth in Section 15 hereof.

Participation Agreement shall mean the agreement, dated as of the date hereof, among the Lessee, the Lessor, the Trustee, each Beneficiary and each entity named therein as Interim Lender or Long-Term Lender.

Person shall mean any individual, partnership, corporation, trust, unincorporated association or joint venture, a government or any department or agency thereof, or any other entity.

Supplement shall mean each supplement to the Indenture creating a separate series of the Notes.

Termination Date shall have the meaning set forth in Section 19 hereof.

Section 2. Lease of Equipment.

Subject to the terms and conditions of this Lease, the Lessor hereby agrees to lease to the Lessee and the Lessee hereby agrees to lease from the Lessor such Items of Equipment as shall be described in one or more Certificates of Acceptance executed and delivered on behalf of the Lessor with respect thereto and as shall have been delivered and accepted on or after the First Delivery Date but on or before the Final Delivery Date (Leased Equipment, and individually an Item of Leased Equipment). Subject to the provisions of the Participation Agreement, upon delivery of each Item of Equipment to the Lessor, the Lessee will cause an authorized representative or agent of the Lessee to inspect the same and, if such Item of Equipment is found to be in good order, to accept such Item of Equipment and to execute and deliver a Certificate of Acceptance with respect thereto, whereupon, but also subject to the provisions of the Participation Agreement, such Item of Equipment shall be deemed to have been delivered to and accepted by the Lessee and shall be subject to the terms and conditions of this Lease.

Section 3. Term and Rent.

(a) The term of this Lease as to each Item of Leased Equipment shall begin on its date of acceptance, as set forth in the Certificate of Acceptance executed and delivered with respect thereto, and shall end on the Expiration Date with respect to such Item of Leased Equipment, unless this Lease shall have been terminated, or the term of this Lease with respect to such Item of Leased Equipment shall have been extended, by the terms hereof.

(b) The Lessee shall pay to the Lessor as Basic Rent (herein referred to as Basic Rent) for each Item of Leased Equipment subject to this Lease, the following:

(1) on the Interim Rent Date, an amount equal to 9.75 percent of the Lessor's Cost of such Item, multiplied by a fraction, the numerator of which shall be the number of days elapsed from and including the Rent Commencement Date with respect to such Item to but excluding the Interim Rent Date, and the denominator of which shall be 360;

(2) on the First Basic Rent Date, an amount equal to the Basic Lease Rate Factor, multiplied by the Lessor's Cost of such Item; and

(3) on each Basic Rent Date thereafter to and including the Last Basic Rent Date, an amount equal to the Basic Lease Rate Factor, multiplied by the Lessor's Cost of such Item.

(c) The Lessee shall pay to the Lessor the following amounts (herein referred to as Supplemental Rent and, together with all Basic Rent, as Rent):

(1) on demand, any amount payable hereunder (other than Basic Rent, Casualty Value and Termination Value, if any) which the Lessee assumes the obligation to pay, or agrees to pay, under this Lease to the Lessor or others, provided, however, that any obligation provided hereunder to pay amounts to third parties may be satisfied by direct payment to such third parties;

(2) on the date provided herein, any amount payable hereunder as Casualty Value or Termination Value, if any; and

(3) to the extent permitted by applicable law, interest (computed on the basis of a 360-day year of twelve 30-day months) at the Overdue Rate on any payment of Basic Rent, Casualty Value or Termination Value, if any, not paid when due for any period for which the same shall be overdue and on any payment of Supplemental Rent (including, without limitation, interest payable under this clause (3), but excluding payments of Casualty Value or Termination Value, if any) not paid when demanded hereunder for the period from the date of such demand until the date on which the same shall be paid.

(d) Subject to the provisions of the Participation Agreement, all payments of Rent hereunder shall be made so that the Lessor shall have immediately available funds on the date payable hereunder, and shall be paid to the Lessor at its address set forth herein or at such other address as the Lessor may direct by notice in writing to the Lessee. If a payment date falls on other than a Business Day, the due date for such payment shall be the immediately succeeding Business Day.

(e) The Lessor and the Lessee agree that promptly following the determination of the Basic Rent Commencement Date, they will execute and deliver a supplement to this Lease, which supplement shall set forth such Basic Rent Commencement

Date, the Expiration Date and such amendments to the Casualty Values, Termination Values and Investment Credit recapture percentages set forth in Exhibit D hereto as shall be required in the event that the Basic Rent Commencement Date is a date other than May 15, 1979, which amended Casualty Values, Termination Values and Investment Credit recapture percentages, if any, shall be applied for all purposes of this Lease.

Section 4. Net Lease.

This Lease is a net lease and the Lessee acknowledges and agrees that the Lessee's obligation to pay all Rent hereunder, and the rights of the Lessor in and to such Rent, shall be absolute and unconditional and shall not be subject to any abatement, reduction, set-off, defense, counterclaim or recoupment (Abatements) for any reason whatsoever, including, without limitation, Abatements due to any present or future claims of the Lessee against the Lessor under the Lease or otherwise, or against the manufacturer or seller of any Item of Leased Equipment, it being the express intention of the Lessor and the Lessee that all Rent payable by the Lessee hereunder shall be, and continue to be, payable in all events unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease. Except as otherwise expressly provided herein, this Lease shall not terminate, nor shall the obligations of the Lessee be affected, by reason of any defect in or damage to, or any loss or destruction of, the Leased Equipment or any Item thereof from whatsoever cause, or the interference with the use thereof by the Lessor or any Person, or the invalidity or unenforceability or lack of due authorization of this Lease or any failure of the Lessor to perform any obligation of the Lessor to the Lessee or any other Person under this Lease, the Participation Agreement or any instrument or document executed in connection herewith, or for any other cause, whether similar or dissimilar to the foregoing, any present or future law or regulation to the contrary notwithstanding, it being the express intention of the Lessor and the Lessee that all Rent payable by the Lessee hereunder shall be, and continue to be, payable in all events unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease.

Section 5. Return of Equipment.

(a) At least 30 days prior to the expiration or termination of the term of this Lease, the Lessor shall designate to the Lessee accessible rail point or points in the continental United States to which each Item of Leased

Equipment is to be transported upon expiration or termination of the Lease and the Lessee will cause each such Item to be transported by rail to such point or points, such delivery and transporting of such Items of Leased Equipment to be at the risk and expense of the Lessee. The Lessee agrees that it will take all measures reasonably necessary to prevent the loading of any Item of Leased Equipment by any party after the expiration or termination of this Lease. The delivery and transporting of the Items of Leased Equipment as hereinbefore provided are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises, the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to cause the delivery and transporting of the Items of Leased Equipment. Each Item of Leased Equipment returned to the Lessor pursuant to this Section 5(a) shall (i) be in the same condition in which such Item of Leased Equipment is required to be maintained pursuant to Section 9 hereof, (ii) have removed therefrom at the Lessee's expense any part or addition title to which is in the Lessee or any other person, and (iii) be free and clear of all mortgages, liens, security interests, charges, encumbrances and claims (Liens), other than Liens (A) resulting from voluntary action by the Lessor or any Beneficiary without the prior approval of the Lessee and not taken as the result of any default by the Lessee or (B) resulting from claims against the Lessor, the Trustee, the Long-Term Lender or any Beneficiary not related to the Lessor's ownership of the Leased Equipment or to the interests of the Trustee, the Long-Term Lender or any Beneficiary in the Leased Equipment (Liens described in clauses (A) and (B) above being herein referred to as Lessor's Liens), and (C) created in favor of the Interim Lender and the Long-Term Lender under the Indenture and each Supplement. The Lessee shall pay to the Lessor an amount equal to the Daily Lease Rate Factor then applicable, multiplied times the Lessor's Cost of each Item of Leased Equipment for each day from the expiration or termination of this Lease to the date on which such Item of Leased Equipment shall have been delivered and transported to the Lessor in accordance with the provisions of this Section 5(a). The Lessor shall have no right to designate that any Items of Leased Equipment be stored on any tracks owned, operated or leased by the Lessee. Until each Item of Leased Equipment shall be returned to the Lessor pursuant to the provisions of this Section 5(a), the Lessee's obligations under Sections 9, 11 and 12 shall remain in full force and effect, notwithstanding the termination of this Lease. Upon the delivery of all Items of Leased Equipment to the Lessor pursuant to the provisions of this Section 5(a), the Lessee

will deliver to the Lessor a certificate of an officer of the Lessee to the effect that (x) no Liens (other than Lessor's Liens and the Liens referred to in Section 5(a)(iii)(C)) were, as of the time of delivery to the Lessor of each Item of Leased Equipment, imposed on or with respect to such Item of Leased Equipment, any accession thereto or the interest of the Lessor or any Beneficiary therein, (y) the Items of Leased Equipment have been returned to the Lessor pursuant to this Section 5(a) in the condition in which such Items of Leased Equipment are required to be maintained pursuant to Section 9 hereof, and (z) the Lessee no longer has any interest in the Items of Leased Equipment under this Lease or otherwise.

(b) Upon the termination of this Lease in accordance with Section 17 hereof, the Lessee, at its own cost, expense and risk shall (A) forthwith and in the usual manner (including, without limitation, giving prompt telegraphic and written notice to the Association of American Railroads and all railroads to which any Item has been interchanged, to return such Item so interchanged) place the Leased Equipment upon such storage tracks as the Lessor may reasonably designate, provided, however, that the Lessor shall have no right to designate nor to store any cars on any track owned, operated or leased by the Lessee, (B) permit the Lessor to store the Leased Equipment on such tracks at the risk and expense of the Lessee, without charge to the Lessor for insurance, rent or storage until the Leased Equipment shall have been sold, leased or otherwise disposed of by the Lessor and (C) transport the Leased Equipment to any connecting carrier for shipment, all as directed by the Lessor. Each Item of Leased Equipment returned to the Lessor pursuant to this Section 5(b) shall (i) be in the same condition in which such Item of Leased Equipment is required to be maintained pursuant to Section 9 hereof, (ii) have removed therefrom at Lessee's expense any part or addition title to which is in the Lessee or any other person and (iii) be free and clear of all Liens, other than Lessor's Liens and the Liens referred to in Section 5(a)(iii)(C). The assembly, storage, delivery and transporting of the Items of Leased Equipment as hereinabove provided are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to cause the assembly, storage, delivery and transporting of the Items of Leased Equipment. In the event that any of the Items of Leased Equipment are sold or leased upon termination pursuant to Section 17 hereof, the Lessee shall pay to Lessor an amount equal to the Daily Lease Rate Factor applicable on the date of any such

termination multiplied by the Lessor's Cost of such Items of Leased Equipment for each day that such Items of Leased Equipment have not been assembled, stored and delivered, as hereinabove provided by the date of such sale or lease. During any such storage period, the Lessee's obligations under Sections 9, 11 and 12 shall remain in full force and effect notwithstanding the termination of this Lease.

Section 6. Warranties of the Lessor.

(a) The Lessor warrants that during the term of this Lease, if no Event of Default has occurred, the Lessee's use of the Leased Equipment shall not be interrupted by the Lessor or anyone claiming from, through or under the Lessor and that the Lessor has received whatever title was conveyed to the Lessor by the seller or manufacturer of the Leased Equipment.

(b) The warranties set forth in paragraph (a) of this Section are in lieu of all other warranties of the Lessor, whether written, oral or implied with respect to this Lease or the Leased Equipment; and the Lessor shall not be deemed to have made, and the LESSOR HEREBY DISCLAIMS ANY REPRESENTATION OR WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE DESIGN, OPERATION OR CONDITION OF THE LEASED EQUIPMENT OR ANY COMPONENT THEREOF, ITS MERCHANTABILITY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE, THE QUALITY OF THE MATERIAL OR WORKMANSHIP OF THE LEASED EQUIPMENT OR ANY COMPONENT THEREOF OR CONFORMITY OF THE LEASED EQUIPMENT OR ANY COMPONENT THEREOF TO THE PROVISIONS AND SPECIFICATIONS OF ANY PURCHASE ORDER OR ORDERS RELATING THERETO, NOR SHALL THE LESSOR BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING, WITHOUT BEING LIMITED TO, STRICT LIABILITY IN TORT AND ABSOLUTE LIABILITY), but the Lessor authorizes the Lessee, at the Lessee's expense, to assert for the Lessor's account, during the term of this Lease, so long as no Event of Default shall have occurred hereunder and be continuing, in the name of and for the account of the Lessor and/or the Lessee, as their interests may appear, all of the Lessor's rights under any applicable manufacturer's or seller's warranty and the Lessor agrees to cooperate with the Lessee in asserting such rights; provided, however, that the Lessee shall indemnify and shall hold the Lessor harmless from and against any and all claims, and all costs, expenses, damages, losses and liabilities incurred or suffered by the Lessor in connection with, as a result of, or incidental to, any action by the Lessee pursuant to the above authorization. Any amount received by the Lessee as payment under any such warranty shall be

applied to restore the Leased Equipment to the condition required by Section 9 hereof, with the balance of such amount, if any, to be paid over to the Lessor and/or the Lessee, as their interests may appear.

Section 7. Liens.

The Lessee will not directly or indirectly create, incur, assume or suffer to exist any Liens on or with respect to the Leased Equipment, the Lessor's title thereto or any interest therein (and the Lessee will promptly, at its own expense, take such action as may be necessary duly to discharge any such Lien), except (a) any Lien created by the respective rights of the Lessor and the Lessee hereunder, (b) Lessor's Liens, (c) Liens for taxes either not yet due or being contested in good faith and by appropriate proceedings, if counsel for the Lessor shall have determined that the nonpayment of any such tax or the contest of any such payment in such proceedings will not, in the opinion of such counsel, result in the sale, forfeiture or loss of, or in the creation of any lien (except if any such lien shall be bonded) on the title, property or rights of the Lessor in and to the Leased Equipment or under this Lease, (d) inchoate materialmen's, mechanics', workmen's, repairmen's, employees' or other like Liens arising in the ordinary course of business of the Lessee and not delinquent, and (e) Liens granted by the Lessor to any assignee or security assignee of the Lessor pursuant to the Indenture or the Supplemental Indenture; provided, however, that all liens created or granted by the Lessor in the Leased Equipment shall be subordinate to all interests of the Lessee in this Lease.

Section 8. Taxes.

The Lessee agrees to pay and to indemnify the Lessor for, and hold the Lessor harmless from and against, all income, gross receipts, franchise, sales, use, personal property, ad valorem, leasing, leasing use, stamp or other taxes, levies, imposts, duties, charges, or withholdings of any nature, together with any penalties, fines or interest thereon (Impositions), arising out of the transactions contemplated by this Lease and imposed against the Lessor, any Beneficiary, the Trustee, the Lessee or the Leased Equipment by any federal, state, local or foreign government or taxing authority upon or with respect to the Leased Equipment or upon such transactions as the sale, purchase, ownership, delivery, leasing, possession, use, operation, return or other disposition thereof, or upon the rentals, receipts or earnings arising therefrom, or upon or with respect to this Lease,

the Participation Agreement, the Trust Agreement, the Indenture or the other documents and instruments contemplated hereby; excluding, however, (a) present and future taxes on or measured solely by the net income (including any franchise tax measured solely by net income) of the Lessor or any other party to whom any benefits under this Lease may apply as contemplated by Section 23(b) hereof and imposed by any federal, state or local government or taxing authority in the United States and (b) any new tax imposed upon the Lessor or any other party to whom any benefits under this Lease may apply as contemplated by Section 23(b) by any federal, state or local government or taxing authority in the United States in lieu of or in substitution for a tax on or measured solely by net income unless, and only to the extent that, the Lessee shall have given to the Lessor written notice of any such Imposition, which notice shall state that such Imposition is being contested by the Lessee in good faith and by appropriate proceedings and counsel for the Lessor shall have determined that the nonpayment thereof or the contest thereof in such proceedings will not, in the opinion of such counsel, result in the sale, forfeiture or loss of, or in the creation of any lien (except if any such lien shall be bonded) on the title, property or rights of the Lessor in and to the Leased Equipment or under this Lease; provided, however, that the Lessee shall not be required to pay or indemnify the Lessor for any Imposition in respect of any Item of Leased Equipment arising from acts or events which occur or become effective after possession of such Item of Leased Equipment has been redelivered to the Lessor pursuant to Section 5 hereof. If a claim is made against the Lessee or the Lessor for any Imposition, the party receiving notice of such claim shall promptly notify the other. In case any report or return is required to be made with respect to any obligation of the Lessee under this Section 8 or arising out of this Section 8, the Lessee will either (after notice to the Lessor) make such report or return in such manner as will show the ownership of the Leased Equipment in the Lessor and send a copy of such report or return to the Lessor or will notify the Lessor of such requirement and make such report or return in such manner as shall be satisfactory to the Lessor. The Lessor agrees to cooperate fully with the Lessee in the preparation of any such report or return.

Section 9. Use, Maintenance and Operation;
Identifying Marks.

(a) Subject to the provisions of Section 14 hereof, the Lessee agrees that the Leased Equipment will at all times be used solely in the conduct of its business and be and remain

in the possession and control of the Lessee and the Lessee agrees that it will not use or permit the use of the Leased Equipment outside the geographical limits of the continental United States, excluding Alaska. The Lessee agrees that the Leased Equipment will not be used to carry the following materials: coal, concrete, salt or uric acid.

(b) The Lessee shall use the Items of Leased Equipment only in the manner for which they were designed and intended and will, at its own cost and expense, repair and maintain or cause to be repaired and maintained each Item of Leased Equipment so as to keep it in as good condition as when delivered to the Lessee hereunder, ordinary wear and tear excepted. Throughout the term of this Lease, the possession, use and maintenance of the Leased Equipment shall be at the sole risk and expense of the Lessee.

(c) The Lessee agrees to comply in all respects (including, without limitation, with respect to the use, maintenance and operation of each Item) with all the applicable laws of the jurisdictions in which its operations involving the Items may extend, with all lawful rules of the Department of Transportation, the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Items and with all applicable interchange rules, to the extent that such laws and rules affect the title, operations or use of the Items, and in the event that, prior to the expiration of this Lease or any renewal thereof, such laws or rules require any alteration, replacement, addition or modification of or to any part on any Item, the Lessee will conform therewith at its own expense. The Lessee, at its own cost and expense, may furnish other additions, modifications and improvements to the Items during the term of this Lease. Any additions, modifications and improvements made by the Lessee which are readily removable without causing material damage to the Items shall be owned by the Lessee and may be removed by the Lessee at any time during the term of this Lease or any renewal thereof and prior to the return thereof to the Lessor pursuant to Section 5 hereof, except additions, modifications and improvements required to maintain each Item's eligibility for interchange service or to comply with the provisions of Section 9(b) or the first sentence of this Section 9(c) which shall be owned by the Lessor and shall not be removed by the Lessee.

(d) The Lessee agrees, at its own cost and expense, to (1) cause each Item of Leased Equipment to be kept numbered with the identification or serial number therefor as specified

in the Certificate of Acceptance therefor and (2) maintain the Equipment Marking and Additional Lessee Equipment Marking on each Item of Leased Equipment and such other markings as from time to time may be required by law or otherwise deemed necessary by the Lessor in order to protect the title of the Lessor to such Item of Equipment, the rights of the Lessor under this Lease and the Lien granted by the Lessor in financing the Lessor's Cost of the Leased Equipment. The Lessee will not place any Item of Leased Equipment in operation or exercise any control or dominion over the same until such Equipment Marking and Additional Lessee Equipment Marking have been placed thereon. The Lessee will replace promptly any such Equipment Marking or Additional Lessee Equipment Marking which may be removed, defaced or destroyed.

Section 10. Inspection and Reports.

On or before March 31 in each year, commencing with the calendar year after the First Delivery Date, the Lessee will furnish to the Lessor, the Long-Term Lender, and the Trustee an accurate statement (a) setting forth as at the preceding December 31, the total number, description and identification numbers of all Items of Leased Equipment then leased hereunder, the total number, description and identification numbers of all Items of Leased Equipment that have suffered an Event of Loss during the preceding calendar year or are then undergoing repairs (other than running repairs) or are then withdrawn from use pending repair (other than running repairs) and setting forth such other information regarding the condition and state of repair thereof as the Lessor or the Trustee may reasonably request, (b) stating that, in the case of all Items of Leased Equipment repainted or repaired during the period covered by such statement, the numbers and marking required by Section 9 hereof have been preserved or replaced, and (c) further stating that the Lessee is in compliance under this Lease. The Lessee shall furnish to the Lessor copies of all reports, if any, required to be filed with the Federal Railroad Administration. The Lessee shall maintain all records and reports on the maintenance of the Leased Equipment and shall deliver all such records and reports to the Lessor at the expiration or earlier termination of the term of this Lease. The Lessor and the Trustee, at their own expense, shall each have the right, but not the duty, by its agents, to inspect the Items of Leased Equipment and the Lessee's records with respect thereto at such reasonable times as the Lessor or the Trustee may request during the continuance of this Lease.

Section 11. Loss or Destruction; Requisition of Use.

(a) In the event that any Item of Leased Equipment shall be or become damaged, worn out, destroyed, lost, stolen, or permanently rendered unfit for use for any reason whatsoever, or title thereto shall be requisitioned or otherwise taken by any governmental authority under power of eminent domain or otherwise, or use thereof shall be requisitioned by any governmental authority for a stated period which exceeds the term of this Lease, or any Item of Leased Equipment is returned to the manufacturer or seller thereof pursuant to the patent indemnity provisions of the Purchase Documents (any of such occurrences being referred to as an Event of Loss), such Event of Loss shall promptly be reported by the Lessee to the Lessor.

(b) On the Basic Rent Date next following the date Lessee reports such Event of Loss to Lessor, the Lessee shall pay to the Lessor the Casualty Value of such Item, determined as of such Basic Rent Date, together with the Rent due on such Basic Rent Date. Upon making such Casualty Value payment in respect of such Item and all Rent due and owing with respect thereto, the Lessee's obligation to pay further Basic Rent for such Item shall cease, but the Lessee's obligation to pay Supplemental Rent accrued prior to the Event of Loss, if any, for such Item, and to pay Rent for all other Items of Leased Equipment shall remain unchanged. Except in the case of loss, theft, destruction, or return to the manufacturer or seller, the Lessor shall be entitled to recover possession of such Item, unless possession of such Item is required to be delivered to an insurance carrier (other than the Lessee) in order to settle an insurance claim arising out of the Event of Loss. The Lessor shall be entitled to retain any salvage value collected by such insurance carrier in excess of the amount paid to the Lessor by said insurance carrier.

(c) Following payment of the Casualty Value of an Item of Leased Equipment in accordance with the provisions of Section 11(b), the Lessee shall, as agent for the Lessor, dispose of such Item as soon as it is able to do so for the best price obtainable. Any such disposition shall be on an "as is", "where is" basis without representation or warranty, express or implied. As to each separate Item so disposed of, the Lessee may, after paying the Lessor the amounts specified in Section 11(b), retain all amounts of such price, plus damages for physical injury or destruction or requisition of such Item received by the Lessee by reason of such Event of Loss, up to the Casualty Value and the Lessee's reasonable

costs and expenses of disposition attributable to said Item of Leased Equipment, and the excess, if any, shall be paid to the Lessor. Notwithstanding the foregoing, the Lessee shall be entitled to all damages and awards payable in respect of an Event of Loss which are specifically designated as payable to the Lessee as compensation for the loss by Lessee of its rights under this Lease in respect of any Items of Leased Equipment as to which such Event of Loss shall have occurred or otherwise in respect of any losses suffered by the Lessee as the result of such Event of Loss. As to each Item of Leased Equipment returned to the manufacturer or seller thereof in the manner described in Section 11(a) and not replaced or modified by the manufacturer or seller pursuant to the patent indemnity provisions of the Purchase Documents, the Lessor agrees that the Lessee shall receive and retain all amounts payable to the Lessor by the manufacturer or seller for the return of such Item, up to the Casualty Value paid by the Lessee hereunder, and any excess shall be paid to the Lessor. As to each Item of Leased Equipment modified and each replacement Item installed by the manufacturer or seller pursuant to the patent indemnity provisions of the Purchase Documents, the Lessor and the Lessee agree that such modified Item or replacement Item shall be delivered to the Lessee and shall, without any further act of the Lessor or the Lessee, be considered an Item for all purposes of this Lease.

(d) Except as hereinabove in this Section 11 provided, the Lessee shall bear the risk of loss and shall not be released from the obligations hereunder in the event of any damage or Event of Loss to any Item of Leased Equipment after delivery to and acceptance by the Lessee hereunder.

(e) In the event that the use of any Item of Leased Equipment shall be requisitioned by any governmental authority for an indefinite period or for a stated period which does not exceed the term of this Lease, such requisition shall not terminate this Lease with respect to such Item, and each and every obligation of the Lessee with respect thereto shall remain in full force and effect. So long as no Event of Default shall have occurred and be continuing under this Lease, the Lessee shall be entitled to all sums received by reason of any such requisition.

Section 12. Insurance.

(a) The Lessee will carry, at its sole cost and expense, public liability and property damage insurance with respect to the Leased Equipment (i) in an amount not less than \$30,000,000 per occurrence, of the type usually carried

by corporations of established reputation engaged in the same or a similar business, similarly situated with the Lessee, and owning or operating similar equipment and which covers risks of the kind customarily insured against by such corporations, (ii) which is maintained in effect with financially sound and reputable insurers of recognized responsibility, reasonably satisfactory to the Lessor and (iii) which is otherwise reasonably satisfactory to the Lessor. Any policies of insurance carried in accordance with this paragraph (a) and any policies taken out in substitution or replacement for any such policies (A) shall be amended to name the Lessor and the Trustee as additional named insureds as their respective interests may appear, (B) shall provide that the interest of any named insured (other than the Lessee) will not be invalidated by any action or inaction of any named insured (including the Lessee) and the interest of the Lessee will not be invalidated by any action or inaction of any other named insured and shall insure each named insured regardless of any breach or violation of any warranties, declarations or conditions contained in such policies by, in the case of the Lessee, any other named insured and, in the case of any named insured other than the Lessee, any named insured (including the Lessee), and (C) shall provide that if the insurers cancel such insurance for any reason whatever or the same is allowed to lapse for nonpayment of premium, such cancellation or lapse shall not be effective as to the Lessor or the Trustee for 30 days (or if 30 days is not obtainable, the longest period reasonably obtainable) after receipt by the Lessor and the Trustee, respectively, of notice by such insurers to the Lessor and the Trustee, respectively, of such cancellation or lapse. Each liability policy (1) shall be primary without right of contribution from any other insurance which is carried by the Lessor, the Lessee and the Trustee to the extent that such other insurance provides contingent and/or excess liability insurance with respect to the Leased Equipment and (2) shall expressly provide that all of the provisions thereof, except the limits of liability and liability for premiums, shall operate in the same manner as if there were a separate policy covering each insured. The Lessee shall furnish appropriate evidence of such insurance to the Lessor.

(b) The Lessee will carry, at its sole cost and expense, insurance against loss or damage to the Leased Equipment (i) in amounts (including deductible amounts consistent with those provided for in policies maintained by the Lessee and corporations of established reputation engaged in the same or similar business, similarly situated with the Lessee, on similar equipment) at least equal at all

times to the Casualty Value of the Leased Equipment, and of the type and insuring against the risks usually carried by the Lessee and corporations of established reputation engaged in the same or similar business, similarly situated with the Lessee, on similar equipment in the same general locality and covering risks of the kind customarily insured against by such corporations and (ii) which is maintained in effect with financially sound and reputable insurers of recognized responsibility, reasonably satisfactory to the Lessor and (iii) which is otherwise reasonably satisfactory to the Lessor. Any policies of insurance carried in accordance with this Section 12(b) and any policies taken out in substitution or replacement for any such policies shall (A) name the Lessee, the Lessor and the Trustee as named insureds, as their respective interests may appear, (B) provide that the interest of any named insured (other than the Lessee) will not be invalidated by any action or inaction of any named insured (including the Lessee) and the interest of the Lessee will not be invalidated by any action or inaction of any other named insured and shall insure each named insured, regardless of any breach or violation of any warranties, declarations or conditions contained in such policies by, in the case of the Lessee, any other named insured and, in the case of any named insured other than the Lessee, any named insured (including the Lessee) and (C) provide that if the insurers cancel such insurance for any reason whatsoever, or the same is allowed to lapse for nonpayment of premium, such cancellation or lapse shall not be effective as to the Lessor or the Trustee for 30 days (or if 30 days is not obtainable, the longest period reasonably obtainable) after receipt by the Lessor and the Trustee, respectively, of notice by such insurers to the Lessor and the Trustee, respectively, of such cancellation or lapse. Such policy or policies will also contain an endorsement by which the insurer waives any right of recovery or subrogation against any named insured for any loss or damage to the Leased Equipment. The Lessee shall furnish appropriate evidence of such insurance to the Lessor.

Section 13. Indemnification.

Except as to those matters specifically provided in Sections 8 and 15 hereof, the Lessee agrees to assume liability for, and does hereby agree to indemnify, protect, save and keep harmless the Lessor from and against any and all liabilities, obligations, losses, damages, penalties, claims (including, without limitation, claims involving strict or absolute liability), actions, suits, costs, expenses and disbursements (including, without limitation, legal fees and expenses) of any kind and nature whatsoever (Claims) which

may be imposed on, incurred by or asserted against the Lessor, whether or not the Lessor shall also be indemnified as to any such Claim by any other person, in any way relating to or arising out of this Lease or any document contemplated hereby or the performance or enforcement of any of the terms hereof or thereof, or in any way relating to or arising out of the manufacture, purchase, acceptance, rejection, ownership, delivery, lease, sublease, possession, use, operation, maintenance, condition (ordinary wear and tear excepted), registration or return of any Item of Leased Equipment or any accident in connection therewith (including, without limitation, latent and other defects, whether or not discoverable and any Claim for patent or trademark infringement); provided, however, that the Lessee shall not be required to indemnify the Lessor and any party having the benefit of this Section 13 pursuant to Section 23(b) hereof for (a) any Claim in respect of any Item of Leased Equipment arising from acts or events which occur after possession of such Item of Leased Equipment has been redelivered to the Lessor pursuant to the provisions of Section 5 hereof, (b) any Claim resulting from acts which would constitute the wilful misconduct or gross negligence of the Lessor, any Beneficiary or the Trustee or (c) any Claim arising from the breach by the Trustee, the Lessor or any Beneficiary, of any of such party's respective duties, responsibilities or obligations under this Lease or any document contemplated under this Lease; provided, further, however that any act or omission of any one party specified in Section 13(b) and (c) which would limit the right of such party to indemnification pursuant to this Section 13 shall not preclude the benefits of this Section 13 to the other parties specified in Section 13(b) and (c). Promptly after receipt of notice by the Lessor of the assertion by any person of a right which would give rise to a Claim or the commencement of any action or proceeding with respect to any matter referred to in this Section 13, the Lessor will give written notice to the Lessee thereof and will thereafter keep the Lessee reasonably informed thereof. In the event that any such action or proceeding is brought against the Lessor, the Lessee will be entitled to participate in (and, if it shall wish, to assume) the defense thereof. To the extent that the Lessor in fact receives indemnification payments from the Lessee under the indemnification provisions of this Section 13, the Lessee shall be subrogated, to the extent of such indemnity payments, to the Lessor's rights with respect to the transaction or event requiring or giving rise to such indemnity. The Lessee agrees that the Lessor shall not be liable to the Lessee for any Claim caused directly or indirectly by the inadequacy of any Item of Leased Equipment for any purpose or any deficiency or defect therein or the

use or maintenance thereof or any repairs, servicing or adjustments thereto or any delay in providing or failure to provide any thereof or any interruption or loss of service or use thereof or any loss of business, all of which shall be the risk and responsibility of the Lessee. The rights and indemnities of the Lessor hereunder are expressly made for the benefit of, and shall be enforceable by, the Lessor notwithstanding the fact that the Lessor is either no longer a party to this Lease, or was not a party to this Lease at its outset.

Section 14. Sublease.

So long as no Event of Default or Default shall have occurred hereunder and be continuing, the Lessee shall be entitled to permit the use of the Items upon the lines of carriers in the usual interchange of traffic and to assign its rights to the Leased Equipment or to sublease the Leased Equipment; provided, however, that the Lessee shall not assign, sublease or permit the assignment, sublease or use of any Item of Leased Equipment outside the United States, nor shall the Lessee assign or sublease to, or permit the sublease or use of the Leased Equipment by any person in whose hands such Leased Equipment would not qualify as "section 38 property" within the meaning of the Internal Revenue Code of 1954, as amended to the date hereof (the Code). The Lessee may receive and retain compensation for the use of any of the Leased Equipment from railroads or other entities so using such Leased Equipment. Any sublease permitted by this paragraph may provide that the sublessee, so long as the Lessee shall not be in default hereunder and the sublessee shall not be in default under such sublease, shall be entitled to the use of the Items of Leased Equipment included in such sublease; provided, however, that no sublease shall be permitted hereunder unless the Lessee shall give notice to any sublessee that Lessee's interest in the Leased Equipment is that of a Lessee and not that of an owner and that the Leased Equipment is expressly subject to a security interest, pursuant to these agreements. The term of any sublease permitted herein shall not extend beyond the term of this Lease. No sublease, other relinquishment of the possession of Equipment, or assignment by the Lessee of any of its rights hereunder shall in any way discharge or diminish any of the Lessee's obligations to the Lessor hereunder. The Lessee shall give prior written notice to the Lessor of any assignment by the Lessee of all of its right, title and interest in and to this Lease and furnish to the Lessor a copy of the assigning instrument.

Section 15. Tax Indemnification.

(a) This Lease has been entered into on the basis that the Lessor shall be entitled to such deductions, credits and other benefits as are provided to an owner of property including, without limitation:

(i) the investment tax credit (the Investment Credit) allowed by section 38 and related sections of the Code, in an amount equal to the percentage set forth in Exhibit C hereto of the Lessor's Cost of each Item of Leased Equipment;

(ii) the deductions for accelerated depreciation under Sections 167(b)(2) and (3) of the Code (the Depreciation Deductions) on each Item of Leased Equipment based upon Lessor's Cost of each Item of Leased Equipment and the Depreciable Life, Depreciation Method and Net Salvage Value set forth in Exhibit C hereto; and

(iii) the deductions under section 163 of the Code (the Interest Deductions) in the full amount of any interest paid or accrued by the Lessor in accordance with the Lessor's method of accounting for tax purposes with respect to any indebtedness incurred by the Lessor in financing the purchase of each Item of Leased Equipment.

(b) If, by reason of (1) the inaccuracy of any of the Assumptions set forth in paragraph (d) of this Section 15, (2) the inaccuracy of any statement in any letter or document furnished to the Lessor by or on behalf of the Lessee in connection with the transaction contemplated by this Lease (excluding the expert's opinion furnished to the Lessor as to the useful life, residual value and commercial feasibility of use of the Leased Equipment), (3) any act, failure to act or omission of or by the Lessee occurring during the term of this Lease, which is inconsistent with or in contravention of any of the terms and provisions of this Lease or the Participation Agreement, the Lessor shall lose, shall not have or shall lose the right to claim or there shall be disallowed or recaptured with respect to the Lessor, all or any portion of the Investment Credit, the Interest Deductions or the Depreciation Deductions (a Loss), then the Basic Lease Rate Factor applicable to such Item of Leased Equipment shall, on and after the next succeeding Basic Rent Date, after written notice to the Lessee by the Lessor that a Loss has occurred pursuant to Section 15(c) hereof, be increased (based on the

same assumptions used in arriving at the Basic Lease Rate Factor and taking into account all relevant tax effects to the Lessor as a result of such Loss) by such amount for such Item or Items as shall cause the Lessor's after tax rate of return over the term of this Lease in respect of such Item or Items to equal the after tax rate of return (as evidenced by the documents deposited with the Escrowee, as hereinafter defined, within five business days of the final Closing Date, together with the calculations and assumptions used by the Lessor in arriving at such after tax rate of return) that would have been available if the Lessor had been allowed the Investment Credit, the Interest Deductions and the Depreciation Deductions with respect to such Item or Items. In the event that the Lessee and the Lessor fail to mutually agree on the amount of the increase, if any, or of the payment to be made pursuant to the next sentence, such amount will be determined by the opinion of the Accounting Firm, as hereinafter defined, to which shall be delivered the Lessor's calculations with respect to the increase as well as the documents deposited with the Escrowee. If such Loss occurs after the Last Basic Rent Date as a result of the occurrence during the term hereof of one of the causes set forth in this paragraph (b), the Lessor shall notify the Lessee in writing of such Loss and the Lessee shall pay to the Lessor such sum as will cause the Lessor's after tax rate of return over the term of this Lease in respect of such Item or Items to equal the after tax rate of return (as evidenced by the documents deposited with the Escrowee, as provided above, and taking into account all relevant tax effects to the Lessor as a result of such Loss) that would have been available if the Lessor had been allowed the Investment Credit, the Interest Deductions and the Depreciation Deductions with respect to such Item or Items. The Escrowee shall be First Security Bank of Utah, N.A.; the Accounting Firm shall be any national accounting firm selected by the Lessee at such time as the disclosures described herein, in Section 15(f) or in Exhibit D, note (a) are required to be made. The Escrowee shall release the deposited documents only to the Accounting Firm named in written instructions, addressed to it and signed by both the Lessor and the Lessee. The fees and expenses of the Accounting Firm (after payment by the Lessor of the first \$1,500 thereof, incurred in any calendar year) and of the Escrowee shall be paid by the Lessee.

(c) For purposes of this Section 15, a Loss shall occur upon the earlier of (1) the payment by any Beneficiary to the Internal Revenue Service of the tax increase resulting from such Loss, or (2) the adjustment of the tax return of the Lessor or any Beneficiary to reflect such Loss. With respect to any Item of Leased Equipment, the Lessor shall be responsible for, and shall not be entitled to a payment

under this Section 15 on account of, any Loss due to one or more of the following events: (i) a disqualifying disposition due to the sale of such Item of Leased Equipment or the lease thereof by the Lessor or any Beneficiary prior to any default by the Lessee, or (ii) a failure of the Lessor or any Beneficiary to timely or properly claim the Investment Credit, the Interest Deductions or the Depreciation Deductions for such Item of Leased Equipment in the tax returns of the Lessor or any Beneficiary, or (iii) a disqualifying change in the nature of the Lessor's or any Beneficiary's business or the liquidation thereof, or (iv) a foreclosure by any person holding through the Lessor or any Beneficiary of a lien on such Item of Leased Equipment, which foreclosure results solely from an act of the Lessor or any Beneficiary, or (v) any event which by the terms of this Lease requires payment by the Lessee of the Casualty Value or Termination Value of such Item, if such Casualty Value or Termination Value is thereafter actually paid by the Lessee, or (vi) the failure of the Lessor or any Beneficiary to have sufficient liability for tax against which to apply such Investment Credit or taxable income against which to apply such Depreciation Deductions or Interest Deductions, or (vii) any act, failure to act or omission of or by the Lessor or any Beneficiary (excluding any of the foregoing which is required or permitted by this Lease or any other document or instrument contemplated by this Lease) unrelated to (A) the inaccuracy of any of the Assumptions set forth in paragraph (d) of this Section, (B) the inaccuracy of any statement in any letter or document furnished to the Lessor by or on behalf of the Lessee in connection with the transaction contemplated by this Lease, (C) the act, failure to act or omission of or by the Lessee, and (D) any default by the Lessee under this Lease.

(d) This Lease is to be entered into on the basis of, among other things, the following assumptions (the Assumptions): (i) at the time the Lessor acquires title to each Item of Leased Equipment, such Item will constitute "new section 38 property" of the Lessor, within the meaning of sections 46 and 48 of the Code, and at the time the Lessor acquires title to such Item, such Item of Leased Equipment will not have been used by any person so as to preclude "the original use of such property" within the meaning of sections 48(b) and 167(c)(2) of the Code from commencing with the Lessor, and (ii) the Lessee will not at any time during the term of this Lease use or fail to use or permit or suffer the use by any other party of any Item of Leased Equipment in such a way as to disqualify it as "section 38 property," within the meaning of section 48(a) of the Code.

(e) If at any time prior to the disposition of an Item of Equipment in a taxable transaction, the Lessor is required to include in its gross income an amount in respect of any improvements, modifications or additions to such Item made by the Lessee (such improvements, modifications or additions being hereinafter called Improvements), then the Lessee shall pay to the Lessor, as an indemnity, such amount or amounts which, after deduction of all Impositions required to be paid by the Lessor in respect of the receipt of such amounts and after giving effect to all credits against tax liability and deductions from income attributable to the Improvements and available to the Lessor in the pertinent tax period, shall be equal to the sum of the additional federal, state and local income taxes payable by the Lessor from time to time as a result of such Improvements, plus the amount of any interest, penalties or additions to tax payable as a result of any such Improvements. If as a result of any such Improvements the aggregate federal, state and local income taxes paid by the Lessor for any taxable year shall be less than the amount of such taxes which would have been payable by the Lessor had no such Improvements been made, then the Lessor shall pay the Lessee the amount of such savings in taxes plus any additional tax benefits realized by the Lessor as a result of such payment; provided, however, that the Lessor shall not be obligated to make any payment pursuant to this sentence to the extent that the amount of such payment would exceed (i) the amount of all prior payments by the Lessee to the Lessor pursuant to this paragraph (e) in respect of any Improvements, less (ii) the amount of all prior payments by the Lessor to the Lessee hereunder, and the amount by which such payment would exceed such amount shall reduce pro tanto any subsequent obligation of the Lessee to make any payments to the Lessor pursuant to the first sentence of this paragraph. The amount payable to the Lessor pursuant to this paragraph shall be paid within 30 days after receipt of written demand therefor from the Lessor (but not prior to payment by the Lessor of the additional taxes which become due as a result of the said inclusion) accompanied by a written statement describing in reasonable detail such inclusion and the computation of the amount so payable. Any payment due to the Lessee from the Lessor pursuant to this paragraph (e) shall be paid within 30 days after the Lessor realizes any such savings in its income taxes or additional tax benefits, as the case may be.

(f) The Lessor agrees to claim and to seek treatment of all income, expenses, losses and other deductions relating to the Leased Equipment (including the Depreciation Deductions and the Interest Deductions) as properly apportioned or

allocated to United States source income. However, if the Lessor shall not be entitled to treat all expenses, losses and other deductions relating to the Leased Equipment (including the Depreciation Deductions and the Interest Deductions) as properly apportioned or allocated to United States source income for any taxable year (or portion thereof) during the term of this Lease as the result of a successful claim by the appropriate taxing authority that any Item of Leased Equipment was located outside of the United States, the Lessee shall pay to the Lessor, as an indemnity, such amount or amounts which, after deduction of all Impositions required to be paid by the Lessor in respect of the receipt of such amounts, shall be equal to the sum of (i) the excess of the foreign tax credits which would have been allowable to the Lessor with respect to such year and all prior years if the Lessor had not participated in the transactions contemplated by the Participation Agreement over the foreign tax credits actually allowable to the Lessor with respect to such years and (ii) the amount of any interest, penalties or additions to tax payable in connection with the loss of such foreign tax credits. If the Lessee shall have paid an indemnity and if in any subsequent year the amount of foreign tax credits allowable (giving effect to all applicable carryforward provisions) to the Lessor exceeds the foreign tax credits which would have been allowable to the Lessor with respect to such year if the Lessor had not participated in the transactions contemplated by the Participation Agreement, then the Lessor shall pay to the Lessee the amount of such foreign tax credits plus any additional federal income tax benefits realized by the Lessor as a result of such payment. The amount payable to the Lessor pursuant to this paragraph (f) shall be paid within 30 days after receipt of written demand therefor from the Lessor (but not prior to payment by the Lessor of the additional federal income taxes which become due as a result of the loss of such foreign tax credits) accompanied by a written statement describing in reasonable detail the loss of such foreign tax credits and the computation of the amount determined to be payable. Any payment due to the Lessee from the Lessor pursuant to this paragraph (f) shall be made within 30 days after the Lessor realizes any such saving in its federal income taxes or additional tax benefits, as the case may be; provided, however, that the Lessee may request that the calculation of such saving or benefit be submitted by the Lessor to the Accounting Firm, to be confirmed by the Accounting Firm as having been calculated consistently with the applicable provisions of the Internal Revenue Code of 1954, as amended, and promptly upon such confirmation, any such payment shall be paid by the Lessor to the Lessee.

(g) All of the Lessor's rights and privileges arising from the indemnities contained in this Section 15 shall survive the expiration or other termination of this Lease with respect to any or all Items of Leased Equipment and such indemnities are expressly made for the benefit of and shall be enforceable by the Lessor, its successors and assigns.

Section 16. Events of Default.

The term Event of Default, wherever used herein, shall mean any of the following events under the Lease (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or come about or be effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) The Lessee shall fail to make any payment of Rent within 10 days after the same shall become due; or

(b) The Lessee shall fail to perform or observe any other covenant, condition, or agreement to be performed or observed by it under this Lease or any agreement, document or certificate delivered by the Lessee in connection herewith, and such failure shall continue for 20 days after written notice thereof from the Lessor to the Lessee, or, if such failure is susceptible of being remedied but cannot be remedied within such 20 day period, Lessee shall fail to commence to remedy such failure within such 20-day period and thereafter proceed diligently to remedy such failure; or

(c) Any representation or warranty made by the Lessee in this Lease or the Participation Agreement or in any document or certificate furnished to the Lessor in connection herewith shall prove to have been incorrect in any material respect when any such representation or warranty was made or given; or

(d) A petition in bankruptcy shall be filed by the Lessee, or the Lessee shall make an assignment for the benefit of creditors or consent to the appointment of a trustee or receiver; or a trustee or a receiver shall be appointed for the Lessee, for any Item of Leased Equipment or for a substantial part of its property without its consent and shall not be dismissed within a period of 60 days; or bankruptcy, reorganization or insolvency proceedings shall be instituted against the Lessee and shall not be dismissed for a period of 60 days; or

(e) The Lessee shall be in default under any material obligation for the payment of borrowed money or for the deferred purchase price of, or for the payment of any rent under any lease agreement covering real or personal property material to the Lessee's business, and the applicable grace period with respect thereto shall have expired and the obligations shall not be contested in good faith; or

(f) The Lessee shall attempt to remove, sell, transfer, encumber, part with possession of, assign or sublet (except as expressly permitted by the provisions of this Lease) any Item of Leased Equipment; or

(g) The Lessee shall fail to maintain insurance as required by Section 12 hereof.

Section 17. Remedies.

(a) Upon the occurrence of any Event of Default, the Lessor may, at its option, declare this Lease to be in default by written notice to such effect given to the Lessee, and at any time thereafter, the Lessor may exercise one or more of the following remedies, as the Lessor in its sole discretion shall lawfully elect:

(i) Proceed by appropriate court action, either at law or in equity, to enforce performance by the Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof;

(ii) By notice in writing terminate this Lease, whereupon all rights of the Lessee to the use of the Leased Equipment shall absolutely cease and terminate but the Lessee shall remain liable as hereinafter provided; and thereupon the Lessee, if so requested by the Lessor, shall at its expense promptly return the Leased Equipment to the possession of the Lessor at the place and in the condition required upon the return thereof pursuant to and in accordance with Section 5(b) hereof, or the Lessor, at its option, may enter upon the premises where the Leased Equipment is located and take immediate possession of and remove the same by summary proceedings or otherwise. The Lessee shall, without further demand, forthwith pay to the Lessor an amount equal to any unpaid Rent due and payable for all periods up to and including the Basic Rent Date following the date on which

the Lessor has declared this Lease to be in default, plus, as liquidated damages for loss of a bargain and not as a penalty, an amount equal to the Casualty Value of the Leased Equipment then subject to this Lease, computed as of the Basic Rent Date following the date on which the Lessor has declared this Lease to be in default. Following the return of the Leased Equipment to the Lessor pursuant to this paragraph (ii), the Lessor shall proceed to sell the Leased Equipment in such manner as it shall deem appropriate. The proceeds of such sale shall be applied by the Lessor (A) first, to all costs, charges and expenses, including reasonable legal fees and disbursements, incurred by the Lessor as a result of the default and the exercise of its remedies with respect thereto, and (B) second, to reimburse the Lessee for the Casualty Value to the extent previously paid by the Lessee as liquidated damages. Any surplus remaining thereafter shall be retained by the Lessor. To the extent that the Casualty Value has become due but has not been previously paid, the Lessee shall forthwith pay to the Lessor the sum of (1) the amount by which (X) the sum of (a) the Casualty Value thereof and (b) the amount payable under clause (A) of the preceding sentence, exceeds (Y) the sale price of the Leased Equipment, and (2) interest at the Overdue Rate on the full amount of the Casualty Value, computed from the date the Casualty Value is payable hereunder until such Casualty Value is paid by the Lessee.

(b) The Lessee shall be liable for all costs, charges and expenses, including reasonable legal fees and disbursements, incurred by the Lessor by reason of the occurrence of any Event of Default or the proper exercise of the Lessor's remedies with respect thereto.

(c) No remedy referred to herein is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to above or otherwise available to the Lessor at law or in equity. No express or implied waiver by the Lessor of any default or Event of Default hereunder shall in any way be, or be construed to be, a waiver of any future or subsequent default or Event of Default. The failure or delay of the Lessor in exercising any rights granted it hereunder upon any occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or recurrence of any

such contingencies or similar contingencies and any single or partial exercise of any particular right by the Lessor shall not exhaust the same or constitute a waiver of any other right provided herein.

Section 18. Renewal Options.

(a) The Lessee may, by giving written notice to the Lessor at least one year prior to the expiration of the term of this Lease or any renewal thereof, cause to be determined the Fair Market Rental value of any or all Items of Leased Equipment, for a specific period or periods, as the Lessee may select, commencing on the last day of the term of this Lease or any renewal thereof.

(b) If the Lessee gave written notice to the Lessor pursuant to Section 18(a), the Lessee may, by giving written notice to the Lessor, elect to renew this Lease for any or all Items of Leased Equipment for such period as it shall designate in such notice, as to which Item or Items and period a determination of Fair Market Rental value shall have been made pursuant to Section 18(a). Such notice shall be given at least nine months prior to the expiration of the term of this Lease or any renewal thereof. If the Lessee elects to renew this Lease then the terms and conditions provided for herein shall continue to apply during such renewal term except that the Rent shall be the Fair Market Rental determined pursuant to Section 18(a). Notwithstanding the above, the Lessee may not exercise its right to renew if an Event of Default has occurred and is continuing hereunder.

(c) The Lessor may, in its sole discretion, permit any notice, procedure or other requirement of this Section to be waived.

Section 19. Voluntary Termination

(a) The Lessee shall have the right, at any time on or after the First Termination Date, on at least 180 days' prior written notice to the Lessor, to terminate this Lease with respect to all, but not less than all, Items of Leased Equipment, such termination to be effective on the Basic Rent Date next following the expiration of the 180-day notice period (the Termination Date); provided, however, that no Event of Default, or Default, shall have occurred and be continuing. During the period from the giving of such notice until the Termination Date, the Lessor may, and the Lessee, as agent for the Lessor, shall, use their best efforts to obtain bids for the purchase of such Items of Leased Equipment. The Lessee

shall certify to the Lessor in writing the amount of each bid received by the Lessee and the name and address of the party submitting such bid (who shall not be the Lessee or any person who controls, is controlled by or is under common control with the Lessee). The Lessee may utilize agents for purposes of fulfilling its obligations set forth in this Section. On the Termination Date, the Lessor shall sell such Items of Leased Equipment, without recourse or warranty, for cash to whomsoever shall have submitted the highest bid prior to such date and shall transfer to such purchaser all of the Lessor's right, title and interest in and to such Items, and thereupon the Lessee shall deliver such Items of Leased Equipment so sold to the Lessor in accordance with the terms of Section 5 of this Lease. The Lessor shall certify in writing to the Lessee (i) the amount of such total sale price, (ii) the reasonable expenses incurred by the Lessor directly in connection with such sale, and (iii) that such total sale price represents the highest bid received by the Lessor for the purchase of such Items. The total sale price realized at such sale shall be retained by the Lessor, and, in addition, on the Termination Date, the Lessee shall pay to the Lessor the Basic Rent payment payable on such date and the amount, if any, by which (A) the Termination Value of such Items, computed as of the Termination Date, exceeds (B) the proceeds of such sale less all reasonable expenses incurred by the Lessor directly in connection with selling such Items. In the event no such sale takes place, the Lessee shall (i) pay to the Lessor the Termination Value of such Items, computed as of the Termination Date, plus any reasonable expenses incurred by the Lessor directly in connection therewith and the Basic Rent payment then due and (ii) deliver such Items of Leased Equipment to the Lessor in accordance with the terms of Section 5 of this Lease. Upon payment of all amounts required to be paid by the Lessee pursuant to this paragraph (a), the obligation of the Lessee for all Basic Rent accruing hereunder with respect to such Items and due and payable after, but not on or before, the Termination Date shall cease.

(b) Notwithstanding the foregoing, upon receipt of all bona fide bids for the purchase of such Items, the Lessor may, with the prior written consent of the Trustee, elect not to sell such Items to the highest bidder on the Termination Date, in which case the Lessee shall deliver such Items to the Lessor in accordance with the terms of Section 5 of this Lease. In addition, on the Termination Date, the Lessee shall pay to the Lessor the Basic Rent due on such Termination Date and the amount, if any, by which the Termination Value of such Items plus the amount of any reasonable expenses incurred by the Lessor directly in

connection therewith exceed such highest bid. Upon such redelivery and the payment of such amount, if any, the obligation of the Lessee to pay all Basic Rent accruing under this Lease with respect to such Items and due and payable after, but not on or before, the Termination Date shall cease.

(c) Notwithstanding the foregoing, provided that no Event of Default, or Default, shall have occurred and be continuing, and provided further that the Lessor has not notified the Lessee in writing of the Lessor's election under paragraph (b) above, upon written notification given to the Lessor not less than 30 days prior to the Termination Date, the Lessee may elect to rescind the Lessee's notice of termination, in which case this Lease shall not terminate as set forth in this Section, but shall continue in full force and effect as though no such notice of termination had been given by the Lessee.

Section 20. Tax Contest.

(a) In the event that the Internal Revenue Service shall make or propose to make a claim, adjustment, restatement or recharacterization of income or expense which, if successful or upheld, would result in an increase in the Basic Lease Rate Factor pursuant to Section 15(b) hereof or in payment of an indemnity pursuant to Section 15(e) or (f) hereof, such increase in the Basic Lease Rate Factor or indemnity payment, as the case may be, shall not be made until the Lessor takes the action set forth below; provided, however, that at any time, whether before or after commencing to take such action, the Lessor may decline to take such action by notifying the Lessee in writing that no increase in the Basic Lease Rate Factor shall be required pursuant to Section 15(b) hereof or no indemnity payment shall be required pursuant to Section 15(e) or (f) hereof, as the case may be, with respect to such claim or any portion thereof specified in such notice.

(b) The Lessor shall promptly notify the Lessee of any such claim and shall take such action in connection with contesting such claim as the Lessee shall reasonably request in writing from time to time; provided, however, that (i) within 30 days after notice by the Lessor to the Lessee of such claim, the Lessee shall request that such claim be contested; (ii) the Lessor, at its sole discretion, may forego any and all administrative appeals, proceedings, hearings and conferences in respect of such claim and may, at its sole option, contest the claim in any reasonable forum, considering, however, in good faith such requests as the Lessee shall make concerning the most appropriate forum in which to proceed

(unless the proceeding involves solely one or more losses as to which the Lessor is indemnified by the Lessee, in which case the choice of the forum in which to proceed shall be made by the Lessee in its sole discretion); (iii) prior to making such claim, the Lessee shall have furnished to the Lessor an opinion of independent tax counsel selected by the Lessee and approved by the Lessor, which approval shall not be unreasonably withheld, to the effect that a meritorious defense exists to such claim; and (iv) the Lessee shall have agreed to pay the Lessor on demand all costs and expenses which the Lessor may incur in contesting such claim, including, without limitation, reasonable legal, accounting and investigatory fees and disbursements and the amount of any interest or penalty which may ultimately be payable as a result of contesting such claim. The Lessor shall notify the Lessee of any conference, hearing or proceeding relating to any such claim, shall permit the Lessee to participate therein at its own expense and shall provide the Lessee with any relevant information and the opportunity to submit briefs and memoranda of law relating thereto.

(c) In the event that the Lessor shall elect to contest such claim by paying the tax deficiency asserted and then seeking a refund thereof, the Lessor shall notify the Lessee of such election and the Lessee shall, at its option, (i) pay to the Lessor such amount which, after deduction of all Impositions required to be paid by the Lessor in respect of the receipt of such amount, shall equal the amount of the asserted deficiency or (ii) pay to the Lessor interest at the rate of 9.75% per annum on the amount of such tax deficiency paid by the Lessor for the period commencing with the date such tax deficiency is paid and ending with the date of the payment in respect of such refund proceeding, such interest to be payable on each Basic Rent Date occurring during such period, or, if after the term of this Lease, semi-annually. Upon receipt by the Lessor of a refund of any tax deficiency in respect of which the Lessee shall have provided the amount of the asserted deficiency to the Lessor as provided in clause (i) above, the Lessor shall pay to the Lessee the entire amount of such refund together with the interest paid thereon, if any, by the United States. Upon the receipt by the Lessor of a refund of any tax deficiency in respect of which the Lessee has paid interest while such tax deficiency was being contested, as provided in clause (ii) above, the Lessor shall pay to the Lessee any interest on such refund paid to the Lessor by the United States for the period interest was paid by the Lessee to the Lessor.

(d) If in the course of contesting any such claim

referred to in this Section 20, the Internal Revenue Service shall advise the Lessor that it is willing to agree to a settlement of such claim, which settlement is not conditioned upon the settlement of any other issues with respect to which the Lessee is not required to indemnify the Lessor, the Lessor shall notify the Lessee of such settlement proposal. If the settlement proposal is agreeable to the Lessee, the Lessee shall so notify the Lessor and the Lessor shall agree to the settlement proposal; provided, however, that the Lessor shall not be obligated to agree to the settlement proposal if it releases the Lessee from any further obligations pursuant to clause (iv) of paragraph (b) of this Section 20 with respect to any further action taken by the Lessor to contest such claim and if it agrees that the amount of the increase in the Basic Lease Rate Factor pursuant to Section 15(b) hereof or the amount of the indemnity payment pursuant to Section 15(e) or (f) hereof, as the case may be, shall not exceed the amount of such increase or payment which would have been required if the Lessor had agreed to the settlement proposal.

(e) If any such claim referred to in this Section 20 shall be made and the Lessee shall have reasonably requested the Lessor to contest such claim as above provided and shall have duly complied with all of the terms of this Section 20, the Lessee's liability with respect to such claim shall become fixed upon final determination of such claim but in all other cases the liability of the Lessee shall become fixed and determinable at the time specified in Section 15(b) or Section 15(e) or (f) hereof, as the case may be.

Section 21. Performance of Obligations of Lessee by Lessor.

If an Event of Default should occur hereunder, the Lessor may thereafter make the payment or perform or comply with the agreement, the nonpayment, nonperformance or noncompliance with which caused such Event of Default, and the amount of such payment and the amount of the reasonable expenses of the Lessor incurred in connection with such payment or the performance of or compliance with such agreement, as the case may be, together with interest at the Overdue Rate as set forth in Exhibit C, shall be payable by the Lessee upon demand by the Lessor.

Section 22. Notices.

All communications and notices provided for herein shall be in writing and shall become effective three days after mailing when deposited in the United States mail, with

proper postage for certified first-class mail prepaid, return receipt requested, addressed as follows:

(a) if to the Lessor:

First Security Bank of Utah, N.A.
P.O. Box 30007
Salt Lake City, Utah 84125

Attention: Trust Department
Corporate Division

with copies to:

(i) ITEL Corporation
Equipment Finance Division
One Embarcadero Center
San Francisco, California 94111

Attention: Contract Administration

(ii) United States Trust Company
of New York
130 John Street
New York, New York 10038

Attention: Corporation Trust and
Agency Division

(iii) Merrill Lynch Leasing Inc.
One Liberty Plaza - 27th floor
New York, New York 10006

Attention: Janet Bacastow
Vice President

(iv) Bank of the West
P.O. Box 1000
San Jose, California 95108

Attention: Edward D. Merrill
Vice President-Equipment Leasing

and (b) if to the Lessee:

Continental Grain Company
277 Park Avenue
New York, New York 10017

Attention: Vice President
Transportation

Section 23. Amendments and Miscellaneous.

(a) The terms of this Lease shall not be waived, altered, modified, amended, supplemented or terminated in any manner whatsoever except by written instrument signed by the Lessor and the Lessee; provided that no such waiver, alteration, modification, amendment or supplement shall make any change, and no termination shall be effective, which is prohibited by the Indenture or any Supplement.

(b) This Lease, including all agreements, covenants, representations and warranties made herein or in any certificate delivered pursuant hereto, shall be binding upon and inure to the benefit of (1) the Lessor and its successors and assigns, (2) each Beneficiary and the successors and assigns of each Beneficiary, (3) the Trustee, as assignee and secured party and the successors and assigns of the Trustee as assignee and secured party, (4) any holder of the obligations of the Lessor issued in connection with this Lease, and (5) the Lessee and its successors and, to the extent permitted hereby, assigns. Without limiting the generality of the foregoing, with respect to the provisions of Sections 6, 8, 13 and 15 hereof, each Beneficiary, the Trustee as assignee and secured party, any holder of obligations of the Lessor issued in connection with this Lease, and the successors and assigns of the foregoing shall each be indemnified thereunder and, with respect to clause (b) of the proviso to Section 13 hereof, the wilful misconduct or gross negligence of the Lessor or any one such person shall not affect the rights of any other person indemnified under such Section 13.

(c) All agreements, indemnities, covenants, representations and warranties contained in this Lease or in any document or certificate delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Lease and the expiration or other termination of this Lease.

(d) Any provision of this Lease which may be determined by competent authority to be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render

unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, the Lessee hereby waives any provision of law which renders any provision hereof prohibited or unenforceable in any respect.

(e) This Lease shall constitute an agreement of lease and nothing herein shall be construed as conveying to the Lessee any right, title or interest in or to the Leased Equipment, except as lessee only.

(f) This Lease 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.

(g) This Lease shall be construed in accordance with, and shall be governed by, the laws of the State of New York.

(h) Section headings are for convenience only and shall not be construed as part of this Lease.

(i) Although this Lease 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 opposite their signatures and this Lease shall be effective on the latest of such dates.

IN WITNESS WHEREOF, the parties hereto have each caused this Lease to be duly executed by their respective officers thereunto duly authorized.

FIRST SECURITY BANK OF UTAH,
N.A., not in its individual
capacity, but solely as trustee
under a Master Trust Agreement
dated as of October 1, 1976
between it and Itel Capital
Services Corporation,
as Lessor

By J. Tracy Webb
Authorized Officer

Date February 5, 1979

CONTINENTAL GRAIN COMPANY,
as Lessee

By _____
Authorized Officer

Date _____

The undersigned hereby certifies
that the person executing this
Lease on behalf of the Lessee
holds the indicated office, was
duly elected thereto and at all
relevant times has been a duly
qualified and acting officer
of the Lessee.

Date _____

IN WITNESS WHEREOF, the parties hereto have each caused this Lease to be duly executed by their respective officers thereunto duly authorized.

FIRST SECURITY BANK OF UTAH,
N.A., not in its individual
capacity, but solely as trustee
under a Master Trust Agreement
dated as of October 1, 1976
between it and Itel Capital
Services Corporation,
as Lessor

By J. Tracy Walker
Authorized Officer

Date February 5, 1979

CONTINENTAL GRAIN COMPANY,
as Lessee

By _____
Authorized Officer

Date _____

The undersigned hereby certifies
that the person executing this
Lease on behalf of the Lessee
holds the indicated office, was
duly elected thereto and at all
relevant times has been a duly
qualified and acting officer
of the Lessee.

Date _____

IN WITNESS WHEREOF, the parties hereto have each caused this Lease to be duly executed by their respective officers thereunto duly authorized.

FIRST SECURITY BANK OF UTAH,
N.A., not in its individual
capacity, but solely as trustee
under a Master Trust Agreement
dated as of October 1, 1976
between it and Itel Capital
Services Corporation,
as Lessor

By _____
Authorized Officer

Date _____

CONTINENTAL GRAIN COMPANY,
as Lessee

By [Signature]
Authorized Officer

Date February 9, 1979

The undersigned hereby certifies that the person executing this Lease on behalf of the Lessee holds the indicated office, was duly elected thereto and at all relevant times has been a duly qualified and acting officer of the Lessee.

[Signature]
Secretary
Date February 9, 1979

IN WITNESS WHEREOF, the parties hereto have each caused this Lease to be duly executed by their respective officers thereunto duly authorized.

FIRST SECURITY BANK OF UTAH,
N.A., not in its individual
capacity, but solely as trustee
under a Master Trust Agreement
dated as of October 1, 1976
between it and Itel Capital
Services Corporation,
as Lessor

By _____
Authorized Officer

Date _____

CONTINENTAL GRAIN COMPANY,
as Lessee

By [Signature]
Authorized Officer

Date February 9, 1979

The undersigned hereby certifies that the person executing this Lease on behalf of the Lessee holds the indicated office, was duly elected thereto and at all relevant times has been a duly qualified and acting officer of the Lessee.

[Signature]
Secretary

Date February 9, 1979

STATE OF UTAH)
) ss.:
COUNTY OF SALT LAKE)

On this 5 day of February, 1979, before me personally appeared J. TRACY WALKER to me personally known, who, being by me duly sworn, said that he is an Authorized Officer of FIRST SECURITY BANK OF UTAH, N.A., that one of the seals affixed to the foregoing instrument is the seal of said national banking association and that said instrument was signed and sealed on behalf of said national banking association by authority of its By-laws and he acknowledges that the execution of the foregoing instrument was the free act and deed of said national banking association.

Verma L. Collins
Notary Public

(Notarial Seal)

My Commission Expires November 15, 1981

STATE OF UTAH)
) ss.:
COUNTY OF SALT LAKE)

On this ^{February} 5 day of ~~January~~, 1979, before me personally appeared J. TRACY WALKER, to me personally known, who, being by me duly sworn, said that he is an Authorized Officer of FIRST SECURITY BANK OF UTAH, N.A., that one of the seals affixed to the foregoing instrument is the seal of said national banking association and that said instrument was signed and sealed on behalf of said national banking association by authority of its By-laws and he acknowledges that the execution of the foregoing instrument was the free act and deed of said national banking association.

Verna F. DeCora
Notary Public

My Commission Expires November 16, 1981

(Notarial Seal)

EXHIBIT A to
EQUIPMENT
LEASE

DESCRIPTION OF EQUIPMENT

<u>Groups of Equip- ment (a)</u>	<u>Quan- tity (b)</u>	<u>Manu- facturer</u>	<u>Identifi- cation Number</u>	<u>Descrip- tion</u>
1A	50	Pullman- Standard	SSIX 20000 through SSIX 20049, inclusive	One-hundred ton 4,750 cubic feet steel covered Hopper Cars with Trough type hatch (AAR-LO)
1B	300	Pullman- Standard	SSIX 20050 through SSIX 20349, inclusive	(Same as 1A)
1C	200	Pullman- Standard	SSIX 20350 through SSIX 20549, inclusive	(Same as 1A)
	50		SSIX 20550 through SSIX 20599, inclusive	
	100		SSIX 20600 through SSIX 20699, inclusive	

(a) Except as otherwise expressly provided or as the context shall otherwise require, as used herein, in the Indenture, each Supplement and this Lease and in all certificates and other instruments delivered pursuant hereto and thereto, the terms "Group" and "Group of Equipment" shall refer to the sub-designations described above.

(b) Equipment shall include such additional quantities of Items of Equipment specifically described above as the Lessee shall include in a Certificate of Acceptance; provided, however, that in no event shall the Maximum Financing Cost, Maximum Investment Commitment or Maximum Loan Commitment, as such terms are defined in the Participation Agreement, be exceeded without the express approval of each affected party.

EXHIBIT B to
EQUIPMENT
LEASE

CERTIFICATE OF ACCEPTANCE NO. _____

under

Equipment Lease dated as of December 29, 1979 (the Lease) between FIRST SECURITY BANK OF UTAH, N.A., not in its individual capacity, but solely as trustee under a Master Trust Agreement dated as of October 1, 1976 between it and Itel Capital Services Corporation as lessor (the Lessor) and Continental Grain Company, as lessee (the Lessee).

The Lessee hereby certifies to Pullman Standard Division of Pullman Incorporated that the Items of Equipment set forth and described in Schedule 1 hereto (which Schedule includes the amount of the Lessor's Cost of each such Item), constituting Items of Equipment of the Group of Equipment indicated below, have been tested and inspected by the Lessee, found to be in good order and accepted as Items of Leased Equipment under the Lease, new and unused, all on the date indicated below:

Group of Equipment:

Date of Acceptance:

Continental Grain Company,
as Lessee

By Itel Corporation, Rail Division
Authorized Agent

By _____

Dated: _____

Accepted on the Date of Acceptance
set forth in paragraph 1 above on
behalf of the Lessor:

FIRST SECURITY BANK OF UTAH, N.A.,
not in its individual capacity,
but solely as trustee under a
Master Trust Agreement dated as
of October 1, 1976 between it and
Itel Capital Services Corporation,
as Lessor

By Continental Grain Company
Authorized Representative

By Itel Corporation, Rail Division
Authorized Agent

By _____

SCHEDULE 1 TO
CERTIFICATE OF ACCEPTANCE NO. _____

Description of Equipment and Lessor's Cost:

<u>Quantity</u>	<u>Manufac- turer or Seller</u>	<u>Descrip- tion</u>	<u>Identi- fication Number</u>	<u>New or Used</u>	<u>Lessor's Cost</u>
-----------------	---	--------------------------	--	----------------------------	--------------------------

Total Lessor's Cost \$ _____

ATTACHMENT 1
TO EXHIBIT B
TO EQUIPMENT
LEASE

The Lessee shall execute and deliver, on and as of the date of each Certificate of Acceptance, a certificate of an officer of the Lessee in the form set forth below.

"The undersigned, [an authorized officer] of Continental Grain Company (the "Corporation"), a Delaware corporation, does hereby certify, represent and warrant with reference to the Participation Agreement (the "Participation Agreement") dated as of December 29, 1978, among First Security Bank of Utah, N.A., a national banking association, in its individual capacity for certain purposes and for all other purposes of the Participation Agreement, not in its individual capacity, but solely as trustee (the "Owner Trustee") under a Master Trust Agreement dated as of October 1, 1976 between it and Itel Capital Services Corporation; United States Trust Company of New York, a New York corporation, as trustee under a Trust Indenture dated as of October 1, 1976 between it and the Owner Trustee; Merrill Lynch Leasing Inc. and Bank of the West as beneficiaries; Lease Investments Trust as Interim Lender; John Hancock Mutual Life Insurance Company as Long-Term Lender; and this Corporation as lessee, under an Equipment Lease (the "Lease") dated as of December 29, 1978 between it and the Owner Trustee, as lessor, and the Lease, that

1) The representations and warranties of this Corporation contained in Section 10 of the Participation Agreement were true and correct in all material respects when made and are true and correct in all material respects on the date hereof, except as affected by the transactions contemplated by the Participation Agreement.

2) This Corporation has satisfied or complied with all requirements set forth in the Participation Agreement and the Lease to be satisfied or complied with by it on or prior to the date hereof.

3) No Event of Default under the Lease or event which, with the giving of notice or the lapse of time, or both, would become such an Event of Default has occurred and is continuing.

4) This Corporation has obtained and there are in full force and effect, such insurance policies with respect to each Item of the Leased Equipment as defined in the Lease to be obtained under the terms of the Lease.

5) The Interim Lender and the Long-Term Lender have received appropriate evidence of the authorization by this Corporation of the Participation Agreement, the Lease, the Purchase Documents and all instruments and documents incidental thereto.

IN WITNESS WHEREOF, the undersigned has hereunto subscribed his name this day of _____, 1979.

EXHIBIT C to
EQUIPMENT
LEASE

EXHIBIT C

Date of Lease: As of December 29, 1978.

Beneficiaries: Merrill Lynch Leasing Inc.
Bank of the West

Daily Lease
Rate Factor: Payments 1-20, .02075%
Payments 21-40, .02536%

Rent
Commencement Date: With respect to each Item of Leased
Equipment, the Closing Date with
respect to such Item.

Basic Rent
Commencement Date: The earlier of (i) the Closing Date
with respect to the last delivered
Item of Equipment and (ii) June 25,
1979 (but in no event earlier than
April 30, 1979).

Basic Rent Dates: The First Basic Rent Date and each
anniversary thereof during the term
of this Lease and each anniversary
of the Basic Rent Commencement Date
during the term of this Lease

Expiration Date: The twentieth (20th) anniversary
of the Basic Rent Commencement Date.

First Delivery Date: No earlier than February 1, 1979.

Final Delivery Date: No later than June 15, 1979.

Interim Rent Date: The same date as the Basic Rent
Commencement Date.

First
Basic Rent Date: The same day of the month as the
Basic Rent Commencement Date in the
sixth calendar month following the
month in which falls the Basic Rent
Commencement Date.

First
Termination Date: The tenth (10th) anniversary of the Basic Rent Commencement Date; provided, however, that if, on or at any time after the fifth (5th) anniversary of the Basic Rent Commencement Date, the Lessee shall be unable to renew its service agreement with ITEL Corporation on terms reasonably satisfactory to the Lessee, or shall be unable to enter into a service agreement with another comparable servicing organization, on terms reasonably satisfactory to the Lessee, then the first date on which no such service agreement shall be in effect shall be the First Termination Date.

Last
Basic Rent Date: The twentieth (20th) anniversary of the Basic Rent Commencement Date.

Basic
Lease Rate Factor:* Payments 1-20, 3.7342%
Payments 21-40, 4.5640%

Overdue Rate: 10-3/4%

Equipment Marking: FIRST SECURITY BANK OF UTAH, N.A., not in its individual capacity, but solely as trustee: Lessor and Owner;

* The Basic Lease Rate Factors are based upon the Long-Term Debt Rate and Take-Out Date set forth in the Participation Agreement. If the Long-Term Lender shall fail to make its Loan as set forth in the Participation Agreement on the Take-Out Date, or if the Lessee shall fail to satisfy the conditions precedent to the obligation of the Long-Term Lender to make such loan, resulting in the failure of the Long-Term Lender to make its loan, then the parties hereto agree to execute such amendments and other documents as may be necessary to adjust the Basic Lease Rate Factors and all other terms dependent upon the Long-Term Debt Rate, including, but not limited to, the Overdue Rate, Casualty Values and, if applicable, Termination Values in order to reflect any change in the Long-Term Debt Rate or in the timing of the loan by a substitute long-term lender.

UNITED STATES TRUST COMPANY OF NEW YORK, not in its individual capacity, but solely as trustee: Secured Party and Lienholder.

Additional Lessee
Equipment Marking:*

Leased to Continental Grain Company, New York, New York.

Investment Credit:

10%

Depreciable Life:

12 years pursuant to Section 167(m) of the Code for an asset described in Asset Guideline Class Number 00.25

Depreciation Method:

Double-declining balance method changing to sum-of-the-years-digits method when most beneficial to the Beneficiaries and without the prior consent of the Commissioner of Internal Revenue utilizing either the "modified half-year" or "half year" convention pursuant to Reg. Section 1.167(a)-11(c)(2) and taking into account the Net Salvage Value of the Equipment.

Salvage Value:

Zero, calculated as follows: An amount equal to 10% of the Lessor's Cost of the Equipment, which amount will be reduced by 10% of the Lessor's Cost as provided in Section 167(m) of the Code.

* To be removed by Lessee at Lessee's expense upon request of Lessor upon return of Equipment to Lessor.

EXHIBIT D to
EQUIPMENT
LEASE

EXHIBIT D

The Casualty Value and Termination Value of each Item of Leased Equipment shall be the percentage of Lessor's Cost of such Item set forth opposite the applicable rent payment:

<u>Interim Rent Date and Rent Payment Number</u>	<u>Casualty Value (a) (b)</u>	<u>Termination Value (a) (b)</u>
Interim Rent Date	87.2924	
1	88.9648	
2	90.1336	
3	91.0656	
4	92.1472	
5	93.1556	
6	93.9388	
7	94.4676	
8	94.7797	
9	94.8525	
10	94.7184	98.3120
11	94.3619	97.8966
12	93.8103	96.8974
13	93.0551	96.0846
14	92.1186	94.7167
15	91.0105	93.5532
16	89.8190	91.9486
17	88.5693	90.6468
18	87.2588	88.9444
19	85.8843	87.5221
20	84.4428	85.7129
21	82.1013	83.3293
22	79.6861	80.5614
23	77.1643	77.9917
24	74.6088	75.1385
25	72.0552	72.5618
26	69.4221	69.6648
27	66.7275	66.9591
28	63.9543	63.9544
29	61.1175	61.1176
30	58.1981	58.1982
31	55.2120	55.2120
32	52.1390	52.1390
33	48.9960	48.9960
34	45.7618	45.7618
35	42.4542	42.4542
36	39.0508	39.0508

37	35.6048	35.6048
38	32.0937	32.0937
39	28.5577	28.5577
40	23.0000	.0000

(a) In the event the Basic Lease Rate Factor is increased, pursuant to the tax indemnification provisions set forth in Section 15 of the Lease, Casualty Values and Termination Values will be adjusted accordingly. At the request of the Lessee, the calculation of such adjustments shall be submitted by the Lessor to the Accounting Firm together with the documents to be provided pursuant to Section 15(b) for confirmation thereof.

(b) Casualty Values and Termination Values are expressed as a percentage of Lessor's Cost. Such percentages have been computed without regard to recapture of Investment Credit. Consequently, such percentages applicable on the Interim Rent Date or any Basic Rent Date where a Casualty Value or a Termination Value shall be payable with respect to an Event of Loss occurring before the third, fifth or seventh anniversary of the date of acceptance set forth in the Certificate of Acceptance for such Item shall be increased by the percentage of Lessor's Cost set forth below, and for purposes of this Lease, Casualty Values and Termination Values payable on such dates shall be determined on the basis of the sum of such percentages:

<u>Anniversary of the Date of Acceptance</u>	<u>Percentage of Lessor's Cost to be Added to the Foregoing Percentage</u>
Third	21.2857%
Fifth	14.1904%
Seventh	7.0952%