

INTERSTATE COMMERCE COMMISSION

RECORDATION NO. 11078 Filed 1425

NOV 21 1979 2 02 PM

RECORDATION NO. 11078-B Filed 1425

CRAVATH SWAINE & MOORE
ONE CHASE MANHATTAN PLAZA

NEW YORK, N. Y. 10005

212 HANOVER 2-3000

TELEX
RCA 233663
WUD 125547
WUI 620976

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FEE \$100.00

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RECORDATION NO. 11078-A Filed 1425

NOV 21 1979 2 02 PM

INTERSTATE COMMERCE COMMISSION

9-325A092

NOV 21 1979

Fee \$100.00

ICC Washington, D. C.

November 19, 1979

American Grain and Related Industries
(A Farmer-Owned Cooperative)
Lease Financing Dated as of November 1, 1979
10.35% Conditional Sale Indebtedness Due 1991

Dear Ms. Mergenovich:

Pursuant to 49 U.S.C. § 11303(a) and the Commission's rules and regulations thereunder, enclosed for filing and recordation on behalf of American Grain and Related Industries (a Farmer-Owned Cooperative) are counterparts of the following documents:

1. (a) Conditional Sale Agreement dated as of November 1, 1979, among Pullman Incorporated (Pullman Standard Division), North American Car Corporation and Exchange National Bank of Chicago, as Trustee;

(b) Agreement and Assignment dated as of November 1, 1979, among Pullman Incorporated (Pullman Standard Division), North American Car Corporation and La Salle National Bank, as Agent;

2. (a) Lease of Railroad Equipment dated as of November 1, 1979, between American Grain and Related Industries (a Farmer-Owned Cooperative) and Exchange National Bank of Chicago, as Trustee; and

(b) Assignment of Lease and Agreement dated as of November 1, 1979, between Exchange National Bank of Chicago, as Trustee, and La Salle National Bank, as Agent.

F. Mergenovich

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

(1) Agent-Vendor:

La Salle National Bank
135 South LaSalle Street
Chicago, Illinois 60690

(2) Trustee:

Exchange National Bank of Chicago
130 South LaSalle Street
Chicago, Illinois 60690

(3) Builder:

Pullman Incorporated (Pullman Standard Division)
200 South Michigan Avenue
Chicago, Illinois 60604

(4) Vendor:

North American Car Corporation
222 South Riverside Plaza
Chicago, Illinois 60606

(5) Lessee:

American Grain and Related Industries
(A Farmer-Owned Cooperative)
712 Financial Center
Des Moines, Iowa 50309

Please file and record the documents referred to
above and cross-index them under the names of the Agent-
Vendor, the Trustee, the Builder, the Vendor and the Lessee.

The equipment covered by the aforementioned docu-
ments consists of the following:

125 4,750 cubic foot covered hopper cars, AAR
Mechanical Designation LO, bearing identifying
numbers NAHX 481525 through NAHX 481649, both inclusive.

Also enclosed is a check for \$100 payable to the Interstate Commerce Commission, representing the fee for recording the Conditional Sale Agreement and related Agreement and Assignment (together constituting one document) and the Lease of Railroad Equipment and related Assignment of Lease and Agreement (together constituting one document).

Please stamp all counterparts of the enclosed documents, retain one copy of the documents for your files and forward the remaining counterparts to me.

Thank you for your assistance.

Sincerely,



Jacqueline B. Goodyear
As Agent for American Grain and
Related Industries (A Farmer-
Owned Cooperative)

Ms. Agatha L. Mergenovich,
Interstate Commerce Commission,
Washington, D. C. 20423

Encls.

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RECORDATION NO. 11078-B Filed 1425

NOV 21 1979 - 2 02 PM

INTERSTATE COMMERCE COMMISSION

[CS&M Ref. 4876-018]

LEASE OF RAILROAD EQUIPMENT

Dated as of November 1, 1979

between

AMERICAN GRAIN AND RELATED INDUSTRIES
(A FARMER-OWNED COOPERATIVE)

and

EXCHANGE NATIONAL BANK OF CHICAGO,
not in its individual capacity but solely
as Trustee under a Trust Agreement
dated as of the date hereof with
Southeast First Leasing, Inc.

[Covering 125 4,750 cubic foot Covered Hopper Cars]

LEASE OF RAILROAD EQUIPMENT dated as of November 1, 1979, between AMERICAN GRAIN AND RELATED INDUSTRIES (A FARMER-OWNED COOPERATIVE), an Iowa cooperative association ("Lessee"), and EXCHANGE NATIONAL BANK OF CHICAGO, a national banking association, acting not in its individual capacity but solely as trustee ("Trustee") under a Trust Agreement dated as of the date hereof ("Trust Agreement") with Southeast First Leasing, Inc. ("Owner").

The Trustee is entering into a Conditional Sale Agreement dated as of the date hereof ("CSA") with PULLMAN INCORPORATED (PULLMAN STANDARD DIVISION) ("Builder") and NORTH AMERICAN CAR CORPORATION ("NAC") wherein the Builder has agreed to manufacture, sell and deliver to NAC and NAC has agreed to sell and deliver to the Trustee the units of railroad equipment described in Schedule 1 hereto ("Equipment").

NAC is assigning certain of its interests in the CSA to LA SALLE NATIONAL BANK, acting as agent ("Agent") for Bankers Life Company under a Participation Agreement dated as of the date hereof ("Participation Agreement") among the Lessee, the Agent, the Owner, the Trustee and Bankers Life Company. The Builder and NAC will assign certain interests under the CSA and in the Equipment to the Agent pursuant to an Agreement and Assignment dated as of the date hereof ("CSA Assignment").

The Lessee desires to lease such number of units of Equipment as are delivered and accepted and settled for under the CSA ("Units") at the rentals and for the terms and upon the conditions hereinafter provided. The Trustee will assign this Lease for security to the Agent pursuant to an Assignment of Lease and Agreement dated as of the date hereof ("Lease Assignment").

In consideration of the agreements hereinafter set forth, the Trustee hereby leases the Units to the Lessee upon the following terms and conditions:

§ 1. Net Lease. This Lease is a net lease. Each of the Lessee's obligations to pay all rentals and other

amounts hereunder shall be absolute and unconditional and, except as herein specifically provided, the Lessee shall not be entitled to any abatement of rent, reduction thereof or setoff against rent or such other amounts, including but not limited to abatements, reductions or setoffs due or alleged to be due by reason of any past, present or future claims of the Lessee against the Trustee under this Lease or under the CSA, including the Lessee's rights by subrogation thereunder against the Builder, NAC, the Agent or otherwise; nor, except as otherwise expressly provided herein, shall this Lease terminate or the respective obligations of the Trustee or the Lessee be otherwise affected by reason of any defect in or damage to or loss of possession or loss of use or destruction of all or any of the Units from whatsoever cause, any liens, encumbrances or rights of others with respect to any of the Units, the prohibition of or other restriction against the Lessee's use of all or any of the Units, the interference with such use by any person or entity, the invalidity or unenforceability or lack of due authorization of this Lease, any insolvency of or any bankruptcy, reorganization or similar proceeding against the Lessee, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the rents and other amounts payable by the Lessee hereunder shall continue to be payable in all events in the manner and at the times herein provided unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease. To the extent permitted by applicable law, the Lessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender the lease of any of the Units except in accordance with the express terms hereof. Each rental or other payment made by the Lessee hereunder shall be final and the Lessee shall not seek to recover all or any part of such payment from the Trustee, the Owner or the Agent for any reason whatsoever.

§ 2. Delivery and Acceptance of Units. The Trustee hereby appoints the Lessee its agent for inspection and acceptance of the Units pursuant to the CSA. The Trustee will cause each Unit to be delivered to the Lessee at the point within the United States at which the Units are delivered to the Trustee under the CSA. Upon such delivery, the Lessee will cause an employee or agent of the Lessee to inspect the same, and if such Unit is found to be acceptable, to accept delivery of

such Unit on behalf of the Trustee under the CSA and on behalf of the Lessee hereunder and execute and deliver to the Trustee a certificate of acceptance substantially in the form annexed hereto as Schedule 3 ("Certificate of Acceptance"), whereupon such Unit shall be deemed to have been delivered to and accepted by the Lessee and shall be subject thereafter to all the terms and conditions of this Lease; provided, however, that the delivery, inspection and acceptance hereunder of any unit of Equipment excluded from the CSA pursuant to the first paragraph of Article 4 thereof or the last sentence of Section 4 of the CSA Assignment shall be null and void and ineffective to subject such unit to this Lease.

§ 3. Rentals. The Lessee agrees to pay to the Trustee, as rental for each Unit subject to this Lease, one interim rental payment on the Closing Date (as defined in the CSA) and 144 consecutive monthly payments payable on the day of the month corresponding to the Closing Date in each of the 144 months immediately following the Closing Date. The interim rental payment shall be in an amount equal to 0.02831% of the Trustee's Purchase Price (as defined in the CSA) for each Unit subject to this Lease for each day elapsed from and including the date of acceptance of such Unit hereunder to but excluding the Closing Date. The 144 monthly payments shall each be in an amount equal to 0.84944% of the Trustee's Purchase Price of each such Unit.

If any of the rental payment dates referred to above is not a business day, the rental payment otherwise payable on such date shall be payable on the next succeeding business day. The term "business day" as used herein means any calendar day, excluding Saturdays, Sundays and any other day on which banking institutions in Chicago, Illinois, are authorized or obligated to remain closed.

The Trustee irrevocably instructs the Lessee to make all the payments provided for in this Lease, including but not limited to the payments provided for in this § 3 and in § 7 hereof (excluding all payments not assigned to the Agent pursuant to the Lease Assignment), at the principal office of the Agent, for the account of the Trustee in care of the Agent, with instructions to the Agent first to apply such payments to satisfy the obligations of the Trustee under the CSA and second, so long as no event of default or event which with notice or the lapse of time or both would constitute an event of default under the CSA shall have occurred

and be continuing, to pay any balance promptly to the Trustee at such place as the Trustee shall specify in writing. The Lessee agrees to make each payment provided for herein as contemplated by this paragraph in Federal or other funds immediately available to the Agent by 11:00 a.m., Chicago time, on the date such payment is due.

§ 4. Term of Lease. The term of this Lease as to each Unit shall begin on the date of delivery and acceptance of such Unit hereunder and, subject to the provisions of §§ 7, 10 and 13 hereof, shall terminate on the date on which the final payment of rent in respect thereof is due pursuant to § 3 hereof. The obligations of the Lessee hereunder (including but not limited to the obligations under §§ 3, 6, 7, 9 and 14 hereof) shall survive the expiration of the term of this Lease.

All rights and obligations of the Lessee under this Lease and in and to the Units are subject to the rights of the Agent under the CSA. If an event of default should occur under the CSA, the Agent may terminate this Lease (or rescind its termination), all as provided therein.

§ 5. Identification Marks. The Lessee (at its own expense) will cause each Unit to be kept numbered with the road number set forth in Schedule 1 hereto, or in the case of any Unit not there listed, the road number as shall be set forth in any amendment or supplement hereto extending this Lease to cover such Unit, and will keep and maintain, plainly and conspicuously marked on each side of each Unit, in letters not less than one inch in height, the words "OWNERSHIP SUBJECT TO A SECURITY AGREEMENT FILED WITH THE INTERSTATE COMMERCE COMMISSION", or other appropriate words designated by the Trustee, with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the Trustee's and Agent's right, title and interest in such Unit. The Lessee will not place any such Unit in operation or exercise any control or dominion over the same until such words shall have been so marked and will replace promptly any such markings which may be removed, defaced or destroyed. The Lessee will not change the road number of any Unit unless and until (i) a statement of new number or numbers to be substituted therefor shall have been filed with the Agent and the Trustee and filed by the Lessee in all public offices where this Lease and the CSA shall have been filed and (ii) the Lessee shall have furnished the Agent and

the Trustee an opinion of counsel to the effect that such statement has been so filed, such filing will protect the Agent's and the Trustee's interests in such Units and no filing with or giving of notice to any Federal, state or local government or agency thereof is necessary to protect the interests of the Agent and the Trustee in such Units.

The Units may be lettered with the names or initials or other insignia customarily used by the Lessee or its affiliates, but the Lessee will not allow the name of any person, association or corporation to be placed on any Unit as a designation that might be interpreted as a claim of ownership.

§ 6. Taxes. All payments to be made by the Lessee hereunder will be free of expense to the Trustee for collection or other charges and will be free of expense to the Trustee with respect to the amount of any local, state, Federal or foreign taxes (other than any United States Federal income tax payable by the Trustee in consequence of the receipt of payments provided for herein and, to the extent that the Trustee receives credit therefor against its United States Federal income tax liability, any foreign income tax, and other than the aggregate of all state or local taxes measured by net income based on such receipts, value added taxes in lieu of such net income taxes and any state franchise tax which is not based on or measured by net income up to the amount of any such taxes which would be payable to the state and city in which the Trustee has its principal place of business without apportionment to any other state, except any such tax which is in substitution for or relieves the Lessee from the payment of taxes which it would otherwise be obligated to pay or reimburse as herein provided) or license fees, ad valorem property taxes, taxes and charges (Federal, state and local), fines or penalties and interest (all such expenses, taxes, license fees, ad valorem property taxes, taxes and charges (Federal, state and local), fines and penalties and interest being hereinafter called impositions) hereafter levied or imposed upon or in connection with or measured with respect to this Lease or any sale, rental, use, payment, shipment, delivery or transfer of title under the terms hereof or the CSA, all of which impositions the Lessee assumes and agrees to pay on demand in addition to the payments to be made by it provided for herein. The Lessee will also pay promptly all impositions which may be imposed upon any Unit or for the use or opera-

tion thereof or upon the earnings arising therefrom (except as provided above) or upon the Trustee by reason of its ownership thereof and will keep at all times all and every part of such Unit free and clear of all impositions which might in any way affect the title of the Trustee or the interest of the Trustee or result in a lien upon any such Unit; provided, however, that the Lessee shall be under no obligation to pay any impositions of any kind so long as such imposition remains unpaid and Lessee is contesting in its own name and in good faith and by appropriate legal or administrative proceedings such impositions, or the Trustee is required to contest such impositions as provided in this § 6, and the nonpayment thereof does not, in the reasonable opinion of the Trustee, adversely affect the title, property or rights of the Trustee hereunder or the Trustee or the Agent under the CSA. The Lessee agrees to give the Trustee notice of such contest brought in Lessee's name within 30 days after institution thereof and the Trustee agrees to provide such information as may be reasonably requested by the Lessee in furtherance of such contest. If any impositions shall have been charged or levied against the Trustee directly and paid by the Trustee, the Lessee shall pay the Trustee on presentation of an invoice therefor if the Trustee shall have been legally liable with respect thereto (as evidenced by an opinion of counsel for the Trustee) or the Lessee shall have approved the payment thereof, and the Trustee agrees to give the Lessee written notice promptly after it first obtains knowledge of the making of such charge or levy, and agrees to take such other action as may reasonably be requested by the Lessee for the purpose of contesting payment or obtaining refund of all or a portion of such imposition, as hereinafter provided in this § 6.

In the event that the Trustee shall become obligated to make any payment to the Builder or the Agent or otherwise pursuant to any correlative provision of the CSA not covered by the foregoing paragraph of this § 6, the Lessee shall pay such additional amounts (which shall also be deemed impositions hereunder) to the Trustee to fulfill completely its obligations pursuant to said provision; provided, however, that the Trustee shall have contested (if required to do so under this § 6) such impositions in good faith and to the extent permitted under the CSA.

In the event any returns, statements or reports with respect to impositions involving any Unit are required

to be made, the Lessee will make such returns, statements and reports in such manner as to show the interest of the Trustee and the Agent in such Units, as shall be satisfactory to the Trustee and the Agent or, where not so permitted, will notify the Trustee and the Agent of such requirement and will prepare and deliver such reports to the Trustee and the Agent within a reasonable period of time prior to the time such reports are to be filed in such manner as shall be satisfactory to the Trustee and the Agent.

In the event that, during the continuance of this Lease, the Lessee becomes liable for the payment or reimbursement of any imposition, pursuant to this § 6, such liability shall continue, notwithstanding the expiration of this Lease, until all such impositions are paid or reimbursed by the Lessee.

In the event the Lessee may be prohibited by law or is impaired from contesting in its own name any imposition covered by this § 6 in respect of which the Lessee would otherwise be required to make payments to the Trustee pursuant hereto, the Trustee shall, upon request and at the expense of the Lessee, take all legal and other appropriate action reasonably requested by the Lessee to contest such imposition. The Trustee shall not be obligated to take any such legal or other appropriate action unless the Lessee shall first have indemnified the Trustee for all liabilities and expenses which may be entailed therein. Further, the Lessee shall indemnify and hold the Trustee harmless from and against any and all claims, costs, expenses, damages, losses and liabilities incurred in connection therewith as a result of, or incident to, any action taken by the Trustee or Lessee under this § 6. The Lessee shall be entitled to any refund received by the Trustee or the Lessee in respect of any imposition paid by the Lessee, provided no Event of Default (or other event which after notice or lapse of time or both would become an Event of Default) shall have occurred and be continuing.

The Lessee shall, whenever reasonably requested by the Trustee, submit to the Trustee copies of returns, statements, reports, billings and remittances, or furnish other evidence satisfactory to the Lessor of the Lessee's performance of its duties under this § 6. The Lessee shall also furnish promptly upon request such data as the Trustee reasonably may require to permit the Trustee's compliance with the requirements of taxing jurisdictions.

The amount which the Lessee shall be required to pay with respect to any imposition which is subject to indemnification under this § 6 shall be an amount sufficient to restore the Trustee to the same net after-tax rate of return and after-tax cash position, after considering the effect of such payment on its United States Federal income taxes and state and city income taxes or franchise taxes based on net income, that the Trustee would have been in had such imposition not been imposed. If the Trustee will not pay United States Federal income taxes, state or city income taxes or franchise taxes based upon net income on the payment of such amounts because of a tax loss carry-forward, a tax loss carry-back or a net operating loss for the year of payment, the Lessee shall pay in addition to such amounts an amount equal to the tax loss carry-forward, the tax loss carry-back or the net operating loss which is used up as a result of said payment and any payment required by this sentence.

For purposes of this § 6, references to the Trustee shall be deemed to include the Owner.

§ 7. Maintenance; Casualty Occurrences; Insurance; Termination. The Lessee, at its own cost and expense, will maintain and keep all of the Units which are subject to this Lease in good operating order, repair and condition and eligible for interchange service.

In the event that any Unit shall be or become lost, stolen, destroyed or irreparably damaged from any cause whatsoever, returned to the Builder pursuant to the patent indemnity provisions of the CSA or taken or requisitioned by condemnation or otherwise by the United States Government or any political subdivision thereof for a stated period which shall exceed the then remaining term of the Lease or for an indefinite period (but only when such period shall exceed the term hereof) or by any other governmental entity resulting in loss of possession by the Lessee for a period of 90 consecutive days (each such occurrence a "Casualty Occurrence"), the Lessee shall promptly and fully notify the Trustee and the Agent with respect thereto. On the next succeeding rental payment date (or, if the term of the Lease has expired, within 30 days of such Casualty Occurrence) ("Casualty Payment Date"), the Lessee shall pay to the Trustee the rental payment in respect of such Unit due and payable on such date plus a sum equal to the Casualty Value (as herein-after defined) of such Unit as of the date of such payment in accordance with the schedule referred to below. Upon the

making of such payment by the Lessee in respect of any Unit, the rental for such Unit shall cease to accrue, the term of this Lease as to such Unit shall terminate and (except in the case of the loss, theft, complete destruction or return to the Builder of such Unit) the Trustee shall be entitled to recover possession of such Unit and the Lessee shall pay all costs of removal of such Unit and of freight to the place designated pursuant to § 14 hereof.

The Casualty Value of each Unit as of the Casualty Payment Date on which payment is to be made as aforesaid shall be that percentage of the Trustee's Purchase Price of such Unit as is set forth in Schedule 2 hereto opposite the numbered Casualty Payment Date next succeeding the actual date of such Casualty Occurrence or, if there is no such numbered Casualty Payment Date, the last rental payment date; but in no event shall such amount be less than the Casualty Value as defined in the CSA.

Whenever any Unit shall suffer a Casualty Occurrence after the expiration of the original or extended term of this Lease and before such Unit shall have been returned in the manner provided in § 14 hereof, the Lessee shall promptly and fully notify the Trustee with respect thereto and pay to the Trustee an amount equal to the Casualty Value of such Unit, which shall be 29.780% of the Trustee's Purchase Price of such Unit (unless such termination occurs after the term of this Lease has been extended pursuant to § 13 hereof, in which case the amount of such Casualty Value shall be as agreed upon between the Trustee and the Lessee at the time of such extension). Upon the making of any such payment by the Lessee in respect of any Unit (except in the case of the loss, theft or complete destruction of such Unit), the Trustee shall be entitled to recover possession of such Unit.

The Trustee hereby irrevocably appoints the Lessee its agent to dispose of any Unit suffering a Casualty Occurrence or any component thereof, at the best price obtainable on an "as is, where is" basis. Provided that the Lessee has previously paid the Casualty Value to the Trustee, the Lessee shall be entitled to the proceeds of such sale to the extent they do not exceed the Casualty Value of such Unit, and shall pay any excess to the Trustee.

In the event of the requisition for use (which is not a Casualty Occurrence) by the United States Government or any political subdivision thereof ("Government") of any

Unit during the term of this Lease, all of the Lessee's obligations under this Lease with respect to such Unit shall continue to the same extent as if such requisition had not occurred, except that the Lessee shall not be obligated to return such Unit to the Trustee pursuant to § 11 or 14 hereof, as the case may be, until such Unit has been returned by the Government (but the Lessee shall in all other respects comply with the provisions of said § 11 or 14, as the case may be, with respect to such Unit). All payments received by the Trustee or the Lessee from the Government for the use of such Unit during the term of this Lease shall be paid over to or retained by the Lessee, provided no Event of Default (or other event which after notice or lapse of time or both would become an Event of Default) shall have occurred and be continuing. All payments received by the Trustee or the Lessee from the Government for the use of such Unit after the term of this Lease shall be paid over to or retained by the Trustee.

Except as provided in this § 7, the Lessee shall not be released from its obligations hereunder in the event of any Casualty Occurrence, and shall bear the risk of any Casualty Occurrence to any Unit from and after delivery and acceptance thereof by the Lessee hereunder.

The Lessee will, at all times prior to the return of the Equipment to the Trustee, at its own expense, cause to be carried and maintained property insurance and public liability insurance in respect of the Units at the time subject hereto, in such amounts (subject to customary deductibles) and against such risks and with such insurance companies satisfactory to the Trustee and the Agent, and, in any event, comparable in amounts and against risks insured against by the Lessee in respect of similar equipment owned by it. The proceeds of any such insurance shall be payable to the Agent, the Trustee, the Owner and the Lessee, as their respective interests may appear, so long as the indebtedness, if any, evidenced by the CSA shall not have been paid in full, and thereafter to the Trustee and, so long as there is no Event of Default hereunder, the Lessee as their respective interests may appear. Any policies of insurance carried in accordance with this paragraph shall (i) require 30 days' prior notice of cancellation or material change in coverage to the Owner, the Trustee and the Agent, (ii) name the Trustee, the Owner and the Agent as additional named insureds as their respective interests may appear and (iii) waive any right to claim any premiums or commissions against the Owner, the Trustee and the Agent. In the event such policies shall contain breach of warranty provisions, such policies shall

provide that in respect of the interests of the Trustee, the Owner and the Agent in such policies the insurance shall not require contributions from other policies held by the Trustee, the Owner or the Agent and shall not be invalidated by any action or inaction of the Lessee or any other person (other than the Trustee, the Owner and the Agent, respectively) and shall insure the Trustee, the Owner and the Agent regardless of any breach or violation of any warranty, declaration or condition contained in such policies by the Lessee or by any other person (other than the Trustee, the Owner or the Agent, respectively). Prior to the first date of delivery of any Unit pursuant to the CSA, and thereafter not less than 15 days prior to the expiration dates of the expiring policies theretofore delivered pursuant to this § 7, the Lessee shall deliver to the Trustee certificates issued by the insurer(s) for the insurance maintained pursuant to this § 7; provided, however, that if the delivery of any certificate is delayed, the Lessee shall deliver an executed binder with respect thereto and shall deliver the certificate upon receipt thereof.

In the event that the Lessee shall fail to maintain insurance as herein provided, the Trustee may at its option provide such insurance (giving the Lessee prompt written notice thereof) and, in such event, the Lessee shall, upon demand, reimburse the Trustee for the cost thereof together with interest on the amount of the cost to the Trustee of such insurance which the Lessee shall have failed to maintain at the rate per annum specified in § 16 hereof.

If the Trustee shall receive any insurance proceeds or condemnation payments in respect of a Unit suffering a Casualty Occurrence, the Trustee shall, subject to the Lessee's having made payment of the Casualty Value in respect of such Unit, pay such proceeds or condemnation payments to the Lessee up to an amount equal to the Casualty Value with respect to such Unit paid by the Lessee. Any balance of such proceeds or condemnation payments shall remain the property of the Trustee. Insurance proceeds received by the Trustee from the Lessee's insurance coverage in respect of any Unit not suffering a Casualty Occurrence shall be paid to the Lessee upon proof satisfactory to the Trustee that any damage to such Unit in respect of which such proceeds were paid has been fully repaired, but only to the extent of the Lessee's costs (including overhead and profit, if applicable) in effecting such repairs. Except as aforesaid, all such insurance proceeds shall be retained by the Trustee.

§ 8. Reports and Inspection. On or before April 30

in each year, commencing with the calendar year 1981, the Lessee will furnish to the Trustee and the Agent an accurate statement stating (i) as at the preceding December 31 the amount, description and numbers of all Units then leased hereunder and covered by the CSA and of all Units that have suffered a Casualty Occurrence during the preceding calendar year or are then undergoing repairs (other than running repairs) or then withdrawn from use pending such repairs (other than running repairs) and such other information regarding the condition and state of repair of the Units as the Trustee or the Agent may reasonably request, (ii) that, in the case of all Units repainted or repaired during the period covered by such statement, the numbers and markings required by § 5 hereof and by the CSA have been preserved or replaced and (iii) that the Lessee is in compliance with all its agreements under the Lease and that no Event of Default or event which with notice or lapse of time or both would constitute an Event of Default has occurred. The Trustee, at its sole cost and expense, shall have the right by its agents to inspect the Units and the Lessee's records with respect thereto at such reasonable times as the Trustee may request during the continuance of this Lease. The Lessee shall promptly notify the Trustee and the Agent of any material changes or any material proposed changes of which the Lessee has knowledge in its insurance coverage in effect with respect to the Equipment pursuant to § 7 hereof.

§ 9. Disclaimer of Warranties; Compliance with Laws and Rules; Indemnification. THE TRUSTEE AND THE OWNER MAKE NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE DESIGN OR CONDITION OF, OR AS TO THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE UNITS DELIVERED TO THE LESSEE HEREUNDER, AND THE TRUSTEE AND THE OWNER MAKE NO WARRANTY OF MERCHANTABILITY OR FITNESS OF THE UNITS FOR ANY PARTICULAR PURPOSE NOR AS TO TITLE TO THE UNITS OR ANY COMPONENT THEREOF, NOR AS TO THE LESSEE'S RIGHT TO QUIET ENJOYMENT THEREOF (EXCEPT AS TO ACTS OF THE TRUSTEE OR THE OWNER), NOR ANY OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO ANY UNIT, EITHER UPON DELIVERY THEREOF TO THE LESSEE OR OTHERWISE, NOR SHALL THE TRUSTEE OR THE OWNER (EXCEPT AS TO VOLUNTARY ACTS OF THE TRUSTEE OR THE OWNER) BE RESPONSIBLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING STRICT LIABILITY IN TORT), it being agreed that all such risks, as between the Trustee, the Owner and the Lessee, are to be borne by the Lessee; but the Trustee hereby irrevocably appoints and constitutes the Lessee its agent and attorney-in-fact during the term of this Lease to assert and enforce from time to time, in the name of and for

the account of the Trustee or the Lessee, as their interests may appear, at the Lessee's sole cost and expense, whatever claims and rights the Trustee may have against the Builder under the provisions of Item 3 of Annex A of the CSA; provided, however, that if at any time an Event of Default shall have occurred and be continuing, the Trustee may assert and enforce such claims and rights at the Lessee's sole cost and expense. The Trustee and the Owner shall have no responsibility or liability to the Lessee or any other person with respect to any of the following: (i) any liability, loss or damage caused or alleged to be caused directly or indirectly by any Units or by any inadequacy thereof or deficiency or defect therein or by any other circumstances in connection therewith; (ii) the use, operation or performance of any Units or any risks relating thereto; or (iii) the delivery, operation, servicing, maintenance, repair, improvement or replacement of any Units. The Lessee's delivery of a Certificate of Acceptance shall be conclusive evidence as between the Lessee and the Trustee that the Units described therein are in all the foregoing respects satisfactory to the Lessee, and the Lessee will not assert any claim of any nature whatsoever against the Trustee based on any of the matters stated in this paragraph.

The Lessee agrees, for the benefit of the Trustee, the Owner and the Agent, to comply in all respects (including without limitation the use, maintenance and operation of each Unit) with all applicable laws of the jurisdictions in which operations involving the Units may extend, with all interchange rules of the Association of American Railroads and with all lawful rules of the United States Department of Transportation, the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Units, to the extent that such laws and rules affect the title, operation or use of the Units (all such laws and rules to such extent called the "Applicable Laws"), and in the event that the Applicable Laws require any alteration, replacement, addition or modification of or to any part on any Unit, the Lessee will conform therewith at its own expense; provided, however, that the Lessee may at its own expense, in good faith, contest the validity or application of any Applicable Law in any reasonable manner which does not, in the reasonable opinion of the Trustee or the Agent, adversely affect the property or rights of the Trustee or the Agent under this Lease or under the CSA. The Lessee, at its own cost and expense, may furnish other additions, modifications and improvements to the Units which are readily removable without causing

material damage thereto 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 Units and which are not required to comply with the Applicable Laws 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 shall be removed, at the request of the Trustee, prior to the return thereof to the Trustee pursuant to § 11 or 14 hereof.

The Lessee agrees to indemnify, protect and hold harmless the Trustee (in both its individual and fiduciary capacities), the Owner and the Agent and their respective successors, assigns and agents ("Indemnified Persons"), from and against any and all causes of action, suits, penalties, claims, demands or judgments of any nature whatsoever which may be imposed on, incurred by or asserted against any Indemnified person (including any or all liabilities, obligations, damages, costs, disbursements or expenses relating thereto, including without limitation the attorneys' fees and expenses of any Indemnified Person) in any way relating to or arising or alleged to arise out of this Lease, the CSA or the Units, including without limitation those in any way relating to or arising or alleged to arise out of (i) the manufacture, purchase, acceptance, rejection, ownership, delivery, non-delivery, lease, possession, use, operation, condition, sale, return or other disposition of any Unit or portion thereof; (ii) any latent and other defects whether or not discoverable by the Indemnified Person or the Lessee; (iii) any claim for patent or trademark infringement; (iv) any claims based on strict liability in tort; (v) any injury to or the death of any person or any damage to or loss of property on or near the Units or in any manner arising or alleged to arise out of the ownership, use, replacement, adaptation or maintenance of the Units or of any other equipment in connection with the Units (whether owned or under the control of the Indemnified Person, the Lessee or any other person) or resulting or alleged to result from the condition of any thereof; (vi) any violation or alleged violation of any provision of this Lease or of any agreement, law, rule, regulation, ordinance or restriction, affecting or applicable to the Units or the leasing, ownership, use, replacement, adaptation or maintenance thereof, except to the extent any such violation arises from the gross negligence or wilful misconduct of the Trustee; or (vii) any claim arising out of any of the Trustee's

obligations under the Lease Assignment or the Agent's retention of a security interest under the CSA or the Lease Assignment or the Participation Agreement (all of such matters called "Indemnified Matters"), except to the extent such claim arises from the gross negligence or wilful misconduct of the Trustee. The Lessee shall be obligated under this § 9, whether or not any Indemnified Person shall also be indemnified with respect to any Indemnified Matter under any other agreement by any other person, and the Indemnified Person may proceed directly against the Lessee under this § 9, without first resorting to any such other rights of indemnification. In case any action, suit or proceeding is brought against any Indemnified Person in connection with any Indemnified Matter, the Lessee may and, upon such Indemnified Person's request, will at the Lessee's expense defend such action, suit or proceeding, or cause the same to be defended by counsel selected by the Lessee and approved by such Indemnified Person and, in the event of any failure by the Lessee to do so, the Lessee shall pay all costs and expenses (including without limitation attorneys' fees and expenses) incurred by such Indemnified Person in connection with such action, suit or proceeding. In the event the Lessee is required to make any indemnification under this § 9, the Lessee shall pay such Indemnified Person an amount which, after deduction of all taxes required to be paid by such Indemnified Person in respect of the receipt thereof under the laws of the United States or of any political subdivision thereof (after giving credit for any savings in respect of any such taxes by reason of deductions, credits or allowances in respect of the payment of the expense indemnified against and of any other such taxes as determined in the sole discretion of the Indemnified Person), shall be equal to the amount of such payment. If the Owner will not pay Federal or state taxes on the payment of such sums because of a tax loss carry-forward, a tax loss carry-back or a net operating loss for the year of payment, then the Lessee shall pay, in addition to the sums set forth in the first or second preceding sentence, and amount equal to the tax loss carry-forward, the tax loss carry-back or the net operating loss which is used up as a result of said payment and any payment required by this sentence. The Lessee and the Trustee each agrees to give the other promptly upon obtaining knowledge thereof written notice of any claim hereby indemnified against. Upon the payment in full by the Lessee of any indemnities as contained in this § 9, and provided that no Event of Default (or other event which with notice or lapse of time or both would constitute an Event of Default) shall have occurred and be continuing, the Lessee shall be subrogated to any right of such Indemnified Person (except against another Indemnified

Person) in respect of such Indemnified Matter. Any payments received by such Indemnified Person from any person (except the Lessee) as a result of any Indemnified Matter shall be paid over to the Lessee to the extent necessary to reimburse the Lessee for its indemnification payments previously made. Nothing in this § 9 shall constitute a guarantee by the Lessee of the CSA Indebtedness (as defined in the CSA) or a guarantee of the residual value of any Unit.

The Lessee further agrees to indemnify, protect and hold harmless the Agent, NAC and the Builder as third-party beneficiaries hereof from and against any and all liability, claims, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against the Agent, NAC or the Builder because of the use in or about the construction or operation of any of the Units of any article of material specified by the Lessee and not manufactured by the Builder or of any design, system, process, formula or combination specified by the Lessee and not developed or purported to be developed by the Builder which infringes or is claimed to infringe on any patent or other right. The Lessee will give notice to the Builder of any claim known to the Lessee from which liability may be charged against the Builder under the CSA.

The indemnities contained in this § 9 shall survive the expiration or termination of this Lease with respect to all events, facts, conditions or other circumstances occurring or existing prior to such expiration or termination and are expressly made for the benefit of and shall be enforceable by any Indemnified Person. None of the indemnities in this § 9 shall be deemed to create any rights of subrogation in any insurer or third party against the Lessee therefor, from or under any Indemnified Person, whether because of any claim paid or defense provided for the benefit thereof or otherwise.

The Lessee agrees to prepare and deliver to the Trustee within a reasonable time prior to the required date of filing (or, to the extent permissible, file on behalf of the Trustee) any and all reports (other than tax returns) to be filed by the Trustee with any Federal, state or other regulatory authority by reason of the ownership by the Trustee or the Agent of the Units or the leasing thereof to the Lessee.

§ 10. Default. If, during the continuance of this Lease, one or more of the following events (each such event an "Event of Default") shall occur:

(A) default shall be made in payment of any amount provided for in § 3 or § 7 of this Lease and such default

shall continue for 15 days after written notice from the Trustee or the Agent to the Lessee specifying the default and demanding that the same be remedied;

(B) the Lessee shall make or permit any unauthorized assignment or transfer of this Lease, or any interest herein, or of the right to possession of the Units, or any thereof and shall fail or refuse to cause such assignment or transfer to be canceled by agreement of all parties having any interest therein and to recover possession of such Units within 15 days after written notice from the Trustee to the Lessee demanding such cancelation and recovery of possession;

(C) default shall be made in the observance or performance of any other covenant, condition or agreement on the part of the Lessee contained herein or in the Participation Agreement, and such default shall continue for 45 days after written notice from the Trustee, the Owner or the Agent to the Lessee specifying the default and demanding that the same be remedied;

(D) default shall be made in the observance or performance of any covenant, condition or agreement on the part of the Lessee contained in the Indemnity Agreement (as defined in the Participation Agreement), and such default shall continue for 45 days after written notice from the Trustee or the Owner to the Lessee specifying the default and demanding that the same be remedied;

(E) any representation or warranty made by the Lessee herein, in the Participation Agreement or in any certificate or statement furnished to the Trustee, the Owner or the Agent pursuant to or in connection with such agreements proves untrue in any material respect as of the date of making thereof;

(F) a petition for reorganization under Title 11 of the United States Code, as now or hereafter constituted, shall be filed by or against the Lessee and, unless such petition shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Lessee under this Lease and the Consent (as defined in the CSA) shall not have been and shall not continue to be duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees appointed (whether or not subject to ratification) in such proceedings in such

manner that such obligations shall have the same status as expenses of administration and obligations incurred by such trustee or trustees, within 60 days after such petition shall have been filed;

(G) any other proceedings shall be commenced by or against the Lessee for any relief which includes or might result in any modification of the obligations of the Lessee hereunder, under any bankruptcy or insolvency laws or laws relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit any readjustments of the obligations of the Lessee hereunder or under the Consent), and, unless such proceedings shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Lessee under this Lease and the Consent shall not have been and shall not continue to be duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees or receiver or receivers appointed (whether or not subject to ratification) for the Lessee or for the property of the Lessee in connection with any such proceedings in such manner that such obligations shall have the same status as expenses of administration and obligations incurred by such a trustee or trustees or receiver or receivers, within 60 days after such proceedings shall have been commenced; or

(H) an event of default set forth in Article 15 of the CSA shall have occurred and be continuing;

then, in any such case, the Trustee, at its option, may:

(a) proceed by appropriate court action or actions 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; or

(b) by notice in writing to the Lessee terminate this Lease, whereupon all rights of the Lessee to the use of the Units shall absolutely cease and terminate as though this Lease had never been made, but the Lessee shall remain liable as herein provided; and thereupon the Trustee may by its agents enter upon the premises of the Lessee or other premises where any of the Units may be and take possession of all or any of such Units and thenceforth hold, possess, sell, operate, lease to others and enjoy the same free from any right of the

Lessee or its successors or assigns to use the Units for any purposes whatever and without any duty to account to the Lessee for such action or inaction or for any proceeds arising therefrom; but the Trustee shall, nevertheless, have a right to recover from the Lessee any and all amounts which under the terms of this Lease may be then due or which may have accrued to the date of such termination (computing the rental for any number of days less than a full rental period by multiplying the rental for such full rental period by a fraction of which the numerator is such number of days and the denominator is the total number of days in such full rental period) and also to recover forthwith from the Lessee as damages for loss of a bargain and not as a penalty an amount equal to the excess, if any, of the Casualty Value as of the Casualty Payment Date on or next preceding the date of termination over the amount the Trustee reasonably estimates to be the sales value of such Unit at such time; provided, however, that in the event the Trustee shall have sold any Unit, the Lessee shall, if the Trustee shall so elect, pay to the Trustee on the date of such sale, as liquidated damages for loss of a bargain and not as a penalty, an amount equal to the excess, if any, of the Casualty Value for such Unit as of the Casualty Payment Date on or next preceding the date of termination over the net proceeds of such sale, in lieu of collecting any amounts payable by the Lessee pursuant to the preceding clause of this part (b) with respect to such Unit.

In addition, the Lessee shall be liable, except as otherwise provided above, for any and all unpaid amounts due hereunder before, during or after the exercise of any of the foregoing remedies and for all reasonable attorneys' fees and other costs and expenses incurred by reason of the occurrence of any Event of Default or the exercise of the Trustee's remedies with respect thereto, including all costs and expenses incurred in connection with the return of any Unit.

The remedies in this Lease provided in favor of the Trustee shall not be deemed exclusive, but shall be cumulative and may be exercised concurrently or consecutively, and shall be in addition to all other remedies in its favor existing at law or in equity. The Lessee hereby waives any mandatory requirements of law, now or hereafter in effect, which might limit or modify the remedies herein provided, to the extent that such waiver is not, at the time in question, prohibited by law. The Lessee hereby waives any and all existing or future claims to any offset against the rental payments due

hereunder, and agrees to make such payments regardless of any offset or claim which may be asserted by the Lessee or on its behalf.

The failure of the Trustee to exercise the rights granted it hereunder upon the 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.

The Lessee agrees to furnish written notice to the Trustee, the Owner and the Agent, promptly upon knowledge of an Event of Default or an event which with notice or lapse of time or both would constitute an Event of Default, specifying such condition and the nature and status thereof.

§ 11. Return of Units Upon Default. If this Lease shall terminate pursuant to § 10 hereof, the Trustee may take or cause to be taken by its agent or agents immediate possession of each of the Units or one or more of the Units and may remove the same from possession and use of the Lessee or any other person and for such purpose may enter upon any premises where the Units may be located and may use and employ in connection with such removal any supplies, services and aids and any available trackage and other facilities or means of the Lessee, subject to all mandatory requirements of due process of law.

If this Lease shall terminate pursuant to § 10 hereof, the Lessee shall forthwith deliver possession of the Units to the Trustee. Each Unit so delivered shall be in the same operating order, repair and condition as when originally delivered to the Lessee, ordinary wear and tear excepted. For the purpose of delivering possession of any Unit or Units to the Trustee as above required, the Lessee shall at its own cost, expense and risk:

(a) forthwith and in the usual manner place such Units upon such storage tracks as the Trustee reasonably may designate;

(b) cause such Units to be stored on such tracks at the risk of the Lessee without charge for insurance, rent or storage until all such Units have been sold, leased or otherwise disposed of by the Trustee; and

(c) cause the same to be transported to any reasonable place as directed by the Trustee.

The assembling, delivery, storage, insurance and transporting of the Units as hereinbefore provided shall be at the expense and risk of the Lessee and are of the essence of this Lease, and upon application to any court of equity having competent jurisdiction the Trustee shall be entitled to a decree against the Lessee requiring specific performance thereof. During any storage period, the Lessee will, at its own cost and expense, maintain and keep the Equipment in good order and repair and will permit the Trustee or any person designated by it, including the authorized representative or representatives of any prospective purchaser, lessee or user of any such Unit, to inspect the same. All amounts earned in respect of the Units after the date of termination of this Lease shall belong to the Trustee and, if received by the Lessee, shall be promptly turned over to the Trustee. In the event any Unit is not assembled, delivered and stored, as hereinabove provided, within 60 days after such termination the Lessee shall, in addition, pay to the Trustee for each day thereafter an amount equal to the amount, if any, by which 0.02831% of the Trustee's Purchase Price of such Unit exceeds the actual earnings received by the Trustee on such Unit for each such day. Such payment shall not affect the obligation of the Lessee to redeliver the Equipment pursuant to the first sentence of this paragraph.

The Lessee hereby irrevocably appoints the Trustee as the agent and attorney of the Lessee, with full power and authority, at any time while the Lessee is obligated to deliver possession of any Unit to the Trustee, to demand and take possession of such Unit in the name and on behalf of the Lessee from whomsoever shall be in possession of such Unit at the time.

§ 12. Assignment; Possession and Use. This Lease shall be assignable in whole or in part by the Trustee without the consent of the Lessee, but the Lessee shall be under no obligation to any assignee of the Trustee except upon written notice of such assignment from the Trustee; provided that no assignment for other than security purposes shall be made without the consent of the Lessee, which consent shall not be unreasonably withheld. All the rights of the Trustee hereunder (including, but not limited to, the rights under §§ 6, 7 and 10 and the rights to receive the rentals payable under this Lease) shall inure to the benefit of the Trustee's assigns.

So long as the Lessee shall not be in default under this Lease and the Lessee shall have fully complied with the provisions of the fourth paragraph of this § 12, the Lessee shall be entitled to the possession and use of the Units and, without the Trustee's consent, to sublease the Units to or to permit their use by a user incorporated in the United States or any state thereof or the District of Columbia (including a corporate subsidiary or member cooperative association of the Lessee), upon lines of railroad owned or operated by the Lessee or such user or by a railroad company or companies incorporated in the United States or any state thereof or the District of Columbia, or over which the Lessee, such user, or such railroad company or companies have trackage rights or rights for operation of their trains, and upon the lines of railroad of connecting and other carriers in the usual interchange of traffic or in-through or run-through service, but only upon and subject to all the terms and conditions of this Lease; provided, however, that the Trustee's consent, not to be unreasonably withheld, must be obtained for any sublease that is for a term or terms that aggregate more than six months in any one year; provided further, that the Lessee shall not sublease or permit the sublease or use of any Unit predominantly outside the United States; and provided further, that any sublease or use shall be consistent with the provisions of § 14 hereof. No such assignment or sublease shall relieve the Lessee of its obligations hereunder which shall be and remain those of principal and not a surety. The Lessee may receive and retain compensation for the use of any Units from railroads or other entities using the same.

Any sublease may provide that the sublessee, so long as it shall not be in default under such sublease, shall be entitled to the possession of the Units included in such sublease and the use thereof; provided, however, that every sublease shall be subject to the rights and remedies of the Agent under the CSA and the Trustee under this Lease in respect of the Units covered by such sublease upon the occurrence of an Event of Default thereunder or hereunder.

The Lessee, at its own expense, will as soon as possible cause to be duly discharged any lien, charge, security interest or other encumbrance (except any sublease as aforesaid and other than an encumbrance resulting from claims against the Trustee, NAC or the Agent not related to the ownership or leasing of the Units or the security title of the Agent to the Units) which may at any time be imposed on or with respect to any Unit, including any accession thereto or the interest of the Trustee, the Agent or the Lessee therein;

except that this covenant will not be breached by reason of liens for taxes, assessments or governmental charges or levies, in each case not due and delinquent, or undetermined or inchoate materialmen's, mechanics', workmen's, repairmen's or other like liens arising in the ordinary course of business and, in each case, not delinquent; and, furthermore, the Lessee shall be under no obligation to discharge any such lien, charge, security interest or encumbrance so long as it is contesting the same in good faith and by appropriate legal proceedings and the failure to discharge the same does not, in the reasonable opinion of the Trustee and the Agent, adversely affect the title, property or rights of the Trustee hereunder or the Agent under the CSA.

Nothing in this § 12 shall be deemed to restrict the right of the Lessee to assign or transfer its leasehold interest under this Lease in the Units or possession of the Units to any corporation or cooperative association incorporated under the laws of any state of the United States or the District of Columbia (which shall have duly assumed the obligations of the Lessee hereunder) into or with which the Lessee shall have become merged or consolidated or which shall have acquired the property of the Lessee as an entirety or substantially as an entirety; provided, however, that such assignee, lessee or transferee will not, upon the effectiveness of such merger, consolidation or acquisition be in default under any provision of this Lease.

§ 13. Renewal Options. The parties hereto contemplate that at the end of the original term of this Lease, the Trustee will hold the Units for re-lease. Prior to the delivery of the Units pursuant to § 2 hereof, the Trustee will enter into an agreement ("Option Agreement") with Tiger Financial Services, Inc. ("Tiger"), pursuant to which the Trustee will grant to Tiger the option to lease all but not fewer than all of the Units for one four-year term commencing at the end of the original term of this Lease on such terms as are set forth in the Option Agreement. Provided that this Lease has not been earlier terminated and the Lessee is not in default hereunder, if Tiger shall fail to exercise its option to lease the Units at the end of the original term of this Lease, the Lessee, by written notice delivered to the Trustee not less than three months prior to the end of the original term of this Lease, may elect to extend the term of this Lease in respect of all but not fewer than all of the Units then covered by this Lease, for one four-year period

commencing on the scheduled expiration of the original term of this Lease. Such extension shall be on the same terms and conditions as are contained in this Lease, except as to the amount of rentals, which shall be at a "Fair Market Rental" (as such term is defined in this § 13), payable monthly in arrears, and except as to applicable Casualty Values, which shall be as agreed upon between the Trustee and the Lessee at the time of such extension.

Fair Market Rental shall be determined on the basis of and shall be equal in amount to the rental which would obtain in an arm's-length transaction between an informed and willing lessee (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 rental but there shall be excluded any rental value attributable to additions, modifications and improvements which the Lessee is entitled to remove pursuant to § 9 hereof; provided, however, that Fair Market Rental shall be determined as provided in the preceding sentences on the basis of the term and other terms and conditions of the lease being considered.

If, after 45 days from the giving of notice by the Lessee of the Lessee's election to extend the term of this Lease, as provided in the first paragraph of this § 13, the Lessee and the Trustee are unable to agree upon a determination of Fair Market Rental, either party to such determination may give written notice to the other requesting determination of such value by this appraisal procedure and the parties shall consult for the purpose of appointing a qualified independent appraiser by mutual agreement. If no such appraiser is so appointed within 20 business days after such notice is given, each party shall appoint an independent appraiser within 25 business days after such notice is given, and the two appraisers so appointed shall within 35 business days after such notice is given appoint a third independent appraiser. If no such third appraiser is appointed within 35 business days after such notice is given, either party may apply, to make such appointment, to the American Arbitration Association, and both parties shall be bound by any appointment so made. Any appraiser or appraisers appointed pursuant to the foregoing procedure shall be instructed to determine the Fair Market Rental of the Units subject to the proposed extended term within 90 days after his or their appointment. If the parties shall have appointed a single

appraiser or if either party shall have failed to appoint an appraiser, the determination of the single appraiser appointed shall be final. If three appraisers shall be appointed, the determination of the appraiser which differs most from the other two appraisers shall be excluded, the remaining two determinations shall be averaged and such latter average shall be final and binding upon the parties hereto. The appraisal proceedings shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association as in effect on the date hereof, except as modified hereby. The provision for this appraisal procedure shall be the exclusive means of determining Fair Market Rental and shall be in lieu of any judicial or other procedure for the determination thereof, and each party hereto hereby consents and agrees not to assert any judicial or other procedures. The expenses of the appraisal procedure shall be borne equally by the Lessee and the Trustee.

§ 14. Return of Units upon Expiration of Lease Term. As soon as practicable on or after the expiration of the original term or any extended term of this Lease with respect to the Units, the Lessee will, at its own cost and expense, at the request of the Trustee, deliver possession of such Units to the Trustee upon such storage tracks as the Trustee may reasonably designate or, in the absence of Trustee's designation, as Lessee may select, and permit the Trustee to store such Units on such tracks for a period not exceeding 60 days and transport the same, at any time within such 60-day period, to any reasonable place as directed by the Trustee, the movement and storage of such Units to be at the expense and risk of the Lessee. During any such storage period the Lessee will permit the Trustee or any person designated by it, including the authorized representative or representatives of any prospective purchaser, lessee or user of such Units, to inspect the same; provided, however, that the Lessee shall not be liable, except in the case of negligence of the Lessee or of its employees or agents, for any injury to, or the death of, any person exercising the rights of inspection granted under this sentence. Each Unit returned to the Trustee pursuant to this § 14 shall be (i) in the same operating order, repair and condition as when originally delivered to the Lessee, ordinary wear and tear excepted, (ii) meet all standards of the Applicable Laws then in effect and (iii) have attached or affixed thereto any special device considered an accession thereto and have removed therefrom any such device not so considered an acces-

sion. The assembling, delivery, storage and transporting of the Units as hereinbefore provided are of the essence of this Lease, and upon application to any court of equity having competent jurisdiction, the Trustee shall be entitled to a decree against the Lessee requiring specific performance of such covenants of the Lessee. All amounts earned in respect of the Units after the date of termination of this Lease shall belong to the Trustee and, if received by the Lessee, shall be promptly turned over to the Trustee. In the event any Unit is not assembled, delivered and stored, as hereinabove provided, within 60 days after such termination, the Lessee shall, in addition, pay to the Trustee for each day thereafter an amount equal to the amount, if any, by which 0.02831% of the Trustee's Purchase Price of such Unit exceeds the actual earnings received by the Trustee on such Unit for each such day.

§ 15. Filing. The Lessee, at its own expense, will cause this Lease, the CSA, the Lease Assignment and the CSA Assignment to be filed with the Interstate Commerce Commission in accordance with 49 U.S.C. § 11303 prior to the delivery and acceptance of any Unit hereunder. The Lessee will undertake the filing required of the Trustee under the CSA and will from time to time perform any other act and will execute, acknowledge, deliver and file (and will refile whenever required) any and all further instruments required by law or reasonably requested by the Trustee or the Agent for the purpose of proper protection, to their satisfaction, of their respective interests in the Units, or for the purpose of carrying out the intention of this Lease, the CSA, the Lease Assignment and the CSA Assignment; and the Lessee will promptly furnish to the Trustee and the Agent evidence of all such filing and an opinion or opinions of counsel for the Lessee with respect thereto satisfactory to the Trustee and the Agent.

§ 16. Interest on Overdue Rentals. The Lessee shall promptly pay, to the extent legally enforceable, interest at a rate per annum equal to 11.35% on any overdue rentals and other obligations due hereunder for the period of time during which they are overdue.

§ 17. Notices. Any notice required or permitted to be given by either party hereto to the other shall be deemed to have been given when mailed, first class, postage prepaid, addressed as follows:

(a) if to the Trustee, at 130 South LaSalle Street,

Chicago, Illinois 60690, attention of Corporate Trust Department; and

(b) if to the Lessee, at P. O. Box 4887, Des Moines, Iowa 50306, attention of R. Patrick Kevlin, with a copy to Wilbur N. Bump, 712 Financial Center, Des Moines, Iowa 50309;

or addressed to either party at such other address as such party shall hereafter furnish to the other party in writing. Copies of each such notice shall be given to the Agent at 135 South LaSalle Street, Chicago, Illinois 60690, attention of Corporate Trust Department, and to Tiger at 222 South Riverside Plaza, Chicago, Illinois 60606, Attention of President.

§ 18. Severability; Effect and Modification of Lease. Any provision of this Lease which is prohibited or unenforceable in any jurisdiction shall be, as to such jurisdiction, ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof. Any such prohibition or unenforceability shall not invalidate or render unenforceable such provision in any other jurisdiction.

Except for the Participation Agreement and the other exhibits thereto, this Lease exclusively and completely states the rights of the Trustee and the Lessee with respect to the leasing of the Units and supersedes all other agreements, oral or written, with respect thereto. No variation or modification of this Lease and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized signatories for the Trustee and the Lessee.

§ 19. Execution. This Lease may be executed in several counterparts, all of which together shall constitute a single instrument, but the counterpart delivered to the Agent pursuant to the Lease Assignment shall be deemed to be the original counterpart. Although for convenience this Lease is dated as of the date first above written, the actual dates of execution hereof by the parties hereto are the dates stated in the acknowledgments hereto annexed.

§ 20. Governing Law. This Lease shall be governed by and construed in accordance with the laws of the State of Illinois; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. § 11303.

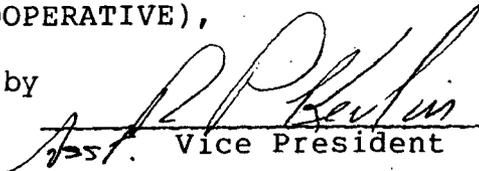
§ 21. Term Trustee. Whenever the term Trustee is used in this Lease, it shall apply to the Trustee and any assignee of the Trustee (including the Agent so long as any CSA Indebtedness under the CSA or interest thereon shall remain unpaid or any other obligation thereunder be continuing).

§ 22. Concerning the Trustee. Each and all of the representations, warranties and agreements herein made on the part of the financial institution acting as Trustee hereunder are made and intended not as personal representations, warranties and agreements by said institution or for the purpose or with the intention of binding said institution personally but are made and intended for the purpose of binding only the Trust Estate (as such term is used in the Trust Agreement) and this Lease is executed and delivered by said institution solely in the exercise of the powers expressly conferred upon said institution as trustee under the Trust Agreement, and no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against said institution (except for wilful misconduct or gross negligence) or against the Owner under the Trust Agreement (except under Section 1.03 and the last paragraph of Section 5.01 thereof) or on account of any representation, warranty or agreement herein of the Trustee or the Owner, either expressed or implied, all such personal liability (except as aforesaid and as provided in the last paragraph of Article 12 of the CSA), if any, being expressly waived and released by the Lessee and by all persons claiming by, through or under the Lessee; provided, however, that the Lessee and any person claiming by, through or under the Lessee may look to the Trust Estate for satisfaction of the same.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by duly authorized officers as of the date first above written.

AMERICAN GRAIN AND RELATED INDUSTRIES (A FARMER-OWNED COOPERATIVE),

by


Vice President

Attest:


Secretary

EXCHANGE NATIONAL BANK OF CHICAGO,
not in its individual capacity
but solely as Trustee,

by

Vice President

[Seal]

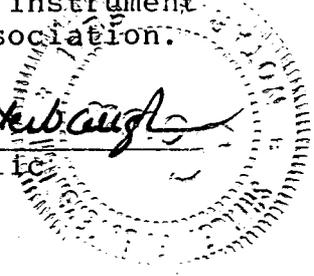
Attest:

Assistant Trust Officer

STATE OF IOWA,)
) ss.:
COUNTY OF POLK,)

On this ^{16th} day of November 1979, before me personally appeared R.P. Keulin, to me personally known, who, being by me duly sworn, says that he is an Asst Vice President of AMERICAN GRAIN AND RELATED INDUSTRIES (A FARMER-OWNED COOPERATIVE), an Iowa cooperative association, that said cooperative association has no seal, that said instrument was signed on behalf of said cooperative association by authority of its By-laws and resolution of its board of directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said cooperative association.

Shirley J. Burkhardt
Notary Public



[Notarial Seal]

My Commission expires September 30, 1980

STATE OF ILLINOIS,)
) ss.:
COUNTY OF COOK,)

On this the _____ day of November 1979, before me personally appeared _____, to me personally known, who, being by me duly sworn, says that he is _____ of EXCHANGE NATIONAL BANK OF CHICAGO, a national banking association, that the seal affixed to the foregoing instrument is the seal of said national banking association, that said instrument was signed and sealed on behalf of said national banking association by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national banking association.

Notary Public

[Notarial Seal]

My Commission expires _____

SCHEDULE 1 TO LEASE

<u>Type</u>	<u>AAR Mechanical Designation</u>	<u>Quantity</u>	<u>Lessee's Road Numbers (Both Inclusive)</u>
4,750 cu. ft. covered hopper cars	LO	125	NAHX 481525- NAHX 481649

SCHEDULE 2 TO LEASE
CASUALTY VALUES

<u>Casualty Payment Date</u>	<u>Percentage of Trustee's Purchase Price</u>	<u>Casualty Payment Date</u>	<u>Percentage of Trustee's Purchase Price</u>
1	107.697	41	97.666
2	109.121	42	97.396
3	109.261	43	97.118
4	109.401	44	96.833
5	109.498	45	96.543
6	109.536	46	96.249
7	109.555	47	95.947
8	109.508	48	95.637
9	109.404	49	95.323
10	109.298	50	95.297
11	109.170	51	94.966
12	109.021	52	94.632
13	108.870	53	94.298
14	109.245	54	93.958
15	109.051	55	93.610
16	108.854	56	93.257
17	108.681	57	92.899
18	108.518	58	92.537
19	108.345	59	92.168
20	108.186	60	91.790
21	108.039	61	84.452
22	107.890	62	84.282
23	107.730	63	83.885
24	107.560	64	83.485
25	107.389	65	83.083
26	107.650	66	82.677
27	107.457	67	82.264
28	107.263	68	81.846
29	107.070	69	81.424
30	106.871	70	80.998
31	106.663	71	80.565
32	106.449	72	80.124
33	106.229	73	79.680
34	106.008	74	79.368
35	105.776	75	78.909
36	105.536	76	78.446
37	98.336	77	77.982
38	98.455	78	77.513
39	98.194	79	77.039
40	97.930	80	76.560

<u>Casualty Payment Date</u>	<u>Percentage of Trustee's Purchase Price</u>	<u>Casualty Payment Date</u>	<u>Percentage of Trustee's Purchase Price</u>
81	76.078	121	46.067
82	75.592	122	45.208
83	75.099	123	44.549
84	74.600	124	43.885
85	67.139	125	43.218
86	66.687	126	42.551
87	66.170	127	41.881
88	65.649	128	41.212
89	65.126	129	40.542
90	64.600	130	39.867
91	64.068	131	39.189
92	63.534	132	38.508
93	62.996	133	37.821
94	62.454	134	36.832
95	61.906	135	36.139
96	61.353	136	35.439
97	60.794	137	34.737
98	60.204	138	34.036
99	59.635	139	33.333
100	59.060	140	32.632
101	58.483	141	31.932
102	57.904	142	31.226
103	57.321	143	30.518
104	56.736	144	29.780
105	56.148		
106	55.555		
107	54.958		
108	54.356		
109	53.749		
110	53.023		
111	52.406		
112	51.783		
113	51.158		
114	50.532		
115	49.902		
116	49.272		
117	48.640		
118	48.003		
119	47.362		
120	46.717		

SCHEDULE 3 TO LEASE

Certificate of Acceptance

To: Pullman Incorporated (Pullman Standard Division)
 200 South Michigan Avenue
 Chicago, Illinois 60604

Exchange National Bank of Chicago,
 acting as Trustee ("Trustee")
 130 South LaSalle Street
 Chicago, Illinois 60690

North American Car Corporation ("NAC")
 222 South Riverside Plaza
 Chicago, Illinois 60606

I, the authorized representative for the Trustee, American Grain and Related Industries (A Farmer-Owned Cooperative) ("Lessee") and NAC under the Conditional Sale Agreement ("CSA") and the Lease of Railroad Equipment, both dated as of November 1, 1979, do hereby certify that I inspected thereunder the following Units of Equipment:

TYPE OF EQUIPMENT: Covered Hopper Cars, 4750 cu. ft.
 NUMBER OF UNITS:
 ROAD NUMBERS:

I do further certify that each of the foregoing Units is in good order and condition and appears to conform to the specifications, requirements and standards applicable thereto as provided in Article 2 of the CSA and that each has been marked on each side of each such Unit, in letters not less than one inch in height, with the words "OWNERSHIP SUBJECT TO A SECURITY AGREEMENT FILED WITH THE INTERSTATE COMMERCE COMMISSION".

I hereby certify that I accept delivery of the foregoing Units on behalf of the Trustee, the Lessee and NAC.

Date _____

 Authorized Representative of
 Trustee, Lessee and NAC

[CS&M Ref. 4876-018]

LEASE OF RAILROAD EQUIPMENT

Dated as of November 1, 1979

between

AMERICAN GRAIN AND RELATED INDUSTRIES
(A FARMER-OWNED COOPERATIVE)

and

EXCHANGE NATIONAL BANK OF CHICAGO,
not in its individual capacity but solely
as Trustee under a Trust Agreement
dated as of the date hereof with
Southeast First Leasing, Inc.

[Covering 125 4,750 cubic foot Covered Hopper Cars]

LEASE OF RAILROAD EQUIPMENT

 Table of Contents

	<u>Page</u>
§ 1. Net Lease	L-1
§ 2. Delivery and Acceptance of Units	L-2
§ 3. Rentals	L-3
§ 4. Term of Lease	L-4
§ 5. Identification Marks	L-4
§ 6. Taxes	L-5
§ 7. Maintenance; Casualty Occurrences, Insurance; Termination	L-8
§ 8. Reports and Inspection	L-11
§ 9. Disclaimer of Warranties; Compliance with Laws and Rules; Indemnification	L-12
§ 10. Default	L-16
§ 11. Return of Units upon Default	L-20
§ 12. Assignment; Possession and Use	L-21
§ 13. Renewal Options	L-23
§ 14. Return of Units upon Expiration of Lease Term	L-25
§ 15. Filing	L-26
§ 16. Interest on Overdue Rentals	L-26
§ 17. Notices	L-26
§ 18. Severability; Effect and Modification of Lease	L-27
§ 19. Execution	L-27
§ 20. Governing Law	L-27
§ 21. Term Trustee	L-28
§ 22. Concerning the Trustee	L-28
 Schedule 1--Schedule of Equipment	 L-31
Schedule 2--Casualty Values	L-32
Schedule 3--Certificate of Acceptance	L-34

LEASE OF RAILROAD EQUIPMENT dated as of November 1, 1979, between AMERICAN GRAIN AND RELATED INDUSTRIES (A FARMER-OWNED COOPERATIVE), an Iowa cooperative association ("Lessee"), and EXCHANGE NATIONAL BANK OF CHICAGO, a national banking association, acting not in its individual capacity but solely as trustee ("Trustee") under a Trust Agreement dated as of the date hereof ("Trust Agreement") with Southeast First Leasing, Inc. ("Owner").

The Trustee is entering into a Conditional Sale Agreement dated as of the date hereof ("CSA") with PULLMAN INCORPORATED (PULLMAN STANDARD DIVISION) ("Builder") and NORTH AMERICAN CAR CORPORATION ("NAC") wherein the Builder has agreed to manufacture, sell and deliver to NAC and NAC has agreed to sell and deliver to the Trustee the units of railroad equipment described in Schedule 1 hereto ("Equipment").

NAC is assigning certain of its interests in the CSA to LA SALLE NATIONAL BANK, acting as agent ("Agent") for Bankers Life Company under a Participation Agreement dated as of the date hereof ("Participation Agreement") among the Lessee, the Agent, the Owner, the Trustee and Bankers Life Company. The Builder and NAC will assign certain interests under the CSA and in the Equipment to the Agent pursuant to an Agreement and Assignment dated as of the date hereof ("CSA Assignment").

The Lessee desires to lease such number of units of Equipment as are delivered and accepted and settled for under the CSA ("Units") at the rentals and for the terms and upon the conditions hereinafter provided. The Trustee will assign this Lease for security to the Agent pursuant to an Assignment of Lease and Agreement dated as of the date hereof ("Lease Assignment").

In consideration of the agreements hereinafter set forth, the Trustee hereby leases the Units to the Lessee upon the following terms and conditions:

§ 1. Net Lease. This Lease is a net lease. Each of the Lessee's obligations to pay all rentals and other

amounts hereunder shall be absolute and unconditional and, except as herein specifically provided, the Lessee shall not be entitled to any abatement of rent, reduction thereof or setoff against rent or such other amounts, including but not limited to abatements, reductions or setoffs due or alleged to be due by reason of any past, present or future claims of the Lessee against the Trustee under this Lease or under the CSA, including the Lessee's rights by subrogation thereunder against the Builder, NAC, the Agent or otherwise; nor, except as otherwise expressly provided herein, shall this Lease terminate or the respective obligations of the Trustee or the Lessee be otherwise affected by reason of any defect in or damage to or loss of possession or loss of use or destruction of all or any of the Units from whatsoever cause, any liens, encumbrances or rights of others with respect to any of the Units, the prohibition of or other restriction against the Lessee's use of all or any of the Units, the interference with such use by any person or entity, the invalidity or unenforceability or lack of due authorization of this Lease, any insolvency of or any bankruptcy, reorganization or similar proceeding against the Lessee, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the rents and other amounts payable by the Lessee hereunder shall continue to be payable in all events in the manner and at the times herein provided unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease. To the extent permitted by applicable law, the Lessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender the lease of any of the Units except in accordance with the express terms hereof. Each rental or other payment made by the Lessee hereunder shall be final and the Lessee shall not seek to recover all or any part of such payment from the Trustee, the Owner or the Agent for any reason whatsoever.

§ 2. Delivery and Acceptance of Units. The Trustee hereby appoints the Lessee its agent for inspection and acceptance of the Units pursuant to the CSA. The Trustee will cause each Unit to be delivered to the Lessee at the point within the United States at which the Units are delivered to the Trustee under the CSA. Upon such delivery, the Lessee will cause an employee or agent of the Lessee to inspect the same, and if such Unit is found to be acceptable, to accept delivery of

such Unit on behalf of the Trustee under the CSA and on behalf of the Lessee hereunder and execute and deliver to the Trustee a certificate of acceptance substantially in the form annexed hereto as Schedule 3 ("Certificate of Acceptance"), whereupon such Unit shall be deemed to have been delivered to and accepted by the Lessee and shall be subject thereafter to all the terms and conditions of this Lease; provided, however, that the delivery, inspection and acceptance hereunder of any unit of Equipment excluded from the CSA pursuant to the first paragraph of Article 4 thereof or the last sentence of Section 4 of the CSA Assignment shall be null and void and ineffective to subject such unit to this Lease.

§ 3. Rentals. The Lessee agrees to pay to the Trustee, as rental for each Unit subject to this Lease, one interim rental payment on the Closing Date (as defined in the CSA) and 144 consecutive monthly payments payable on the day of the month corresponding to the Closing Date in each of the 144 months immediately following the Closing Date. The interim rental payment shall be in an amount equal to 0.02831% of the Trustee's Purchase Price (as defined in the CSA) for each Unit subject to this Lease for each day elapsed from and including the date of acceptance of such Unit hereunder to but excluding the Closing Date. The 144 monthly payments shall each be in an amount equal to 0.84944% of the Trustee's Purchase Price of each such Unit.

If any of the rental payment dates referred to above is not a business day, the rental payment otherwise payable on such date shall be payable on the next succeeding business day. The term "business day" as used herein means any calendar day, excluding Saturdays, Sundays and any other day on which banking institutions in Chicago, Illinois, are authorized or obligated to remain closed.

The Trustee irrevocably instructs the Lessee to make all the payments provided for in this Lease, including but not limited to the payments provided for in this § 3 and in § 7 hereof (excluding all payments not assigned to the Agent pursuant to the Lease Assignment), at the principal office of the Agent, for the account of the Trustee in care of the Agent, with instructions to the Agent first to apply such payments to satisfy the obligations of the Trustee under the CSA and second, so long as no event of default or event which with notice or the lapse of time or both would constitute an event of default under the CSA shall have occurred

and be continuing, to pay any balance promptly to the Trustee at such place as the Trustee shall specify in writing. The Lessee agrees to make each payment provided for herein as contemplated by this paragraph in Federal or other funds immediately available to the Agent by 11:00 a.m., Chicago time, on the date such payment is due.

§ 4. Term of Lease. The term of this Lease as to each Unit shall begin on the date of delivery and acceptance of such Unit hereunder and, subject to the provisions of §§ 7, 10 and 13 hereof, shall terminate on the date on which the final payment of rent in respect thereof is due pursuant to § 3 hereof. The obligations of the Lessee hereunder (including but not limited to the obligations under §§ 3, 6, 7, 9 and 14 hereof) shall survive the expiration of the term of this Lease.

All rights and obligations of the Lessee under this Lease and in and to the Units are subject to the rights of the Agent under the CSA. If an event of default should occur under the CSA, the Agent may terminate this Lease (or rescind its termination), all as provided therein.

§ 5. Identification Marks. The Lessee (at its own expense) will cause each Unit to be kept numbered with the road number set forth in Schedule 1 hereto, or in the case of any Unit not there listed, the road number as shall be set forth in any amendment or supplement hereto extending this Lease to cover such Unit, and will keep and maintain, plainly and conspicuously marked on each side of each Unit, in letters not less than one inch in height, the words "OWNERSHIP SUBJECT TO A SECURITY AGREEMENT FILED WITH THE INTERSTATE COMMERCE COMMISSION", or other appropriate words designated by the Trustee, with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the Trustee's and Agent's right, title and interest in such Unit. The Lessee will not place any such Unit in operation or exercise any control or dominion over the same until such words shall have been so marked and will replace promptly any such markings which may be removed, defaced or destroyed. The Lessee will not change the road number of any Unit unless and until (i) a statement of new number or numbers to be substituted therefor shall have been filed with the Agent and the Trustee and filed by the Lessee in all public offices where this Lease and the CSA shall have been filed and (ii) the Lessee shall have furnished the Agent and

the Trustee an opinion of counsel to the effect that such statement has been so filed, such filing will protect the Agent's and the Trustee's interests in such Units and no filing with or giving of notice to any Federal, state or local government or agency thereof is necessary to protect the interests of the Agent and the Trustee in such Units.

The Units may be lettered with the names or initials or other insignia customarily used by the Lessee or its affiliates, but the Lessee will not allow the name of any person, association or corporation to be placed on any Unit as a designation that might be interpreted as a claim of ownership.

§ 6. Taxes. All payments to be made by the Lessee hereunder will be free of expense to the Trustee for collection or other charges and will be free of expense to the Trustee with respect to the amount of any local, state, Federal or foreign taxes (other than any United States Federal income tax payable by the Trustee in consequence of the receipt of payments provided for herein and, to the extent that the Trustee receives credit therefor against its United States Federal income tax liability, any foreign income tax, and other than the aggregate of all state or local taxes measured by net income based on such receipts, value added taxes in lieu of such net income taxes and any state franchise tax which is not based on or measured by net income up to the amount of any such taxes which would be payable to the state and city in which the Trustee has its principal place of business without apportionment to any other state, except any such tax which is in substitution for or relieves the Lessee from the payment of taxes which it would otherwise be obligated to pay or reimburse as herein provided) or license fees, ad valorem property taxes, taxes and charges (Federal, state and local), fines or penalties and interest (all such expenses, taxes, license fees, ad valorem property taxes, taxes and charges (Federal, state and local), fines and penalties and interest being hereinafter called impositions) hereafter levied or imposed upon or in connection with or measured with respect to this Lease or any sale, rental, use, payment, shipment, delivery or transfer of title under the terms hereof or the CSA, all of which impositions the Lessee assumes and agrees to pay on demand in addition to the payments to be made by it provided for herein. The Lessee will also pay promptly all impositions which may be imposed upon any Unit or for the use or opera-

tion thereof or upon the earnings arising therefrom (except as provided above) or upon the Trustee by reason of its ownership thereof and will keep at all times all and every part of such Unit free and clear of all impositions which might in any way affect the title of the Trustee or the interest of the Trustee or result in a lien upon any such Unit; provided, however, that the Lessee shall be under no obligation to pay any impositions of any kind so long as such imposition remains unpaid and Lessee is contesting in its own name and in good faith and by appropriate legal or administrative proceedings such impositions, or the Trustee is required to contest such impositions as provided in this § 6, and the nonpayment thereof does not, in the reasonable opinion of the Trustee, adversely affect the title, property or rights of the Trustee hereunder or the Trustee or the Agent under the CSA. The Lessee agrees to give the Trustee notice of such contest brought in Lessee's name within 30 days after institution thereof and the Trustee agrees to provide such information as may be reasonably requested by the Lessee in furtherance of such contest. If any impositions shall have been charged or levied against the Trustee directly and paid by the Trustee, the Lessee shall pay the Trustee on presentation of an invoice therefor if the Trustee shall have been legally liable with respect thereto (as evidenced by an opinion of counsel for the Trustee) or the Lessee shall have approved the payment thereof, and the Trustee agrees to give the Lessee written notice promptly after it first obtains knowledge of the making of such charge or levy, and agrees to take such other action as may reasonably be requested by the Lessee for the purpose of contesting payment or obtaining refund of all or a portion of such imposition, as hereinafter provided in this § 6.

In the event that the Trustee shall become obligated to make any payment to the Builder or the Agent or otherwise pursuant to any correlative provision of the CSA not covered by the foregoing paragraph of this § 6, the Lessee shall pay such additional amounts (which shall also be deemed impositions hereunder) to the Trustee to fulfill completely its obligations pursuant to said provision; provided, however, that the Trustee shall have contested (if required to do so under this § 6) such impositions in good faith and to the extent permitted under the CSA.

In the event any returns, statements or reports with respect to impositions involving any Unit are required

to be made, the Lessee will make such returns, statements and reports in such manner as to show the interest of the Trustee and the Agent in such Units, as shall be satisfactory to the Trustee and the Agent or, where not so permitted, will notify the Trustee and the Agent of such requirement and will prepare and deliver such reports to the Trustee and the Agent within a reasonable period of time prior to the time such reports are to be filed in such manner as shall be satisfactory to the Trustee and the Agent.

In the event that, during the continuance of this Lease, the Lessee becomes liable for the payment or reimbursement of any imposition, pursuant to this § 6, such liability shall continue, notwithstanding the expiration of this Lease, until all such impositions are paid or reimbursed by the Lessee.

In the event the Lessee may be prohibited by law or is impaired from contesting in its own name any imposition covered by this § 6 in respect of which the Lessee would otherwise be required to make payments to the Trustee pursuant hereto, the Trustee shall, upon request and at the expense of the Lessee, take all legal and other appropriate action reasonably requested by the Lessee to contest such imposition. The Trustee shall not be obligated to take any such legal or other appropriate action unless the Lessee shall first have indemnified the Trustee for all liabilities and expenses which may be entailed therein. Further, the Lessee shall indemnify and hold the Trustee harmless from and against any and all claims, costs, expenses, damages, losses and liabilities incurred in connection therewith as a result of, or incident to, any action taken by the Trustee or Lessee under this § 6. The Lessee shall be entitled to any refund received by the Trustee or the Lessee in respect of any imposition paid by the Lessee, provided no Event of Default (or other event which after notice or lapse of time or both would become an Event of Default) shall have occurred and be continuing.

The Lessee shall, whenever reasonably requested by the Trustee, submit to the Trustee copies of returns, statements, reports, billings and remittances, or furnish other evidence satisfactory to the Lessor of the Lessee's performance of its duties under this § 6. The Lessee shall also furnish promptly upon request such data as the Trustee reasonably may require to permit the Trustee's compliance with the requirements of taxing jurisdictions.

The amount which the Lessee shall be required to pay with respect to any imposition which is subject to indemnification under this § 6 shall be an amount sufficient to restore the Trustee to the same net after-tax rate of return and after-tax cash position, after considering the effect of such payment on its United States Federal income taxes and state and city income taxes or franchise taxes based on net income, that the Trustee would have been in had such imposition not been imposed. If the Trustee will not pay United States Federal income taxes, state or city income taxes or franchise taxes based upon net income on the payment of such amounts because of a tax loss carry-forward, a tax loss carry-back or a net operating loss for the year of payment, the Lessee shall pay in addition to such amounts an amount equal to the tax loss carry-forward, the tax loss carry-back or the net operating loss which is used up as a result of said payment and any payment required by this sentence.

For purposes of this § 6, references to the Trustee shall be deemed to include the Owner.

§ 7. Maintenance; Casualty Occurrences; Insurance; Termination. The Lessee, at its own cost and expense, will maintain and keep all of the Units which are subject to this Lease in good operating order, repair and condition and eligible for interchange service.

In the event that any Unit shall be or become lost, stolen, destroyed or irreparably damaged from any cause whatsoever, returned to the Builder pursuant to the patent indemnity provisions of the CSA or taken or requisitioned by condemnation or otherwise by the United States Government or any political subdivision thereof for a stated period which shall exceed the then remaining term of the Lease or for an indefinite period (but only when such period shall exceed the term hereof) or by any other governmental entity resulting in loss of possession by the Lessee for a period of 90 consecutive days (each such occurrence a "Casualty Occurrence"), the Lessee shall promptly and fully notify the Trustee and the Agent with respect thereto. On the next succeeding rental payment date (or, if the term of the Lease has expired, within 30 days of such Casualty Occurrence) ("Casualty Payment Date"), the Lessee shall pay to the Trustee the rental payment in respect of such Unit due and payable on such date plus a sum equal to the Casualty Value (as hereinafter defined) of such Unit as of the date of such payment in accordance with the schedule referred to below. Upon the

making of such payment by the Lessee in respect of any Unit, the rental for such Unit shall cease to accrue, the term of this Lease as to such Unit shall terminate and (except in the case of the loss, theft, complete destruction or return to the Builder of such Unit) the Trustee shall be entitled to recover possession of such Unit and the Lessee shall pay all costs of removal of such Unit and of freight to the place designated pursuant to § 14 hereof.

The Casualty Value of each Unit as of the Casualty Payment Date on which payment is to be made as aforesaid shall be that percentage of the Trustee's Purchase Price of such Unit as is set forth in Schedule 2 hereto opposite the numbered Casualty Payment Date next succeeding the actual date of such Casualty Occurrence or, if there is no such numbered Casualty Payment Date, the last rental payment date; but in no event shall such amount be less than the Casualty Value as defined in the CSA.

Whenever any Unit shall suffer a Casualty Occurrence after the expiration of the original or extended term of this Lease and before such Unit shall have been returned in the manner provided in § 14 hereof, the Lessee shall promptly and fully notify the Trustee with respect thereto and pay to the Trustee an amount equal to the Casualty Value of such Unit, which shall be 29.780% of the Trustee's Purchase Price of such Unit (unless such termination occurs after the term of this Lease has been extended pursuant to § 13 hereof, in which case the amount of such Casualty Value shall be as agreed upon between the Trustee and the Lessee at the time of such extension). Upon the making of any such payment by the Lessee in respect of any Unit (except in the case of the loss, theft or complete destruction of such Unit), the Trustee shall be entitled to recover possession of such Unit.

The Trustee hereby irrevocably appoints the Lessee its agent to dispose of any Unit suffering a Casualty Occurrence or any component thereof, at the best price obtainable on an "as is, where is" basis. Provided that the Lessee has previously paid the Casualty Value to the Trustee, the Lessee shall be entitled to the proceeds of such sale to the extent they do not exceed the Casualty Value of such Unit, and shall pay any excess to the Trustee.

In the event of the requisition for use (which is not a Casualty Occurrence) by the United States Government or any political subdivision thereof ("Government") of any

Unit during the term of this Lease, all of the Lessee's obligations under this Lease with respect to such Unit shall continue to the same extent as if such requisition had not occurred, except that the Lessee shall not be obligated to return such Unit to the Trustee pursuant to § 11 or 14 hereof, as the case may be, until such Unit has been returned by the Government (but the Lessee shall in all other respects comply with the provisions of said § 11 or 14, as the case may be, with respect to such Unit). All payments received by the Trustee or the Lessee from the Government for the use of such Unit during the term of this Lease shall be paid over to or retained by the Lessee, provided no Event of Default (or other event which after notice or lapse of time or both would become an Event of Default) shall have occurred and be continuing. All payments received by the Trustee or the Lessee from the Government for the use of such Unit after the term of this Lease shall be paid over to or retained by the Trustee.

Except as provided in this § 7, the Lessee shall not be released from its obligations hereunder in the event of any Casualty Occurrence, and shall bear the risk of any Casualty Occurrence to any Unit from and after delivery and acceptance thereof by the Lessee hereunder.

The Lessee will, at all times prior to the return of the Equipment to the Trustee, at its own expense, cause to be carried and maintained property insurance and public liability insurance in respect of the Units at the time subject hereto, in such amounts (subject to customary deductions) and against such risks and with such insurance companies satisfactory to the Trustee and the Agent, and, in any event, comparable in amounts and against risks insured against by the Lessee in respect of similar equipment owned by it. The proceeds of any such insurance shall be payable to the Agent, the Trustee, the Owner and the Lessee, as their respective interests may appear, so long as the indebtedness, if any, evidenced by the CSA shall not have been paid in full, and thereafter to the Trustee and, so long as there is no Event of Default hereunder, the Lessee as their respective interests may appear. Any policies of insurance carried in accordance with this paragraph shall (i) require 30 days' prior notice of cancellation or material change in coverage to the Owner, the Trustee and the Agent, (ii) name the Trustee, the Owner and the Agent as additional named insureds as their respective interests may appear and (iii) waive any right to claim any premiums or commissions against the Owner, the Trustee and the Agent. In the event such policies shall contain breach of warranty provisions, such policies shall

provide that in respect of the interests of the Trustee, the Owner and the Agent in such policies the insurance shall not require contributions from other policies held by the Trustee, the Owner or the Agent and shall not be invalidated by any action or inaction of the Lessee or any other person (other than the Trustee, the Owner and the Agent, respectively) and shall insure the Trustee, the Owner and the Agent regardless of any breach or violation of any warranty, declaration or condition contained in such policies by the Lessee or by any other person (other than the Trustee, the Owner or the Agent, respectively). Prior to the first date of delivery of any Unit pursuant to the CSA, and thereafter not less than 15 days prior to the expiration dates of the expiring policies theretofore delivered pursuant to this § 7, the Lessee shall deliver to the Trustee certificates issued by the insurer(s) for the insurance maintained pursuant to this § 7; provided, however, that if the delivery of any certificate is delayed, the Lessee shall deliver an executed binder with respect thereto and shall deliver the certificate upon receipt thereof.

In the event that the Lessee shall fail to maintain insurance as herein provided, the Trustee may at its option provide such insurance (giving the Lessee prompt written notice thereof) and, in such event, the Lessee shall, upon demand, reimburse the Trustee for the cost thereof together with interest on the amount of the cost to the Trustee of such insurance which the Lessee shall have failed to maintain at the rate per annum specified in § 16 hereof.

If the Trustee shall receive any insurance proceeds or condemnation payments in respect of a Unit suffering a Casualty Occurrence, the Trustee shall, subject to the Lessee's having made payment of the Casualty Value in respect of such Unit, pay such proceeds or condemnation payments to the Lessee up to an amount equal to the Casualty Value with respect to such Unit paid by the Lessee. Any balance of such proceeds or condemnation payments shall remain the property of the Trustee. Insurance proceeds received by the Trustee from the Lessee's insurance coverage in respect of any Unit not suffering a Casualty Occurrence shall be paid to the Lessee upon proof satisfactory to the Trustee that any damage to such Unit in respect of which such proceeds were paid has been fully repaired, but only to the extent of the Lessee's costs (including overhead and profit, if applicable) in effecting such repairs. Except as aforesaid, all such insurance proceeds shall be retained by the Trustee.

§ 8. Reports and Inspection. On or before April 30

in each year, commencing with the calendar year 1981, the Lessee will furnish to the Trustee and the Agent an accurate statement stating (i) as at the preceding December 31 the amount, description and numbers of all Units then leased hereunder and covered by the CSA and of all Units that have suffered a Casualty Occurrence during the preceding calendar year or are then undergoing repairs (other than running repairs) or then withdrawn from use pending such repairs (other than running repairs) and such other information regarding the condition and state of repair of the Units as the Trustee or the Agent may reasonably request, (ii) that, in the case of all Units repainted or repaired during the period covered by such statement, the numbers and markings required by § 5 hereof and by the CSA have been preserved or replaced and (iii) that the Lessee is in compliance with all its agreements under the Lease and that no Event of Default or event which with notice or lapse of time or both would constitute an Event of Default has occurred. The Trustee, at its sole cost and expense, shall have the right by its agents to inspect the Units and the Lessee's records with respect thereto at such reasonable times as the Trustee may request during the continuance of this Lease. The Lessee shall promptly notify the Trustee and the Agent of any material changes or any material proposed changes of which the Lessee has knowledge in its insurance coverage in effect with respect to the Equipment pursuant to § 7 hereof.

§ 9. Disclaimer of Warranties; Compliance with Laws and Rules; Indemnification. THE TRUSTEE AND THE OWNER MAKE NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE DESIGN OR CONDITION OF, OR AS TO THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE UNITS DELIVERED TO THE LESSEE HEREUNDER, AND THE TRUSTEE AND THE OWNER MAKE NO WARRANTY OF MERCHANTABILITY OR FITNESS OF THE UNITS FOR ANY PARTICULAR PURPOSE NOR AS TO TITLE TO THE UNITS OR ANY COMPONENT THEREOF, NOR AS TO THE LESSEE'S RIGHT TO QUIET ENJOYMENT THEREOF (EXCEPT AS TO ACTS OF THE TRUSTEE OR THE OWNER), NOR ANY OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO ANY UNIT, EITHER UPON DELIVERY THEREOF TO THE LESSEE OR OTHERWISE, NOR SHALL THE TRUSTEE OR THE OWNER (EXCEPT AS TO VOLUNTARY ACTS OF THE TRUSTEE OR THE OWNER) BE RESPONSIBLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING STRICT LIABILITY IN TORT), it being agreed that all such risks, as between the Trustee, the Owner and the Lessee, are to be borne by the Lessee; but the Trustee hereby irrevocably appoints and constitutes the Lessee its agent and attorney-in-fact during the term of this Lease to assert and enforce from time to time, in the name of and for

the account of the Trustee or the Lessee, as their interests may appear, at the Lessee's sole cost and expense, whatever claims and rights the Trustee may have against the Builder under the provisions of Item 3 of Annex A of the CSA; provided, however, that if at any time an Event of Default shall have occurred and be continuing, the Trustee may assert and enforce such claims and rights at the Lessee's sole cost and expense. The Trustee and the Owner shall have no responsibility or liability to the Lessee or any other person with respect to any of the following: (i) any liability, loss or damage caused or alleged to be caused directly or indirectly by any Units or by any inadequacy thereof or deficiency or defect therein or by any other circumstances in connection therewith; (ii) the use, operation or performance of any Units or any risks relating thereto; or (iii) the delivery, operation, servicing, maintenance, repair, improvement or replacement of any Units. The Lessee's delivery of a Certificate of Acceptance shall be conclusive evidence as between the Lessee and the Trustee that the Units described therein are in all the foregoing respects satisfactory to the Lessee, and the Lessee will not assert any claim of any nature whatsoever against the Trustee based on any of the matters stated in this paragraph.

The Lessee agrees, for the benefit of the Trustee, the Owner and the Agent, to comply in all respects (including without limitation the use, maintenance and operation of each Unit) with all applicable laws of the jurisdictions in which operations involving the Units may extend, with all interchange rules of the Association of American Railroads and with all lawful rules of the United States Department of Transportation, the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Units, to the extent that such laws and rules affect the title, operation or use of the Units (all such laws and rules to such extent called the "Applicable Laws"), and in the event that the Applicable Laws require any alteration, replacement, addition or modification of or to any part on any Unit, the Lessee will conform therewith at its own expense; provided, however, that the Lessee may at its own expense, in good faith, contest the validity or application of any Applicable Law in any reasonable manner which does not, in the reasonable opinion of the Trustee or the Agent, adversely affect the property or rights of the Trustee or the Agent under this Lease or under the CSA. The Lessee, at its own cost and expense, may furnish other additions, modifications and improvements to the Units which are readily removable without causing

material damage thereto 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 Units and which are not required to comply with the Applicable Laws 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 shall be removed, at the request of the Trustee, prior to the return thereof to the Trustee pursuant to § 11 or 14 hereof.

The Lessee agrees to indemnify, protect and hold harmless the Trustee (in both its individual and fiduciary capacities), the Owner and the Agent and their respective successors, assigns and agents ("Indemnified Persons"), from and against any and all causes of action, suits, penalties, claims, demands or judgments of any nature whatsoever which may be imposed on, incurred by or asserted against any Indemnified person (including any or all liabilities, obligations, damages, costs, disbursements or expenses relating thereto, including without limitation the attorneys' fees and expenses of any Indemnified Person) in any way relating to or arising or alleged to arise out of this Lease, the CSA or the Units, including without limitation those in any way relating to or arising or alleged to arise out of (i) the manufacture, purchase, acceptance, rejection, ownership, delivery, non-delivery, lease, possession, use, operation, condition, sale, return or other disposition of any Unit or portion thereof; (ii) any latent and other defects whether or not discoverable by the Indemnified Person or the Lessee; (iii) any claim for patent or trademark infringement; (iv) any claims based on strict liability in tort; (v) any injury to or the death of any person or any damage to or loss of property on or near the Units or in any manner arising or alleged to arise out of the ownership, use, replacement, adaptation or maintenance of the Units or of any other equipment in connection with the Units (whether owned or under the control of the Indemnified Person, the Lessee or any other person) or resulting or alleged to result from the condition of any thereof; (vi) any violation or alleged violation of any provision of this Lease or of any agreement, law, rule, regulation, ordinance or restriction, affecting or applicable to the Units or the leasing, ownership, use, replacement, adaptation or maintenance thereof, except to the extent any such violation arises from the gross negligence or wilful misconduct of the Trustee; or (vii) any claim arising out of any of the Trustee's

obligations under the Lease Assignment or the Agent's retention of a security interest under the CSA or the Lease Assignment or the Participation Agreement (all of such matters called "Indemnified Matters"), except to the extent such claim arises from the gross negligence or wilful misconduct of the Trustee. The Lessee shall be obligated under this § 9, whether or not any Indemnified Person shall also be indemnified with respect to any Indemnified Matter under any other agreement by any other person, and the Indemnified Person may proceed directly against the Lessee under this § 9, without first resorting to any such other rights of indemnification. In case any action, suit or proceeding is brought against any Indemnified Person in connection with any Indemnified Matter, the Lessee may and, upon such Indemnified Person's request, will at the Lessee's expense defend such action, suit or proceeding, or cause the same to be defended by counsel selected by the Lessee and approved by such Indemnified Person and, in the event of any failure by the Lessee to do so, the Lessee shall pay all costs and expenses (including without limitation attorneys' fees and expenses) incurred by such Indemnified Person in connection with such action, suit or proceeding. In the event the Lessee is required to make any indemnification under this § 9, the Lessee shall pay such Indemnified Person an amount which, after deduction of all taxes required to be paid by such Indemnified Person in respect of the receipt thereof under the laws of the United States or of any political subdivision thereof (after giving credit for any savings in respect of any such taxes by reason of deductions, credits or allowances in respect of the payment of the expense indemnified against and of any other such taxes as determined in the sole discretion of the Indemnified Person), shall be equal to the amount of such payment. If the Owner will not pay Federal or state taxes on the payment of such sums because of a tax loss carry-forward, a tax loss carry-back or a net operating loss for the year of payment, then the Lessee shall pay, in addition to the sums set forth in the first or second preceding sentence, and amount equal to the tax loss carry-forward, the tax loss carry-back or the net operating loss which is used up as a result of said payment and any payment required by this sentence. The Lessee and the Trustee each agrees to give the other promptly upon obtaining knowledge thereof written notice of any claim hereby indemnified against. Upon the payment in full by the Lessee of any indemnities as contained in this § 9, and provided that no Event of Default (or other event which with notice or lapse of time or both would constitute an Event of Default) shall have occurred and be continuing, the Lessee shall be subrogated to any right of such Indemnified Person (except against another Indemnified

Person) in respect of such Indemnified Matter. Any payments received by such Indemnified Person from any person (except the Lessee) as a result of any Indemnified Matter shall be paid over to the Lessee to the extent necessary to reimburse the Lessee for its indemnification payments previously made. Nothing in this § 9 shall constitute a guarantee by the Lessee of the CSA Indebtedness (as defined in the CSA) or a guarantee of the residual value of any Unit.

The Lessee further agrees to indemnify, protect and hold harmless the Agent, NAC and the Builder as third-party beneficiaries hereof from and against any and all liability, claims, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against the Agent, NAC or the Builder because of the use in or about the construction or operation of any of the Units of any article of material specified by the Lessee and not manufactured by the Builder or of any design, system, process, formula or combination specified by the Lessee and not developed or purported to be developed by the Builder which infringes or is claimed to infringe on any patent or other right. The Lessee will give notice to the Builder of any claim known to the Lessee from which liability may be charged against the Builder under the CSA.

The indemnities contained in this § 9 shall survive the expiration or termination of this Lease with respect to all events, facts, conditions or other circumstances occurring or existing prior to such expiration or termination and are expressly made for the benefit of and shall be enforceable by any Indemnified Person. None of the indemnities in this § 9 shall be deemed to create any rights of subrogation in any insurer or third party against the Lessee therefor, from or under any Indemnified Person, whether because of any claim paid or defense provided for the benefit thereof or otherwise.

The Lessee agrees to prepare and deliver to the Trustee within a reasonable time prior to the required date of filing (or, to the extent permissible, file on behalf of the Trustee) any and all reports (other than tax returns) to be filed by the Trustee with any Federal, state or other regulatory authority by reason of the ownership by the Trustee or the Agent of the Units or the leasing thereof to the Lessee.

§ 10. Default. If, during the continuance of this Lease, one or more of the following events (each such event an "Event of Default") shall occur:

(A) default shall be made in payment of any amount provided for in § 3 or § 7 of this Lease and such default

shall continue for 15 days after written notice from the Trustee or the Agent to the Lessee specifying the default and demanding that the same be remedied;

(B) the Lessee shall make or permit any unauthorized assignment or transfer of this Lease, or any interest herein, or of the right to possession of the Units, or any thereof and shall fail or refuse to cause such assignment or transfer to be canceled by agreement of all parties having any interest therein and to recover possession of such Units within 15 days after written notice from the Trustee to the Lessee demanding such cancelation and recovery of possession;

(C) default shall be made in the observance or performance of any other covenant, condition or agreement on the part of the Lessee contained herein or in the Participation Agreement, and such default shall continue for 45 days after written notice from the Trustee, the Owner or the Agent to the Lessee specifying the default and demanding that the same be remedied;

(D) default shall be made in the observance or performance of any covenant, condition or agreement on the part of the Lessee contained in the Indemnity Agreement (as defined in the Participation Agreement), and such default shall continue for 45 days after written notice from the Trustee or the Owner to the Lessee specifying the default and demanding that the same be remedied;

(E) any representation or warranty made by the Lessee herein, in the Participation Agreement or in any certificate or statement furnished to the Trustee, the Owner or the Agent pursuant to or in connection with such agreements proves untrue in any material respect as of the date of making thereof;

(F) a petition for reorganization under Title 11 of the United States Code, as now or hereafter constituted, shall be filed by or against the Lessee and, unless such petition shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Lessee under this Lease and the Consent (as defined in the CSA) shall not have been and shall not continue to be duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees appointed (whether or not subject to ratification) in such proceedings in such

manner that such obligations shall have the same status as expenses of administration and obligations incurred by such trustee or trustees, within 60 days after such petition shall have been filed;

(G) any other proceedings shall be commenced by or against the Lessee for any relief which includes or might result in any modification of the obligations of the Lessee hereunder, under any bankruptcy or insolvency laws or laws relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit any readjustments of the obligations of the Lessee hereunder or under the Consent), and, unless such proceedings shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Lessee under this Lease and the Consent shall not have been and shall not continue to be duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees or receiver or receivers appointed (whether or not subject to ratification) for the Lessee or for the property of the Lessee in connection with any such proceedings in such manner that such obligations shall have the same status as expenses of administration and obligations incurred by such a trustee or trustees or receiver or receivers, within 60 days after such proceedings shall have been commenced; or

(H) an event of default set forth in Article 15 of the CSA shall have occurred and be continuing;

then, in any such case, the Trustee, at its option, may:

(a) proceed by appropriate court action or actions 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; or

(b) by notice in writing to the Lessee terminate this Lease, whereupon all rights of the Lessee to the use of the Units shall absolutely cease and terminate as though this Lease had never been made, but the Lessee shall remain liable as herein provided; and thereupon the Trustee may by its agents enter upon the premises of the Lessee or other premises where any of the Units may be and take possession of all or any of such Units and thenceforth hold, possess, sell, operate, lease to others and enjoy the same free from any right of the

Lessee or its successors or assigns to use the Units for any purposes whatever and without any duty to account to the Lessee for such action or inaction or for any proceeds arising therefrom; but the Trustee shall, nevertheless, have a right to recover from the Lessee any and all amounts which under the terms of this Lease may be then due or which may have accrued to the date of such termination (computing the rental for any number of days less than a full rental period by multiplying the rental for such full rental period by a fraction of which the numerator is such number of days and the denominator is the total number of days in such full rental period) and also to recover forthwith from the Lessee as damages for loss of a bargain and not as a penalty an amount equal to the excess, if any, of the Casualty Value as of the Casualty Payment Date on or next preceding the date of termination over the amount the Trustee reasonably estimates to be the sales value of such Unit at such time; provided, however, that in the event the Trustee shall have sold any Unit, the Lessee shall, if the Trustee shall so elect, pay to the Trustee on the date of such sale, as liquidated damages for loss of a bargain and not as a penalty, an amount equal to the excess, if any, of the Casualty Value for such Unit as of the Casualty Payment Date on or next preceding the date of termination over the net proceeds of such sale, in lieu of collecting any amounts payable by the Lessee pursuant to the preceding clause of this part (b) with respect to such Unit.

In addition, the Lessee shall be liable, except as otherwise provided above, for any and all unpaid amounts due hereunder before, during or after the exercise of any of the foregoing remedies and for all reasonable attorneys' fees and other costs and expenses incurred by reason of the occurrence of any Event of Default or the exercise of the Trustee's remedies with respect thereto, including all costs and expenses incurred in connection with the return of any Unit.

The remedies in this Lease provided in favor of the Trustee shall not be deemed exclusive, but shall be cumulative and may be exercised concurrently or consecutively, and shall be in addition to all other remedies in its favor existing at law or in equity. The Lessee hereby waives any mandatory requirements of law, now or hereafter in effect, which might limit or modify the remedies herein provided, to the extent that such waiver is not, at the time in question, prohibited by law. The Lessee hereby waives any and all existing or future claims to any offset against the rental payments due

hereunder, and agrees to make such payments regardless of any offset or claim which may be asserted by the Lessee or on its behalf.

The failure of the Trustee to exercise the rights granted it hereunder upon the 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.

The Lessee agrees to furnish written notice to the Trustee, the Owner and the Agent, promptly upon knowledge of an Event of Default or an event which with notice or lapse of time or both would constitute an Event of Default, specifying such condition and the nature and status thereof.

§ 11. Return of Units Upon Default. If this Lease shall terminate pursuant to § 10 hereof, the Trustee may take or cause to be taken by its agent or agents immediate possession of each of the Units or one or more of the Units and may remove the same from possession and use of the Lessee or any other person and for such purpose may enter upon any premises where the Units may be located and may use and employ in connection with such removal any supplies, services and aids and any available trackage and other facilities or means of the Lessee, subject to all mandatory requirements of due process of law.

If this Lease shall terminate pursuant to § 10 hereof, the Lessee shall forthwith deliver possession of the Units to the Trustee. Each Unit so delivered shall be in the same operating order, repair and condition as when originally delivered to the Lessee, ordinary wear and tear excepted. For the purpose of delivering possession of any Unit or Units to the Trustee as above required, the Lessee shall at its own cost, expense and risk:

(a) forthwith and in the usual manner place such Units upon such storage tracks as the Trustee reasonably may designate;

(b) cause such Units to be stored on such tracks at the risk of the Lessee without charge for insurance, rent or storage until all such Units have been sold, leased or otherwise disposed of by the Trustee; and

(c) cause the same to be transported to any reasonable place as directed by the Trustee.

The assembling, delivery, storage, insurance and transporting of the Units as hereinbefore provided shall be at the expense and risk of the Lessee and are of the essence of this Lease, and upon application to any court of equity having competent jurisdiction the Trustee shall be entitled to a decree against the Lessee requiring specific performance thereof. During any storage period, the Lessee will, at its own cost and expense, maintain and keep the Equipment in good order and repair and will permit the Trustee or any person designated by it, including the authorized representative or representatives of any prospective purchaser, lessee or user of any such Unit, to inspect the same. All amounts earned in respect of the Units after the date of termination of this Lease shall belong to the Trustee and, if received by the Lessee, shall be promptly turned over to the Trustee. In the event any Unit is not assembled, delivered and stored, as hereinabove provided, within 60 days after such termination the Lessee shall, in addition, pay to the Trustee for each day thereafter an amount equal to the amount, if any, by which 0.02831% of the Trustee's Purchase Price of such Unit exceeds the actual earnings received by the Trustee on such Unit for each such day. Such payment shall not affect the obligation of the Lessee to redeliver the Equipment pursuant to the first sentence of this paragraph.

The Lessee hereby irrevocably appoints the Trustee as the agent and attorney of the Lessee, with full power and authority, at any time while the Lessee is obligated to deliver possession of any Unit to the Trustee, to demand and take possession of such Unit in the name and on behalf of the Lessee from whomsoever shall be in possession of such Unit at the time.

§ 12. Assignment; Possession and Use. This Lease shall be assignable in whole or in part by the Trustee without the consent of the Lessee, but the Lessee shall be under no obligation to any assignee of the Trustee except upon written notice of such assignment from the Trustee; provided that no assignment for other than security purposes shall be made without the consent of the Lessee, which consent shall not be unreasonably withheld. All the rights of the Trustee hereunder (including, but not limited to, the rights under §§ 6, 7 and 10 and the rights to receive the rentals payable under this Lease) shall inure to the benefit of the Trustee's assigns.

So long as the Lessee shall not be in default under this Lease and the Lessee shall have fully complied with the provisions of the fourth paragraph of this § 12, the Lessee shall be entitled to the possession and use of the Units and, without the Trustee's consent, to sublease the Units to or to permit their use by a user incorporated in the United States or any state thereof or the District of Columbia (including a corporate subsidiary or member cooperative association of the Lessee), upon lines of railroad owned or operated by the Lessee or such user or by a railroad company or companies incorporated in the United States or any state thereof or the District of Columbia, or over which the Lessee, such user, or such railroad company or companies have trackage rights or rights for operation of their trains, and upon the lines of railroad of connecting and other carriers in the usual interchange of traffic or in-through or run-through service, but only upon and subject to all the terms and conditions of this Lease; provided, however, that the Trustee's consent, not to be unreasonably withheld, must be obtained for any sublease that is for a term or terms that aggregate more than six months in any one year; provided further, that the Lessee shall not sublease or permit the sublease or use of any Unit predominantly outside the United States; and provided further, that any sublease or use shall be consistent with the provisions of § 14 hereof. No such assignment or sublease shall relieve the Lessee of its obligations hereunder which shall be and remain those of principal and not a surety. The Lessee may receive and retain compensation for the use of any Units from railroads or other entities using the same.

Any sublease may provide that the sublessee, so long as it shall not be in default under such sublease, shall be entitled to the possession of the Units included in such sublease and the use thereof; provided, however, that every sublease shall be subject to the rights and remedies of the Agent under the CSA and the Trustee under this Lease in respect of the Units covered by such sublease upon the occurrence of an Event of Default thereunder or hereunder.

The Lessee, at its own expense, will as soon as possible cause to be duly discharged any lien, charge, security interest or other encumbrance (except any sublease as aforesaid and other than an encumbrance resulting from claims against the Trustee, NAC or the Agent not related to the ownership or leasing of the Units or the security title of the Agent to the Units) which may at any time be imposed on or with respect to any Unit, including any accession thereto or the interest of the Trustee, the Agent or the Lessee therein;

except that this covenant will not be breached by reason of liens for taxes, assessments or governmental charges or levies, in each case not due and delinquent, or undetermined or inchoate materialmen's, mechanics', workmen's, repairmen's or other like liens arising in the ordinary course of business and, in each case, not delinquent; and, furthermore, the Lessee shall be under no obligation to discharge any such lien, charge, security interest or encumbrance so long as it is contesting the same in good faith and by appropriate legal proceedings and the failure to discharge the same does not, in the reasonable opinion of the Trustee and the Agent, adversely affect the title, property or rights of the Trustee hereunder or the Agent under the CSA.

Nothing in this § 12 shall be deemed to restrict the right of the Lessee to assign or transfer its leasehold interest under this Lease in the Units or possession of the Units to any corporation or cooperative association incorporated under the laws of any state of the United States or the District of Columbia (which shall have duly assumed the obligations of the Lessee hereunder) into or with which the Lessee shall have become merged or consolidated or which shall have acquired the property of the Lessee as an entirety or substantially as an entirety; provided, however, that such assignee, lessee or transferee will not, upon the effectiveness of such merger, consolidation or acquisition be in default under any provision of this Lease.

§ 13. Renewal Options. The parties hereto contemplate that at the end of the original term of this Lease, the Trustee will hold the Units for re-lease. Prior to the delivery of the Units pursuant to § 2 hereof, the Trustee will enter into an agreement ("Option Agreement") with Tiger Financial Services, Inc. ("Tiger"), pursuant to which the Trustee will grant to Tiger the option to lease all but not fewer than all of the Units for one four-year term commencing at the end of the original term of this Lease on such terms as are set forth in the Option Agreement. Provided that this Lease has not been earlier terminated and the Lessee is not in default hereunder, if Tiger shall fail to exercise its option to lease the Units at the end of the original term of this Lease, the Lessee, by written notice delivered to the Trustee not less than three months prior to the end of the original term of this Lease, may elect to extend the term of this Lease in respect of all but not fewer than all of the Units then covered by this Lease, for one four-year period

commencing on the scheduled expiration of the original term of this Lease. Such extension shall be on the same terms and conditions as are contained in this Lease, except as to the amount of rentals, which shall be at a "Fair Market Rental" (as such term is defined in this § 13), payable monthly in arrears, and except as to applicable Casualty Values, which shall be as agreed upon between the Trustee and the Lessee at the time of such extension.

Fair Market Rental shall be determined on the basis of and shall be equal in amount to the rental which would obtain in an arm's-length transaction between an informed and willing lessee (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 rental but there shall be excluded any rental value attributable to additions, modifications and improvements which the Lessee is entitled to remove pursuant to § 9 hereof; provided, however, that Fair Market Rental shall be determined as provided in the preceding sentences on the basis of the term and other terms and conditions of the lease being considered.

If, after 45 days from the giving of notice by the Lessee of the Lessee's election to extend the term of this Lease, as provided in the first paragraph of this § 13, the Lessee and the Trustee are unable to agree upon a determination of Fair Market Rental, either party to such determination may give written notice to the other requesting determination of such value by this appraisal procedure and the parties shall consult for the purpose of appointing a qualified independent appraiser by mutual agreement. If no such appraiser is so appointed within 20 business days after such notice is given, each party shall appoint an independent appraiser within 25 business days after such notice is given, and the two appraisers so appointed shall within 35 business days after such notice is given appoint a third independent appraiser. If no such third appraiser is appointed within 35 business days after such notice is given, either party may apply, to make such appointment, to the American Arbitration Association, and both parties shall be bound by any appointment so made. Any appraiser or appraisers appointed pursuant to the foregoing procedure shall be instructed to determine the Fair Market Rental of the Units subject to the proposed extended term within 90 days after his or their appointment. If the parties shall have appointed a single

appraiser or if either party shall have failed to appoint an appraiser, the determination of the single appraiser appointed shall be final. If three appraisers shall be appointed, the determination of the appraiser which differs most from the other two appraisers shall be excluded, the remaining two determinations shall be averaged and such latter average shall be final and binding upon the parties hereto. The appraisal proceedings shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association as in effect on the date hereof, except as modified hereby. The provision for this appraisal procedure shall be the exclusive means of determining Fair Market Rental and shall be in lieu of any judicial or other procedure for the determination thereof, and each party hereto hereby consents and agrees not to assert any judicial or other procedures. The expenses of the appraisal procedure shall be borne equally by the Lessee and the Trustee.

§ 14. Return of Units upon Expiration of Lease Term. As soon as practicable on or after the expiration of the original term or any extended term of this Lease with respect to the Units, the Lessee will, at its own cost and expense, at the request of the Trustee, deliver possession of such Units to the Trustee upon such storage tracks as the Trustee may reasonably designate or, in the absence of Trustee's designation, as Lessee may select, and permit the Trustee to store such Units on such tracks for a period not exceeding 60 days and transport the same, at any time within such 60-day period, to any reasonable place as directed by the Trustee, the movement and storage of such Units to be at the expense and risk of the Lessee. During any such storage period the Lessee will permit the Trustee or any person designated by it, including the authorized representative or representatives of any prospective purchaser, lessee or user of such Units, to inspect the same; provided, however, that the Lessee shall not be liable, except in the case of negligence of the Lessee or of its employees or agents, for any injury to, or the death of, any person exercising the rights of inspection granted under this sentence. Each Unit returned to the Trustee pursuant to this § 14 shall be (i) in the same operating order, repair and condition as when originally delivered to the Lessee, ordinary wear and tear excepted, (ii) meet all standards of the Applicable Laws then in effect and (iii) have attached or affixed thereto any special device considered an accession thereto and have removed therefrom any such device not so considered an acces-

sion. The assembling, delivery, storage and transporting of the Units as hereinbefore provided are of the essence of this Lease, and upon application to any court of equity having competent jurisdiction, the Trustee shall be entitled to a decree against the Lessee requiring specific performance of such covenants of the Lessee. All amounts earned in respect of the Units after the date of termination of this Lease shall belong to the Trustee and, if received by the Lessee, shall be promptly turned over to the Trustee. In the event any Unit is not assembled, delivered and stored, as hereinabove provided, within 60 days after such termination, the Lessee shall, in addition, pay to the Trustee for each day thereafter an amount equal to the amount, if any, by which 0.02831% of the Trustee's Purchase Price of such Unit exceeds the actual earnings received by the Trustee on such Unit for each such day.

§ 15. Filing. The Lessee, at its own expense, will cause this Lease, the CSA, the Lease Assignment and the CSA Assignment to be filed with the Interstate Commerce Commission in accordance with 49 U.S.C. § 11303 prior to the delivery and acceptance of any Unit hereunder. The Lessee will undertake the filing required of the Trustee under the CSA and will from time to time perform any other act and will execute, acknowledge, deliver and file (and will refile whenever required) any and all further instruments required by law or reasonably requested by the Trustee or the Agent for the purpose of proper protection, to their satisfaction, of their respective interests in the Units, or for the purpose of carrying out the intention of this Lease, the CSA, the Lease Assignment and the CSA Assignment; and the Lessee will promptly furnish to the Trustee and the Agent evidence of all such filing and an opinion or opinions of counsel for the Lessee with respect thereto satisfactory to the Trustee and the Agent.

§ 16. Interest on Overdue Rentals. The Lessee shall promptly pay, to the extent legally enforceable, interest at a rate per annum equal to 11.35% on any overdue rentals and other obligations due hereunder for the period of time during which they are overdue.

§ 17. Notices. Any notice required or permitted to be given by either party hereto to the other shall be deemed to have been given when mailed, first class, postage prepaid, addressed as follows:

(a) if to the Trustee, at 130 South LaSalle Street,

Chicago, Illinois 60690, attention of Corporate Trust Department; and

(b) if to the Lessee, at P. O. Box 4887, Des Moines, Iowa 50306, attention of R. Patrick Kevlin, with a copy to Wilbur N. Bump, 712 Financial Center, Des Moines, Iowa 50309;

or addressed to either party at such other address as such party shall hereafter furnish to the other party in writing. Copies of each such notice shall be given to the Agent at 135 South LaSalle Street, Chicago, Illinois 60690, attention of Corporate Trust Department, and to Tiger at 222 South Riverside Plaza, Chicago, Illinois 60606, Attention of President.

§ 18. Severability; Effect and Modification of Lease. Any provision of this Lease which is prohibited or unenforceable in any jurisdiction shall be, as to such jurisdiction, ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof. Any such prohibition or unenforceability shall not invalidate or render unenforceable such provision in any other jurisdiction.

Except for the Participation Agreement and the other exhibits thereto, this Lease exclusively and completely states the rights of the Trustee and the Lessee with respect to the leasing of the Units and supersedes all other agreements, oral or written, with respect thereto. No variation or modification of this Lease and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized signatories for the Trustee and the Lessee.

§ 19. Execution. This Lease may be executed in several counterparts, all of which together shall constitute a single instrument, but the counterpart delivered to the Agent pursuant to the Lease Assignment shall be deemed to be the original counterpart. Although for convenience this Lease is dated as of the date first above written, the actual dates of execution hereof by the parties hereto are the dates stated in the acknowledgments hereto annexed.

§ 20. Governing Law. This Lease shall be governed by and construed in accordance with the laws of the State of Illinois; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. § 11303.

§ 21. Term Trustee. Whenever the term Trustee is used in this Lease, it shall apply to the Trustee and any assignee of the Trustee (including the Agent so long as any CSA Indebtedness under the CSA or interest thereon shall remain unpaid or any other obligation thereunder be continuing).

§ 22. Concerning the Trustee. Each and all of the representations, warranties and agreements herein made on the part of the financial institution acting as Trustee hereunder are made and intended not as personal representations, warranties and agreements by said institution or for the purpose or with the intention of binding said institution personally but are made and intended for the purpose of binding only the Trust Estate (as such term is used in the Trust Agreement) and this Lease is executed and delivered by said institution solely in the exercise of the powers expressly conferred upon said institution as trustee under the Trust Agreement, and no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against said institution (except for wilful misconduct or gross negligence) or against the Owner under the Trust Agreement (except under Section 1.03 and the last paragraph of Section 5.01 thereof) or on account of any representation, warranty or agreement herein of the Trustee or the Owner, either expressed or implied, all such personal liability (except as aforesaid and as provided in the last paragraph of Article 12 of the CSA), if any, being expressly waived and released by the Lessee and by all persons claiming by, through or under the Lessee; provided, however, that the Lessee and any person claiming by, through or under the Lessee may look to the Trust Estate for satisfaction of the same.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by duly authorized officers as of the date first above written.

AMERICAN GRAIN AND RELATED
INDUSTRIES (A FARMER-OWNED
COOPERATIVE),

by

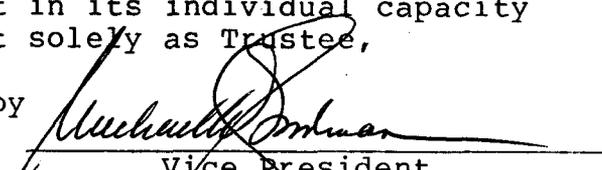
Vice President

Attest:

Secretary

EXCHANGE NATIONAL BANK OF CHICAGO,
not in its individual capacity
but solely as Trustee,

by



Vice President

[Seal]

Attest:



Assistant Trust Officer

STATE OF IOWA,)
) ss.:
COUNTY OF POLK,)

On this day of November 1979, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is a of AMERICAN GRAIN AND RELATED INDUSTRIES (A FARMER-OWNED COOPERATIVE), an Iowa cooperative association, that said cooperative association has no seal, that said instrument was signed on behalf of said cooperative association by authority of its By-laws and resolution of its board of directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said cooperative association.

Notary Public

[Notarial Seal]

My Commission expires

STATE OF ILLINOIS,)
) ss.:
COUNTY OF COOK,)

On this the ¹⁶ day of November 1979, before me personally appeared **MICHAEL D. GOODMAN**, to me personally known, who, being by me duly sworn, says that he is ^{Vice President} of EXCHANGE NATIONAL BANK OF CHICAGO, a national banking association, that the seal affixed to the foregoing instrument is the seal of said national banking association, that said instrument was signed and sealed on behalf of said national banking association by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national banking association.

Christine Tappan
Notary Public

[Notarial Seal]

My Commission expires 1/28/83

SCHEDULE 1 TO LEASE

<u>Type</u>	<u>AAR Mechanical Designation</u>	<u>Quantity</u>	<u>Lessee's Road Numbers (Both Inclusive)</u>
4,750 cu. ft. covered hopper cars	LO	125	NAHX 481525- NAHX 481649

SCHEDULE 2 TO LEASE
CASUALTY VALUES

<u>Casualty Payment Date</u>	<u>Percentage of Trustee's Purchase Price</u>	<u>Casualty Payment Date</u>	<u>Percentage of Trustee's Purchase Price</u>
1	107.697	41	97.666
2	109.121	42	97.396
3	109.261	43	97.118
4	109.401	44	96.833
5	109.498	45	96.543
6	109.536	46	96.249
7	109.555	47	95.947
8	109.508	48	95.637
9	109.404	49	95.323
10	109.298	50	95.297
11	109.170	51	94.966
12	109.021	52	94.632
13	108.870	53	94.298
14	109.245	54	93.958
15	109.051	55	93.610
16	108.854	56	93.257
17	108.681	57	92.899
18	108.518	58	92.537
19	108.345	59	92.168
20	108.186	60	91.790
21	108.039	61	84.452
22	107.890	62	84.282
23	107.730	63	83.885
24	107.560	64	83.485
25	107.389	65	83.083
26	107.650	66	82.677
27	107.457	67	82.264
28	107.263	68	81.846
29	107.070	69	81.424
30	106.871	70	80.998
31	106.663	71	80.565
32	106.449	72	80.124
33	106.229	73	79.680
34	106.008	74	79.368
35	105.776	75	78.909
36	105.536	76	78.446
37	98.336	77	77.982
38	98.455	78	77.513
39	98.194	79	77.039
40	97.930	80	76.560

<u>Casualty Payment Date</u>	<u>Percentage of Trustee's Purchase Price</u>	<u>Casualty Payment Date</u>	<u>Percentage of Trustee's Purchase Price</u>
81	76.078	121	46.067
82	75.592	122	45.208
83	75.099	123	44.549
84	74.600	124	43.885
85	67.139	125	43.218
86	66.687	126	42.551
87	66.170	127	41.881
88	65.649	128	41.212
89	65.126	129	40.542
90	64.600	130	39.867
91	64.068	131	39.189
92	63.534	132	38.508
93	62.996	133	37.821
94	62.454	134	36.832
95	61.906	135	36.139
96	61.353	136	35.439
97	60.794	137	34.737
98	60.204	138	34.036
99	59.635	139	33.333
100	59.060	140	32.632
101	58.483	141	31.932
102	57.904	142	31.226
103	57.321	143	30.518
104	56.736	144	29.780
105	56.148		
106	55.555		
107	54.958		
108	54.356		
109	53.749		
110	53.023		
111	52.406		
112	51.783		
113	51.158		
114	50.532		
115	49.902		
116	49.272		
117	48.640		
118	48.003		
119	47.362		
120	46.717		

SCHEDULE 3 TO LEASE

Certificate of Acceptance

To: Pullman Incorporated (Pullman Standard Division)
200 South Michigan Avenue
Chicago, Illinois 60604

Exchange National Bank of Chicago,
acting as Trustee ("Trustee")
130 South LaSalle Street
Chicago, Illinois 60690

North American Car Corporation ("NAC")
222 South Riverside Plaza
Chicago, Illinois 60606

I, the authorized representative for the Trustee, American Grain and Related Industries (A Farmer-Owned Cooperative) ("Lessee") and NAC under the Conditional Sale Agreement ("CSA") and the Lease of Railroad Equipment, both dated as of November 1, 1979, do hereby certify that I inspected thereunder the following Units of Equipment:

TYPE OF EQUIPMENT: Covered Hopper Cars, 4750 cu. ft.
NUMBER OF UNITS:
ROAD NUMBERS:

I do further certify that each of the foregoing Units is in good order and condition and appears to conform to the specifications, requirements and standards applicable thereto as provided in Article 2 of the CSA and that each has been marked on each side of each such Unit, in letters not less than one inch in height, with the words "OWNERSHIP SUBJECT TO A SECURITY AGREEMENT FILED WITH THE INTERSTATE COMMERCE COMMISSION".

I hereby certify that I accept delivery of the foregoing Units on behalf of the Trustee, the Lessee and NAC.

Date _____

Authorized Representative of
Trustee, Lessee and NAC