

C. W. "BUD" HOGBERG

835 AMIGOS WAY, NO. 5, NEWPORT BEACH, CA. 92660
(714) 759-1540

REGISTRATION NO. 15665-A FEE \$13

JUN 7 1988 10 25 AM

INTERSTATE COMMERCE COMMISSION

June 2, 1988

Ms. Mildred Lee
Interstate Commerce Commission
12th and Constitutional Ave. N.W. Room 2303
Washington D.C. 20404

Date 6/7/88
Fee \$ 13
ICC Washington, D. C.

Dear Ms. Lee

Thank you for calling this morning regarding the registration of my Refrigerated Rail car.

As you have requested, I have enclosed the original of the Lease/Management agreement of the car with JDI, and one certified copy which has been notarized.

I have also included my check for \$13.00 for the registration fee.

Thank you, again, for your help. *Record No 15665*

Cordially

C. W. Hogberg
C. W. Hogberg

Interstate Commerce Commission
Washington, D.C. 20423

6/14/88

OFFICE OF THE SECRETARY

C.W. Hogberg
835 Amigos Way No.5
Newport Beach, CA. 92660

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 6/7/88 at 10:55am, and assigned recordation number(s). 15665-A

Sincerely yours,

Narita L. McGee

Secretary

Enclosure(s)

LEASE AGREEMENT

REGISTRATION NO. 15665-A
FIND 1988

JUN 7 1988 10 44 AM

INTERSTATE COMMERCE COMMISSION

THIS AGREEMENT entered into this First day of July, 1983, by and between J.D.I., INC., a South Carolina Corporation, having its principal office in Aiken, South Carolina, (hereinafter called "LESSEE") and C.W. HOGBERG,

(hereinafter called "LESSOR"), of Irvine, California 92714

C. W. "Bud" Hogberg
835 Amigos way #5
Newport Beach, CA 92660

[Handwritten signatures and initials]

1. SALE AND DELIVERY: The LESSOR hereby agrees to lease and the LESSEE hereby agrees to lease from the LESSOR and to be responsible for accepting delivery at the location on the above date and to pay therefore as hereinafter set forth, the following described railroad equipment:

One railroad refrigerated car, Class R-70-19, built by Pacific Car Foundry currently bearing a mark or number as follows:

#1069

2. LEASE RENTAL: The lease rental price for the car will be Five Hundred and No/100 (\$500.00) Dollars per month, payable quarterly within thirty (30) days of the close of each quarter, commencing upon the date of this Lease Agreement.

3. DELIVERY POINT: The car will be considered delivered by LESSOR at its location on the above date and it will be the responsibility of LESSEE to move the car from that point at LESSEE'S expense.

4. TITLE TO THE EQUIPMENT: The LESSOR shall, and hereby does retain full legal title to, and property in, said equipment.

5. ADDITIONS AND BETTERMENTS: In the event that LESSEE shall make additions or betterments to the car, such additions and betterments shall become part of said car and covered by said title to the equipment. Any such additions and betterments shall be at the full expense of the LESSEE and shall not require reimbursement by the LESSOR.

6. POSSESSION: During the continuance of this Agreement, LESSEE, so long as it shall not be in default hereunder, and subject to all the terms and conditions of this Agreement, shall be entitled to possession of the equipment and the use thereof in the usual interchange of traffic.

7. EXPENSES AND TAXES: All payments to be made by the LESSEE hereunder shall be free of expenses to the LESSOR for collection or other charges, and of the amount of any municipal, state or federal taxes, (other than municipal, state, or federal income taxes, surtaxes and excess profits taxes), hereafter levied or imposed directly upon this Agreement and any sale, use, payment, shipment or delivery under the terms hereof, all of which expenses and taxes the LESSEE assumes and agrees to pay in addition to the above mentioned Lease Rental Price of said equipment. The LESSEE shall also pay promptly all taxes and assessments which may be imposed upon the equipment or for the use thereof, or upon the earnings arising therefrom or the operation thereof, or upon the LESSOR by reason of its ownership thereof, by any jurisdiction in which the equipment is operated by the LESSEE, and agrees to keep at all times all and every part of the equipment free and clear of all taxes, assessments, liens and encumbrances.

8. MONTHLY MAINTENANCE: This Agreement shall continue in full force and effect irrespective of damage to any unit of

equipment, (subject however, to the provisions of Section 12 hereof); and LESSEE agrees that during the continuance of this Agreement it will, at its own cost and expense, maintain and keep the equipment in as good order and repair as when delivered to it under this Agreement, ordinary wear and tear expected.

9. COMPLIANCE WITH LAWS, RULES AND REGULATIONS: The LESSEE covenants that the equipment will at all times be maintained, used and operated under and in compliance with all laws and regulations in any jurisdiction to which the equipment may be subject with all acts of Congress and with the laws of the United States and of the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over any of the equipment insofar as such acts, laws, and rules apply to or affect the equipment or the operation thereof; and in the event that said laws or rules require the alteration of any of the equipment, the LESSEE agrees to conform therewith, at its expense, and to maintain the same in proper condition for operation under such laws and rules during the life of this Agreement; provided, however, that the LESSEE may in good faith contest in any reasonable manner the application of any such law or rule which does not, in the judgment of LESSOR, affect the LESSOR'S title in and to the equipment.

10. EQUIPMENT OUT OF SERVICE: In the event that any unit of equipment shall be lost, destroyed, damaged beyond repair, worn out, or found to be permanently unfit for the purpose acquired, LESSEE shall as soon as possible and in any event not later than forty (40) days after such damage, loss, destruction, wearing out, or finding of permanent unfitness, deliver to LESSOR a certificate describing such unit of

equipment and setting forth the date of such damage, loss, destruction, wearing out, or finding of permanent unfitness.

When any unit of equipment shall be lost, destroyed, damaged beyond repair, worn out, or found to be permanently unfit for the purpose acquired, LESSEE shall pay to LESSOR on the tenth (10th) day of the next month after said event, any unpaid balance due under this Agreement on said unit of equipment.

11. INSURANCE: LESSEE shall at all times during the continuance of this Agreement, at the expense of LESSEE, keep the equipment insured against loss or damage, in amounts not less than the replacement value of the equipment.

12. INDEMNITIES: The LESSEE hereby covenants and agrees to save, indemnify, and keep harmless the LESSOR from and against all losses, damages, injuries, claims and demands whatsoever, regardless of the cause thereof, arising on account of the use or operation of the car during the life of this Agreement, except as herein provided. With respect to such losses, damages, injuries, claims and demands, said covenants of indemnity shall continue in full force and effect during the term of this Lease Agreement.

The LESSEE will bear the risk and shall not be released from its obligations hereunder in the event of any damage to or the destruction or loss of any or all of the cars.

13. ASSIGNMENTS BY THE LESSEE: Under this Agreement and with respect to any individual unit or units of equipment covered hereby, LESSEE shall have the right to lease or otherwise assign its financial interest to others, but in so doing will not evade, transfer, assign, or in any other way avoid or escape any of the LESSEE'S obligations hereunder which shall continue in full force and effect during the term of

this Lease Agreement for said unit or units of equipment. In addition, any third party to whom LESSEE has so assigned or otherwise conveyed or transferred his financial interests shall be similarly bound, obligated, and covered the same as the LESSEE.

14. APPLICABLE STATE LAWS: Any provision of this Agreement prohibited by any applicable law of any state, or which by any applicable law of any state would convert this Agreement into any instrument other than a Lease Agreement, shall as to such state be ineffective without modifying the remaining provisions of this Agreement. Where, however, the conflicting provisions of any applicable state law may be waived, they are hereby waived by the LESSEE to the full extent permitted by law, to the end that this Agreement shall be deemed to be a Lease Agreement and enforced as such as provided herein.

15. MODIFICATION OF AGREEMENT: This Lease Agreement, together with the specifications hereinabove referred to, constitutes the entire agreement between the LESSEE and the LESSOR with respect to the leasing of the equipment. No variation or modification of this Agreement, and no waiver of any of its provisions or conditions, shall be valid unless in writing and signed by the LESSOR and the LESSEE.

16. PAYMENTS AND NOTICES: All payments provided for in this Lease Agreement shall be made in current funds at the place of payment, which shall be the place specified in the next paragraph hereof, unless LESSOR shall otherwise advise LESSEE in writing.

Any notice required or permitted to be given to the LESSOR shall be deemed to have been given when deposited in the United States mails, first class postage prepaid, addressed as follows:

C. W. Hogberg

C. W. "Bud" Hogberg
835 Amigos way #5
Newport Beach, CA 92660

~~#8~~

~~ST 11/11/83~~

Any notice required or permitted to be given to LESSEE shall be deemed to have been given when deposited in the United States mails, first class postage prepaid, addressed as follows:

J.D.I., Inc.
P.O. Box 2728
Aiken, South Carolina 29801

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed in their respective names.

Attest:

[Handwritten signature]

[Handwritten signature]
LESSOR

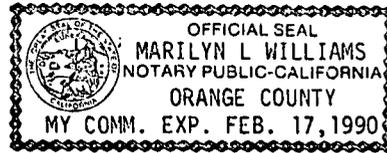
7/1/83

Attest:

[Handwritten signature]

J.D.I., Inc.
BY: *[Handwritten signature]*
LESSEE ROBERT G. LUCAS

I Certify this is a
True Copy
[Handwritten signature]



[Handwritten signature]
6/2/88