

# Signature

Industries Corp.  
Leasing and Financial Services

240 East Lake Street,  
Addison, Illinois 60101

312/941-7579

RECORDATION NO. **14561** FORM 1426

JAN 28 1985 - 1 22 PM

INTERSTATE COMMERCE COMMISSION

January 21, 1985

Mrs. Mildred Lee  
Interstate Commerce Commission  
Recordation Dept., Room 2303  
12th and Constitution  
Washington, D.C. 20423

Dear Mrs. Lee:

As indicated by the attached "Participation Agreement," Signature Industries Corp. arranged the lease of five (4) railroad cars by and between Temco Corporation and The Quaker Oats Company.

The parties to the lease now wish to perfect their respective interests by recording the lease with the ICC.

Attached is a notarized original and a copy of the Lease Agreement. Also attached is a check in the amount of \$10 to cover the recording fee.

Please return the original lease to me after the recording is completed.

Sincerely,

SIGNATURE INDUSTRIES CORP.

  
Robert F. Mack

RM/sj

Enclosures

LESSOR'S  
COPY

EQUIPMENT LEASE AGREEMENT

14561  
REGISTRATION NO. 14561

JAN 28 1985 - 1 22 PM

INTERSTATE COMMERCE COMMISSION

THIS EQUIPMENT LEASE AGREEMENT, hereinafter referred to as "Lease", is by and between Temco Corporation, 47 West Dundee Road, Wheeling, Illinois 60090, an Illinois corporation, hereinafter referred to as "Lessor", and The Quaker Oats Company, Merchandise Mart Plaza, Chicago, Illinois 60654, a New Jersey corporation, hereinafter referred to as "Lessee";

W I T N E S S E T H :

I. LEASING: In consideration of the covenants herein contained, Lessor agrees to lease and Lessee agrees to hire from Lessor such unit or units of equipment, hereinafter referred to as "Unit", described in the Equipment Lease Schedule or Schedules, hereinafter referred to as "Schedule", to be attached hereto and to become a part hereof as same are executed from time to time by the parties hereto.

II. TERM, RENT, AND PAYMENT:

(a) The lease of and rent for each Unit shall commence on the day specified in the Schedule pertaining thereto and shall continue for the period specified as the "term" in said Schedule. If any such term be extended, the word "term" or "period" as used in this Lease, shall be deemed to refer to the extended term, and all provisions of this Lease shall apply during and until the expiration of said extended period, except as may otherwise specifically provided in this Lease or in any subsequent written agreement of the parties.

(b) The rental for each Unit shall be in the amount set forth in the Schedule and shall be payable in arrears at the times set forth in the Schedule.

(c) Rent shall be payable to the First National Bank of Des Plaines, hereinafter referred to as "Assignee" at its office at 701 Lee Street, Des Plaines, Illinois 60018. Lessee's obligation to pay all rent payable under this Lease shall be absolute and unconditional and shall not be affected by any counterclaim, recoupment, defense or other right which Lessee may now or hereafter have against Lessor or the Assignee of Lessor.

(d) This Lease is a net lease and the Lessee acknowledges that the Lessee's obligation to pay all obligations hereunder, including but not limited to any rental installments or other sums to be paid hereunder, shall be absolute and unconditional.

DUPLICATE COUNTERPART, THE ORIGINAL COUNTERPART HAS BEEN ASSIGNED TO AND IS IN THE POSSESSION OF THE FIRST NATIONAL BANK OF DES PLAINES, 701 LEE STREET, DES PLAINES, IL 60018

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(d) This Lease is a net lease and the Lessee acknowledges that the Lessee's obligation to pay all obligations hereunder, including but not limited to any rental installments or other sums to be paid hereunder, shall be absolute and unconditional.

Lessee's obligations shall not be subject to any abatement, reduction, set-off, defense, counterclaim or recoupment, hereinafter referred to as "abatements" whatsoever, including, without limitation, abatements due to any present or future claims under this Lease or otherwise of the Lessee against the Lessor, or any assignee of the Lessor, or against the manufacturer or seller of any Unit or against any other person or entity. Except as otherwise expressly provided herein, this Lease shall not terminate, nor shall the respective obligations of the Lessor or Lessee be affected, by reason of any defect in or damage to, or any loss or destruction of any Unit thereof from whatsoever cause, or the interference with the use thereof by any private person, corporation or governmental authority, or as a result of any war, riot, insurrection or Act of God, or the invalidity or unenforceability or lack of due authorization of this Lease or lack of right, power or authority of the Lessor to enter into this Lease, or for any other cause, whether similar or dissimilar to the foregoing, any present or future regulation to the contrary notwithstanding. It is the express intention of the Lessor and the Lessee that all rent payable by the Lessee hereunder shall be, and continue to be, payable in all events unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease.

### III. REPORTS:

(a) Upon demand, Lessee will advise Lessor where each Unit is located and permit Lessor to examine each Unit.

(b) Without demand, Lessee will (1) within a reasonable time, notify Lessor of each accident arising out of the alleged or apparent improper manufacturing, functioning or operation of any Unit, the time, place and nature of the accident and damage, the names and addresses of parties involved, persons injured, and such other information as may be known, and, within a reasonable time, notify Lessor of all correspondence, papers, notices and documents received by Lessee in connection with any claim or demand involving or relating to improper manufacturing, operation of functioning of any Units or charging Lessor with liability, and together with Lessee's employees', aid in the investigation and defense of all such claims and shall aid in the recovery of damages from third parties liable therefor; and (2) notify Lessor in writing, within thirty (30) days after any day on which any tax lien attaches to any Unit, of the location of such Unit, on such day.

### IV. DISCLAIMER OF WARRANTIES; COMPLIANCE WITH LAWS AND RULES; USE; TAXES; MAINTENANCE; INDEMNIFICATION:

(a) The Lessor makes 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 Lessee hereunder, and the Lessor makes no war-

ranty of merchantability or fitness of the Units for any particular purpose or as to title to the Units or any component thereof, or any other representation or warranty, express or implied, with respect to any Unit, either upon delivery thereof to Lessee or otherwise, it being agreed that all such risks, as between the Lessor and the Lessee are to be borne by the Lessee. The Lessor 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 thereto; (iii) any interruption of service, loss of business or anticipated profits or consequential damages or (iv) the delivery, operation, servicing, maintenance, repair, improvement or replacement of any Units.

(b) The Lessee agrees, for the benefit of the Lessor to comply in all respects (including without limitation, with respect to the use, maintenance and operation of each Unit) with all laws of the jurisdictions in which its operations involving the Units may extend, with the interchange rules of the Association of American Railroads and with all rules of the Department of Transportation, the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Units, to the extent that such laws and rules affect the title, operation or use of the Units, and in the event that prior to the expiration of this Lease or any renewal hereof, such laws or rules require any alteration, replacement or addition of or to any part on any Unit, the Lessee will conform therewith at its own expense and title to any additions or improvements so made shall thereupon vest in the Lessor; provided, however, that the Lessee may at its own expense, in good faith, contest the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of the Lessor, adversely affect the property of the Lessor under this Lease.

(c) Lessee shall have no liability whatsoever for taxes imposed by the United States of America or any state or political subdivision thereof, or any foreign government, which are based solely upon or measured by the net income of the Lessor.

(d) Lessee shall report, file and pay promptly any and all taxes, as hereinafter defined, and shall indemnify and hold Lessor harmless with respect to taxes. The term "Taxes" as used herein shall mean all taxes, fees and assessments due, assessed levied by any foreign, federal, state or local government or taxing authority during or relating to the Term of any Schedule hereof, including without limitation all license, permit, registration fees, sales, use,

ad valorem, personal property, privilege, excise, gross receipts, franchise, stamp or other taxes, duties and charges, together with any penalties, fines or interest thereon, which are imposed against or upon the Units, their purchase, ownership, leasing, possession, use or operation, or the rentals or receipts due under this Lease and Schedules. Lessee will, upon request by Lessor, submit to the Lessor written evidence of the Lessee's payment of all Taxes due hereunder.

(e) The Lessee agrees that, at its own cost and expense, it will maintain and keep each Unit (including any parts installed on or replacements made to any Unit and considered an accession thereto as hereinbelow provided) which is subject to this Lease in good operating order, repair and condition.

(f) Any and all additions to any Unit (except equipment or devices which have been added to such Unit by the Lessee which are not required for the operation or use of such Unit by the Interstate Commerce Commission, the Department of Transportation or any other applicable regulatory body and which may be readily removed from such Unit without materially damaging such Unit or the value thereof) and any and all parts installed on and additions and replacements made to any Unit shall constitute accessions to such Unit and, at the cost and expense of the Lessee, full ownership thereof free from any lien, charge, security interest or encumbrance shall immediately be vested in the Lessor. The Lessee shall not permit any special device or assembly to be attached or affixed to any Unit which may not be readily removed from such Unit without materially impairing such Unit or the value thereof unless such special device or assembly is to be considered an accession to such Unit and Lessee has secured the prior written consent of the Lessor thereto.

(g) The Lessee agrees to indemnify, protect and hold harmless the Lessor from and against all losses, damages, injuries, liabilities, claims and demands whatsoever, regardless of the cause thereof, except as a result of acts or omissions on the part of the Lessor, and expenses in connection therewith, including, but not limited to, counsel fees and expenses, penalties and interest, but not patent liabilities of Lessor, arising out of or as a result of the entering into or the performance of or the occurrence of a default or an Event of Default under this Lease, the ownership of any Unit, the ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage or return of any Unit or any accident in connection with the operation, use, condition, possession, storage or return of any such Unit resulting in damage to property or injury or death to any person. The indemnities arising under this paragraph shall continue in full force and effect notwithstanding the full payment of all obligations under this Lease or the expiration or termination of this Lease.

(h) The Lessee agrees to prepare and deliver to the Lessor within a reasonable time prior to the required date of filing (or, to the extent permissible, file on behalf of the Lessor) any and all reports (other than income tax returns) to be filed

by the Lessor with any federal, state or other regulatory authority by reason of the ownership by the Lessor of the Units or the leasing thereof to the Lessee.

(i) Lessee acknowledges and agrees (1) that each Unit is of a size, design, capacity and manufacture selected by Lessee, (2) that Lessee is satisfied that the same is suitable for its purposes, (3) that Lessor is not a manufacturer thereof, and (4) that Lessor has not made, and does not hereby make, any representations or warranty or covenant with respect to the merchantability, condition, quality, durability or suitability of any such Unit in any respect or in connection with or for the purposes and uses of the Lessee, or any other representation or warranty or covenant of any kind or character, express or implied, with respect thereto. Lessee agrees that Lessor shall not be liable to the Lessee for any liability, claim, loss, damage or expense of any kind or nature caused, directly or indirectly, by any Unit or any inadequacy thereof for any purpose, or any deficiency or defect therein, or the use or maintenance thereof, or any repairs, servicing or adjustments thereto, or any delay in providing or failure to provide any thereof, or any interruption or loss of service or use thereof, or any loss of business, or any damage whatsoever and howsoever caused, except for acts or omissions of Lessor.

(j) Lessor hereby assigns to Lessee and agrees to cooperate with Lessee in enforcing, for and during the term of this Lease, any applicable factory warranty, express or implied, issued on or applicable to each Unit, and hereby authorizes Lessee during the term of this Lease to obtain the customary service furnished in connection therewith by the manufacturer at Lessee's expense.

(k) Lessee hereby assumes liability for, and hereby agrees to indemnify, protect, save and keep harmless the Lessor, except for acts or omissions of Lessor, its Assignee, successors or transferees and their respective employees, officers and/or agents, herein "indemnified persons", from and against any and all liabilities, obligations, losses, damages, penalties, injuries, claims, actions, suits, costs, expenses and disbursements, including legal expenses, of any kind and nature imposed on incurred by or asserted against the indemnified persons arising out of leasing, ownership, use and operation of the Units during this Lease and the transportation of Units for initial use and any other matter connected therewith, including but not limited to, latent and other defects, whether or not discovered by Lessor or Lessee. All indemnities and warranties contained in any section of this Lease, including this Section IV, shall continue in full force and effect notwithstanding the expiration or other termination of this Lease or any Schedule and are made expressly for the benefit of, and shall be enforceable by any or all of the indemnified persons.

(l) Lessee assumes all risks and liability for each Unit leased hereunder and for the use, operation, and storage thereof, and for injuries or deaths of persons and damage to property,

howsoever arising from or incident to such use, operation or storage, whether such injury or death to persons be of agents or employees of Lessee or of third parties, and such damage to property be of Lessee or of others. Lessee will save and hold Lessor harmless from all losses, damage, claims, liabilities and expenses, including attorneys' fees, howsoever arising or incurred, except as a result of acts or omissions of Lessor, because of or incident to any Unit or the use; operation or storage or alleged use, operation or storage thereof.

V. INSURANCE: At its own expense and for the entire term of this Lease, Lessee shall maintain insurance on each Unit as specified in the Schedule pertaining thereto for the actual value of such Unit and in no event for less than the "stipulated loss value" specified in such Schedule, and will maintain public liability and property damage insurance with respect to each Unit.

(a) The insurance policy (or insurance provisions if Lessee elects to self insure) shall designate Lessor and its Assignee as additional loss payees as their interests shall from time to time appear; and the insurance policy shall provide that the terms and conditions may not be cancelled or materially altered without thirty (30) days notice to the Lessor and its Assignee.

(b) In no event shall Lessor be required either to  
(1) ascertain the existence of or examine any insurance policy or  
(2) advise Lessee in the event such insurance coverage shall not comply with the requirements of this Lease.

VI. DAMAGE; LOSS OR DESTRUCTION: Lessee hereby assumes the entire risk of loss, damage or destruction with respect to each Unit resulting from any cause whatsoever. In the event any Unit is physically damaged to a material extent by any occurrence whatsoever, the Lessee shall promptly notify the Lessor and shall determine within 60 days after such notice whether such Unit can be repaired. If the Unit can be repaired, then Lessee shall effect same at its own cost and expense.

(a) In the event any Unit shall become damaged beyond repair or destroyed, lost, stolen or permanently rendered unfit or in the event of condemnation or requisition of title or use of any Unit by any governmental authority, then Lessee shall promptly notify the Lessor of the same and shall do either of the following within 60 days after the occurrence: (1) at its expense, promptly replace the affected Unit with a like Unit acceptable to the Lessor, in good condition and having a fair market value equal to that of the replaced Unit prior to its being so affected, free and clear of any liens; any such replacement Unit shall be the property of the

Lessor and for the purpose of this Lease be deemed to be the Unit which it replaced; or (2) terminate the Lease with respect to the affected Unit and pay to the Lessor an amount not less than the "stipulated loss value" specified in the Schedule pertaining to such Unit.

(b) In the event that the Lessee shall have complied with the provisions of this Section VI. of the Lease, then the Lessor or its assignee shall remit any insurance proceeds which it shall have received as a result of any loss to the Lessee.

VII. RETURN OF EQUIPMENT: Lessee agrees, by acceptance of each Unit, that such Unit is in good operating order, repair, condition and appearance. At the expiration or sooner termination of the term pertaining thereto, Lessee will return each Unit to Lessor free of all advertising or insignia placed thereon by Lessee and in the same operating order, repair, condition and appearance as when received, excepting only for reasonable wear and tear and damage by any cause covered by collectible insurance, and will pay for any repairs necessary to restore such Unit to its original condition, except as aforesaid. Lessee will return each Unit to Lessor in the same city in which Lessee first received the same or, if Lessor shall so request, the same freight collect as directed by Lessor.

VIII. DEFAULT: (a) If, during the continuance of this Lease or any Schedule or supplement hereto hereinafter collectively referred to as "Lease", one or more of the following events, hereinafter called "Events of Default" shall occur: (1) Default shall be made by Lessee in the making of any payments to Lessor when due under this Lease and such default shall continue for ten (10) days after the receipt by Lessee of written notice of such default: (2) Default shall be made by Lessee at any time in the procurement or maintenance of any insurance coverage prescribed herein and shall continue for thirty (30) days: (3) Default shall be made in the observance or performance of any other of the covenants, conditions, agreements or warranties on the part of the Lessee contained herein and such default shall continue for thirty (30) days after written notice from Lessor to Lessee specifying the default: (4) If any representation or warranty of Lessee contained in this Lease shall prove to be untrue or incorrect in any material respect and shall continue for more than thirty (30) days: (5) Lessee shall consent to the appointment of a receiver or liquidator of itself or a substantial part of its property, or shall admit in writing its insolvency or bankruptcy or its inability to pay its debts generally as they come due, or shall make a general assignment for the benefit of creditors, or shall file a petition in bankruptcy, or a petition or an answer seeking reorganization in a proceeding under any bankruptcy laws (now or hereafter in effect) or a readjustment of its indebtedness or an answer admitting the material allegations of a petition filed against the Lessee in any such proceedings, or shall by petition, answer or con-

sent, seek relief under the provisions of any bankruptcy or other similar law, or an agreement, composition, extension or adjustment with its creditors; (6) An order, judgement or decree shall be entered by any court of competent jurisdiction appointing, without the consent of the Lessee, a trustee or liquidator of the Lessee or of any substantial part of its property, or any substantial part of the property of the Lessee shall be sequestered, and any such order, judgement or decree of appointment or sequestration shall remain in force undismitted, unstayed or unvacated for a period of ninety (90) days after the date of entry thereof; (7) A petition against the Lessee in a proceeding under the bankruptcy laws or other insolvency laws (as now or hereafter in effect) shall be filed, and any decree or other order adjudging the Lessee a bankrupt or insolvent in such proceeding shall remain in force undismitted or unstayed for a period of ninety (90) days after such adjudication or, in case the approval of such petition by a court of competent jurisdiction is required, the petition as filed or amended shall be approved by such a court as filed and such approval shall not be withdrawn or the proceeding dismissed within ninety (90) days thereafter, or if, under the provision of any law providing for reorganization or winding-up of corporations which may apply to the Lessee, any court of competent jurisdiction shall assume jurisdiction, custody or control of the Lessee or of any substantial part of its property and such jurisdiction, custody or control shall remain in force unrelinquished, unstayed or unterminated for a period of ninety (90) days;

(b) Then in any such case, after the occurrence of such Event of Default, and while such Event of Default shall be continuing, Lessor at its option may do any or all of the following: (1) proceed by appropriate court action or actions either at law or in equity to enforce performance by Lessee of the applicable covenants and terms of this Lease or to recover from Lessee, any and all damages or expenses including reasonable attorney's fees, which Lessor shall have sustained by reason of Lessee's default in any covenant or covenants of this Lease or on account of Lessor's enforcement of its remedies hereunder, (2) terminate Lessee's rights under this Lease and (3) take possession of all of the Units leased hereunder and thereupon Lessee's right to the possession thereof shall terminate. In the event of any such re-possession, Lessor shall either (i) lease the Units or any portion thereof for such period and rental, and to such persons as Lessor shall elect or (ii) sell the Units or any portion thereof at public or private sale and without demand or notice of intention to sell or of sale or presence of the same at the place of sale. If any Unit is sold, leased or otherwise disposed of pursuant to this Paragraph VIII. (b), Lessee shall be liable to Lessor for and Lessor may recover from Lessee, as liquidated damages for the breach of this Lease, but not as a penalty, and as reasonable rent for the use of such Unit the amount by which the proceeds of such lease, sale or other disposition, less expenses for retaking, storage, repairing and lease, sale or other disposition, and reasonable attorneys' fees incurred by Lessor is less than the sum of (i) all past due, unpaid rent for such Unit,

(ii) The "stipulated loss value" as of the day of repossession by Lessor, (iii) other amounts payable hereunder by Lessee with respect to such Unit, (iv) all costs, expenses, losses and damages incurred or sustained by Lessor by reason of such default; and (v) interest at the legal rate on each of the foregoing and on all sums not paid when due under any provision of this Lease. If, on the date of such termination or repossession any Unit be damaged, lost or stolen or destroyed, or be subject to any levy, seizure, assignment, application or sale for or by any creditor or governmental agency, Lessee shall also remain liable for the "stipulated loss value" pertaining to such Unit, less the amount of any insurance recovery received by Lessor in connection therewith.

(c) No right or remedy conferred upon or reserved to Lessor by this Lease shall be exclusive of any other right herein or by law provided; all rights and remedies of Lessor conferred upon Lessor by this Lease or by law shall be cumulative and in addition to every other right and remedy available to Lessor.

(d) In the event of any default, Lessee will pay to Lessor a reasonable sum as and for attorney's fees, such costs and expenses as shall have been expended or incurred by Lessor in the enforcement of any right or privilege hereunder, and interest at the legal rate on each of the foregoing and on all sums not paid when due under any provision of this Lease.

(e) Should Lessor be in default hereof as to any one Unit, Lessee may not because of such default terminate the Lease in connection to any other Unit leased hereunder.

IX. ASSIGNMENT BY LESSOR: The parties hereby acknowledge that Lessor intends to assign the Lease and all Schedules to a financial institution. Lessee acknowledges and understands that the terms and conditions of this Lease have been fixed by the Lessor in anticipation of its being able to assign its interest under this Lease and in and to the Units leased hereunder to a bank or other lending institution or to others having an interest in the leased Units or this transaction, all or some of which will rely upon and be entitled to the benefit of the provisions of this paragraph; and Lessee agrees with Lessor and with such bank or other lending institution and/or otherparty (for whose benefit this covenant is expressly made) and in consideration of the provisions hereof, as follows: (1) to recognize any such assignment, (2) to accept the directions or demands of such assignee in place of those of the Lessor, (3) to surrender any leased property only to such assignee, (4) to pay all rent payable hereunder and to do any and all things required of Lessee hereunder and not to terminate this Lease, notwithstanding any default by Lessor or to the existence of any offset as between Lessor and Lessee or the existence of any liability or obligation of any kind or character on the part of Lessor to Lessee whether or not arising hereunder, and (5) not to require

any assignee of this Lease to perform any duty, covenant or condition required to be performed by Lessor under the terms of this Lease, all rights of Lessee in any such connection aforesaid being hereby waived as to any and all of such assignees. However, nothing hereinbefore contained shall relieve Lessor from its obligations to Lessee hereunder.

X. QUIET POSSESSION: Lessor covenants that it is the lawful owner of the Units leased hereunder and that conditioned upon the Lessee performing the conditions hereof, Lessee shall peaceably and quietly hold, possess and use such Units during the term of this Lease.

XI. OPTIONS: Options of Lessor and Lessee shall be those appearing in the pertinent Schedule.

XII. APPLICABLE LAW: The Lessee hereby agrees that the provisions of this Lease and all the rights and obligations hereunder shall be governed and construed in accordance with the laws of the State of Illinois.

XIII. REPRESENTATIONS AND WARRANTIES OF LESSEE:

(a) To induce Lessor to enter into this Lease and any Schedules hereto, and with the knowledge that Lessor is doing so in reliance upon these representations and warranties, Lessee represents and warrants to Lessor and its assigns (i) that the making of this Lease and any Schedules hereto was duly authorized on the part of the Lessee and that upon due execution thereof by Lessee and Lessor, this Lease and any Schedules hereto will constitute a valid obligation binding upon and enforceable against Lessee in accordance with its terms; (ii) that neither the making of this Lease and any Schedules hereto, nor the due performance thereof, by Lessee, including the commitment and payment of the total amount of the rental obligations under this Lease, will result in any breach or breaches of, or constitute any default or defaults under, or violation or violations of, Lessee's certificate of incorporation, Lessee's by-laws or any agreement to which Lessee is a party or by which any interest of Lessee may be affected; (iii) that Lessee is in good standing in its jurisdiction of incorporation and in any jurisdiction in which the Units are to be located; (iv) that any and all financial statements or other information with respect to the Lessor heretofore furnished by Lessee to Lessor was when furnished, and remains at the time of execution of this Lease and any Schedules hereto, true and without any misleading omissions, excepting any changes in Lessee's financial status as reflected in any such statement resulting from one or more transactions in the usual course of business, providing that such change is not materially adverse to Lessee.

(b) All representations and warranties made herein or in any certificate or instrument contemplated hereby shall survive the execution and delivery of this Lease and any Schedules and shall continue so long as any obligations under this Lease are outstanding and unsatisfied.

XIV. ASSIGNMENT AND/OR SUBLEASE BY LESSEE: Lessee may assign this Lease or sublease any or all of the Units without the consent of Lessor; provided, however that no such assignment or sublease shall relieve Lessee of any liability or obligations hereunder which shall be and remain those of a principal and not a surety. Any such assignment or sublease shall be expressly subordinate in all respects to the terms, conditions and provisions of this Lease. No assignment or sublease by Lessee of any of its rights hereunder shall in any way discharge or diminish any of the Lessee's obligations to the Lessor hereunder.

XV. AMENDMENTS AND MISCELLANEOUS:

(a) The terms of this Lease shall not be waived, altered, modified, amended, supplemented or terminated in any manner whatsoever except by written instrument signed by the Lessor and the Lessee which instrument is consented to in writing by an assignee of Lessor.

(b) This Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns and the Lessee and its successors and, to the extent permitted hereby, assigns.

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

(d) Time is of the essence with respect to this Lease and any payments of rental installments or otherwise to be made by the Lessee hereunder.

(e) The single executed original of this Lease marked "Original" shall be the "Original" and all other counterparts hereof shall be marked and be Duplicates. To the extent that this Lease constitutes chattel paper, as such term is defined in the Uniform Commercial Code as in effect in any applicable jurisdiction, no security interest in this Lease may be created through the transfer or possession of any counterpart other than the "Original".

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

(g) In the event any term or provision of this Lease shall be inconsistent with any term or provision of any Equipment Lease Schedule hereunder, then in that event the Equipment Lease Schedule shall be controlling.

(h) If requested by Lessor, Lessee shall prepare, at Lessor's expense, and file state Uniform Commercial Code financing statements, or the equivalent, in the state where the Units may be based. The filing of any such financing statement, for the purpose of this Lease, shall not mean that Lessor has anything less than legal and beneficial ownership of the Units.

IN WITNESS WHEREOF, the parties have executed this Lease on this 30 day of June, 1983.

ATTEST:

\_\_\_\_\_

TEMCO CORPORATION (LESSOR)

BY: James B. Toland

TITLE: President

ATTEST:

\_\_\_\_\_

<sup>gkm</sup>  
THE QUAKER OATS COMPANY (LESSEE)

BY: Wayne F. Small

TITLE: Director Operations

NOTARY PUBLIC

Barbara Swain

EQUIPMENT LEASE SCHEDULE

SCHEDULE NO. 1

This Equipment Lease Schedule is executed pursuant and subject to that certain Equipment Lease Agreement dated June 30, 1983, between Temco Corporation and Quaker Oats Company. The terms used herein shall have the meaning given to such terms in the afore-said Equipment Lease Agreement in accordance with the terms thereof.

Lessee confirms that (1) said Units have been examined by duly appointed and authorized representatives of Lessee, (2) the Units described herein were duly accepted by Lessee as Units for leasing under the Equipment Lease Agreement, (3) said Units became subject to and governed by the terms of the Equipment Lease Agreement, and (4) Lessee became obligated to pay the rentals provided for in the Equipment Lease Agreement and herein with respect to said Units to Lessor.

1. DESCRIPTION OF UNITS: 5 Covered Hopper Cars Capacity  
4427 Cu. Ft. 100 Ton R/B Trucks No's QOTX 100,  
101, 102, 103, 104: ROCK 508017, 508018, 508019, 508024,  
508163

2. SITUATE: \_\_\_\_\_

3. TERM: 84 MONTHS COMMENCING JUNE 30, 1983

4. RENTALS: Payable monthly in arrears.

|                         |                         |
|-------------------------|-------------------------|
| 1st Year \$ <u>750.</u> | 5th Year \$ <u>750.</u> |
| 2nd Year \$ <u>750.</u> | 6th Year \$ <u>750.</u> |
| 3rd Year \$ <u>750.</u> | 7th Year \$ <u>750.</u> |
| 4th Year \$ <u>750.</u> |                         |

5. RENEWAL OPTION: Lessee may renew the Lease on a month to month basis upon expiration of the term as specified in Item 3 above at a monthly rental of \$10.00 per Unit payable monthly in advance. \* Lessee may give lessor notice of it's intention to renew at any time during the term of the lease. *RH*

6. PURCHASE OPTION: At the expiration of the Lease term as specified in Item 3 above or at the expiration of any subsequent renewal period, Lessee may purchase the Units at a price of \$200.00 per Unit. \* Lessee may give lessor notice of it's intention to purchase at any time during the term of the lease *RH*

7. STIPULATED LOSS VALUE: The amount to be paid pursuant to Paragraphs V and VI of the Equipment Lease Agreement for leased Units lost, stolen, destroyed or damaged beyond repair during the term of the Lease. Stipulated Loss Values are expressed as actual cost per Unit for each month of the Lease term.

STIPULATED LOSS VALUES

|             |              |              |
|-------------|--------------|--------------|
| 1. \$7,938. | 29. \$6,340. | 57. \$3,699. |
| 2. 7,914.   | 30. 6,245.   | 58. 3,583.   |
| 3. 7,860.   | 31. 6,190.   | 59. 3,466.   |
| 4. 7,805.   | 32. 6,088.   | 60. 3,349.   |
| 5. 7,775.   | 33. 6,033.   | 61. 3,231.   |
| 6. 7,744.   | 34. 5,931.   | 62. 3,116.   |
| 7. 7,690.   | 35. 5,877.   | 63. 2,995.   |
| 8. 7,635.   | 36. 5,774.   | 64. 2,874.   |
| 9. 7,580.   | 37. 5,673.   | 65. 2,747.   |
| 10. 7,526.  | 38. 5,618.   | 66. 2,626.   |
| 11. 7,472.  | 39. 5,516.   | 67. 2,500.   |
| 12. 7,417.  | 40. 5,428.   | 68. 2,389.   |
| 13. 7,362.  | 41. 5,340.   | 69. 2,243.   |
| 14. 7,308.  | 42. 5,247.   | 70. 2,112.   |
| 15. 7,253.  | 43. 5,150.   | 71. 1,981.   |
| 16. 7,199.  | 44. 5,057.   | 72. 1,850.   |
| 17. 7,144.  | 45. 4,960.   | 73. 1,715.   |
| 18. 7,090.  | 46. 4,862.   | 74. 1,579.   |
| 19. 7,035.  | 47. 4,765.   | 75. 1,443.   |
| 20. 6,981.  | 48. 4,612.   | 76. 1,303.   |
| 21. 6,926.  | 49. 4,560.   | 77. 1,167.   |
| 22. 6,824.  | 50. 4,458.   | 78. 1,027.   |
| 23. 6,770.  | 51. 4,351.   | 79. 881.     |
| 24. 6,715.  | 52. 4,249.   | 80. 741.     |
| 25. 6,613.  | 53. 4,142.   | 81. 596.     |
| 26. 6,558.  | 54. 4,030.   | 82. 447.     |
| 27. 6,504.  | 55. 3,923.   | 83. 299.     |
| 28. 6,401.  | 56. 3,811.   | 84. 200.     |

APPROVED AND AGREED TO this 30 day of JUNE, 1983, as  
a Schedule to and part of Equipment Lease Agreement dated the 30  
day of JUNE, 1983.

TEMCO CORPORATION (LESSOR)

THE QUAKER OATS COMPANY (LESSEE) <sup>gum</sup>

BY: Em H. Howard

BY: Wayne F. Small

TITLE: President

TITLE: Director Operations

NOTARY PUBLIC

Barbara Swain

EQUIPMENT LEASE AGREEMENT ASSIGNMENT

LESSEE: THE QUAKER OATS COMPANY

LESSOR: TEMCO CORPORATION

ASSIGNEE: THE FIRST NATIONAL BANK OF DES PLAINES

DESCRIPTION OF THE EQUIPMENT LEASE AGREEMENT: The Equipment Lease Agreement being assigned covers the lease of five (5) covered hopper railroad cars for a period of seven (7) years with 84 monthly rental payments of \$750.00 each.

DATE OF THIS ASSIGNMENT: JUNE 30, 1983

DATE OF EQUIPMENT LEASE AGREEMENT: JUNE 30, 1983

For valuable consideration, the receipt whereof is hereby acknowledged, the undersigned hereby sells, assigns, transfers, grants a security interest in and sets over to the First National Bank of Des Plaines at 701 Lee Street, Des Plaines, Illinois 60018, its successors and assigns, without recourse as to the financial ability of the Lessee to pay, the within Lease and all extensions, renewals and residual values thereof, and all undersigned's right, title and interest in and to the property therein described, and all rights and remedies therein, including the right to collect rent due thereon, to repossess the property in the event of default by the Lessee and the right either in Assignee's own name, or in the name of the undersigned to take such legal proceedings or otherwise as undersigned might have taken save for this assignment. Undersigned agrees that Assignee may grant extensions of time of payment to and compromise and/or release claims against the Lessee or any other obligor on said Lease or any note (s) and/or guarantees now or hereafter given in connection therewith and repossess, relet and resell any equipment.

Upon the full discharge and satisfaction of all rental payments due from the Lessee under the terms and conditions of the Equipment Lease Agreement, this Assignment and all rights herein assigned to Assignee shall terminate and all estate, right, title and interest of the Assignee in and to the Lease shall revert to the Lessor.

This Assignment is executed only as security and, therefore, the execution and delivery of this Assignment shall not subject the Assignee to, or transfer, or pass, or in any way affect or modify the liability of the Lessor under the Lease, it being understood and agreed that notwithstanding this Assignment, all obligations of

the Lessor to the Lessee shall be and remain enforceable by the Lessee, its successors and assigns, against, and only against, the Lessor or persons other than the Assignee.

The undersigned warrants that: The Lease and all documents connected therewith, including all options to purchase the Units, consents by third parties, guaranties and notes, if any (all of which documents are collectively called the "Lease" in this Assignment) and each of them are genuine and in all respects what they purport to be and enforceable according to their terms, and that they are, and will continue to be (except insofar as Assignee may consent otherwise) the only, and all of, the instruments executed in connection with the Lease of the Units therein described; that all statements contained in the Lease are true and that all unpaid balances shown therein are correct; that the Lessee, and each of the Lease documents and the obligations which they evidence are, and will continue to be, free and clear of all defenses, setoffs, counterclaims, liens and encumbrances of every kind and nature; that at the time of the execution of this Assignment the undersigned had good title to the property leased and full right to enter into the Lease; that the property leased has been delivered to the Lessee in satisfactory condition and has been accepted by the Lessee under the terms of the Lease; that all sales or other tax that may be payable on the transaction has been paid; that all parties to the Lease have full capacity to contract; that the undersigned has no knowledge of any facts which impair the validity of the Lease or make the same less valuable; that all filing and recording required by law have been completed and complied with; that any requirement of new or further filing, recording or renewals thereof shall be complied with by the undersigned and that Assignee may undertake same but shall be without any responsibility or obligation whatsoever for any omission or invalid accomplishment thereof.

The undersigned further expressly warrants and represents that the Lease and all Lease documents arise out of a bona fide Lease in the first instance of the property therein described to the person therein named as Lessee; that prior to the execution of the Lease, the Lessee did not have any interest, directly or indirectly, in the Units described therein or leased thereby; that all payments made of rent or otherwise, will be made by Lessee in cash and not otherwise unless stated in the Lease; and that the undersigned will not create any lien, mortgage, encumbrance or security interest upon the Lease or any of the Units covered by the Lease hereby assigned; that the undersigned will not accept the return of or retake, recapture or repossess any of the Units or modify, terminate or renew the Lease without Assignee's consent during the term of this Assignment; or that in the event any of the Units covered by the Lease come into the undersigned's possession, undersigned will (a) promptly notify Assignee, (b) keep the Units secure, in good repair and fully insured against all usual risks naming the Assignee as party in interest under the policy of insurance, (c)

hold the same as Assignee's property and subject to its instructions, and (d) will not permit any of said Units to pass into the possession, custody or control of any person other than Assignee; and that the undersigned shall have no authority to accept any collections of any sums under the Lease, whether as rent or otherwise.

This Assignment has been delivered to Assignee and shall be construed under the laws of the state of Illinois. None of the terms hereof shall be modified except by writing signed by an officer of Assignee.

NOTARY PUBLIC

*Barbara Swain*

TEMCO CORPORATION (ASSIGNOR)

BY: *Donald J. [Signature]*

TITLE: *President*

CONSENT AND AGREEMENT

The undersigned, The Quaker Oats Company (hereinafter called the Lessee), the Lessee named in the Equipment Lease Agreement ( hereinafter called the Lease) referred to in the foregoing Equipment Lease Agreement Assignment (hereinafter called the Lease Assignment), hereby (a) acknowledges receipt of a copy of the Lease Assignment and (b) consents to all the terms and conditions of the Lease Assignment and agrees that (1) it will pay all rentals, casualty payments, liquidated damages, indemnities and other sums provided for in the Lease (which sums are hereinafter called the payments) due and to become due under the Lease or otherwise in respect to the Units leased thereunder, directly to the First National Bank of Des Plaines (hereinafter called the Assignee), the Assignee at 701 Lee Street, Des Plained, Illinois 60018 (or at such other address as may be furnished in writing to the Lessee by the Assignee); (2) the Assignee shall be entitled to the benefits of, and to receive and enforce performance of, all the covenant to be preformed by the Lessee under the Lease as though the Assignee were named therein as Lessor; (3) the Assignee shall not, by virtue of the Lease Assignment or this Consent And Agreement, be or become subject to any liability or obligation under the Lease or otherwise; and (4) the Lease shall not, without the prior written consent of the Assignee, be terminated or modified, nor shall any action be taken or omitted by the Lessee the taking or omission of which might result in an alteration or impairment of the Lease or the Lease Assignmnet or this Consent And Agreement or any of the rights created by any thereof, except as the lease permits or requires such termination, modification, or acts. *pm*

This Consent And Agreement, when accepted by the Lessee by signing at the foot hereof, shall be deemed to be a contract as of the date of acceptance, under the laws of the state of Illinois and, for all purposes, shall be construed in accordance with the laws of same. *Jim*

The foregoing Consent And Agreement is hereby accepted as of this  
30 day of June, 1983.

NOTARY PUBLIC

*Barbara Swain*

THE QUAKER OATS COMPANY (LESSEE) *Jim*

BY: Wayne F Small

TITLE: Director Operations