

USE NO. ①
250

LAW OFFICES
ALVORD AND ALVORD

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ELLSWORTH C. ALVORD (1964)

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** ALSO A MEMBER OF OHIO BAR

May 30, 1980

No. 0-151A046

RECORDATION NO. **11862** Filed 1425

Date MAY 30 1980

MAY 30 1980 - 11 10 AM

Fee \$ 50.00

INTERSTATE COMMERCE COMMISSION

ICC Washington, D. C.

Agatha L. Mergenovich, Secretary
Interstate Commerce Commission
Washington, D.C. 20434

Dear Madam:

Enclosed for recordation pursuant to the provisions of Section §11303(a) of Title 49 of the United States Code and the regulations thereunder is a Railroad Equipment Lease dated March 1, 1980.

A general description of the railroad equipment covered by the enclosed document is, as follows:

One hundred (100) 4750 cubic foot capacity covered hopper cars with triple compartment construction bearing reporting mark and numbers LGIX 460 through LGIX 559, both inclusive.

The names and addresses of the parties to the enclosed document are:

Lessor: Fremont and Western, Inc.
6400 Cornhusker Highway
Lincoln, Nebraska 68501

Lessee: Lincoln Grain, Inc.
P. O. Box 80269
Lincoln, Nebraska 68501

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MAY 30 11 05 AM '80
I.C.C.
FEE OPERATION BR.

C. J. Kappler

Agatha L. Mergenovich, Secretary
May 30, 1980
Page Two

The undersigned is agent for the Lessor mentioned in the enclosed document for the purpose of submitting the enclosed document for recordation and has knowledge of the matter set forth therein.

Also enclosed is a remittance in the amount of \$50 in payment of the required recordation fee.

Very truly yours,

ALVORD AND ALVORD

By Charles T. Kappler
Charles T. Kappler

Interstate Commerce Commission
Washington, D.C. 20423

5/30/80

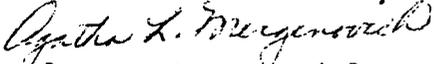
OFFICE OF THE SECRETARY

Charles T. Kappler, Esq.
Alvord & Alvord
200 World Center Building
Washington, D.C. 20006

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 **5/30/80** at **11:10am**, and assigned re-
recording number(s). **11862 & 11863**

Sincerely yours,


Agatha L. Mergenovich
Secretary

Enclosure(s)

ICC Copy

RAILROAD EQUIPMENT LEASE

THIS LEASE dated as ^{aaa BOM} MARCH 1, 1980, between RECORDATION NO. 11862 Filed 1425

FREMONT & WESTERN, INC., a Kansas corporation (the "Lessor" ^{MAY 30 1980 - 11 10 AM})
and LINCOLN GRAIN, INC., a Kansas corporation (the "Lessee" ^{INTERSTATE COMMERCE COMMISSION})

W I T N E S S E T H:

SECTION 1. DESCRIPTION OF LEASED PROPERTY:

The Lessor does hereby lease and let to the Lessee one hundred (100) 4,750 cubic feet capacity, covered hopper cars with triple compartment construction (the "Cars") to bear reporting marks LGIX 460 to 559, both inclusive. The Cars are in the course of being constructed by TRINITY Industries, Inc., a copy of the specifications (the "Specifications") is attached hereto and made a part hereof. It has been delivered to the Lessee and is incorporated herein by reference and made a part of this Lease as fully as though expressly set forth herein.

SECTION 2. DELIVERY AND ACCEPTANCE OF THE CARS:

The Lessor shall deliver the Cars to the Lessee as follows: 100 Cars (numbers LGIX460 to 559, both inclusive) F.O.T. in Mobile and/or Montgomery, Alabama, before ^{BOM aaa} April 30, 1980. The Lessor shall not be liable to the Lessee for any failure or delay in making delivery of the Cars due to accident, fire, flood, explosion, labor difficulties, acts of government including embargos, priorities and allocations, war and war conditions, delays of carriers and any or other cause or causes (whether or not of the same kind as herein specifically enumerated)

beyond the Lessor's reasonable control. The Lessee will cause its authorized representative to inspect each of the Cars at the point of delivery. If the Car meets the Specifications, the Lessee shall accept the same and shall issue and deliver to the Lessor a Certificate of Inspection and Acceptance in respect of the Car substantially in the form attached hereto as Exhibit B. The execution by the Lessee of such Certificate of Inspection and Acceptance shall for all purposes of this Lease be deemed to be conclusive evidence that the Car described therein has been delivered to and is in the possession of the Lessee under and subject to all the terms of this Lease. Notwithstanding the acceptance of the Cars by the Lessee at the times and places hereinbefore indicated, Lessor shall reimburse Lessee for the costs of transporting the Cars to their respective initial loading sites.

SECTION 3. LEASE TERM OF CARS:

The lease term for each Car shall commence on the date the Car is delivered to and accepted by the Lessee, as evidenced by the Certificate of Inspection and Acceptance with respect thereto, and shall terminate ^{best date} MARCH 1, 1990 (unless sooner terminated in accordance with the provisions hereof) but shall automatically be renewed annually thereafter unless Lessee gives Lessor thirty (30) days written notice prior to the termination of this or any subsequent lease term.

SECTION 4. FIXED RENTS AND PAYMENT DATES:

The Lessee agrees that it will pay the Lessor fixed rent (over and above all other and additional sums to be paid by the Lessee as hereinafter set forth) for each Car leased hereunder in the amount

of \$480 per car per month for each of the 100 Cars numbered LGIX 460-559, during the lease term and any annual renewal thereafter, payable in equal consecutive quarterly installments each in the amount of \$ 144,000⁰⁰ ^{Bony ADA} payable on SEPT. 30, 1980, ^{Bony ADA} and quarterly thereafter during the lease term and any annual renewal thereafter.

The Lessee also agrees that it will pay the Lessor a per diem rental of \$15.80 per Car for each of the cars-LGIX 460-559, both inclusive, for the period from the Date of delivery of each Car to and including JUNE 30, 1980. ^{Bony ADA}

The amount of any installment of fixed rent remaining unpaid more than 5 days after notice of nonpayment from the Lessor to the Lessee shall bear interest at the rate of 11 1/2% per annum or at the highest rate permitted by law, whichever is less from and after the due date thereof.

SECTION 5. ADDITIONAL SUMS PAYABLE BY THE LESSEE:

In addition to the fixed rents payable by the Lessee under the provisions of Section 4 hereof, the Lessee shall, during the continuance of this Lease, pay any and all sales taxes, use taxes, excise taxes, personal property taxes, assessments and other governmental charges whatsoever, whether payable by the Lessor or the Lessee, on or relating to the Cars leased hereunder, including all other taxes, fees, assessments and charges upon the Lessor by reason of the acquisition or ownership of such Cars and all such taxes, fees, assessments and charges on the use, rental, shipment, transportation, delivery or operation of the Cars leased

hereunder or the earnings therefrom. This Section 5 shall not, however, obligate the Lessee to pay, and there are specifically excluded from the operation of this Section 5, any and all income, gross receipts, franchise, and like taxes imposed on or measured by rents payable hereunder or the net income therefrom; provided, however, that the Lessee agrees to pay any such tax on or measured by rents payable hereunder or the net income therefrom which is in substitution for, or relieves the Lessee from, a tax on the Cars which the Lessee would otherwise be obligated to pay under the terms of this Section. In the event any ad valorem tax returns are required to be made on the Cars, the Lessee shall file such returns for the Lessor. In the event any tax returns are required to be made on the basis of individual Cars the Lessee will either make such returns in such manner as will show ownership of the Cars by the Lessor or will notify the Lessor of such requirement and will make the return in such manner as shall be satisfactory to the Lessor. Any statements for such taxes received by the Lessor shall be promptly forwarded to the Lessee by the Lessor. The Lessee shall not be obligated to pay any amount under this Section 5 so long as it shall in good faith and by appropriate proceedings contest the validity or the amount thereof unless such contest would adversely affect the title of the Lessor to any Car or would subject any Car to forfeiture or sale.

SECTION 6. PLACE OF PAYMENT OR RENTS:

All fixed rents payable by the Lessee under Section 4 hereof and all amounts payable by the Lessee under Section 9 shall be paid to the Lessor at the principal office of Fremont & Western, Inc. in Lincoln, Nebraska, or at such other place as the Lessor or its assigns may hereafter

direct. Payment of any additional amounts required by Section 5 hereof shall be made at said place only to the extent that such payments are not being, or have not been, made by the Lessee directly and are instead being paid to the Lessor by way of reimbursement for, or to provide, the Lessor with the funds necessary to pay the amounts required by Section 5 to be paid by the Lessee. All rents and other sums payable to the Lessor shall be paid in funds current in Lincoln, Nebraska.

SECTION 7. REPAIRS AND MAINTENANCE:

The Lessee shall during the continuance of this Lease keep the Cars in good working order, condition and repair, reasonable wear and tear excepted and, without limiting the foregoing, shall make all replacements, changes or additions to the Cars or their equipment and appliances to the extent required from time to time by the Code of Rules of the Association of American Railroads for continuing Cars in interchange service and by applicable laws and regulations of any state or governmental body, all at the Lessee's cost and expense; provided, however, that the Lessee shall not be required to make any repairs or replacements to a particular Car if the Lessee shall elect to terminate the lease term with respect to that Car pursuant to the provisions of Section 9 hereof. Any and all replacements, repairs and substitutions of parts of the Cars shall constitute accessions to the Cars and title thereto shall vest and remain in the Lessor.

Lessor agrees that Lessee shall be entitled to the proceeds of any claim or right of Lessor or Lessee against the third persons for injury, damage or loss with respect to the Cars or the use or operation thereof, including settlements pursuant to the Association of American Railroads'

rules and Lessee shall be subrogated to all the Lessor's right of recovery therefor against any other person, firm or corporation. The Lessor hereby authorizes the Lessee to make settlement of, receive payment and receipt for any and all such claims on behalf of the Lessor, and the Lessor agrees to execute and deliver from time to time such instruments and do such other acts and things as may be necessary or appropriate more fully to evidence Lessee's authority and/or to vest in the Lessee such proceeds or to effect such subrogation; and in the event of any loss, damage or destruction in respect of which the Lessee is entitled to proceeds or subrogation as aforesaid, the Lessor shall refrain from doing any act or executing any instrument which would prejudice the right of the Lessee to such proceeds or to such subrogation; provided, however, that all cost and expenses, including court costs and attorney's fees, in connection with enforcing or realizing upon any such claim or right to proceeds or obtaining enforcement of or realizing upon such right of subrogation, shall be borne and paid by Lessee.

SECTION 8. USE AND POSSESSION OF THE CARS:

8.1. During the continuance of this Lease, the Lessee shall, so long as it is not in default hereunder, be entitled to and shall have the exclusive use and possession of the Cars. The Lessee agrees that the Cars will be used solely upon the lines of railroads in the continental United States and Canada in the usual interchange of traffic and that the Cars will at all times be used and operated in compliance with all lawful acts, rules, regulations and orders of any commissions, boards, or other legislative, executive or judicial body or officer having power to regulate or supervise the use of the Cars and in compliance with the Code of Rules

of the Association of American Railroads; provided, however, that the Lessee may in good faith and by appropriate proceedings contest the application of any such rule, regulation or order in any reasonable manner which will not adversely affect the title of the Lessor to any Car or subject any Car to forfeiture or sale.

8.2. The Lessee may, without the prior written consent of the Lessor, assign this Lease or any of its rights hereunder, sublease any Car, and permit use of any of the Cars by others upon lines of railroads in the continental United States or Canada in the usual interchange of traffic; provided that no such assignment, sublease, or permitted use shall relieve the Lessee of any of the obligations, liabilities or duties hereunder. The Lessee may receive and retain for its own account such compensation for subletting the Cars and/or for the use of the Cars by others as the Lessee may determine. Without limiting the foregoing, it is contemplated that the Lessee shall receive insofar as applicable law and regulations allow, all mileage allowance rentals and/or other compensation (hereinafter referred to as "Mileage") payable by carriers by reason of the use of the Cars and if for any reason the Lessor shall receive any Mileage then (unless an event of default as defined in Section 13 shall have occurred and be continuing) the Lessor shall remit such Mileage to the Lessee promptly after the Lessee shall furnish to the Lessor an opinion, ruling or other evidence satisfactory to the Lessor that the remittance thereof to the Lessee shall not violate any applicable law or regulations.

8.3. The Lessee agrees that (i) it will not permit its rights or interests hereunder to be subject to any lien, charge or encumbrance,

and (ii) it will keep the Cars free and clear of any and all liens, charges and encumbrances which may be levied against or imposed upon the Cars as a result of the failure of the Lessee for any reason to perform or observe any of the covenants or agreements required to be performed or observed by the Lessee hereunder, and of any and all liens, encumbrances and charges of persons claiming by, through or under the Lessee or any other person, firm or corporation in possession of any Car under the provisions of Section 8.2 hereof.

8.4. Lessee shall provide Lessor and Bank of America National Trust and Savings Association ("Bank") with semi-annual reports setting forth to the best of Lessee's knowledge with respect to each Car, as of a date not earlier than thirty (30) days prior to the date of such report, (a) the location of such Car, (b) the name of the sublessee, if any, of such Car and (c) the identification number of such Car. Provided, that if Lessor or Bank so requests Lessee will supply such reports to Lessor or Bank on a quarterly basis.

SECTION 9. LOSS, THEFT OR DESTRUCTION OF CARS AND SETTLEMENT:

In the event that during the continuance of this Lease any Car is lost, destroyed, irreparably damaged or shall be requisitioned or taken by any governmental authority under the power of eminent domain or otherwise, the Lessee shall fully inform the Lessor of the occurrence of such event and, subject only to the concurrence of the Lessor in the Lessee's opinion that a Car is unserviceable for use, the Lessee shall have the option to terminate this Lease in respect of such Car on the following terms and conditions:

(a) The Lessee shall give the Lessor written notice of the exercise of the option designating the date (the "settlement date") on which the Lease shall terminate in respect of the Car. The settlement date shall be not less than 30 days or more than 60 days subsequent to the date such notice is given to the Lessor; and

(b) On the settlement date the Lessee shall pay the Lessor the "settlement value" of the Car (as hereinafter defined) determined as of the settlement date against execution and delivery by the Lessor to the Lessee or to such person as the Lessee may designate of a Bill of Sale conveying good title to the Car free and clear of any and all liens, claims and encumbrances by persons claiming by, through or under the Lessor.

Upon compliance with the foregoing conditions the Lease shall terminate as to the Car and no further rents shall be payable for or in respect thereof.

The "settlement value" of any Car shall be an amount not less than the amount owing with respect to such Car on the \$4,250,000 loan made by Bank to the Lessor, as evidenced by the Lessor's note dated ^{ADA} April 30 ^{CONF}, 1980 in favor of such Bank, to finance the Cars.

The amount owing with respect to each Car shall be the amount arrived at by multiplying the percentage of such loan originally allocable to such Car (determined by dividing the original cost of such Car by \$4,250,000) by the unpaid principal balance of such loan as of the Settlement Date in question, without giving effect to any reductions therein by prepayments on account of previous or concurrent Settlements hereunder.

In any settlement under this Section 9 the Lessee shall be entitled to credit for the amount of any proceeds of any settlement under the Association of American Railroad rules and/or proceeds of insurance which may have been received by the Lessor on account the loss, theft, damage or destruction of the Car or any part thereof for which settlement is then being made.

In the event that during the term of this Lease the use of any Car shall be requisitioned or any Car shall be taken by any governmental authority under the power of eminent domain or otherwise on any basis not involving the taking of title to such Car, such requisition or taking shall not terminate this Lease, and each and every obligation of the Lessee with respect thereto shall remain in full force and effect. So long as the Lessee shall not be in default under this Lease, the Lessor shall pay to the Lessee all sums received by the Lessor from such governmental authority as compensation for such requisition or taking.

SECTION 10. INDEMNITY:

The Lessee does hereby assume, and does hereby agree to indemnify, protect, save and keep harmless the Lessor, its agents and servants and any assigns of the Lessor from and against, any and all losses, damages, injuries, claims, demands, and expenses, including legal expenses, of whatsoever kind and nature arising on account of the condition, use or operation of any Car subject to this Lease, and by whomsoever used or operated, during the lease term (including claims arising on account of latent and other defects whether or not

discoverable by the Lessor and claims for patent infringements), except that this assumption and indemnity shall not extend to or cover any loss, damage, injury, claim or expense arising out of or resulting from acts or omissions of, or the use or operation of any Car by, the Lessor, its agents, servants, successors or assigns, or the condition (except for any defect in the condition of a Car existing at the time of redelivery or repossession), use or operation of any Car after redelivery to or repossession by the Lessor, its successors or assigns. The Lessee shall not, however, be required to pay or discharge any claim or demand referred to in this Section 10 so long as the validity or the amount thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner which will not adversely affect the title of the Lessor to the Cars or any part thereof or result in the forfeiture or sale of any Car. The indemnities and assumptions of liability in this Section 10 contained shall continue in full force and effect as to losses, damages and injuries occurring, and claims and demands arising on account of the use or operation of any car while it is subject to this Lease notwithstanding the termination of this Lease, or the termination of the term hereof in respect of any Car, whether by expiration of time, by operation of law or otherwise. The Lessor shall give the Lessee prompt notice of any claim or liability hereby indemnified against, and the Lessee shall be entitled to control the defense thereof.

SECTION 11. MARKING OF CARS:

At, or prior to the time of delivery of each of the Cars Lessor shall cause both sides of each Car to be distinctly, permanently and

conspicuously marked by stenciling or by a metal plate affixed thereto, with the reporting marks referred to in Section 1 hereof. The Lessee shall immediately replace any such stenciling which may be removed, destroyed or become illegible wholly or in part. Except for numbering as provided herein, the Lessee shall keep the Cars free from any marking or labeling which might be interpreted as a claim of ownership thereof by the Lessee or any other person, association or corporation other than the Lessor and will not change, or permit to be changed, the identifying road numbers on any of the Cars; provided, however, that the Lessee may permit the Cars to be lettered in some appropriate manner for convenience of identification of the interest of Lessee therein or to indicate the nature of the service furnished thereby, or if the Cars are sublet as may be permitted under Section 8.2 hereof, the name and reporting marks of such sublessee may be lettered thereon.

SECTION 12. DEFAULTS:

12.1 In the event that:

(a) The Lessee shall default in the payment of any installment of rent (including as rent within the meaning of this paragraph the sums payable by the Lessee under Section 9 hereof) and such default shall continue for more than 5 days after written notice thereof from the Lessor to the Lessee; or

(b) The Lessee shall default in the observance or performance of any other covenant, condition or agreement required to be observed or performed by the Lessee hereunder and such default shall continue for more than 30 days after notice thereof from the Lessor to the Lessee; or

(c) The Lessee shall become insolvent or bankrupt or admit in writing its inability to pay its debts as they mature or shall make an assignment for the benefit of its creditors; or

(d) Bankruptcy, reorganization, arrangement or insolvency proceedings or other proceedings for relief under any bankruptcy or similar law or laws for the relief of debtors shall be instituted by or against Lessee; or Lessee shall permit or there shall occur any involuntary transfer of its interest hereunder or of all or substantially all of Lessee's property by bankruptcy or by the appointment of a receiver or trustee or by execution or by any judicial or administrative decree or process or otherwise; unless in every such case such proceedings (if instituted against the Lessee) shall be dismissed or such assignment, transfer, decree or process shall within 60 days from the filing or other effective date therein be nullified, stayed or otherwise rendered ineffective, or unless any such receiver or trustee shall within 60 days from the date of his appointment adopt and assume this Lease pursuant to due authority of law and of the court appointing him;

then in such case (herein sometimes called "event of default") in addition to all rights and remedies now or hereafter provided by law, for the re-possession of the Cars and for the recovery of damages occasioned by Lessee's default, Lessor at its option may:

(i) Elect to terminate only the Lessee's right of possession (but not to terminate the Lease), without releasing Lessee in whole or in part from its obligation hereunder for the remaining

term of this Lease, and thereupon take possession of any or all of the Cars as provided herein. Lessor may, but need not, repossess the Cars and relet the same or any part thereof to others for such rent and upon such terms as it may see fit. In the event of an election by the Lessor to relet the Cars and the acceptance of a new Lessee, the Lessor and the new Lessee agree to execute any and all documents required by Bank to maintain Bank's interest in the Cars, Lease, and Lease Rentals. The proceeds of any such reletting shall first be applied to the expense of retaking and reletting of the Cars and delivery to the new Lessee, and then to the payment of rent due under this Lease. Lessee shall pay any deficiency remaining due after so applying the proceeds as the same shall accrue. Lessor shall not be required to accept or receive any lessee offered by Lessee. The election by the Lessor to relet the Cars and the acceptance of the new lessee shall not operate to release Lessee from liability for any existing or future default in any other covenant or promise herein contained.

(ii) Declare this Lease terminated and recover from Lessee as liquidated damages, but not as penalty, all amounts which are then due and payable under this Lease, and an aggregate sum, which at the time of such termination, represents the excess, if any, of the then present value of the aggregate rents which would have accrued for the balance of the term of this Lease over the then present value of the aggregate fair rental value of the Cars for the balance of the term, such present worth to

be computed in each case on the basis of 10.5% per annum discount from the respective dates upon which such rents would have been payable hereunder had this Lease not been terminated.

(iii) Proceed by appropriate court action or actions either at law or in equity to enforce performance by the Lessee of the applicable covenants and terms of this Lease or to recover from Lessee, any and all damages or expenses including reasonable attorneys' 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.

(iv) Recover or take possession of any or any or all of the Cars wherever same may be found.

12.2 In the event any Cars are to be surrendered to the Lessor pursuant to any of the foregoing provisions of Section 12.1, and the Lessor shall not otherwise elect by written instrument delivered to the Lessee, the Lessee shall forthwith deliver possession of the Cars to the Lessor in good order and repair, ordinary wear excepted. For the purpose of delivering possession of any Cars to the Lessor as above required, the Lessee shall, at its own cost and expense, forthwith:

(a) assemble such Cars and place them upon storage tracks within 25 miles of Kansas City, Missouri (or such other place or places as the parties hereto shall agree in writing) as the Lessor shall designate;

(b) provide storage at the risk of the Lessee for such Cars on such tracks for a period of 100 days after written notice to the Lessor specifying the place of storage and car numbers of the Cars so stored; and

(c) cause the same or any thereof to be transported, at any time within such 100-day period, to any place or places on lines of a railroad within a 25-mile radius of such storage tracks on which the Cars have been assembled, all as directed by the Lessor.

The assembling, delivery, storage and transporting of the Cars as hereinabove provided are of the essence of this Lease, and upon application to any court of equity having a jurisdiction in the premises, the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to assemble, deliver, store and transport the Cars.

Without in any way limiting the obligations of the Lessee under the foregoing provisions of this Section 12.2, the Lessee hereby irrevocably appoints the Lessor 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 Car to the Lessor, to demand and take possession of such Car in the name and on behalf of the Lessee from whomsoever shall at the time be in possession of such Car.

12.3 The remedies herein provided in favor of the Lessor in the event of default as hereinabove set forth shall not be deemed to be exclusive, but shall be in addition to all other remedies in its favor existing in law, in equity or in bankruptcy.

SECTION 13. SURRENDER OF CARS:

Upon the expiration of the lease term in respect of any Car or Cars the Lessee shall surrender possession of such Car or Cars to the Lessor on such storage tracks within 25 miles of Kansas City, Missouri as shall be designated by the Lessor (or at such other place or places as the parties hereto may agree in writing) in good order and repair, ordinary wear and tear excepted. All obligations of the Lessee hereunder in respect of the Cars (including the payment of fixed rent at a daily rate computed by dividing the monthly fixed rent provided for under Section 4 hereof by 30) shall continue until the same are surrendered and placed in storage.

SECTION 14. RENT ABSOLUTE:

The obligation of the Lessee to pay the fixed rents and any additional amounts required by Sections 4, 5 and 9 shall not be subject to any abatement or to any defense, setoff, counterclaim or recoupment whether by reason of any damage to or loss or destruction of the Cars, or any interruption from whatsoever cause in the use, operation or possession of the Cars or any liability howsoever and whenever arising of the Lessor or the manufacturer of the Cars to the Lessee whether arising under this Lease or otherwise.

SECTION 15. ASSIGNMENT BY LESSOR:

Lessee acknowledges and understands that the terms and conditions of this Agreement have been agreed to by Lessor in anticipation of its being able to assign its interest under this Agreement and in and to the Cars leased hereunder to a bank or other lending institution or to others

having an interest in the Cars or this transaction, all or some of which will rely upon and be entitled to the benefit of the provisions of this Section 15. Lessee agrees with Lessor and with such bank or other lending institution or such other party (for those benefit this covenant is expressly made) and in consideration of the provisions hereof, as follows: (i) to recognize any such assignment, (ii) to accept the directions or demands of such assignee in place of those of Lessor, (iii) to surrender the Cars only to such assignee, (iv) to pay all Rent payable hereunder to do any and all things required of Lessee hereunder and not to terminate this Agreement, notwithstanding any Default by Lessor or the existence of any offset as between Lessor and Lessee or the existence of any other liability or obligation of any kind or character on the part of Lessor to Lessee whether or not arising hereunder, and (v) not to require any assignee of this Agreement to perform any duty, covenant or condition required to be performed by Lessor under the terms of this Agreement, all rights of Lessee in any such connection being hereby waived as to any and all of such assignees; provided, however, that nothing contained in this Section 15 shall relieve Lessor from its obligations to Lessee hereunder.

SECTION 16. INSURANCE:

The Lessee will at all times while this Lease is in effect, at its own expense, cause to be carried and maintained property insurance in an amount satisfactory to the Lessor with no more than \$5,000.00 deductible per Car, and such public liability insurance as is customarily carried by lessors of rail cars in respect of similar cars. The policies of insurance required under this Section shall be valid and enforceable policies issued by insurers

of recognized responsibility. With respect to all public liability insurance, the Lessee shall cause each policy to cover the respective interests of the Lessor and any Assignee for claims arising from the ownership, operation, maintenance or use of the Cars, and to name the Lessor and any such Assignee as additional insureds. With respect to the property insurance required under this Section 16, Lessor shall be the named insured and shall apply any proceeds of such property insurance to repairs required by Section 7 hereof or, in an appropriate case, to the "settlement value" of any Car or Cars under Section 9 hereof.

Upon the execution of each Certificate of Acceptance and thereafter not less than 10 days prior to the expiration dates of any expiring policies theretofore furnished under this Section 16, originals of the policies and satisfactory evidence of the payment of premiums thereon shall be delivered by the Lessee to the Lessor, except that the Lessor may accept certificates of insurance from a recognized insurance broker of national standing, which certificates shall be satisfactory to the Lessor. All such policies shall contain an agreement by the insurers that such policies shall not be cancelled without at least 10 days' prior written notice to the Lessor and any Assignee, and that the insurer will give notice to the Lessor and any such Assignee in the event of nonpayment of premium by the Lessee when due.

SECTION 17. MISCELLANEOUS:

17.1 Inspection and Inventories. During the continuance of this Lease the Lessor and Bank shall have the right at its own cost and expense to inspect the Cars at any reasonable time or times whether on

the Lessee's line or elsewhere. The Lessee shall, upon request of Lessor, furnish the Lessor with an accurate inventory of all Cars in service showing their location at the time of the inventory to the best knowledge of the Lessee.

17.2 Transfer of Manufacturers Warranty. THE LESSEE BY ITS EXECUTION OF THE CERTIFICATE OF INSPECTION AND ACCEPTANCE ACKNOWLEDGES AND AGREES THAT (i) THE CARS ARE OF A SIZE, DESIGN, CAPACITY AND MANUFACTURE SELECTED BY THE LESSEE, (ii) LESSOR HAS NOT MADE AND DOES NOT HEREBY MAKE, NOR SHALL IT BE DEEMED BY VIRTUE OF HAVING LEASED THE CARS PURSUANT TO THIS AGREEMENT TO HAVE MADE, ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE TITLE, MERCHANTABILITY, DESIGN, CONDITION, DESCRIPTION, QUALITY OF THE MANUAL, EQUIPMENT, OR WORKMANSHIP WORD, DURABILITY OR SUITABILITY OF THE CARS IN ANY RESPECT OR IN CONNECTION WITH OR FOR THE PURPOSES AND USES OF THE LESSEE OR ANY OTHER REPRESENTATION OR WARRANTY OF ANY KIND OR CHARACTER EXPRESSED OR IMPLIED WITH RESPECT THERETO, (iii) that the 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 the Cars or the inadquacy thereof for any purpose or any deficiency or defect therein or any interruption or loss of service or use thereof. The Lessor hereby transfers and assigns to the Lessee for and during the term of this Lease all of its right, title and interest in, under and to any manufacturer's warranty in respect of the Cars and agrees to execute and deliver such further instrument and to do such further acts as may be necessary to enable the Lessee to obtain customary warranty service for the Cars by the manufacturer.

17.3 Recording of the Lease. Prior to the delivery and acceptance of the first Car, Lessor intends (at the expense of the Lessee) to cause this Lease to be filed and recorded with the Interstate Commerce Commission in accordance with 49 U.S.C. 11303. The Lessee will upon the request of the Lessor also promptly cause this Lease to be filed, registered or recorded (and thereafter will cause it to be filed, registered or recorded, and refiled, re-registered and re-recorded whenever and wherever required) in each place in the United States of America or elsewhere as and when designated by the Lessor for the proper protection to the satisfaction of the Lessor of the Lessor's title to the Cars. The Lessee will pay all costs, charges, and expenses incident to the filing, refiling, registering, re-registering, recording and re-recording of any such further instrument or incident to the taking of any such other action.

17.4 Notices. Any notice required or permitted to be given by either party hereto to the other shall be deemed to have been given when deposited in the United States mails, first-class postage prepaid, addressed to the principal office of the party to be notified.

17.5 Controlling Law. This Lease shall be construed in accordance with the laws of the State of California provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. 11303.

This Lease shall be binding upon and shall inure to the benefit of the Lessor and Lessee and their respective successors and assigns. One counterpart has been prominently marked "Lessor's copy". Only the

counterpart marked "Lessor's copy" shall evidence monetary obligation of Lessee. This Lease may be executed in any number of counterparts, each counterpart constituting an original but all together one and the same instrument and contract.

IN WITNESS WHEREOF the Lessor and the Lessee have each caused this instrument to be executed in its corporate name by its President or by one of its Vice Presidents thereunto duly authorized, and its corporate seal to be affixed and attested, all as of the day and year above written.

FREMONT & WESTERN, INC.

By Bill C. Macy
Its VICE President

(Affix Seal)

Attest:

Ardean A. Arndt
~~SECRETARY~~ Cashier

LINCOLN GRAIN, INC.

By Bill C. Macy
Its VICE President

(Affix Seal)

Attest:

Ardean A. Arndt
Secretary

STATE OF NEBRASKA)
) SS
COUNTY OF LANCASTER)

On this 1 day of MARCH, 1980, before me personally appeared BILL C. MACY, to me personally known, who being by me duly sworn, says that he is the Vice President of LINCOLN GRAIN, INC., a Kansas corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation 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 corporation.



Lindyne R. Beed
Notary Public

(Affix Notarial Seal)

My commission expires: June 2, 1981

DESCRIPTION OF RAILROAD CARS

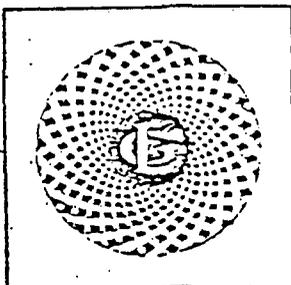
Center Flow Covered hopper cars,

1. 4750 cubic feet
2. 100 ton roller bearing trucks
3. Continuous hatches and gravity outlets

50 Center Flow Covered hopper cars,

1. 4650 cubic feet
2. 100 ton roller bearing trucks
3. 30 inch cylindrical hatches
4. Gravity-pneumatic outlets
5. Lined with a 2-coat 6 mil double cover polyclutch
interior lining

LINCOLN GRAIN, INC.



MERCHANDISING DIVISION

BOX 436 ATCHISON, KANSAS 66002
913 367-1621

I, Charles McClenning, representative for Lincoln Grain, Inc., have inspected the following cars and found them ready to be placed in service.

car numbers: LGIX 460 } (mobile) LGIX 465 (Montgomery)
 LGIX 461 } LGIX 466
 LGIX 462 }
 LGIX 463 }

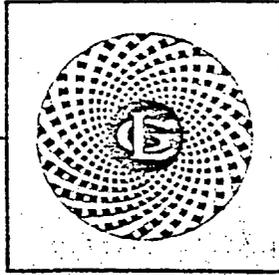
please ship to:

Release to L&N Railroad

Approved and released this 6 day of March, 1980.

Charles McClenning
Charles McClenning
General Manager Railcar Facility
Lincoln Grain, Inc.

LINCOLN GRAIN, INC.



MERCHANDISING DIVISION

BOX 436 ATCHISON, KANSAS 66002
913 367-1621

I, Charles McClenning, representative for Lincoln Grain, Inc., have inspected the following cars and found them ready to be placed in service.

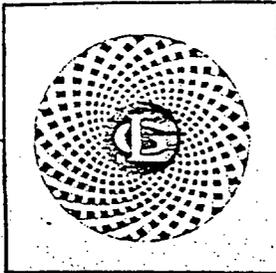
car numbers: LGIX 470 LGIX 472
 LGIX 471 LGIX 475
 LGIX 473
 LGIX 474
please ship to:

All of the above @ Mobile

Approved and released this 12 day of March, 1980.

Charles McClenning
Charles McClenning
General Manager Railcar Facility
Lincoln Grain, Inc.

LINCOLN GRAIN, INC.



MERCHANDISING DIVISION

BOX 436 ATCHISON, KANSAS 66002
913 367-1621

I, Charles McClenning, representative for Lincoln Grain, Inc., have inspected the following cars and found them ready to be placed in service.

car numbers: LGIX 464
 LGIX 467
 LGIX 468
 LGIX 469

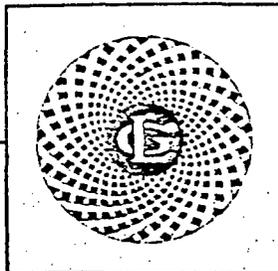
please ship to:

@ Montgomery

Approved and released this 13 day of March, 1980.

Charles McClenning
Charles McClenning
General Manager Railcar Facility
Lincoln Grain, Inc.

LINCOLN GRAIN, INC.



MERCHANDISING DIVISION

BOX 436 ATCHISON, KANSAS 66002
913 367-1621

I, Charles McClenning, representative for Lincoln Grain, Inc., have inspected the following cars and found them ready to be placed in service.

car numbers:

LGIX 490

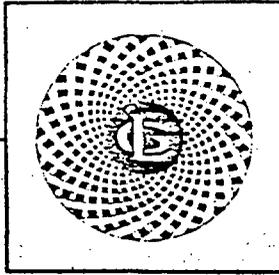
please ship to:

© Montgomery

Approved and released this 14 day of March, 1980.

Charles McClenning
Charles McClenning
General Manager Railcar Facility
Lincoln Grain, Inc.

LINCOLN GRAIN, INC.



MERCHANDISING DIVISION
BOX 436 ATCHISON, KANSAS 66002
913 367-1621

I, Charles McClenning, representative for Lincoln Grain, Inc., have inspected the following cars and found them ready to be placed in service.

car numbers: LGIX 476
 LGIX 479

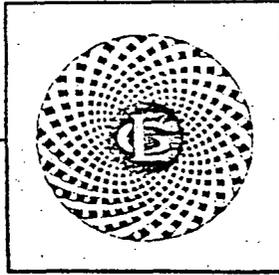
please ship to:

Cars @ Mobile

Approved and released this 18 day of March, 1980.

Charles M. McClenning
Charles McClenning
General Manager Railcar Facility
Lincoln Grain, Inc.

LINCOLN GRAIN, INC.



MERCHANDISING DIVISION
BOX 436 ATCHISON, KANSAS 66002
913 367-1621

I, Charles McClenning, representative for Lincoln Grain, Inc., have inspected the following cars and found them ready to be placed in service.

car numbers: LGIX 488
 LGIX 489

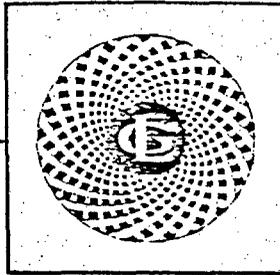
please ship to:

Cars @ Montgomery

Approved and released this 18 day of March, 1980.

Charles M. McClenning
Charles McClenning
General Manager Railcar Facility
Lincoln Grain, Inc.

LINCOLN GRAIN, INC.



MERCHANDISING DIVISION

BOX 436 ATCHISON, KANSAS 66002
913 367-1621

I, Charles McClenning, representative for Lincoln Grain, Inc., have inspected the following cars and found them ready to be placed in service.

car numbers: LGIX 503 LGIX 510
 LGIX 506
 LGIX 507
 LGIX 508

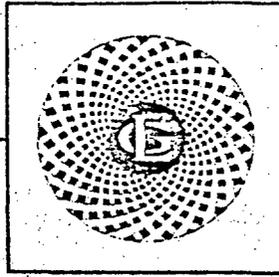
please ship to:

Cars @ Montgomery

Approved and released this 25 day of March, 1980.

Charles M. Cleanning
Charles McClenning
General Manager Railcar Facility
Lincoln Grain, Inc.

LINCOLN GRAIN, INC.



MERCHANDISING DIVISION
BOX 436 ATCHISON, KANSAS 66002
913 367-1621

I, Charles McClenning, representative for Lincoln Grain, Inc., have inspected the following cars and found them ready to be placed in service.

car numbers:

LGIX 480	LGIX 484
LGIX 481	LGIX 485
LGIX 482	LGIX 491
LGIX 483	LGIX 492
	LGIX 493
	LGIX 495

~~please ship to:~~

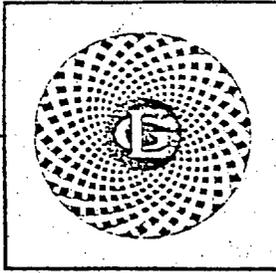
} @ Mobile

LGIX 515 at Montgomery

Approved and released this 28 day of March, 1980.

Charles McClenning
Charles McClenning
General Manager Railcar Facility
Lincoln Grain, Inc.

LINCOLN GRAIN, INC.



MERCHANDISING DIVISION
BOX 436 ATCHISON, KANSAS 66002
913 367-1621

I, Charles McClenning, representative for Lincoln Grain, Inc., have inspected the following cars and found them ready to be placed in service.

car numbers:

LGIX 514
LGIX 517

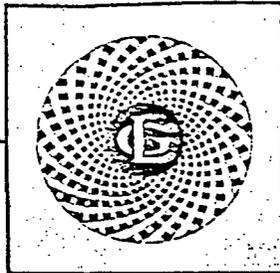
please ship to:

Note: Cars @ Montgomery

Approved and released this 1 day of April, 1980.

Charles McClenning
Charles McClenning
General Manager Railcar Facility
Lincoln Grain, Inc.

LINCOLN GRAIN, INC.



MERCHANDISING DIVISION
BOX 436 ATCHISON, KANSAS 66002
913 367-1621

I, Charles McClenning, representative for Lincoln Grain, Inc., have inspected the following cars and found them ready to be placed in service.

car numbers: LGIX 486
 LGIX 487
 LGIX 497

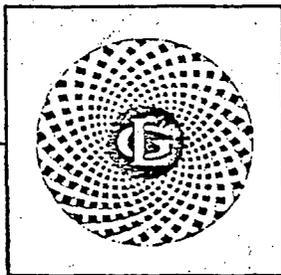
please ship to:

Note - Cars @ Mobile

Approved and released this 2 day of April, 1980.

Charles McClenning
Charles McClenning
General Manager Railcar Facility
Lincoln Grain, Inc.

LINCOLN GRAIN, INC.



MERCHANDISING DIVISION
BOX 436 ATCHISON, KANSAS 66002
913 367-1621

I, Charles McClenning, representative for Lincoln Grain, Inc., have inspected the following cars and found them ready to be placed in service.

car numbers: LGIX 516
 LGIX 531
 LGIX 532

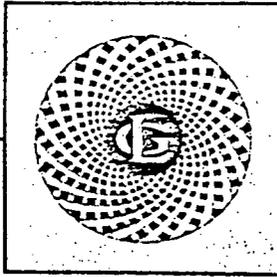
please ship to:

Note Cars are at Montgomery

Approved and released this 3 day of April, 1980.

Charles McClenning
Charles McClenning
General Manager Railcar Facility
Lincoln Grain, Inc.

LINCOLN GRAIN, INC.



MERCHANDISING DIVISION
BOX 436 ATCHISON, KANSAS 66002
913 367-1621

I, Charles McClenning, representative for Lincoln Grain, Inc., have inspected the following cars and found them ready to be placed in service.

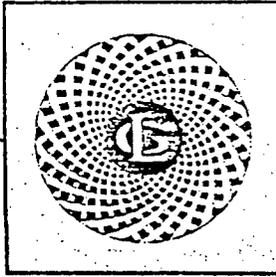
car numbers: LGIX 540
 LGIX 530 LGIX 541
 LGIX 538 LGIX 542
 LGIX 539 LGIX 545
please ship to: LGIX 546

Note: Cars are at Montgomery

Approved and released this 9 day of April, 1980.

Charles McClenning
Charles McClenning
General Manager Railcar Facility
Lincoln Grain, Inc.

LINCOLN GRAIN, INC.



MERCHANDISING DIVISION

BOX 436 ATCHISON, KANSAS 66002
913 367-1621

I, Charles McClenning, representative for Lincoln Grain, Inc., have inspected the following cars and found them ready to be placed in service.

car numbers: LGIX 496 LGIX 513
 LGIX 498 LGIX 519
 LGIX 499
 LGIX 509

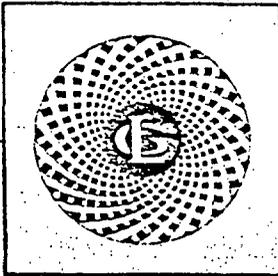
please ship to:

Note: Cars are at Mobile

Approved and released this 10 day of April, 1980.

Charles McClenning
Charles McClenning
General Manager Railcar Facility
Lincoln Grain, Inc.

LINCOLN GRAIN, INC.



MERCHANDISING DIVISION
BOX 436 ATCHISON, KANSAS 66002
913 367-1621

I, Charles McClenning, representative for Lincoln Grain, Inc., have inspected the following cars and found them ready to be placed in service.

car numbers: LGIX 543
 LGIX 544
 LGIX 547

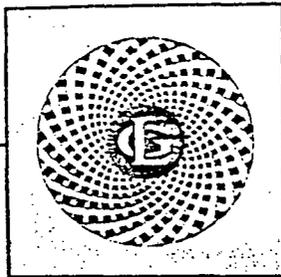
please ship to:

Note: Cars are at Montgomery

Approved and released this 10 day of April, 1980.

Charles M. McClenning
Charles McClenning
General Manager Railcar Facility
Lincoln Grain, Inc.

LINCOLN GRAIN, INC.



MERCHANDISING DIVISION
BOX 436 ATCHISON, KANSAS 66002
913 367-1621

I, Charles McClenning, representative for Lincoln Grain, Inc., have inspected the following cars and found them ready to be placed in service.

car numbers: LGIX 548 LGIX 552
 LGIX 549 LGIX 556
 LGIX 550
 LGIX 557

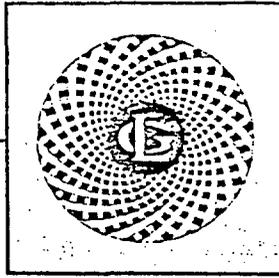
please ship to:

Note: Cars are at Montgomery

Approved and released this 15 day of April, 1980.

Charles McClenning
Charles McClenning
General Manager Railcar Facility
Lincoln Grain, Inc.

LINCOLN GRAIN, INC.



MERCHANDISING DIVISION

BOX 436 ATCHISON, KANSAS 66002
913 367-1621

I, Charles McClenning, representative for Lincoln Grain, Inc., have inspected the following cars and found them ready to be placed in service.

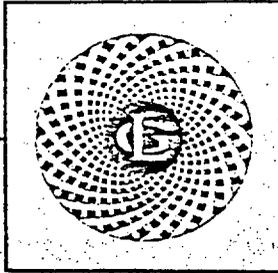
car numbers: LGIX 511 LGIX 522
 LGIX 512 LGIX 523
 LGIX 518 LGIX 524
 LGIX 520 LGIX 526
please ship to LGIX 521 LGIX 527

Note: Cars are at Mobile.

Approved and released this 16 day of April, 1980.

Charles McClenning
Charles McClenning
General Manager Railcar Facility
Lincoln Grain, Inc.

LINCOLN GRAIN, INC.



MERCHANDISING DIVISION

BOX 436 ATCHISON, KANSAS 66002
913 367-1621

I, Charles McClenning, representative for Lincoln Grain, Inc., have inspected the following cars and found them ready to be placed in service.

car numbers: LGIX 553 LGIX 557
 LGIX 554 LGIX 558
 LGIX 555 LGIX 559

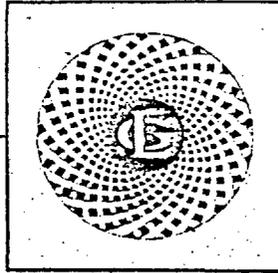
please ship to:

Note: Cars are at Montgomery

Approved and released this 17 day of April, 1980.

Charles McClenning
Charles McClenning
General Manager Railcar Facility
Lincoln Grain, Inc.

LINCOLN GRAIN, INC.



MERCHANDISING DIVISION
BOX 436 ATCHISON, KANSAS 66002
913 367-1621

I, Charles McClenning, representative for Lincoln Grain, Inc., have inspected the following cars and found them ready to be placed in service.

car numbers: LGIX 525 LGIX 534
 LGIX 528 LGIX 535
 LGIX 529 LGIX 536
 LGIX 533 LGIX 537

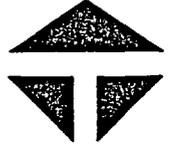
please ship to:

*Note: Cars are at Mobile
Completes 100 Cars*

Approved and released this 22 day of April, 1980.

Charles McClenning
Charles McClenning
General Manager Railcar Facility
Lincoln Grain, Inc.

TRINITY INDUSTRIES, INC.



GENERAL SPECIFICATION HC3-47A

September 1, 1978

**100-TON WELDED TRIPLE COVERED HOPPER CAR
WITH THROUGH CENTER SILL
CENTER HOPPERS WITH GRAVITY DISCHARGE
4,750 CUBIC FOOT CAPACITY**

TRINITY INDUSTRIES, INC.

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TRINITY INDUSTRIES, INC.

GENERAL DIMENSIONS:

Length inside	55'	- 3-9/16"
Length over end sills	55'	- 5-1/4"
Length over strikers	57'	- 4"
Length over pulling face of couplers	59'	- 11-1/2"
Length - Center to center of bolsters (truck centers).....	45'	- 9"
Length over running boards	57'	- 10"
Length of trough hatch opening	47'	- 8"
Width inside	10'	- 0-1/2"
Width over side plates	10'	- 0-1/2"
Width over side sills	10'	- 1-7/16"
Width over side posts	10'	- 5-1/4"
Width over side sill steps	9'	- 8-3/4"
Width of trough hatch openings	2'	- 0"
Height - top of rail to top of trough hatch holddown	14'	- 10-5/8"
Height - top of rail to top of running boards.....	14'	- 6-5/8"
Height - top of rail to top of side plate	13'	- 9"
Height - bottom of side sill to top of side plate	9'	- 1"
Height - top of rail to bottom of side sill.....	4'	- 8"
Height - top of rail to center line of draft.....	2'	- 10-1/2"
Height - top of rail to underside of center sill.....	2'	- 4-3/8"
Height - top of rail to bearing surface of center plate	2'	- 1-1/16"
Height - top of rail to discharge outlet.....	0'	- 11" approx.
Truck wheel base	5'	- 10"
Side bearing centers	4'	- 2"
Number of discharge openings	3	
Discharge opening size	24"	x 30"
Number of roof hatch openings	1	(trough)
Slope of floor sheets	45°	
Cubic capacity	4,750	cu. ft.
Estimated light weight with one (1) wear wheels	63,000	lbs.
Center of gravity - loaded car	96.7"	
Center of gravity - empty car	64.9"	
Gross rail load	263,000	lbs.
General Arrangement	HC3-47A-1	

TRINITY INDUSTRIES, INC.

GENERAL:

The cars are built in adherence to A.A.R. and F.R.A. Rules and Regulations, within the A.A.R. clearance Diagram Plate "B".

The cars conform to A.A.R. Specifications for Design, Fabrication and Construction of Freight Cars, Paragraph 4.1.3 for a uniformly distributed load.

These cars are built in a substantial and workmanlike manner, according to the true intent of this specification and the drawing. This specification is intended to include information requisite to the proper building of the car, notwithstanding that everything required may not be mentioned. When delivered, each car is complete in all of its parts and ready for service. In the event of any discrepancies between the drawing and this specification, the specification has preference.

CURVE NEGOTIABILITY:

This covered hopper car, 57' - 4" long over the strikers, 59' - 11-1/2" long over the pulling face of the couplers, 45' - 9" truck centers, and equipped with standard E60CHT couplers and standard Y40AHT coupler yokes, will negotiate the following radii curves.

- a. 150-foot radius curve (39 degrees approx.) uncoupled.
- b. 150-foot radius curve (39 degrees approx.) two (2) cars coupled together on the curve.
- c. 228-foot radius curve (25 degrees approx.) into a level tangent track with no easement, coupled to a conventional A.A.R. 40-foot base car having 7-degree coupler angling with the 40-foot car on a tangent track.
- d. 229-foot radius curve (25 degrees approx.) into a level tangent track with no easement, two (2) cars coupled together if one (1) car is on a tangent track and the other car is on the curve.
- e. 530-foot radius vertical curve (10 degrees approx.) into a level tangent track with no easement, two (2) cars coupled together.

The A.A.R. base car is 42' - 0-3/8" long over the strikers, 44' - 7-7/8" long over the pulling face of the couplers, 31' - 1-3/8" truck centers, and equipped with standard couplers and coupler yokes.

TOLERANCES:

As specified in the A.A.R. Specifications for Design, Fabrication, and Construction of Freight Cars.

TRINITY INDUSTRIES, INC.

TESTING:

Brake pipe restriction test is to be performed in accordance with A.A.R. Specification No. 2518.

Brake efficiency test is to be performed in accordance with A.A.R. requirements.

The carbuilder's inspection will include a thorough water test on all closed cars. This test will be conducted with all doors, hatch covers, and/or outlets closed. A thorough inspection of the interior will be made to insure that no leakage exists around doors, hatch covers, or outlets or through the roof or floor.

MATERIAL:

Steel, unless otherwise specified, is in accordance with the following:

(O.H.S.) - ASTM A-570-D under 3/16". Over 3/16" A-283-D. All structural items will be A-36.

Conforms to the general requirements for ASTM A-6, "General Requirements for Delivery of Rolled Steel Plate, Shapes, Steel Piling and Bars for Structural Use".

(H.S.S.) - ASTM A-441, or A-572 for plate items.

STM A-606 or equal for sheet items.

All bolts and nuts are American Standard, regular sizes, except as may be otherwise specified herein.

Bolts and nuts are Class 2 fit.

All material thicknesses shown are nominal thicknesses. Material is ordered in pounds per square foot to maintain the lightweight of the car. The reduced thicknesses due to ordering in pounds per square foot are used in the calculations to determine the structural integrity of the car and the adherence to A.A.R. and F.R.A. rules.

TRINITY INDUSTRIES, INC.

UNDERFRAME CONSTRUCTION:

a. Center Sill

The center sill consists of CSC13 x 41.2 (H.S.S.) and CZ13 x 41.2 (H.S.S.) zee center sill sections extending between strikers and welded the full length of the sill at the junction of the top horizontal flanges. The weld penetration is in accordance with A.A.R. Plate 525, latest revision, or better. Each center sill will be stamped on the BR position at body bolster with reporting marks and car numbers.

b. Strikers

Forged steel striker casting with front draft lugs for 3-1/4" draft gear travel.

c. Draft Gear Pockets

The draft gear pocket is 12-7/8" between center sill webs and longitudinally 24-5/8" between the front and rear draft lugs.

d. Coupler Carrier Wear Plates

Coupler carrier wear plates will be channel-shaped high-manganese steel.

e. Rear Draft Lugs

The rear draft lugs are built-up welded design, securely welded to the inside of the center sill webs, meeting A.A.R. design requirements.

f. Draft Gear Carrier

The draft gear carriers are 8" x 5/8" (O.H.S.) plate, one (1) per pocket, (A.A.R. Standard) two piece riveted to the center sill bottom flanges with six (6) 3/4" diameter huck bolts.

g. Draft Gears

A.A.R. approved, high capacity type, Specification M-901-E for 24-5/8" draft gear pocket. Coupler horn clearance is 3-3/4".

h. Couplers

A.A.R. standard E60CHT high tensile, Type E Grade C, solid butt, 6-1/4" x 8" rigid shank, 20-1/2" long with recess on bottom of shank for a 5" x 1/4" x 0'-8" long hardened wear plate with bottom shelf E-24B rotary articulated lockshift assembly. Knuckles are E50HT per A.A.R. Specification M-211, latest revision. Knuckle pivot pins are manufactured in accordance with A.A.R. Specification M-118, latest revision.

TRINITY INDUSTRIES, INC.

UNDERFRAME CONSTRUCTION: (cont'd)

i. Coupler Yokes

A.A.R. Standard for "E" couplers, Y40AHT Grade "C" cast steel with 24-5/8" draft gear pocket, per A.A.R. Specification M-211, latest revision.

j. Coupler Keys

The coupler keys are to A.A.R. Specification M-122, latest revision, Grade C-1045, 6" x 1-1/2" half-round edge sections, M-2150 oil quenched and tempered to 241-293 Brinell.

The coupler keys are held in place with "Azee", Illinois Rwy. Equip. Co. retainers.

k. Body Bolsters

Slope sheet end webs are 5/16" (O.H.S.) plate extending between bolster posts. The top of the slope sheet end web is flanged to conform to the slope of the end slope sheet. The body bolster top cover plate is 12" x 1/2" (H.S.S.) plate and extends between 5/8" (H.S.S.) jacking pad web plates at the side of the car and passes over the top of the center sill.

5" x 7/16" (O.H.S.) slope sheet end web stiffeners are applied on the outside of the slope sheet end web extending vertically from the body bolster top cover plate.

On the inside of the slope sheet end web, 3" x 5/8" (H.S.S.) body side bearing stiffeners are applied vertically from the body bolster top cover plate.

The slope sheet end web is stiffened at the center sill by two (2) 1/4" (O.H.S.) slope sheet end supports in the area between the center sill, slope sheet end web and the end slope sheet.

The body side bearing braces are S8 x 23 (O.H.S.) I-Beam sections applied vertically, welded to the undersurface of the body bolster top cover plate and to the 7/16" (O.H.S.) body bolster bottom cover plate which extends to the center sill between side bearings. A 7/16" (O.H.S.) body bolster web is welded to the web of the I-Beam section, the web of the center sill, and the top and bottom body bolster cover plates.

TRINITY INDUSTRIES, INC.

UNDERFRAME CONSTRUCTION: (cont'd)

l. Body Side Bearings

The body side bearings are 4" x 5/8" steel bar, A.A.R. Specification M-122, latest revision, Grade C-1095 steel, having .90% - 1.03% carbon and 277-341 Brinell hardness. The hardened bearings and filler plates are bolted to the body bolster bottom cover plates. Side bearing clearance is 3/16" minimum 5/16" maximum per bearing. Total clearance at the BR and AL bearing is the same as at the BL and AR bearing with permissible variation not to exceed 1/8".

m. Body Center Plates

The body center plates will be 15-3/4" diameter Dresser Low Profile design with center plate bearing surface flame hardened to Brinell hardness 325 minimum.

INTERIOR CONSTRUCTION:

a. Partitions

The partitions, two (2) per car, are 3/16" (O.H.S.) plate, extending between the sides of the car and from the underside of the 3" x 1/4" (O.H.S.) partition top plate at the roof line to 11/16" below the apex of the sloping floor sheets at the partition. The partition provides a clear opening of 10-1/2" from the top of the coaming.

The partition slope sheets are 3/16" (H.S.S.) plate, extending between the sides of the car and from the partition to the discharge gates. The slope sheets extend from side to side in three (3) pieces joined with longitudinal welds.

The underside of the partition slope sheets at the apex is supported by a 6" x 3/16" (O.H.S.) plate welded to the partition slope sheets, perpendicular to the partition sheet and extends between the sides of the car.

The partition slope sheets are stiffened at the center sill by 1/4" (O.H.S.) supports, four (4) per car, in the area between the center sill and the slope sheets, attached to the slope sheets with 3" flanges.

TRINITY INDUSTRIES, INC.

INTERIOR CONSTRUCTION: (cont'd)

b. Interior Ladder Treads - None

c. Sloping Floor Sheets

The top end floor sheet is a 7/32" (H.S.S.) plate, extending between the corner posts and from the underside of the 3" x 3" x 1/4" angle end floor sheet top plate at the roof line to the slope sheet end web and between the sides of the car, and slopes at 45 degrees to the horizontal. The side and center floor sheets are 3/16" (H.S.S.) plate, and extend from side to intermediate side in three (3) pieces, joined with longitudinal welds, and from the slope sheet end web to the discharge gates. The 3/16" (H.S.S.) sloping floor sheets are flanged for welding to the sides of the car, and slope 45 degrees from the horizontal.

Vent holes and covers are provided in the top of the top end floor sheets.

d. Outside Hopper Sheets

Six (6) per car, 3/16" (H.S.S.) plate extending from the side sheets to the discharge gates and between the floor slope sheets.

e. Vibrator Fittings

Six per car, each welded to a 3/8" (O.H.S.) backing plate which is applied to the outside hopper sheet.

f. Longitudinal Hood Sheets

Three (3) per car, of 5/32" (O.H.S.) plate extend between the floor slope sheets over the center sills.

g. Bottom Hood Sheets

Three (3) per car, 5/32" (O.H.S.) plate, extend between floor slope sheets under the center sill.

TRINITY INDUSTRIES, INC.

DISCHARGE MECHANISM:

Each hopper, three (3) per car, is equipped with a sliding gravity discharge gate, 24" x 30" opening, with door operating mechanism designed to operate individually. Gate clearance above the rail is approximately 11".

SIDE CONSTRUCTION:

a. Side Sills

(2) per car, 6" x 3-1/2" x 5/16" rolled angles (H.S.S.) extending from end to end of car with 3-1/2" leg in the horizontal position.

b. Side Plates

Two (2) per car, 5" x 5" x 5/16" A-500-B cold formed tube, extend the full length of the car.

c. Side Posts

Thirty-six (36) side posts per car are 7/32" (H.S.S.) formed hat section posts, 2-7/32" deep. All the side posts extend from the side sill to the side plate welded thereto and to the side sheets.

d. Side Sheets

5/32" (O.H.S.) steel. The intermediate side sheets extend between the side sill, side plate and bolsters, and weld to each other and to the end side sheets at the bolsters, and weld to the slope and hopper sheets, side posts, side sill and side plate.

The end side sheets, four (4) per car, of 5/32" (O.H.S.) extend between and weld to the side plate and end slope sheet, and weld to the intermediate side sheets at the bolster.

e. Card Boards

Two (2) per car, mounted on the side sill at the "AL" and "BR" corners.

f. Roping Staples

Four (4) per car, 5/8" (H.S.S.) plate welded to the horizontal leg of the side sill and to the body bolster cover plate.

g. Side Ladder Stiles

Four (4) per car, 2" x 2" x 1/4" (O.H.S.) rolled angles.

TRINITY INDUSTRIES, INC.

END CONSTRUCTION:

- a. End Sills
Two (2) per car, 5" x 3-1/2" x 3/8" (O.H.S.) rolled angles extend between the corner posts and the side sills.
- b. End Posts
Three (3) per car, 3" x 3" x 1/4" (O.H.S.) rolled angles, two (2) at the "A" end and one (1) at the "B" end. At the "B" end of the car, two (2) 5" x 3-1/2" x 3/8" rolled angle section posts provide support for the hand brake. Additionally, two (2) per car, 2-1/2" x 2-1/2" x 1/4" (O.H.S.) rolled angles - One (1) per end - serve as ladder stiles on the BL and AR quarters.
- c. Corner Posts
Four (4) per car, 3-1/2" x 3-1/2" x 1/4" (O.H.S.) rolled angles.
- d. Diagonal Braces
Four (4) per car, 5" x 3-1/2" x 3/8" (O.H.S.) rolled angles weld to the end sill and to the body bolster top cover plate.
- e. Uncoupling Device
The uncoupling device Stan-Ray design, for operating a bottom operated coupler with E-24B articulated rotary locklift assembly.
- f. End Platforms
Two (2) per car, A.A.R. approved, galvanized, perforated plate.

ROOF DETAILS:

- a. Roof Sheets
The roof sheets are 5/32" (H.S.S.). The roof sheets extend between the partition sheets and the side plate tube, and are welded thereto.
- b. Roof Hatch Reinforcement
The hatch coaming is reinforced at its end.
- c. Roof Hatch Covers
The roof hatch covers, four (4) per car, are of fiberglass design with rubber gaskets.

Each section of the cover is hinged and arranged to swing open to the side of the car and lay on the running board. The covers are provided with holddown devices with extruded rubber gaskets on the entire inner face of the holddown.

TRINITY INDUSTRIES, INC.

ROOF DETAILS: (cont'd)

c. Roof Hatch Covers - cont'd

The end covers are also provided with a locking device for securing the hatch covers to the car.

d. Running Boards

A.A.R. approved longitudinal and latitudinal running boards.

SAFETY APPLIANCES:

All safety appliances are F.R.A. and A.A.R. approved, latest design. All ladder treads and grab irons are 3/4" diameter and sill steps are 2" x 1/2".

JACKING PADS:

Four (4) per car are provided at the body bolsters at the side sill in compliance with paragraph 2.1.5.21 in the A.A.R. Specifications for Design, Fabrication and Construction of Freight Cars (29" min. - 45" max. from rail).

BRAKE SYSTEM:

a. Air Brake

Standard ABDW 10" x 12" freight car brake equipment with socket welded type fittings, except the 1" branch pipe is welded directly to the 1-1/4" brake pipe.

b. Braking Power - (Composition Shoes)

The brake shoe forces as determined by the brake rigging efficiency test shall be not more than 30% of the light weight of the car and not less than 6.5% of the gross rail load, based on a brake cylinder pressure of 50 pounds per square inch.

The hand brake ratio determined by the brake rigging efficiency test, shall not be less than 11% of the gross rail load.

TRINITY INDUSTRIES, INC.

BRAKE SYSTEM: (cont'd)

c. Brake Pipe

All pipe is extra heavy black steel in accordance with ASTM Specification A-53. The 1" and 1-1/4" pipe fittings on the brake pipe are adjustable butt-welded type, except 300-lb. 1-1/4" coupling, per A.A.R. Specification M-404, latest revision, at the brake pipe end nipples. The angle cocks are the combination threaded and compression type with FP-5 couplings on the air hose.

d. Brake Attachments

The ABDW valve and reservoir are secured with high strength steel bolts and elastic stop nuts. Self-locking cap screws are used for securing all-flanged fittings on the reservoir, cylinder, and pipe brackets. Retainer valve and angle cocks are secured with elastic stop nuts.

e. Piston Travel

7-1/4" piston travel, plus or minus 1/4" The piston travel is adjusted by a double acting automatic slack adjuster A.A.R. latest design.

f. Brake Rigging

The brake rigging is designed to carry forces resulting from the maximum brake cylinder pressure of 90 pounds .

g. Pipe Clamps

The brake pipe is secured to the car body with "Wright" Illinois Railway Equipment Company pipe clamps. The brake pipe is located at the side sill.

The A.A.R. standard, three (3) position retainer valve is located on the diagonal brace at the BR corner.

h. Angle Cock Holder

The angle cock holder, two (2) per car, using a 5/8" "U" bolt and self-locking nuts.

i. Air Brake Pins

The air brake pins are Ex-Cell-O secured with lock-tite cotters. All holes for the brake pins are drilled.

TRINITY INDUSTRIES, INC.

BRAKE SYSTEM: (cont'd)

j. Release Rod

The release rod is one-half inch (1/2") diameter open hearth steel, with closed loop ends.

k. Hand Brake

The hand brake is A.A.R. approved, vertical wheel non-spin, long handle release lever. Handbrake has quick release and gradual release capability.

The hand brake chain is 9/16".

The hand brake is secured to the car with 5/8" standard hexagon head bolts and regular hexagon nuts with the nut welded to the bolt after proper tightening.

l. Body Brake Levers

The body brake levers are Schaefer Equipment Company make.

m. Brake Rod Jaws

The brake rod jaws are drop forged, car builder's supply.

n. Brake Lever Badge Plate

A pressed metal brake lever badge plate is attached to the slope sheet end web.

PAINTING AND STENCILING:

a. Surface Preparation

All exterior surfaces above the level of the bottom of the side sills and end sills will be cleaned by shotblasting or sandblasting prior to painting. All other surfaces to be painted will be thoroughly cleaned and dried to remove all rust, scale, silt, grease, moisture or other foreign matter prior to painting.

b. Paint - Gray Finish Coat

Spray one coat (by brush to those areas which cannot be adequately protected by conventional spray methods, such as roof brackets, areas of the roof, weld seams that are not very smooth, sharp edges and corners) of direct-to-metal alkyd gray. The dry film thickness is to be in the range of 2 to 3 mils and applied in one cross-pass coat.

TRINITY INDUSTRIES, INC.

PAINING AND STENCILING: (cont'd)

c. Special Requirements

1. Riveted and bolted laps and joints will have a coat of primer applied to the mating surfaces before assembly.
2. Truck side frames and bolsters will receive one light fog coat of black.

TRINITY INDUSTRIES, INC.

TRUCK DETAILS:

- a. Capacity100 Ton
- Wheel Base5' 10"
- Side Bearing Centers.....4' 2"

b. General

The truck brake is arranged with the brake lever connection passing through the truck bolster. The dead lever anchor is secured to the truck bolster.

c. Axles

The axles are A.A.R.Standard 6-1/2" x 12" freight car, roller bearing type, per A.A.R. Specification M-101, latest revision, Grade "F", double normalized and tempered, with raised wheel seats, rough turned all over, center portion between the wheel seats, turned to 250 microinch body finish as shown on A.A.R. manual page D-11, latest revision.

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TRINITY INDUSTRIES, INC.

TRUCK DETAILS: (cont'd)

k. Roller Bearings

The roller bearings are A.A.R. Standard, pregreased and preassembled "NFL" narrow pedestal type, for 6-1/2" x 12" journals, mounted on the axles, in accordance with the manufacturer's latest recommendations.

l. Roller Bearing Adapters

The roller bearing adapters are latest A.A.R. Standard for 6-1/2" x 12" journals, finish machined to suit narrow pedestal side frame, without provisions for application of heat indicators with hardened crowns .

m. Brake Beams

The brake beams are A.A.R. Standard No. 18 beams of the Unit type.

n. Brake Beam Wear Plates

For use with A.A.R. Standard No. 18 Unit type beams.

o. Brake Shoes

Composition brake shoes. Brake shoe keys are A.A.R. Standard "Lockey" type as furnished by the Abex Corporation.

p. Brake Pins

"Ex-Cell-O" secured with lock-tite cotters.

q. Center pins

The center pins are 1-3/4" diameter.

r. Roller Bearing Retainer Frame Key

Without.

TRINITY INDUSTRIES, INC.

BODY SPECIALTIES:

The car body is equipped with the following items:

Air Brakes	ABDW 10" x 12"
Air Brake Pipe Fittings	Socket welded
Angle cocks	Ball type 3050-A
Angle cock holder	
Brake levers	
Brake Pins	
Brake Rod Jaws	Weld-on type
Center plates	ASTM A-128 Grade A 15-7/8" dia. min.
Cotter keys	"Lock-Tite"
Couplers	A.A.R. Straight Shank Type E60CHT Single Articulated Locklift, with bottom shelf, Bottom operating high tensile cast steel Grade "C"
Coupler Yokes	A.A.R. Standard Y40AHT Grade "C" cast steel
Coupler Key Retainers	"Azee"
Coupler Release Rigging	
Defect Card Receptacle	
Discharge Mechanism	Gravity Type 24" x 30"
Draft Gears	A.A.R. approved M-901-E High capacity
End Platforms	A.A.R. approved Two (2) per car, Galv. Perforated plate

TRINITY INDUSTRIES, INC.

TRUCK SPECIALTIES:

The trucks are equipped with the following items:

Axles	A.A.R. Standard 6-1/2" x 12" Grade "F", Double Normalized and tempered D-11, latest revision
Bolsters	A.A.R. approved pattern Grade "B" cast steel 16" dia. bowl
Brake beams	Unit type No. 18
Brake beam wear plates	For unit beams
Brake levers	
Brake lever connection	
Brake pins	
Brake shoes	2" composition
Brake shoe keys	"Lockey"
Center wear plate liners	1-3/4" x 1/4" manganese vertical wear ring cont. weld with trapped horizontal wear liner.
Cotter keys	Lock-Tite
Ride stabilizers	3-11/16"
Roller bearings	6-1/2" x 12" "NFL" type, preassembled and pregreased
Roller bearing adapters	6-1/2" x 12" narrow pedestal without heat indicators and with hardened crowns
Side bearings	Double roller
Side frames	A.A.R. approved pattern Grade "B" cast steel
Springs	3-11/16" travel
Integral truck Snubbing device	
Wheels	36" dia., one (1) wear, untreated

FORM 1 - GENERAL CONDITIONS

(Trinity Industries Leasing Company is referred to in these General Conditions as "TIL")

1. SPECIFICATIONS AND CHANGES:

In the event that it shall become impossible for TIL to secure materials required for the building of these cars in exact accordance with specification requirements, by reason of Government regulations or by reason of priorities given to defense orders, or for any other reason beyond the control of TIL, TIL may make changes in the specifications not materially affecting the strength or efficiency of the cars for railroad use and interchange and the Customer agrees that it will not unreasonably withhold its consent to each substitution. Any changes in the specifications desired by Customer must be requested in writing. TIL shall attempt to comply with requests but only upon condition that a written agreement is entered into with Customer specifying the precise changes desired and the cost to be paid by the Customer for such changes or the amount of any adjustment in the quoted purchase price or rental charge.

2. INSPECTION:

TIL will give the customer full opportunity to inspect cars during construction at TIL's plant. On completion of each car, Customer may arrange for final inspection thereof at TIL's plant. If requested by TIL, Customer shall execute a certificate of inspection covering all cars found to be completed in accordance with the specifications and will deliver the executed certificate to TIL. Each inspection certificate, with respect to cars covered thereby, shall be final and conclusive evidence that such cars conform in workmanship, material, and construction, and in all other respects to the requirements and provisions of this agreement.

3. DELIVERY:

The time of delivery of the cars is contingent upon date of acceptance of this offer, and upon TIL's ability to secure steel and other material to enable TIL to meet production requirements for these cars, as well as for cars which TIL now has on order which precede these cars in TIL's schedule. Time of delivery is also subject to prompt settlement of all details and to delays due to strikes, fires, accidents, or any other causes or contingencies beyond TIL's control. Delay in delivery of any of the cars not due to TIL's wilful act shall not constitute a default under this proposal; nor will TIL be under obligation to arrange for shipment and acceptance of any required materials in advance of its actual needs.

4. ACCEPTANCE and TERMS OF PAYMENT:

If this agreement covers the furnishing of cars under a Car Service Agreement, Customer agrees to accept all or any number of the cars as they are completed and forwarded to Customer. The provisions of the Car Service Agreement shall govern the liability of Customer for payment of rental charges.

If this agreement covers the sale of cars to Customer, unless otherwise agreed in writing, Customer agrees to accept delivery of all or any number of the cars as they are completed and delivered to Customer. On presentation by TIL of invoice for any cars covered by this agreement, accompanied by inspection certificate (if any), and/or bill of lading showing shipment of the cars; the Customer will pay the full amount of such invoice net thirty (30) days from date of invoice (plus one percent (1%) penalty for each month or part thereof payment is delinquent).

5. TAXES

If this agreement covers the sale of cars, the quoted price does not include any State or local sales use, or related taxes however designated or imposed, and any such sales or use tax or similar tax arising out of this transaction shall be for Customer's account.

If this agreement covers the furnishing of cars under a Car Service Agreement, the provisions of such agreement shall govern the liability for payment of taxes.

6. PATENTS

TIL shall defend any suit or proceeding brought against Customer based on a claim that cars or any part thereof, furnished under this proposal constitutes an infringement of any patent of the United States, if notified promptly in writing and given authority, information and assistance (at TIL's expense) for the defense of same, and TIL shall pay all damages and costs awarded therein against Customer. In case said cars, or any part thereof, is in such suit held to constitute infringement and the use of said cars or part is enjoined, TIL shall, at its own expense, and at its option, either procure for Customer the right to continue using said cars or part; or replace same with non-infringing equipment or modify it so it becomes non-infringing; or refund the purchase price (if the cars were purchased from TIL). The foregoing states the entire liability of TIL for patent infringement by said cars or any part thereof.

TERMS AND CONDITIONS
PAGE TWO

6. PATENTS: (cont'd)

The preceding paragraph shall not apply to cars, or any part thereof, manufactured or supplied to Customer's design or specification. As to such cars, or any part thereof, TIL assumes no liability whatsoever for patent infringement.

7. WARRANTY:

TIL agrees to build the cars in accordance with the applicable specifications and (except as to items manufactured or supplied to Customer's design or specification) that the cars will be free from defects in material and workmanship. In the case of cars sold to Customer, TIL's obligation under this warranty shall be limited to repairing or replacing at TIL's car repair shops or at a shop selected by TIL any part or parts of any of the cars which shall within one year after delivery of any such car be returned to TIL with transportation charges prepaid and which TIL's examination shall disclose to its satisfaction to have been thus defective. In the case of cars furnished under a Car Service Agreement the provisions of such agreement shall govern TIL's responsibility for repairs. THIS WARRANTY IS EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR THAT THE CARS ARE FIT FOR ANY PARTICULAR PURPOSE OR USE, AND SPECIFICALLY IN LIEU OF ALL INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES.

8. APPLICABLE LAW:

It is specifically agreed by the parties that this agreement shall be governed by and construed according to the laws of the State of Texas.