

REGISTRATION NO. 1 5273 FROM 3486

See #6591

(NO COMS)

RAY, QUINNEY & NEBEKER  
PROFESSIONAL CORPORATION  
ATTORNEYS AT LAW

JUL 28 1987 12:25 PM

400 DESERET BUILDING  
79 SOUTH MAIN STREET  
P. O. BOX 45385

INTERSTATE COMMERCE COMMISSION

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STEVEN J. AESCHBACHER  
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JUL 28 1987 12:20 PM

210 FIRST SECURITY BANK BLDG.  
92 NORTH UNIVERSITY AVENUE  
PROVO, UTAH 84601-4420  
(801) 226-7210

JUL 28 1987 12:35 PM

200 FIRST SECURITY BANK BLDG.  
2404 WASHINGTON BOULEVARD  
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(801) 621-0713

INTERSTATE COMMERCE COMMISSION

OGDEN, UTAH 84401-2306  
(801) 621-0713

No. 7-209405  
Date JUL 28 1987

OF COUNSEL  
ALBERT R. BOWEN  
W. J. O'CONNOR, JR.

Fee \$ 20.00

PAUL H. RAY (1893-1967)  
C. PRESTON ALLEN (1921-1971)  
MARVIN J. BERTOCH (1915-1978)  
A. H. NEBEKER (1895-1980)  
S. J. QUINNEY (1893-1983)

ICC Washington, D.C.

July 27, 1987

20.00 filing fee

Interstate Commerce Commission  
Washington, D.C. 20423

Completed by [Signature]

Re: (i) Assignment of Lease and Remarketing Agreement, relating to a Lease of Railroad Equipment dated April 1, 1972 between First Security State Bank, Trustee, as Lessor, and North American Car Corporation as Lessee

New No (ii) Railroad Car Net Lease Agreement dated July 7, 1987 between Caldwell Baker Corporation as Lessor and Burlington Northern Railroad Company;

- A (iii) Collateral Assignment of Railroad Car Net Lease Agreement dated July 7, 1987 between First Security Bank of Rock Springs, Trustee and Sanwa Bank California, Agent

To Whom It May Concern:

On behalf of First Security Bank of Rock Springs, Trustee, the following instruments are hereby submitted for filing and recording pursuant to 49 USC § 11303(a), along with a check in an amount not to exceed \$30.00 covering the recordation fee:

(1) Two (2) counterparts of Assignment of Lease and Remarketing Agreement. This Assignment relates to a Lease of Railroad Equipment dated April 1, 1972 between First Security State Bank, Trustee, and North American Car Corporation, which was filed with the I.C.C. on May 11, 1972 and given Recordation No. 6591;

- A (2) Two (2) counterparts of Collateral Assignment of Railroad Car Net Lease Agreement, dated July 7, 1987 between First Security State Bank of Rock Springs,

Interstate Commerce Commission  
July 27, 1987  
Page Two

Trustee, and Sanwa Bank California, Agent. This is a new filing, constituting an Assignment of Railroad Car Net Lease Agreement described in (3) below;

- new file* (3) Three (3) Counterparts of Railroad Car Net Lease Agreement, dated July 7, 1987 between Caldwell Baker Corporation and Burlington Northern Railroad Company.

Once filed, please return to the bearer the stamped counterparts not required for filing purposes together with the fee receipt acknowledging this filing.

Sincerely,

RAY, QUINNEY & NEBEKER



Ira B. Rubinfeld

IBR: km  
Enclosures  
cc: J. Michael Kelly  
David Grant  
Susan Negley  
Kurt L. Kicklighter

Interstate Commerce Commission  
Washington, D.C. 20423

OFFICE OF THE SECRETARY

7/28/87

Ira B. Rubinfeld  
Ray, Quinney & Nebeker  
79 South Main St.  
P.O. Box 45385  
Salt Lake City, Utah 84145

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 7/28/87 at 12:35pm, and assigned re-  
recording number(s).

6591-F & 15273, & 15273-A

Sincerely yours,

*Noreta K. McGee*  
Secretary

Enclosure(s)

SE-30  
(7/79)

JUL 28 1987 - 12 25 PM

INTERSTATE COMMERCE COMMISSION

RAILROAD CAR NET LEASE AGREEMENT

This Agreement, made as of the <sup>July</sup> 7<sup>th</sup> day of ~~May~~, 1987, between Caldwell Baker Corporation, a Delaware corporation, with its principal office at 5250 W. 94th Terrace, Prairie Village, Kansas 66207 (hereinafter called "Lessor") and Burlington Northern Railroad Company a Delaware corporation, with principal offices at 9401 Indian Creek Parkway, Overland Park, Kansas 66201 (hereinafter called "BN" or "Lessee"), WITNESSETH THAT:

In consideration of the mutual terms and conditions hereinafter set forth, Lessor and Lessee agree as follows:

ARTICLE 1: LEASE

Lessor agrees to lease to the Lessee, and Lessee agrees to lease from Lessor, the cars shown on each Rider hereto and such additional Riders as may be added from time to time by agreement of the parties and signed by their duly authorized representatives. Each Rider shall set forth a description of the car or cars covered thereby, including such facts as the number of cars, the Association of American Railroads (AAR) or Department of Transportation (DOT) specifications, rental charges, term throughout which the car or cars shall remain in Lessee's service and such other information as may be desired by both parties (all such cars being hereinafter referred to as the "cars"). It is the intent of all parties to this Agreement to characterize this Agreement as a true lease.

ARTICLE 2: TERM

This Agreement, with respect to each car, shall commence upon the initial delivery to and acceptance of such car by Lessee in the manner set forth in Article 3 and shall terminate on the earlier of the loss or destruction of such car or, with respect to all cars leased hereunder, at the end of the lease term set forth in the Rider(s) attached hereto; provided, however, that without limiting any other rights Lessor may have against Lessee, if Lessee is responsible for such loss or destruction of a car under Paragraph C of Article 8, this Agreement, with respect to such car, shall continue until Lessee pays to Lessor the Settlement Value (defined in Article 9 hereof) of such car as determined immediately prior to such loss or destruction. Notwithstanding the expiration or termination of this Agreement, the obligations of the Lessee hereunder shall continue in effect (subject to any modifications expressly provided for), with regard to all unreturned cars, until returned to the Lessor in accordance with Article 14 hereof.

ARTICLE 3: DELIVERY

Lessor shall deliver the cars to Lessee at any (or several) interchange points on the BN. All cars shall be delivered on or before October 1, 1987. If Lessor fails to have all of the cars delivered by October 1, 1987, Lessee shall have the option to terminate this Agreement as to those cars not timely delivered. Lessor's obligation with respect to delivery of the cars shall be subject to delays resulting from causes beyond its control, to the extent that the said deadline shall be extended by the number of days that Lessor is actually prevented from delivering the cars as a result of such delays. This remedy is not exclusive and exercise of the foregoing option shall not deprive Lessee of all other remedies it may have, including the right to sue for damages, arising from Lessor's failure to effect timely delivery.

ARTICLE 4: ACCEPTANCE OF CARS

Upon delivery, Lessee shall promptly inspect each car and shall accept such car if it: (a) complies with the description set forth in the attached Rider(s), and (b) is fit and suitable for grain loading and operation in accordance with the Interchange Rules adopted by the AAR. Upon acceptance, if Lessor so desires and so notifies Lessee, Lessee shall deliver to Lessor a Certificate of Acceptance in the form attached hereto as Exhibit A. Notwithstanding the foregoing, Lessee shall be deemed to have accepted any car delivered hereunder if the Lessee shall: (a) load, or otherwise use the car, or (b) fail to notify Lessor, in writing, within ten (10) days after delivery of Lessee's rejection of the car and the specific reasons why the car does not meet the applicable standards set forth in the Rider(s) or the Interchange Rules.

## ARTICLE 5: MARKINGS

At the time of delivery of the cars by Lessor to Lessee, Lessor will have the cars plainly marked on each side with the identification marks of Lessee. If such markings (or any of the markings required pursuant to Article 12) shall at any time be removed or become illegible, wholly or in part, Lessee shall immediately cause such markings to be restored or replaced, at Lessee's expense with respect to its markings and at Lessor's expense with respect to all markings required pursuant to Article 12. Lessee shall not otherwise place, or permit to be placed, any lettering or marking of any kind upon the cars without Lessor's prior written consent, which shall not be withheld unreasonably.

## ARTICLE 6: PAYMENT OF RENTALS

The monthly rental with respect to each car shall be as set forth in the Rider(s), and, subject to Article 2, shall accrue from (and excluding) the date of delivery and acceptance to (and excluding) the date the car is redelivered in accordance with Article 14. The rental shall be payable to First Security Bank of Rock Springs, Trustee, at the address set forth in Article 23 in arrears on or before the first day of each calendar month during the term hereof; provided, however, that the rental for each car for the month in which it is delivered and accepted shall be pro-rated for the number of days (including the date of delivery) remaining in such month; and shall be payable on or before the first day of the next succeeding calendar month. Lessee agrees to pay a late charge of 5% per month on any amount due hereunder not paid on or before the due date. The amount by which rental payments for any month exceed the pro rata rental due for the cars leased to Lessee during such month shall be refunded to Lessee within ten (10) days of the end of such calendar month. Lessee shall retain all car hire earnings of the cars during the term of this Agreement.

This lease is a net lease. Lessee's obligation to pay Lessor all rentals and other amounts hereunder, unless such obligation shall be terminated or abated as hereinafter provided, is absolute and unconditional and Lessee shall not be entitled to any abatement or reduction of, or set off against, such rentals or other amounts irrespective of any claim, counterclaim, recoupment, defense or other right which Lessee may have, directly or indirectly, against the Lessor, the manufacturer of the cars or any other person or entity. Lessee understands and acknowledges that all of the cars are subject to security interests created pursuant to various financing arrangements and Lessee agrees that Lessee's rights are subordinate to the rights and remedies of the security interest holders pursuant to those arrangements, except that, unless Lessee is in default pursuant to Article 13, Lessee's quiet enjoyment of the cars in accordance with this Agreement shall not be disturbed and this Agreement may not be terminated or amended, directly or indirectly, so as to impair such rights. Lessee's obligation to pay rent hereunder is expressly conditioned on the continued authority and ability of Lessor to provide the cars to Lessee and to meet its other obligations under this lease. Should any impairment of such authority or ability deprive Lessee of the full use and enjoyment of the cars and full enjoyment of Lessee's other rights and privileges hereunder, Lessee's obligation to make such rental payments shall cease, without prejudice to any other rights and remedies Lessee may have. Further use by Lessee of any cars still available for undisturbed enjoyment shall be governed by the Office and Field Manuals of the AAR Interchange Rules, with rental payments for each such car based on the applicable pro-rata daily rental set forth in the Rider(s).

## ARTICLE 7: TITLE AND USAGE

### A. Title to the Cars

Lessee acknowledges and agrees that by the execution of this Agreement it does not obtain, and by payments and performance hereunder it does not, and will not, have or obtain any title to the cars or any property right or interest therein, legal or equitable, except solely as Lessee hereunder and subject to all of the terms hereof. Lessee shall keep the cars free from any liens or encumbrances created by or through Lessee.

### B. Usage of the Cars

Throughout the continuance of this lease, so long as Lessee is not in default under this lease, Lessee shall be entitled to possession of each car from the date the lease becomes effective as to such car provided, however that Lessee agrees that the cars shall, at all times, be used: (a) in conformity with all Interchange Rules, (b) in compliance with the terms and conditions of this lease.

In the event any car is used outside of the continental United States for any reason whatsoever, Lessee shall assume full responsibility for all costs, taxes, duties or other charges incidental to such use including costs incurred in returning any such car to the continental United States. Lessee agrees to cooperate in any reasonable request by lessor pertaining to the filing and/or recording in any foreign jurisdiction of any documents necessary to protect the interests of any equitable or legal owners of the cars, or any parties holding security interests in the cars.

C. Lessee's Rights to Transfer or Sublease

Lessee shall not transfer, sublease or assign the cars or its interest and obligations pursuant to this Agreement, nor shall a transfer, sublease or assignment by operation of law or otherwise of Lessee's interest in the cars or this Agreement be effective against Lessor, without Lessor's prior written consent, which will not be unreasonably withheld. Notwithstanding the foregoing, Lessee may, without obtaining Lessor's consent, sublease or assign any or all of the cars to another railroad, and sublease any of the cars to its customers and suppliers, and to cause each car so subleased to be boarded or placarded with the name of the sublessee in accordance with the provisions of the demurrage tariffs lawfully in effect, where the sole purpose of such subleasing is for storage or to obtain an exemption from demurrage for said cars so subleased; provided, however, that notwithstanding any such sublease or assignment, Lessee shall continue to remain liable to Lessor for the fulfillment of Lessee's obligations under this lease. Lessee shall be entitled to receive all rentals from any permitted sublease or assignment.

ARTICLE 8: MAINTENANCE AND REPAIRS

A. Maintenance Responsibility

Lessee shall, at its expense, maintain the cars in good condition and repair according to the Interchange Rules.

B. Alterations

Lessee shall not alter the physical structure of any of the cars without the prior written approval of Lessor. Any modification, alteration or addition to the cars required by any governmental law, rule, regulation, requirement or the Interchange Rules, shall be made by Lessee at Lessor's expense; provided, however, that if the cost of such required modification, alteration or addition exceeds \$1,000 per car, Lessor shall have the option to terminate this Lease as to such cars in lieu of making such modification, alteration or addition.

C. Responsibility for Lost, Destroyed or Damaged Cars

If any of the cars, or any part thereof, shall be lost, destroyed or damaged, then Lessee shall be responsible for, and shall indemnify Lessor and hold Lessor harmless from (as provided in Article 9 hereof), the loss, destruction or damage to the cars, or part thereof, during the term; provided, however, that Lessee shall not be responsible if such loss, destruction or damage to the cars, any part thereof or appurtenances thereto was caused by the sole active negligence or willful misconduct of Lessor.

Notification and settlement for all loss, damage and destruction of cars shall be handled in accordance with AAR Interchange Rules. All rental payment obligations shall cease: 1. as of payment to Lessor of the settlement value under Rule 107 as to loss, damage or destruction for which Lessee is responsible under this Agreement, and 2. as of the date of such loss, damage or destruction for which Lessor is responsible hereunder.

Lessee shall notify Lessor of the loss or destruction of any of the cars promptly after the date of such event. If a car is lost or destroyed and Lessor is responsible for such loss or destruction, Lessor, at its sole option and determination, shall either: (a) substitute for such car another car of the same type, capacity and condition; provided, however, that the rental rate for a substituted car for each month after such car is delivered to Lessee shall be determined in accordance with the Rider(s) and provided Lessee concurs in the substitution, or (b) withdraw the car from this Agreement, and, therefore, reduce the number of cars leased and rental payments owed hereunder.

## ARTICLE 9: INDEMNIFICATION BY LESSEE

### A. Damages, Losses and Injuries Due to Operation of the Cars

Lessee shall defend (if such defense is tendered to Lessee), indemnify and hold Lessor harmless from and against and does hereby release Lessor from all claims, suits, liabilities, losses, damages, costs and expenses, including reasonable attorney's fees, in any way arising out of, or resulting from, the condition, storage, use, loss of use, maintenance or operation of the cars by Lessee during the term of this Agreement. In all cases to which this indemnity agreement applies, Lessee's obligation shall be to indemnify Lessor for the full, actual amount of the liability, loss, damage, cost or expense involved and principles of comparative negligence shall not apply.

Lessor and Lessee shall cooperate with and assist each other in any reasonable manner requested, but without affecting their respective obligations under this Article or Article 8, to establish proper claims against parties responsible for the loss, destruction of or damage to, the cars.

For the purpose of this Agreement, the total amount of loss resulting from the loss or destruction of a car shall be measured by its Settlement Value as determined immediately prior to the time of such loss or destruction. The "Settlement Value" of a car shall be determined by application of Rule 107 of the Interchange Rules.

### B. Losses to and Damages Caused by Commodities

Lessor shall not be liable for any loss of, or damage to, commodities, or any part thereof, loaded or shipped in the cars, however such loss or damage shall be caused or shall result; and Lessee shall be responsible for, indemnify Lessor against and save Lessor harmless from, any such loss, damage or claim therefore according to the same terms of indemnification set forth in paragraph A of this Section 9. In the event any of the cars, fittings or appurtenances thereto, including all interior lading protective devices, (but excluding special interior linings) and removable parts, if any, shall become damaged by any commodity loaded therein, Lessee shall be responsible for such damage, and shall indemnify Lessor against and save Lessor harmless from, any such loss, damage or claim therefor according to the same terms of indemnification set forth in Paragraph A of Section 9.

### C. Loss of Use of Car

Notwithstanding any provision contained herein to the contrary, Lessor shall not be liable to Lessee for any indirect and consequential damages, costs or losses which result from the loss of the use of the cars.

## ARTICLE 10: INSURANCE

Lessee, at its expense, shall keep the cars insured (with loss payable to Lessor as its interest may appear) in a company or companies satisfactory to Lessor against loss, damage or destruction thereto due to fire, lightning, wreck, derailment, collision, flood, sabotage, riot or civil commotion in sums and by policies adequate at all times to protect the interest of Lessor; provided that the contract for such insurance may provide for a loss deductible in an amount not to exceed \$150,000 net loss per occurrence, or in the event such a deductible becomes unobtainable, such amount as may be reasonably obtainable. Certificates of Insurance shall be provided Lessor upon request, and shall provide that Lessor will receive 30 days written notice of any material alteration or cancellation of such policy or policies. Failure by Lessee to procure such insurance shall not affect Lessee's obligations under the terms of this lease and the loss or destruction of, or damage to, the cars shall not terminate this lease nor relieve Lessee from liability under the provisions of this lease. The foregoing requirements may be met by Lessee's present self-insurance and internal risk management program, as modified by Lessee from time to time.

## ARTICLE 11: TAXES AND OTHER CHARGES

Except as otherwise hereinafter provided, Lessee shall pay and indemnify and hold Lessor harmless from any and all

- (a) taxes including, without limitation, any taxes (withholding or otherwise) imposed by Canada or any province thereof or any governmental or

administrative subdivision thereof, sales and/or use taxes, gross receipts, franchise, single business and personal property taxes and

- (b) license fees, assessments, charges, fines, levies, imposts, duties, tariffs, customs, switching, demurrage, track storage, detention, special handling and empty mileage charges,

including penalties and interest thereon, levied or imposed by any foreign, Federal, state or local government or taxing authority, railroad or other agency upon or with respect to Lessee's use of the cars, or upon Lessor in connection with the lease thereof hereunder, and Lessee shall prepare and file all returns and reports required in connection with the foregoing and shall furnish copies thereof to Lessor upon request.

Notwithstanding the foregoing, Lessee shall not be responsible for any tax imposed by the United States or any state or governmental subdivision thereof which is measured solely by Lessor's net income, unless such tax is in substitution for or releases Lessee from the payment of any taxes for which Lessee would otherwise be obligated under this Article 11.

#### ARTICLE 12: ASSIGNMENT, TRANSFERS, ENCUMBRANCES

All rights of Lessor hereunder may be assigned, pledged, mortgaged, transferred or otherwise disposed of, either in whole or in part, and/or Lessor may assign, pledge, mortgage, transfer or otherwise dispose of title to the cars, with or without notice to Lessee. In the event of any such assignment, pledge, mortgage, transfer or other disposition, this Agreement and all rights of Lessee hereunder or those of any person, firm or corporation who claims or who may hereafter claim any rights in this Agreement under or through Lessee, are hereby made subject and subordinate to the terms, covenants and conditions of any chattel mortgage, conditional sale agreement, equipment trust agreement or other agreements or assignments covering the cars heretofore or hereafter created and entered into by Lessor, its successors or assigns and to all of the rights of any such chattel mortgagee, assignee, trustee or other holder of legal title to or security interest in the cars; provided, however, that so long as Lessee is not in default hereunder, Lessor shall continue to perform all of its obligations hereunder, and Lessee shall continue to perform its obligations hereunder, and Lessee shall be entitled to unrestricted use of the cars in accordance with the terms and conditions of this agreement. Any sublease or assignment of the cars permitted by this Agreement that is entered into by Lessee or its successors or assigns shall contain language which expressly make such assignment or sublease subject to the subordination contained herein. At the request of Lessor or any chattel mortgagee, assignee, trustee or other holder of the legal title to or security interest in the cars, Lessee, at Lessor's expense, shall letter or mark the cars to identify the legal owner of the cars and, if applicable, place on each side of each car, in letters not less than one inch in height, the words "Ownership Subject to a Security Agreement Filed Under the Interstate Commerce Act, Section 20C" or other appropriate words reasonably requested.

In the event that Lessor assigns its interest in this Agreement, Lessee, at the request of Lessor, shall execute and deliver to Lessor an Acknowledgment of Assignment of Agreement in form satisfactory to Lessee and Lessor.

#### ARTICLE 13: DEFAULT BY LESSEE

If Lessee defaults in the payment of any sum of money to be paid under this Agreement and such default continues for a period of ten (10) days after written notice to Lessee of such default; or if Lessee fails to perform any covenant or condition required to be performed by Lessee which failure shall not be remedied within ten (10) days after notice thereof by Lessor to Lessee; or if Lessee shall dissolve, make or commit any act of bankruptcy, or if any proceeding under any bankruptcy or insolvency statute of any laws relating to relief of debtors is commenced by Lessee, or if any such proceeding is commenced against Lessee and same shall not have been removed within thirty (30) days of the date of the filing thereof, or if a receiver, trustee or liquidator is appointed for Lessee or for all or a substantial part of Lessee's assets with Lessee's consent, or if, without Lessee's consent, the same shall not have been removed within thirty (30) days of the date of the appointment thereof; or if an order, judgment or decree be entered by a court of competent jurisdiction and continue unpaid and in effect for any period of thirty (30) consecutive days without a stay of execution; or if a writ of attachment of execution is levied on any car as a result of any action of Lessee and is not discharged within ten (10) days thereafter, Lessor may exercise one or more of the following remedies with respect to the cars:

1. Immediately terminate this Agreement and Lessee's right hereunder;

2. Require Lessee to return the cars to Lessor at Lessee's expense and if Lessee fails to so comply, Lessor may take possession of such cars without demand or notice and without court order of legal process. Lessee hereby waives any damages occasioned by such taking of possession whether or not Lessee was in default at the time possession was taken, so long as Lessor reasonably believes that Lessee was in default at such time; Lessee acknowledges that it may have a right to notice of possession and the taking of possession with a court order or other legal process. Lessee, however, knowingly waives any right to such notice of possession and the taking of such possession without court order or legal process;
3. Lease the cars to such persons, at such rental and for such period of time as Lessor shall elect. Lessor shall apply the proceeds from such leasing, less all costs and expenses incurred in the recovery, repair, storage and renting of such cars, toward the payment of Lessee's obligations hereunder. Lessee shall remain liable for any deficiency, which, at lessor's option shall be paid monthly, as suffered, or immediately or at the end of the term as damages for Lessee's default;
4. Bring legal action to recover all rent or other amounts then accrued or thereafter accruing from Lessee to Lessor under any provision hereunder;
5. Pursue any other remedy which Lessor may have.

Each remedy is cumulative and may be enforced separately or concurrently. In the event of default, Lessee shall pay to Lessor all costs and expenses including reasonable attorneys' fees expended by Lessor in the enforcement of its rights and remedies hereunder.

If Lessee fails to perform any of its obligations hereunder, Lessor, at Lessee's expense, and without waiving any rights it may have against Lessee for such nonperformance, may itself render such performance. Lessee shall reimburse Lessor on demand for all sums so paid by Lessor on Lessee's behalf.

#### ARTICLE 14: DELIVERY AT END OF TERM

Lessee shall deliver the cars to Lessor or Lessor's designee at the end of the lease term, or within ten (10) days thereafter, at any point on Lessee's line designated by Lessor, empty, free from residue, and in the same order and condition as it was delivered by Lessor to Lessee, except for and subject to ordinary wear and tear and modifications permitted under this Agreement. On delivery, the cars shall meet the standards then in effect under the Interchange Rules of the AAR permitting the cars to be returned to revenue interchange service and will meet the rules of any governmental agency or other organization with jurisdiction over the cars (subject to Article 8B). Lessee shall deliver such cars to Lessor fit and suitable for grain loading and operation in accordance with the Interchange Rules. Lessee shall continue to pay the daily rental charge on each car specified in the applicable Rider until it is returned to Lessor. Lessee shall, if requested by Lessor to do so, store a car or cars on its tracks for up to 120 days following lease termination. Any car so held by Lessee for the account of Lessor following lease termination shall be held at the sole risk and expense of Lessor, regardless of Lessee negligence, and shall not be subject to the daily rental charge.

Lessee, at its expense, shall remove or cause to be removed from the cars any of Lessee's special paint and advertising and all Lessee marks. Lessee shall on demand, reimburse Lessor for the expense of cleaning any car that contains residue or such other cost which may be incurred to place a car in the condition described above, provided Lessor advises Lessee of such cost or expense within fifteen (15) days from the time it receives the car in interchange from Lessee, and provided Lessor has permitted Lessee to participate in a joint inspection of such car(s) to verify its reported condition.

If any car is not redelivered to Lessor or its designee on or before the date or in the condition specified in this Article 14, Lessee shall pay the applicable daily rental for each day that each car is not delivered as required herein or until each car is delivered in the condition required. Lessee shall pay to Lessor on or before the last day of each month the amount Lessee is obligated to pay to Lessor for such month under this Article 14.

## ARTICLE 15: WARRANTIES AND REPRESENTATIONS

EXCEPT AS EXPRESSLY PROVIDED ELSEWHERE IN THIS AGREEMENT, LESSOR MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, AS TO THE CONDITION, MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE OR ANY OTHER MATTER CONCERNING THE CARS. LESSEE HEREBY WAIVES ANY CLAIM IT MIGHT HAVE AGAINST LESSOR FOR ANY LOSS, DAMAGE OR EXPENSE CAUSED BY THE CARS OR BY ANY DEFECT THEREIN. During the period of any lease hereunder in which Lessee renders faithful performance of its obligations, Lessor hereby assigns to Lessee any factory or dealer warranty, whether express or implied, or other legal right Lessor may have against the manufacturer in connection with defects in the cars covered by this Agreement.

## ARTICLE 16: RIGHT OF INSPECTION

Lessor or its nominee shall, at any reasonable time, and without interfering with Lessee's operations, have the right to inspect the cars by its authorized representative wherever they may be located for the purpose of determining compliance by Lessee with its obligations hereunder. All such persons shall enter and occupy Lessee's property at their sole risk and shall be subject at all times to Lessee's operating and safety requirements. Any injury, death or property damage arising out of such entry, occupancy and inspection, even if caused or contributed to by Lessee negligence, gross or otherwise, shall be the entire responsibility of Lessor, and Lessor shall indemnify and hold harmless Lessee from any and all such liabilities. Before entry, permission shall be obtained from a local Lessee operations officer, and such permission shall be granted subject to the above.

## ARTICLE 17: REPORT AND NOTICES

### 17.1 Notification of Liens

Lessee shall notify Lessor in writing within three (3) days after Lessee is notified of any attachment, lien (including any tax and mechanics' liens), or other judicial process affecting the cars.

### 17.2 Report of Location

Within five (5) days after receipt of written demand from Lessor, Lessee shall give Lessor written notice of the approximate location of the cars.

## ARTICLE 18: ASSIGNMENT OF RIGHTS

Except as otherwise provided in Article 12 and Paragraph C of Article 7, this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

## ARTICLE 19: GOVERNMENTAL LAWS

Lessee shall comply with all governmental laws, rules, regulations, requirements and the Interchange Rules with respect to its use, operation and maintenance of any interior lading protective devices, special interior linings or removable parts.

## ARTICLE 20: USE OF CARS ON CERTAIN ROADS UNDER AAR CIRCULAR OT-5

Lessor shall have no responsibility and it shall be Lessee's sole responsibility to obtain from any railroad all the necessary authority to place the cars in service under the provisions of AAR Circular OT-5 as promulgated by the AAR and all supplements thereto and reissues thereof or subsequent directives (such authority hereinafter called "consent(s)"). Lessor shall not be liable for Lessee's failure to obtain such consents for any reason whatsoever and this Agreement shall remain in full force and effect notwithstanding any failure of Lessee to obtain such consents.

## ARTICLE 21: ADMINISTRATION OF AGREEMENT

Lessee agrees to make available to Lessor information concerning the movement of the cars reasonably required for the efficient administration of the Agreement.

Lessee agrees to cooperate with Lessor for the purpose of complying with any reasonable requirements of any lender, the Interstate Commerce Commission or the provisions of Article 9 of the Uniform Commercial Code provided such cooperation does not adversely affect the rights or liabilities of Lessee hereunder.

## ARTICLE 22: MISCELLANEOUS

### A. Entire Agreement

This Agreement, together with any and all exhibits attached hereto, constitutes the entire agreement between Lessor and Lessee and it shall not be amended, altered or changed except by written agreement signed by the parties. No waiver of any provision of this Agreement nor consent to any departure by Lessee therefrom shall be effective unless the same shall be in writing signed by both parties, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given.

### B. Governing Law

This Agreement shall be interpreted under and performance shall be governed by the laws of the State of Kansas.

### C. Conflict with Interchange Rules

In the event the Interchange Rules conflict with any provision of this Agreement, this Agreement shall govern.

### D. Riders and Exhibits

All Riders and Exhibits attached hereto are incorporated herein by this reference.

### E. Payments

First Security Bank of Rock Springs, Trustee % First Security Leasing Company, 381 East Broadway, Salt Lake City, Utah, 84111, attention Brad Morris.

### F. Severability

If any term or provision of this Agreement or the application thereof shall, to any extent, be invalid or unenforceable, such invalidity or unenforceability shall not affect or render invalid or unenforceable any other provision of this Agreement, and this Agreement shall be valid and enforced to the fullest extent permitted by law.

### G. Headings

The headings that have been used to designate the various Sections and Articles hereof are solely for convenience in reading and ease of reference and shall not be construed in any event or manner as interpretive or limiting the interpretation of the same.

### H. Survival

All indemnities contained in this Agreement shall survive the termination hereof, provided the indemnity obligation accrued prior to termination. In addition, the obligation to pay any deficiency as well as the obligation for any and all other payments by Lessee to Lessor hereunder shall survive the termination of this Agreement.

ARTICLE 23: ADDRESSING OF NOTICES

Any notice required or permitted hereunder shall be in writing and shall be delivered to the respective parties hereto by personal delivery thereof or by telegram, telex, telecopier or deposit in the United States mail as a certified or registered matter, return receipt requested, postage prepaid, and addressed to the respective parties as follows, unless otherwise advised in writing.

Lessee to Lessor:

TO: Caldwell Baker Corporation,  
Agent for Lessor  
5250 W. 94th Terrace  
Prairie Village, Kansas 66207

ATTENTION: Carle Baker  
President

Lessor to Lessee:

TO: Burlington Northern Railroad Company  
9401 Indian Creek Parkway  
Overland Park, Kansas 66201-9130

ATTENTION: J. G. Hill  
Director, Fleet Control  
Special Equipment

With a copy to:

First Security Bank of Rock Springs, Trustee  
% First Security Leasing Company  
381 East Broadway  
Salt Lake City, Utah 84111  
Attention: Brad Morris

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed and delivered as of the 7th day of July, 1987.

CALDWELL BAKER CORPORATION, Agent for Lessor

By: Carle Baker

Title: President

BURLINGTON NORTHERN RAILROAD COMPANY

By: Joseph L. Melissi

Title: Executive Vice President Operations

First Security Bank of Rock Springs, Trustee, as owner of the cars, hereby concurs in the foregoing agreement and all applicable Riders and represents and warrants to Burlington Northern Railroad Company that Caldwell Baker Corporation is fully authorized to execute same on its behalf.

FIRST SECURITY BANK OF ROCK SPRINGS, TRUSTEE

C/O First Security Leasing Company

381 East Broadway  
Salt Lake City, Utah 84111  
Attention: Brad Morris

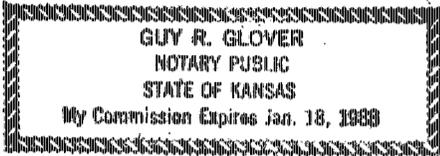
By: B. J. Keiner

Title: Chairman

STATE OF KANSAS )  
COUNTY OF JOHNSON )

: ss.

On this 23<sup>rd</sup> day of July, 1987, personally appeared before me Joseph P. Galassi, who being duly sworn, did say that he is the Ex V.P. of Burlington Northern Railroad Company, and that he signed the foregoing instrument pursuant to authority of the bylaws and/or a resolution of the board of directors of said corporation, and said Joseph P. Galassi acknowledged to me that said corporation thereby executed the same.



Guy R. Glover  
NOTARY PUBLIC  
Residing at: Leawood, KS

My Commission Expires:

July 18, 1991

STATE OF KANSAS )  
COUNTY OF JOHNSON )

: ss.

On this 22 day of July, 1987, personally appeared before me Carle Baker, Jr., who being duly sworn, did say that he is the President of Caldwell Baker Corporation, and that he signed the foregoing instrument pursuant to authority of the bylaws and/or a resolution of the board of directors of said corporation, and said Carle Baker, Jr. acknowledged to me that said corporation thereby executed the same.

Stephen C. Indley  
NOTARY PUBLIC  
Residing at: Johnson Cty, KS

My Commission Expires:

Aug 10, 1991

STATE OF UTAH )  
COUNTY OF SALT LAKE )

: ss.

On this 7th day of July, 1987, personally appeared Robert T. Heiner, who being duly sworn, did say that he is the Chairman of First Security Bank of Rock Springs, and that he signed the foregoing instrument pursuant to authority of the bylaws and/or a resolution of the board of directors of said corporation, and said Robert T. Heiner acknowledged to me that said corporation thereby executed the same.

Dianne A. Dow  
NOTARY PUBLIC  
Residing at: Salt Lake County UT

My Commission Expires:

2-14-91