CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY

JOAN A. SCHRAMM
J.S. EDWARDS
FRANCES L. TURNER
ASSISTANT SECRETARIES

DIRECT DIAL NUMBER
312/454-6535

RECORDATION NO. 13190 Filed 1425

JUL 20 1981 -10 35 AM

INTERSTATE COMMERCE COMMISSION

1-201A054
No.
Date JUL 20 1981
Fee $ 100.00
Washington, D. C.

July 17, 1981

File No. A-11590

RECORDATION NO. 13190-A Filed 1425

JUL 20 1981 -10 35 AM

INTERSTATE COMMERCE COMMISSION

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

Dear Ms. Mergenovich:

Pursuant to Section 11303 (formerly Section 20c) of the Interstate Commerce Act, enclosed for recordation are counterparts of:

1. Security Agreement Assignment and consent dated as of June 1, 1981, between Richard O. Jacobson, P.O. Box 224, Des Moines, Iowa 50301, and the First Federal State Bank, Des Moines, Iowa and the Chicago and North Western Transportation Company, 400 West Madison Street, Chicago, Illinois 60606, covering certain railroad equipment described in Schedule A attached to the Security Agreement.

2. Equipment Lease dated as of June 1, 1981, between Richard O. Jacobson, P.O. Box 224, Des Moines, Iowa 50301, Lessor and Chicago and North Western Transportation Company, 400 West Madison Street, Chicago, Illinois 60606 covering 19 50' 70-ton rigid underframe outside stake boxcars, CNW Nos. 719065-719083, both inclusive.

Enclosed are two checks each for $50.00 to cover your recording fees. Please keep one counterpart for your files and return the other counterparts showing your recordation data. Please assign the same recordation number in sequential order to the Security Agreement and then to the Equipment Lease.

Very truly yours,

J. S. Edwards
Assistant Secretary

JSE/baf
Enclosures
cc: G. R. Charles
R. D. Smith
F. E. Cunningham, Attn: R. DeWitt
T. E. Greenland
R. F. Guenther, Attn: J. James
D. E. Stockham, Attn: P. Brod
Arthur Anderson & Co.
Attn: G. Holdren
Robert S. DeWaay
First Federal State Bank

Counterpart 1. P.R.

COUNTERPART

No. 4 of 4

RECORDATION NO. 13190-A FILED 1425

JUL 20 1981 -10 35 AM

INTERSTATE COMMERCE COMMISSION

EQUIPMENT LEASE

Dated as of June 1, 1981

Between

RICHARD O. JACOBSON

LESSOR

and

CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY

LESSEE

TABLE OF CONTENTS

Article 1	Delivery Repair and Acceptance of the Equipment	1
Article 2	Term of the Lease	3
Article 3	Rentals and Payment Dates	4
Article 4	Net Lease	4
Article 5	Marking and Ownership of the Equipment	5
Article 6	Disclaimer of Warranties	6
Article 7	Maintenance and Additions	7
Article 8	Taxes	8
Article 9	Insurance	9
Article 10	Casualty Occurrences	11
Article 11	Annual Reports	12
Article 12	Lessee Right to Purchase Equipment	13
Article 13	Return of Equipment upon Expiration of the Term	13
Article 14	Default	14
Article 15	Return of Equipment upon Default	18
Article 16	Assignments by Lessor	19
Article 17	Assignments by Lessee/Use and Possession	19

Article 18	Interest on Overdue Rentals and Amounts Paid by Lessor	21
Article 19	Events Prior to Lessee's Acceptance of the Equipment	21
Article 20	Liens and Right to Possession	22
Article 21	Foreign Use	23
Article 22	Patent Indemnity	24
Article 23	Filing	24
Article 24	Lessee's Indemnity	24
Article 25	Loss of Tax Benefits	26
Article 26	Miscellaneous	26

EQUIPMENT LEASE

THIS EQUIPMENT LEASE (the "Lease") dated as of June 1, 1981 between RICHARD O. JACOBSON, an individual (the "Lessor") and CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY, a Delaware corporation (the "Lessee"):

W I T N E S S E T H:

WHEREAS, Lessor purchased 19 50 foot 70-ton XM boxcars (individually a Unit and collectively the Equipment) fully described in Exhibit A attached to this Lease and executed a promissory Note dated June 15, 1978 (the "Note"), between Lessor and The First Federal State Bank, Des Moines, Iowa (the "Secured Party"), the proceeds of which were used to finance the cost of the Equipment.

WHEREAS Lessors and Lessee have entered into a letter agreement dated April 21, 1981 and amended by a further letter agreement dated April 28, 1981 (collectively the "Letter Agreement") which provides for Lease of the Equipment by Lessor to Lessee upon the terms and conditions set forth in the Letter Agreement and in this Lease; and

WHEREAS, the Lessors, the Lesee and the Secured Party are entering into a Security Agreement, Assignment Consent dated as of the date hereof (the "Security Agreement") to secure the Note and acknowledge the Secured Party's concurrance in the terms of this Lease;

NOW, THEREFORE, in consideration of the premises and of the rental to be paid and the covenants hereinafter mentioned, the parties hereby agree as follows:

ARTICLE 1

DELIVERY, REPAIR and ACCEPTANCE OF THE EQUIPMENT

1.1 The Units shall be delivered by Lessor to Lessee's rail lines at Lessor's sole cost and expense. Lessee agrees to assist Lessor in arranging for such delivery but any costs incurred by Lessee in regard to such assistance are to be paid by Lessor to Lessee with 30 days of the date of Lessee's billing therefor.

1.2. Lessee may refuse to accept any Unit not delivered to its rail lines by August 31, 1981.

1.3. Upon delivery of each Unit to Lessee's rail line, Lessee shall transport such Unit, at its expense, to its repair facilities, to perform any repairs deemed necessary by Lessee to restore the Unit to Loadable Interchange Condition (defined below). During transportation of Units to Lessee's repair facilities Lessee shall not be responsible for damage to any Unit which is not eligible for use in interchange service in accordance with the Interchange rules (defined below), and Lessor shall indemnify Lessee against all damages or injury arising in connection with the transportation of such Unit caused by a defect in such Unit unless Lessee shall be the sole cause of such damage or injury. Loadable Interchange Condition shall mean with respect to any Unit that such Unit is both (i) eligible for use in interchange service in accordance with the Interchange Rules of the Association of American Railroads (the "Interchange Rules") and the safety standards of the Federal Railroad Administration and (ii) fit for loading in normal service for the Unit's car type and mechanical designation. Lessee shall notify Lessor before beginning repairs on any Unit if it reasonably appears that the cost of repair to such Unit shall exceed $500.00 and/or require more than thirty (30) days to complete, and shall not begin the repair of such Unit, until notified by Lessor that such repair is acceptable. If, Lessor does not within 60 days from the date of Lessee's notification to Lessor, approve the repair costs which may exceed $500.00 and/or require more than thirty (30) days to complete for such Unit or if Lessor notifies Lessee that the repair of such Unit is unacceptable to the Lessor, such Unit shall be returned to the destination specified by Lessor (or chosen by Lessee if Lessor fails to so designate) at Lessor's sole cost and expense. Upon return of any such Unit, Lessee shall have no further obligation therefor. Lessee shall use its best efforts to complete any such repairs as promptly as possible.

1.4. Upon completion of any repair work performed hereunder by the Lessee, the Lessee shall invoice the Lessor for the cost of all repair work to its Unit at the rates prescribed by the Interchange Rules and the Lessor shall pay each such invoice within 30 days after the date of such invoice except that, Lessee will be responsible for performing at its cost and expense any necessary painting and restenciling work required prior to its acceptance of a Unit.

1.5. Each Unit shall be inspected and accepted by Lessee upon the date that any necessary repair, painting and restenciling work is completed. Lessee shall execute daily a

Certificate of Acceptance in the form of Exhibit B attached to and incorporated into this Lease (the "Acceptance Certificate") which Acceptance Certificate shall cover all Units which are accepted on such day. Lessee shall deliver two originals of each such Acceptance Certificate to the Lessor.

1.6 The Lessee's execution and delivery to the Lessor of an Acceptance Certificate with respect to the Equipment shall conclusively establish that such Equipment is acceptable to and accepted by the Lessee under this Lease and subject to this Lease, notwithstanding any defect with respect to design, manufacture, condition or in any other respect, and that such Equipment is in good order and condition and appears to conform to the specifications applicable thereto; provided, however, that the Lessor shall not be relieved of the obligations arising from its representations, warranties or indemnities hereunder. By execution and delivery of such Acceptance Certificate, the Lessee represents that it has no knowledge of any such defect.

ARTICLE 2

TERM OF THE LEASE

The term of this Lease for the Equipment shall begin on the Average Acceptance Date for all Units (as defined below) and shall terminate, subject to the provisions of Articles 15 and 20 hereof on September 30, 1986. Average Acceptance Date shall be calculated in the following manner: every day beginning with the date of the acceptance of the first Unit hereunder and ending with the date of the acceptance of the last Unit hereunder shall be numbered in chronological order (each such number shall hereinafter be referred to as a "Day Number"). The number of Units accepted on a day shall be multiplied by the Day Number corresponding to such day and the products of each such multiplication added. This sum is then to be divided by the total number of Units accepted hereunder. This quotient represents the Day Number corresponding to the Average Acceptance Date.

ARTICLE 3

RENTALS AND PAYMENT DATES

3.1. The Lessee agrees to pay Lessor for each Unit leased hereunder, $750 per quarter, payable in 20 quarterly payments in arrears on the first day of January, April, July and October, commencing January 1, 1982 and ending October 1, 1986. In addition to the quarterly rental payments, Lessee shall pay to Lessor an interim rental payment on October 1, 1981. The amount of such interim rental payment shall, with respect to each Unit, be at the rate of $8.33 times the number of days from and including the date of acceptance of such Unit to October 1, 1981. If any of the quarterly rent payment dates are not business days, the quarterly rent payment otherwise payable on such date shall be payable on the next succeeding business day. For purposes of this Lease, the term "business day" means calendar days, excluding Saturdays, Sundays, and holidays on which banks in the State of Illinois or Iowa are authorized or required to close.

3.2. The Lessee agrees that it will make all payments due hereunder to the Secured Party by check of the Lessee drawn on a bank located in Chicago, Illinois, and mailed to such party at the address so specified in Article 26.

ARTICLE 4

NET LEASE

4.1 Except as hereafter provided (i) this Lease is a net lease and the Lessee shall not be entitled to any abatement of rent or reduction thereof, including, without limitation, abatements or reductions due to any present or future claims of the Lessee against the Lessor under this Lease (including for failure to deliver any Unit for acceptance on or before the date specified in Article 1.2 or otherwise or against any assignee of the Lessor pursuant to Article 16 hereof, (ii) nor except as otherwise expressly provided herein, shall this Lease terminate, or the respective obligations of the Lessor or the Lessee be otherwise affected, by reason of any defect in or damage to or loss or destruction of the Equipment from any cause whatsoever, the taking or requisitioning of the Equipment by condemnation or otherwise, the lawful prohibition of the Lessee's use of the Equipment, the interference with such use

by any private person or corporation, the invalidity or unenforceability or lack of due authorization or other infirmity of this Lease, or for any other cause similar to the foregoing, it being the intention of the parties hereto that the rents and other amounts payable by the Lessee hereunder shall continue to be payable in all events unless the obligation to pay the same shall be terminated pursuant to Article 10 hereof, or until, pursuant to Article 15 hereof, the Equipment has been returned by the Lessee to the Lessor and stored by the Lessee for the Lessor for the full period therein provided or leaves the Lessee's lines for off-line delivery to the Lessor; provided, however, that the foregoing clauses of this Article 4.1 shall not apply, and the Lessee shall subject to Lessor's right of cure under Article 20 hereof, be entitled to abatement or reduction of rent or any other relief permitted by law, for any claim, loss, liability, damage, cost or expense (including counsel fees) which is asserted against the Lessee or which the Lessee does or could sustain, arising out of any loss of use of the Equipment or by reason of any liens, claims, charges or encumbrances arising prior to the date of Acceptance for which Lessee is relieved of liability under Article 19 hereof.

4.2. Notwithstanding anything to the contrary contained in this Lease (i) so long as no Event of Default (as defined in Article 14) exists hereunder, this Lease may not be terminated and the Lessee shall be entitled to the rights of possession, use and assignment as herein provided, and (ii) to the extent that during the term of this Lease the Lessee shall be denied possession or use of any Unit as a result of the exercise of any right or remedy of the Secured Party, or any other party claiming through or under the Lessor, (but not as a result of an Event of Default hereunder), the Lessee shall have no obligation to make rental payments for such Unit with regard to periods subsequent to and during its loss of such possession or use of such Unit.

ARTICLE 5

MARKING AND OWNERSHIP OF THE EQUIPMENT

5.1. The Lessee will cause each Unit to be kept numbered with its identifying number as set forth in Schedule A hereto, and will, cause to be kept and maintained, plainly, distinctly,

permanently and conspicuously marked on each side of each Unit, in letters not less than one inch in height, the words "Ownership subject to a Security Agreement Filed with the Interstate Commerce Commission", or other appropriate markings approved by the Secured Party and Lessor with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the Secured Party's and Lessor's interest in the Equipment and their rights under this Lease. The Lessee will replace promptly any such markings which may be removed defaced, obliterated or destroyed. The Lessee will not change the number of any Unit except in accordance with a statement of new number or numbers to be substituted therefor, which statement previously shall have been filed with the Secured Party and Lessor by the Lessee and filed, recorded, and deposited by the Lessee in all public offices where this Lease shall have been filed, recorded and deposited. Upon termination of this Lease, the restencilling of any Unit(s) upon which Lessee does not exercise its option to purchase shall be performed by the Lessor at Lessor's expense.

5.2. Except as above provided, the Lessee will not allow the name of any person, association or corporation to be placed on the Equipment as a designation that might be interpreted as a claim of ownership; provided, however, that the Lessee may cause the Equipment to be lettered with the names or initials or other insignia customarily used by the Lessee or its affiliates on railroad equipment used by it for convenience of identification of the right of the Lessee to use the Equipment under this Lease.

5.3. The Lessor, as between the Lessor and the Lessee, shall and hereby does retain full legal title to the Equipment notwithstanding the delivery thereof to and possession, marking and use thereof by the Lessee.

ARTICLE 6

DISCLAIMER OF WARRANTIES.

EXCEPT AS PROVIDED IN ARTICLE 22, THE LESSOR LEASES THE EQUIPMENT AS-IS WITHOUT WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE FITNESS FOR ANY PARTICULAR PURPOSE OR MERCHANTABILITY OF ANY ITEM OR ITEMS OF EQUIPMENT,

INCLUDING, WITHOUT LIMITATION, THEIR VALUE, CONDITION, DESIGN OR OPERATION. The Lessor hereby appoints and constitutes the Lessee its agent and attorney-in-fact during the term of this Lease so long as no Event of Default (as defined in Section 14.1 hereof) shall have occurred and be continuing, to assert and enforce, from time to time, in the name and for the account of the Lessor and the Lessee, as their interests may appear, but in all cases at the sole cost and expense of the Lessee, whatever claims and rights the Lessor may have as owner of the Equipment against any manufacturers or contractors in respect thereof.

ARTICLE 7

MAINTENANCE AND ADDITIONS

7.1. The Lessee agrees that it will maintain and keep each Unit in good operating order, repair and condition, reasonable wear and tear excepted, and in compliance with all applicable laws and regulations; provided, however, that Lessee shall have no responsibility for compliance with any law or regulation enacted or effective subsequent to the termination of the Lease term and prior to delivery of the Equipment to Lessor; and further, provided, that Lessee may, in good faith, contest the validity or application of any law or regulation which does not, in the reasonable opinion of the Lessee, adversely affect the rights of Lessor or the Secured Party. Except as otherwise provided, at the termination of this Lease, if Lessee does not elect to purchase some or all of the Units, Lessee shall return the non-purchased Units in Loadable Interchange Condition, reasonable wear and tear excepted.

7.2. Lessee, at its own cost and expense and without the consent of Lessor or any other parties, may furnish additions, modifications and improvements to the Units during the term of this Lease provided that such additions, modifications and improvements are readily removable without causing material damage to the Units and Lessee may make other non-removable additions, modifications or improvements which will not diminish the intended operating use of the Units whether or not required by law. Upon termination of this Lease, Lessee may remove from the Units any additions, modifications or improvements made at its expense, but only if such removal does not materially damage the Units and such additions, modifications and improvements are not required by law.

ARTICLE 8

TAXES

8.1. All payments to be made by Lessee hereunder will be free of expense to Lessor with respect to the amount of any local, state or federal taxes (other than any federal, state or city net income taxes or franchise taxes measured by net income based on such receipts, except any such tax which is in substitution for or relieves Lessee from the payment of taxes which it would otherwise be obligated to pay or reimburse as herein provided) or license or registration fees, assessments, charges, fines and penalties (all such expenses, taxes, license fees, assessments, charges, fines levies, duties, withholdings, stamp taxes and penalties, together with any interest payable with respect thereto being hereinafter called "Impositions") hereafter levied or imposed upon or in connection with or measured by this Lease or any rental or other payment made with or measured by this Lease or any rental or other payment made hereunder or any ownership, lease, sale, rental, use, payment, shipment, delivery or transfer of title under the terms hereof, all of which Impositions Lessee assumes and agrees to pay on demand in addition to the payments to be made by it provided for herein.

8.2. Without limiting the foregoing, the Lessee will also pay promptly all Impositions which may be imposed upon any Equipment or for the use or operation thereof or upon the earnings arising therefrom (except as provided above) or upon Lessor solely by reason of its ownership thereof and will keep at all times all and every part of the Equipment free and clear of all Impositions which might in any way affect the title of Lessor or result in a lien upon such Equipment; provided, however, that the Lessee shall be under no obligation to pay any Impositions of any kind so long as it is contesting in good faith and by appropriate legal proceedings such Impositions and the nonpayment thereof does not, in the reasonable opinion of Lessor or the Secured Party, adversely affect the title, property or rights of Lessor hereunder. If any Imposition shall have been charged or levied against the Lessor directly and paid by the Lessor, the Lessee shall pay the Lessor on presentation of an invoice therefor if, in the reasonable opinion of Lessor, Lessor shall have been legally liable with respect thereto (as evidenced by an opinion of its counsel) or the Lessee shall have approved the payment thereof, and the Lessor agrees to give the Lessee written notice promptly after

it first obtains knowledge of the making of such charge or levy, and agrees, after payment by Lessee in accordance with this Article 8, to take, at Lessee's expense, such other action as may reasonably be requested by the Lessee for the purpose of contesting payment or obtaining refund of all or a portion of such Imposition.

8.3. In the event any reports with respect to Impositions are required to be made, Lessee shall make such reports in such manner which in the reasonable opinion of Lessor shall be required.

8.4. If claim is made against the Lessor for any Impositions indemnified against under this Article, Lessor shall promptly notify the Lessee. If reasonably requested by the Lessee in writing and so long as the Lessee is prohibited or impaired from doing so in its own name, Lessor shall, upon receipt of indemnity satisfactory to it for all costs, expenses, losses, legal and accountants' fees and disbursements, penalties, fines, additions to tax and interest, and at the expense of the Lessee, contest in good faith the validity, applicability or amount of such Impositions by (a) resisting payment thereof if legally permissible, (b) not paying the same except under protest, if protest is necessary and proper, or (c) if payment is made, using reasonable efforts to obtain a refund thereof in appropriate administrative or judicial proceedings, or both. If Lessor shall obtain a refund of all or any part of such Impositions previously reimbursed by the Lessee in connection with any such contest and/or an amount representing interest thereon applicable to the amount paid by the Lessee and the period of such payment, Lessor shall pay to the Lessee the amount of such refund and/or interest net of expenses, but only if no Event of Default or Default (as hereinafter defined) shall have occurred and be continuing.

ARTICLE 9

INSURANCE

9.1. The Lessee will, at all times during the term of this Lease, at its own expense, cause to be carried and maintained property insurance and public liability insurance in respect of the Equipment at the time subject hereto in amounts (subject to Lessee's customary deductibles) and against risks customarily insured against by railroad companies in respect of

similar equipment, and, in any event, comparable in amounts and against risks customarily insured against by the Lessee in respect of similar equipment owned or leased by it. The Lessee will cause its insurance broker to deliver verification of insurance evidencing any property insurance effected or in force in accordance with the provisions of this Section. With respect to all public liability insurance, the Lessee shall cause each policy to cover the respective interests of the Lessor and the Secured Party for claims arising from the ownership, operation, maintenance or use of the Equipment and the name the Lessor, and the Secured Party as additional insureds.

9.2. On an annual basis during the term of this Lease, the Lessee shall deliver to the Lessor and the Secured Party a verification of Lessee's insurance broker that such policies of insurance remain in effect (or, if such policies have been materially modified, the terms of such modified policies). Such policies may be blanket policies covering other equipment not covered by this Lease, provided that the aforementioned certificate shall indicate that Equipment leased hereunder is included therein and covered thereby.

9.3. Any net insurance proceeds (excluding public liability insurance) resulting from insurance carried by the Lessee or condemnation payments received by the Lessor in respect of the Equipment suffering a Casualty Occurrence (the "Net Insurance Proceeds"), after the Lessee has paid the full Casualty Value with respect to the Unit for which such proceeds are received, shall be paid by the Lessor to the Lessee up to an amount equal to the Casualty Value with respect to such Unit paid by the Lessee; provided, however, that if an Event of Default or other event (hereinafter called a "Default") which with notice, demand and/or lapse of time would constitute such an Event of Default shall hve occurred and be continuing, then the amount otherwise payable to the Lessee may be retained by the Lessor and applied to discharge the liabilities of the Lessee under Article 10. The balance of such Net Insurance proceeds or condemnation payments shall remain the property of the Lessor. All Net Insurance proceeds (excluding public liability insurance) received by the Lessor or the Lessee with respect to a Unit not suffering a Casualty Occurence shall be applied in payment of the cost of repairing the damage to such Unit but no such proceeds shall be paid to the Lessee until the Lessor and the Secured Party shall have received a certificate signed by an authorized officer of the Lessee to the effect that such damage has been fully repaired; and any balance

remaining after the completion of such repairs shall be paid to the Lessee unless an Event of Default or Default shall have occurred and be continuing, in which case the amount otherwise payable to the Lessee may be retained by the Lessor and applied to discharge the liabilities of the Lessee under Article 10.

ARTICLE 10

CASUALTY OCCURRENCES

10.1. In the event that any Unit shall be or become lost, stolen, destroyed, or, in the opinion of the Lessee, irreparably damaged during the term of this Lease, or thereafter while the Equipment is in the possession of the Lessee pursuant to Section 15 hereof, or shall be requisitioned or taken over by any governmental authority under the power of eminent domain or otherwise during the term of the Lease (any such occurrence, except for any requisition which by its terms is for an indefinite period or is for a stated period which does not exceed the term of this Lease, being hereinafter called a "Casualty Occurrence"), the Lessee shall promptly and fully (after it has knowledge of such Casualty Occurrence) inform the Lessor and the Secured Party in regard thereto and shall pay the Casualty Value (as defined in Section 10.4 hereof) of such Equipment in accordance with the terms hereof.

10.2. In the event of a Casualty Occurrence with respect to the Equipment of which the Lessee has knowledge, the Lessee, on the next succeeding rental payment date, shall pay to the Lessor a sum equal to the Casualty Value of such Equipment as of the date of such payment. The rental payment in respect of the Unit for which the Casualty Value is then being paid which would be otherwise due on such date of payment of the Casualty Value need not be paid if such Casualty Value is so paid.

10.3. Provided no Default or Event of Default shall have occurred and be continuing or if, notwithstanding either such event, the Lessor shall have so directed, the Lessee shall, as agent for the Lessor, dispose of such Unit having suffered a Casualty Occurrence as soon as it is able to do so in a commercially reasonable manner in its then existing condition and location without any representation or warranty, expressed or implied. As to the Unit so disposed of and for which all rent and Casualty Value has been paid pursuant hereto, the Lessee may, provided no Default or Event of Default shall have

occurred and be continuing, retain all amounts arising from such disposition plus, in the case of a Casualty Occurrence, any insurance proceeds and damages received by the Lessee up to the Casualty Value attributable thereto and shall remit the excess, if any, less Lessee's cost of disposition to the Lessor. In disposing of such Unit, the Lessee shall take such action as the Lessor shall reasonably request to terminate any contingent liability which the Lessor might have arising after such disposition from or connected with such Unit.

10.4. The Casualty Value of each Unit shall be $27,000.00.

10.5. The Lessee shall bear the risk of loss and, except as hereinabove in this Article provided, shall not be released from its obligations hereunder in the event of any Casualty Occurrence to a Unit from and after the date of acceptance thereof and continuing throughout the term hereof and during any storage period provided in Article 13 hereof until payment of the Casualty Value and any rental due prior to the date of payment of such Casualty Value in respect of such Unit has been made.

10.6. In the event that during the term of this Lease the use of any Unit is requisitioned or taken by any governmental authority under the power of eminent domain or otherwise for an indefinite period or for a stated period which does not exceed the original term of this Lease in respect of such Unit, the Lessee's obligation to pay rent shall continue for the duration of the requisitioning or taking of such Unit. The Lessee shall be entitled to receive and retain for its own account all sums payable for any such period by such governmental authority as compensation for requisition or taking of possession of such Unit.

ARTICLE 11

ANNUAL REPORTS

On or before April 30 in each year, commencing in 1982, the Lessee shall furnish to the Secured Party and Lessor an accurate statement signed by an officer of the Lessee (a) setting forth as of the preceding December 31, the amount,

description and numbers of all Units that have suffered a Casualty Occurrence during the preceding calendar year (or since the date of this Lease in the case of the first such statement) and such other information regarding the condition and state of repair of the Equipment as the Secured Party and Lessor may reasonably request, and (b) stating that, in the case of all Units repaired or repainted during the period covered by such statement, the numbers and markings required by Section 4 hereof have been preserved or replaced. The Secured Party and Lessor shall have the right, by its agents, to inspect the Equipment and the Lessee's records with respect thereto at such reasonable times as the Secured Party and Lessor may request during the term of this Lease.

ARTICLE 12

LESSEE RIGHT TO PURCHASE EQUIPMENT

At the end of the 5-year lease term, Lessee shall, at its sole option, have the right to buy any or all of the Units at a fixed price of $27,000 per Unit. Lessee shall give Lessor and Secured Party three months' notice of its intent to exercise its option. If Lessee elects to exercise its option to purchase any or all Units, Lessor will be obligated to provide Lessee with a warranty bill of sale and opinion of counsel in a form acceptable to Lessee transferring title to the Units purchased free of all liens, charges, security interests or other encumbrances other than those created solely by the Lessee. Upon receipt of the above, the Lessee will promptly pay for the Units purchased and the Lease shall terminate with respect to such purchased Units except that liability for all rents or obligations accrued before or owing on such date shall continue.

ARTICLE 13

RETURN OF EQUIPMENT UPON EXPIRATION OF THE TERM

13.1. As soon as practicable after expiration of the term of this Lease, Lessee at its own cost and expenses will return any Units not purchased by Lessee (in Loadable Interchange Condition, reasonable wear and tear excepted) to Lessor at a point on Lessee's rail lines mutually agreed upon by Lessor and Lessee east of the Missouri River. Upon return of such Units to Lessor at the agreed point on Lessee's rail lines, any such

Units remaining for longer than 30 days on Lessee's rail lines will be held at Lessor's sole liability, expense and risk at a reasonable storage location east of the Missouri River determined by Lessee. Any such Units remaining and stored on Lessee's lines shall accrue a storage fee of $15.00 per day, unless Lessee agrees otherwise in writing. The maximum length of time which any Units may be stored on Lessee's rail line is 180 days.

13.2. Lessor will be responsible for any necessary repainting or restenciling work required for Units not purchased by Lessee at end of the 5-year lease term.

ARTICLE 14

DEFAULT

14.1. Any of the following events shall constitute an event of default ("Event of Default") hereunder:

(a) the Lessee shall fail to make any payment of rent or Casualty Value payable by the Lessee as provided in this Lease when payment thereof shall be due hereunder and such failure shall continue for more than 5 business days after written notice thereof from the Lessor; or

(b) the Lessee shall make or permit any unauthorizd assignment or transfer of this Lease, or of the right of possession of any Unit under this Lease, and the Lessee shall, for more than 30 days after demand in writing by the Lessor, fail to secure reassignment or retransfer of this Lease or such Unit; or

(c) default shall be made in the observance or performance of any other of the covenants, conditions and agreements on the part of the Lessee contained herein and such default shall continue for 30 days after written notice from the Lessor to the Lessee, specifying the default and demanding that same be remedied; or

(d) any representation or warranty on the part of the Lessee made herein or in any statement or certificate furnished to the Lessor or its assigns pursuant to or in connection with this Lease is false in any material respect as of the date of issuance or making thereof; or

(e) a case shall be commenced under Subchapter IV of Chapter 11 of the Bankruptcy Code (as such Subchapter IV is now in effect or hereafter may be amended or replaced), by or against the Lessee and, unless such petition or case shall have been dismissed, nullified or otherwise rendered ineffective (but then only so long as such ineffectiveness shall continue), (i) within 60 days after such case shall have been commenced, (A) all the obligations of the Lessee under this Lease shall not have been duly assumed for the then unexpired term hereof in writing, pursuant to a court order or decree, by a trustee or trustees appointed in such case in such manner that such obligations shall have, to the fullest extent permitted by law, the same status and priority as to payment as expenses of administration and obligations incurred by such trustee or trustees and (B) all Events of Default under subparagraphs (a), (b), or (c) of this Article 14.1 shall not have been cured, and (ii) thereafter during the pendency of the case, the trustee or trustees appointed in such case shall not cure in a timely fashion all other Events of Default under subparagraphs (a), (b), or (c) of this Article 14.1 which from time to time occur hereunder; or

(f) any other case or proceedings shall be commenced by or against the Lessee for any relief or adjudication which includes or might result in, any modification of the obligations of the Lessee hereunder, under any bankruptcy or insolvency law, or any law relating to the relief of debtors, readjustment of indebtedness, reorganization, arrangement, composition or extension (other than a law which does not permit any adjustment of the obligations of the Lessee hereunder), and, unless such case or proceedings shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue) all the obligations of the Lessee under this Lease shall not have been and shall not continue to have been duly assumed in writing, pursuant to court order or decree, by a trustee or trustees or receiver or receivers appointed for the Lessee or its property in connection with any such case or proceedings in such a manner that such obligations shall have the same status as obligations incurred by such trustee or trustees or receiver or receivers within 60 days after such case or proceedings shall have commenced.

14.2. If any Event of Default has occurred and is continuing, the Lessor, at its option, may:

(a) Proceed by appropriate court action or actions, either at law or in equity, to enforce performance by the Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof, including reasonable attorneys' fees; or

(b) by notice in writing to the Lessee, terminate this Lease, whereupon all right of the Lessee to the use of the Equipment shall absolutely cease and terminate as though this Lease had never been made, but the Lessee shall remain liable as hereinafter provided; and thereupon, the Lessor may by its agents enter upon the premises of the Lessee or other premises where any of the Equipment may be located and take possession of all or any Unit and thenceforth hold, possess and enjoy the same free from any right of the Lessee, or its successors or assigns, to use the Equipment for any purpose whatever, but the Lessor, shall nevertheless, have a right to recover from the Lessee any and all amounts which may have accrued for any number of days less than a full rental to the date of such termination (computing the rental for any number of days less than a full rental period by multiplying the rental for such full rental period by a fraction, the numerator of which is such accrued number of days in such full rental period and the denominator of which is the total number of days in such full rental period) and also to recover forthwith from the Lessee (i) as damages for loss of the rents and not as a penalty, whichever of the following amounts the Lessor, in its sole discretion, shall specify: (x) a sum, with respect to the Equipment, which represents the amount by which the present worth at the time of such termination, of all rentals for such Equipment which would otherwise have accrued hereunder from the date of such termination to the end of the term of this Lease exceeds the greater of (A) the then present worth of the then Fair Rental Value (as defined below) of such Equipment for such period, such present worth to be computed in each case on a basis of a 10% per annum discount, compounded quarterly from the respective dates upon which rentals would have been payable hereunder had this Lease not been terminated, or (B) the then Fair Market Value of such Equipment, or (y) an amount equal to the excess, if any, of the Casualty Value of such Equipment as of the rental payment date on

immediately following the date of termination over the Fair Market Value (as defined below) thereof at such time; and (ii) any damages and expenses, including reasonable attorneys' fees, which the Lessor shall have sustained by reason of the breach of any convenant or covenants of this Lease other than for the payment of rental.

14.3. For purposes of Article 14.2 above, the Fair Rental Value for any Unit shall be determined on the basis of, and shall be equal in amount to, the value which would obtain in an arm's-length transaction between an informed and willing lessee (other than a lessee currently in possession) and an informed and willing lessor under no compulsion to lease. If the Lessor and the Lessee are unable to agree upon a determination of the Fair Rental Value of such Unit, such value shall be determined in accordance with the foregoing definition by a qualified independent Appraiser. The term "Appraiser" shall mean two independent appraisers, one chosen by the Lessor and one chosen by the Lessee, or if such appraisers cannot agree on the amount of such value, determined on the basis of an appraisal made by a third appraiser chosen by the American Arbitration Association. The Appraiser shall be instructed to make such determination within a period of 30 days following appointment, and shall promptly communicate such determination in writing to the Lessor and the Lessee. The determination so made shall be conclusively binding upon both the Lessor and the Lessee. The expenses and fees for the Appraiser shall be borne by the Lessee. The Fair Market Value for any Unit of Equipment shall be determined in a similar manner with appropriate adjustments for sale rather than rental, with appraisal expenses to be borne by the Lessee; provided that any sale in a commercially reasonable manner of any Unit prior to any such determination shall conclusively establish the Fair Market Value of such Unit and any rental in a commercially reasonable manner of any Unit prior to any such determination shall conclusively establish the fair Rental Value of such Unit.

14.4. The remedies in this Lease provided in favor of the Lessor shall not be deemed exclusive, but shall be cumulative and shall be in addition to all other remedies in its favor existing at law or in equity. The Lessee hereby waives any mandatory requirements of law, now or hereafter in effect, which might limit or modify any of the remedies herein provided, to the extent that such waiver is permitted by law. Except as otherwise expressly provided in this Lease, the Lessee hereby waives any and all existing or future claims of

any right to assert any offset against the rent payments due hereunder, and agrees to make the rent payments regardless of any offset or claim which may be asserted by the Lessee or on its behalf in connection with the lease of the Equipment.

14.5. The failure of the Lessor to exercise the rights granted it hereunder upon any occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or recurrence of any such contingencies or similar contingencies.

ARTICLE 15

RETURN OF EQUIPMENT UPON DEFAULT

15.1. If the Lessor or any assignee of the Lessor pursuant to Article 16 hereof shall terminate this Lease pursuant to Article 14 hereof, the Lessee shall forthwith deliver possession of the Equipment to the Lessor. For the purpose of delivering possessison of the Equipment to the Lessor as above required, the Lessee shall at its own cost, expense and risk (except as hereinafter stated):

(a) Forthwith place such Equipment in a reasonable storage place east of the Missouri River on Lessee's lines of railroad as the Lessor may reasonably designate or, in the absence of such designation, as the Lessee may select;

(b) Permit the Lessor to store for up to 60 days such Equipment in such reasonable storage place east of the Missouri River on the Lessee's lines of railroad without charge for insurance, rent or storage.All storage after such 60 day period shall be at the risk,expense and liability of Lessor; and

(c) Transport the Equipment within the above 60-day period to any location east of the Missouri River on the Lessee's rail lines as the Lessor may reasonably direct in writing upon not less than 14 days' prior notice.

15.2. The assembling, delivery, storage and transportating of the Equipment as hereinabove provided are of the essence of this Lease, and upon application to any court of equity having 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 as to assemble, deliver, store and transport the Equipment.

15.3. Without in any way limiting the obligations of the Lessee under the foregoing provisions of this Article 15, the Lessee hereby irrevocably appoints the Lessor as an agent and attorney of the Lessee, with full power and authority, at any time while the Lessee is obligated to delivery possession of the Equipment in the name and on behalf of the Lessee from whomsoever shall be at the time in possession of the Equipment.

ARTICLE 16

ASSIGNMENTS BY LESSOR

16.1. This Lease shall be assignable in whole or in part by the Lessor without the consent of the Lessee, but the Lessee shall be under no obligation to any assignee of the Lessor except upon written notice of such assignment from the Lessor. All the rights of the Lessor hereunder shall inure to the benefit of the Lessor's sucessors and assigns.

16.2. It is understood and agreed that the right, title and interest of the Secured Party in, to and under this Lease and the rents and other sums due and to become due hereunder shall be, by the express terms granting and conveying the same, subject to the interest of the Lessee in and to the Equipment.

ARTICLE 17

ASSIGNMENTS BY LESSEE/USE AND POSSESSION

17.1. So long as no Default or Event of Default shall have occurred or be continuing, the Lessee shall be entitled to the possession and use of the Equipment in accordance with the terms of thisLease, but, without the prior written consent of the Lessor and the Secured Party (which consent will not be unreasonably withheld), the Lessee shall not (except as

provided in Article 18 hereof) assign or transfer its leasehold interest under this Lease in any of the Equipment. The Lessee shall not, without the prior written consent of the Lessor and the Secured Party, part with the possession or control of, or suffer to allow to pass out of its possession or control, any of the Equipment, except to the extent permitted by the provisions of this Lease.

17.2. The Lessee may, without the prior consent of the Lessor and Secured Party, sublease the Equipment or any portion thereof for a term of six months or less (which sublease by its terms shall be subject to the rights and remedies of the Lessor and the Secured Party hereunder) to a user incorporated in the United States of America (or any State thereof or the District of Columbia), or permit the use of the Equipment, upon lines of railroad owned or operated by the Lessee or such user or by a railroad company or companies incorporated in the United States of America (or any State thereof or the District of Columbia), or over which the Lessee such user, or such railroad company or companies have trackage rights or rights for operation of their trains or over which their equipment is regularly operated pursuant to contract, and upon the lines of railroad of connecting and other carriers in the usual interchange of traffic or in through or run-through service. The Lessee shall also have the right, upon receipt of the prior written consent of the Lessor and the Secured Party (which consent will not be unreasonably withheld), to sublease the Equipment for a term which exceeds six months. In no event shall any assignment or sublease entered into by the Lessee hereunder relieve the Lessee of any liability or obligation hereunder which shall be and remain those of a principal and not a surety. Anything contained in this Lease to the contrary notwithstanding, the Lessee shall at no time throughout the term of this Lease assign or permit the assignment of any Unit to, or permit the use by any sublessee of any Unit in, service involving regular operation outside the contiguous continental United States.

17.3. Nothing in this Article 18 shall be deemed to restrict the right of the Lessee to assign or transfer its leasehold interest under this Lease in the Equipment or possession of the Equipment to any corporation (which shall have duly assumed in writing satisfactory to the Lessor and the Secured Party the obligations hereunder of the Lessee) into or with which the Lessee shall have become merged or consolidated

or which shall have acquired or leased all or substantially all of the lines of railroad of the Lessee, provided that such assignees, successors or transferees will not, upon the effectiveness of such merger or consolidation or acquisition of properties, be in default under any provision of this Lease and such merger or consolidation or acquisition of properties shall not alter in any way the Lessee's obligations to the Lessor hereunder which shall be and remain those of a principal and not a surety. The Lessee agrees to give the Lessor and the Secured Party prior written notice of any such merger, consolidation or acquisition.

ARTICLE 18

INTEREST ON OVERDUE RENTALS AND OTHER AMOUNTS PAID

Anything to the contrary contained herein notwitstanding, any nonpayment of rentals due hereunder, or amounts expended by the Lessor on behalf of the Lessee, shall result in the additional obligation on the part of the Lessee to pay also an amount equal to an annual rate of 2% under the First Federal State Bank prime rate in effect at time such payment is due for the number of days such payment is overdue, computed on the basis of a 365 day year.

ARTICLE 19

EVENTS PRIOR TO LESSEE'S ACCEPTANCE OF EQUIPMENT

19.1. Notwithstanding anything contained in this Lease to the contrary, the Lessee expressly does not assume any liabilities or obligations, nor shall the Lessee be required to pay, satisfy or discharge any claims, liens charges or encumbrances, nor shall Lessee have any obligation to indemnify and save harmless the Lessor, the Secured Party or any other person from and against any claim, lien, charge or if such claim, lien, charge or encumbrance arose in whole or in part prior to, or as a result of events occurring prior to, the Lessee's acceptance of the Equipment hereunder or arises out of, or relates to, any failure of the Lessor to perform its obligations under the Letter Agreement or this Lease or any claim asserted by the Secured Party or by any person having an interest in or claim against the Lessor or the Equipment not arising out of the Lessee's use of the Equipment.

19.2. Lessor agrees that it shall have recourse only against any previous lessee of the Equipment or parties other than the Lessee and further waives all recourse against the Equipment or Lessee for the cure or correction of any existing default under any such prior lease or agreement or under the Note referred to in Article 1.1 (or under any other document or instrument) or for the removal of any claim, lien, charge or encumbrance arising prior to, or as a result of events occurring prior to, the date of the Lessee's acceptance of any Unit hereunder.

ARTICLE 20

LIENS AND RIGHT TO POSSESSION

20.1. Except as provided in Article 19, the Lessee shall promptly pay or satisfy and discharge any and all claims against, through or under the Lessee and its successors or assigns which, if unpaid, might constitute or become a lien or a charge upon the Equipment, and any liens or charges which may be levied against or imposed upon the Equipment as a result of the failure of the Lessee to perform or observe any of its covenants or agreements under this Lease, but the Lessee shall not be required to pay or discharge any such claims so long as: (a) it shall, in good faith and by appropriate legal proceedings contest the validity thereof in any reasonable manner which will not affect or endanger the title and interest of the Lessor or the Secured Party in the Equipment, and (b) it shall have furnished the Lessor and the Secured Party with an opinion of counsel to such effect. The Lessee's obligations under this Article 20 shall survive the termination of this Lease. Lessee shall take any reasonable action requested by Lessor to confirm the interests of Lessor and the Secured Party in the Equipment.

20.2. Lessor hereby covenants that if any liens, claims, charges or encumbrances are filed or attached to the Units by, through or under the National Railway Utilization Corporation ("NRUC") as lessee of the Units under a previous Lease and Management Agreement dated June 13, 1978 between NRUC and Lessor and if such liens, claims, charges or encumbrances remain unpaid or unreleased by Lessor for a period of 30 days after Lessor receives notice of the filing or existence of such lien, claim, charge or encumbrance, Lessee shall have the

right to either pay the amount of or release any such lien, claim, charge or encumbrance and setoff such amount against any succeeding rental payments due hereunder or immediately terminate this Lease.

20.3. If the default of Lessor under the Note, a claim by through or under NRUC or any other action, judgement or repossession with respect to the Units denies Lessee the use or possession of the Units or any portion thereof (the "Repossessed Units") and reasonably appears likely to continue deny Lessee use or possession of the Repossessed Units for more than 3 months, then, Lessee may terminate this Lease with no further obligation to Lessor hereunder other than those obligations which arise out of events occurring prior to such termination, in addition to Lessor shall be liable to Lessee for Lessee's loss of economic benefit with respect to the Repossessed Units. The parties hereto agree that this loss for each such Repossessed Unit shall be the sum of a) the difference between the daily per unit rental rate hereunder and the then prevailing applicable per diem charge on each Unit for each day from and including the date that Lessee is denied use or possession of the Repossessed Unit to and including the last day in the term of this Lease, and b) the difference between the Fair Market Value of the Repossessed Unit as of the date that Lessee is denied use or possession of such Unit and the then present value of $27,000 (discounted at 10%).

20.4 If, before the expiration of the full term hereof, Lessee exercises its right to terminate this Lease as permitted either under the terms of this Lease or under the terms of the Security Agreement, all of Lessee's obligations to Lessor hereunder shall cease except those arising from circumstances occurring prior to such termination and except that Lessee shall deliver the Units to Lessor on a point on Lessee's rail line selected by Lessee and, if agreed to by Lessee, will temporarily store the Units on Lessee's rail line at the expense, risk and liability of Lessor.

ARTICLE 21

FOREIGN USE

Lessee shall not permit the use of any Unit, in or for service involving operation outside the United States except that occasional service outside the United States shall be permitted so long as such service does not constitute regular operations of the Unit outside of the United States.

ARTICLE 22

PATENT INDEMNITY

Lessor, notwithstanding anything contained in this Agreement to the contrary, will protect and defend Lessee against all liabilities and expenses that may arise from any claim that the use of any patented article or design in the manufacture of the Equipment constitutes an infringement of any patent.

ARTICLE 23

FILING

The Lessee, at its sole expense, will cause this Lease and the Security Agreement and any amendments or supplements hereto or thereto to be filed and recorded with the Interstate Commerce Commission in accordance with Section 11303 of Title 49, United States Code; and the Lessee will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register, deposit and record any and all further instruments required by law or reasonably requested by the Secured Party and Lessor for the purpose of proper protection, to the satisfaction of counsel for the Secured Party and Lessor, of their interests in the Equipment and their rights under this Lease and the Security Agreement or for the purpose of carrying out the intention of this Lease; and the Lessee, at its expense, will promptly furnish to the Secured Party and Lessor certificates or other evidence of such filing, registering, depositing and recording satisfactory to the Secured Party and Lessor.

ARTICLE 24

LESSEE'S INDEMNITY

24.1. Except as provided herein and in Articles 19 and 22, the Lessee shall defend, indemnify and save harmless the Lessor and the Secured Party, and their respective successors, agents and assigns from and against:

(a) Any and all loss or damage of or to the Equipment, usual wear and tear excepted, and

(b) any claim, cause of action, damages, liability, cost or expense (including, without limitation, counsel fees and costs in connection therewith) which may be incurred in any manner by or for the account of any of them (i) relating to the Equipment or any part thereof, including, without limitation, the possession, purchase, delivery, installation, leasing, return, sale or disposition of the Equipment or as a result of the use, maintenance, repair, operation or the condition thereof (whether defects are latent or discoverable by the Lessor or by the Lessee), (ii) by reason or as the result of any act or omission of the Lessee for itself or as agent or attorney-in-fact for the Lessor hereunder, (iii) as a result of claims for negligence or strict liability in tort relating to the Equipment.

24.2. Provided that no Default or Event of Default, shall have occurred and be continuing, the Lessee shall be subrogated to any right or any person indemnified pursuant to Article 24.1 in respect of the matter against which indemnity has been given. Any payments received by such indemnified person from any person (except the Lessee) as a result of any matter with respect to which such person has been indemnified by the Lessee shall be paid over to the Lessee to the extent necessary to reimburse the Lessee for indemnification payments previously made in respect of such matter.

24.3. The indemnities and assumptions of liability in this Article shall continue in full force and effect notwithstanding the termination of this Lease, whether by expiration of time, by operation of law or otherwise; provided, however, that such indemnities and assumptions of liability shall not apply in respect of any matters referred to in subsection (a) or (b) of Article 24.1 hereof, occurring after the termination of this Lease, except for any such matters occurring after the termination arising in connection with the Lessee's delivering, storing, or transporting of the Equipment as provided in Articles 13 or 15, as the case may be. The Lessee shall be entitled to control, and shall assume full responsibility for, the defense of such claim or liability, and may select such counsel as it deems appropriate in connection with such matter. The indemnities and assumptions of liabilities set forth in this Article do not constitute a guaranty of payment of the Note.

ARTICLE 25

LOSS OF TAX BENEFITS

Except as provided in Article 8 hereof, the Lessee expressly does not assume any liability for, nor shall the Lessee be required to indemnify or pay the Lessor or any other person for, the loss of any tax benefits arising out of the ownership, leasing or sale of the Units, irrespective of the cause of such loss.

ARTICLE 26

MISCELLANEOUS

26.1. 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 mail, certified, first class, postage prepaid, addressed as follows:

If to the Lessor: Richard O. Jacobson
P. O. Box 224
Des Moines, Iowa 50301

If to the Lessee: Assistant Vice President-Finance
400 West Madison Street
Chicago, Illinois 60606

If to the Secured Party: First Federal State Bank
2401 University
Des Moines, Iowa 50310

26.2. If the Lessee shall fail to comply with any of its covenants herein contained, the Lessor may, but shall not be obligated to, make advances to perform the same and to take all such action as in the Lessor's opinion may be necessary to obtain such performance. All payments so made by the Lessor and all costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) incurred in connection therewith shall be payable by the Lessee to the Lessor upon demand as additional rent hereunder.

26.3. This Lease, may be executed in several counterparts, each of which so executed shall be deemed to be an original and in each case such counterparts shall constitute but one and the same instrument.

26.4. This Lease shall be governed by and construed in accordance with the laws of the state of Illinois; provided, however, that the parties shall be entitled to all rights conferred by any applicable federal statute, rule or regulation.

26.5. All Article headings and the Table of Contents are inserted for convenience only and shall not affect any construction or interpretation of this Lease.

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

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed by their respective officers thereunder duly authorized and the corporated seals to be hereto affixed as of the day and year first above written.

RICHARD O. JACOBSON

WITNESS

CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY

By _____
Vice President

ATTEST:

_____
Assistant Secretary

STATE OF IOWA)
) SS
COUNTY OF POLK)

On this 30th day of June, 1981, before me personally appeared Richard O. Nicolson to me personally known, who being by me duly sworn, did say that the foregoing instrument was signed by him; and he acknowledged that the execution of the foregoing instrument was his free act and deed.

JANET L. THROCKMORTON
MY COMMISSION EXPIRES
9-30-83

Janet L. Throckmorton
Notary Public

My commission expires:
9-30-83

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this 14 day of July, 1981, before me personally appeared T.A. Tingleff and J.S. Edwards to me personally known, who being by me duly sworn, did say that they are a _____ Vice President and Assistant Secretary respectively, of Chicago and North Western Transportation Company and that the foregoing instrument was signed and sealed by them in their respective capacities therein set forth on behalf of said corporation by authroity of its Board of Directors; and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Lee Swiontek
Notary Public

My commission expires:

LEE SWIONTEK
Notary Public
Cook Co. Illinois
My Commission Expires Oct. 27, 1984

L/P-200

SCHEDULE A

DESCRIPTION OF UNITS OF EQUIPMENT

Quantity and Description		50' 70-ton Rigid Underframe Outside Stake Boxcar with 10' Sliding Doors 19
Lessor's System No.	NSL	155036-155044 155046-155055 (both inclusive)
Lessee's System No.	CNW	719065-719083 (both inclusive)

SCHEDULE B

Dated:

CERTIFICATE OF ACEPTANCE

UNDER EQUIPMENT LEASE

TO: , as Lessor,

I, _____ _____, the duly authorized representative of CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY (the "Railroad") for the purpose of Article 1.5 of the Equipment Lease (the "Lease") dated as of June 1, 1981 between Richard O. Jacobson (the "Lessor") and the Railroad, DO HEREBY CERTIFY that the units of railroad equipment described in Schedule A attached hereto (the "Equipment") have been inspected on behalf of the Railroad and that all units of the Equipment were delivered to the Railroad under the Lease and have been accepted by me on behalf of the Railroad.

Dated:

_____
Authorized Representative
CHICAGO AND NORTH WESTERN
TRANSPORTATION COMPANY