

RECORDATION NO. 12027-E FILING 1425

12027-E
350

MAR 4 1981 -1 10 PM

March 4, 1981

INTERSTATE COMMERCE COMMISSION

Agatha L. Mergenovich, Secretary
Interstate Commerce Commission
Washington, DC 20434

No. 1-063A168
Date MAR - 4 1981
Fee \$. 50.00

Dear Ms. Mergenovich:

ICC Washington, D. C.

Enclosed for recordation under the provisions of 49 U.S.C. Section 11303 are five (5) original counterparts of an Acknowledgment of Assignment and Restatement and Confirmation of Lease dated as of September 2, 1980 between XTRA Leasing, Inc. ("Sublessor") and Farmer's Union Grain Terminal Association ("Sublease"), which subleases cars leased to XTRA Leasing, Inc. under an Equipment Lease Agreement dated as of July 1, 1980 ("Lease") which was filed with your office at 8:50 a.m. on July 23, 1980, and was assigned Recordation No. 12027. The Lease was subsequently amended, supplemented and restated by documents filed with your office and assigned Recordation Nos. 12027-A through 12027-D.

A general description of the railroad rolling stock covered by the Sublease is set forth in Schedule 1 attached to this letter and made a part thereof.

The names and addresses of the parties to the Sublease are:

Sublessor: XTRA Leasing, Inc.
c/o X-L-Co., Inc.
60 State Street
Boston, Massachusetts 02109

Sublessee: Farmer's Union Grain Terminal Association
Box 13594
St. Paul, Minnesota 55164

RECEIVED
MAR 4 1 01 PM '81
I.C.C.
FEDERATION BR

The undersigned is an agent of the Sublessor which is a party to the enclosed document and has knowledge of the matters set forth herein.

Please return the original counterparts of the Sublease to Charles T. Kappler, Alvord & Alvord, 918 Sixteenth Street, NW - Washington, DC 20006.

Also enclosed is a check in the amount of \$50.00 covering the required recording fee.

Sincerely,

Charles T. Kappler
Charles T. Kappler, as Agent
for XTRA Leasing, Inc.

CTK/bp
Enclosure

CT. Kappler
Charles T. Kappler

SCHEDULE 1

50 - LO design covered hopper railcars of 4,750 cu.ft.
capacity numbered in series from XTRX 76033-76082 inclusive,
manufactured by Richmond Tank Car Company.

Interstate Commerce Commission
Washington, D.C. 20423

3/4/81

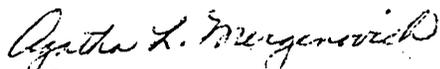
OFFICE OF THE SECRETARY

Charles T. Kappler, Esq.
Alvord & Alvord
918 16th St., N.W.
Washington, D.C. 20006

Dear **Sir:**

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on **3/4/81** at **1:10pm**, and assigned re-
recording number(s). **12027-1 & 12027-2**

Sincerely yours,


Agatha L. Mergenovich
Secretary

Enclosure(s)

ACKNOWLEDGEMENT OF ASSIGNMENT
AND RESTATEMENT AND CONFIRMATION OF LEASE

151
12027-E

XTRA Leasing, Inc.

RECORDATION NO. 12027-E
Filed 1426

to

MAR 4 1981 - 1 10 PM

Farmer's Union Grain Terminal Association

INTERSTATE COMMERCE COMMISSION

THIS ACKNOWLEDGEMENT OF ASSIGNMENT AND RESTATEMENT AND CONFIRMATION OF LEASE made and entered into as of the second day of September, 1980, between XTRA Leasing, Inc. (the "Lessor") and Farmer's Union Grain Terminal Association (the "Lessee"), restating, confirming and ratifying the Lease, dated as of June 1, 1979 (the "Original Lease") between ITEL Corporation, Equipment Finance Division (the "Assignor"), as lessor and the Lessee, as lessee, which Original Lease relates to the covered hopper cars described in Schedule 1 to Exhibit A thereto (the "Cars") (a copy of which Original Lease is attached hereto as Exhibit A) and which Original Lease was assigned by the Assignor to XTRA, Inc., a Maine corporation, pursuant to a certain Assignment of Lease and Assumption of Liabilities Agreement, dated as of September 1, 1979 (the "First Assignment") between XTRA, Inc. and the Assignor, (a copy of which First Assignment is attached hereto as Exhibit B) and which Original Lease was further assigned pursuant to a certain Assignment of Lease and Assumption of Liabilities Agreement, dated as of July 18, 1980 (the "Second Assignment") between XTRA, Inc. and the Lessor (a copy of which Second Assignment is attached hereto as Exhibit C),

W I T N E S S E T H:

WHEREAS, under the terms of Section 3B of the Original Lease, the obligation of the Lessor to furnish the Cars to the Lessee is contractually excused in the event that the Lessor is unable to obtain satisfactory financing for the Cars; and

WHEREAS, in an effort to obtain satisfactory financing for some of the Cars the Lessor did enter into that certain Equipment Lease Agreement (the "Original Master Lease"), dated as of July 1, 1980 as amended and supplemented by Amendment No. 1 to Equipment Lease Agreement (the "First Amendment to Lease") and by Amendment No. 2 to Equipment Lease Agreement (the "Second Amendment to Lease") and as amended and restated by the Amendment to and Restatement of Equipment Lease Agreement dated as of February 2, 1981 ("Restated Master Lease") between the United States Trust Company of New York not in its individual capacity but solely as Trustee, as lessor (said United States Trust Company of New York, as Trustee, and any successor being sometimes hereinafter referred to as the "Owner Trustee"), and the Lessor, as lessee (said Original Master Lease, as amended and supplemented by the First Amendment to Lease, the Second Amendment to Lease and the Restated Master Lease

and as it may be further amended and supplemented being sometimes hereinafter referred to as the "Master Lease") (a copy of which Restated Master Lease is to be filed with the Interstate Commerce Commission and copies of which Original Master Lease, First Amendment to Lease and the Second Amendment to Lease are on file with the Interstate Commerce Commission and have been assigned recordation numbers 12027, 12027-A and 12027-C, respectively); and

WHEREAS, pursuant to the Master Lease, the Lessor did mortgage, pledge, assign, transfer and set over unto the Owner Trustee all of the Lessor's right, title and interest as lessor in, to and under the Original Lease insofar as it relates to the Cars in Exhibit D hereto (the "Financed Cars"); and

WHEREAS, in connection with the financing of the Financed Cars the Owner Trustee did, pursuant to an Indenture of Trust, Security Agreement and Chattel Mortgage (the "Indenture") dated as of February 2, 1981, between the Owner Trustee and Bankers Trust Company, as Loan Trustee, (a copy of which Indenture is to be filed with the Interstate Commerce Commission), mortgage, assign and pledge to Bankers Trust Company, as Loan Trustee (said Bankers Trust Company, as Loan Trustee and any successor being sometimes hereinafter referred to as the "Secured Party") all of the Owner Trustee's right, title and interest in, to and under the Master Lease (with certain exceptions not relevant hereto), including but not limited to the right to receive directly, under certain circumstances, any rental payments due to the Lessor from the subleasing of equipment covered by the Master Lease; and

WHEREAS, in the Master Lease the Lessor did agree to file, register and record the Original Lease in order to create, perfect, protect and preserve the security interests of the Owner Trustee and the Secured Party in, to and under the Original Lease; and

WHEREAS, under the terms of Section 13(A)(3) of the Original Lease, the Lessee is contractually obligated to execute and file any documents necessary to create, perfect, protect and preserve the prior security interest to be acquired by any assignee of the Lessor; and

WHEREAS, under 49 U.S.C. §11303 it is necessary that the Original Lease be duly filed and recorded with the Interstate Commerce Commission in order to create, perfect, protect and preserve the security interests therein, thereto and thereunder of the Owner Trustee and the Secured Party; and

WHEREAS, in order for the Original Lease to be duly filed and recorded with the Interstate Commerce Commission, it is necessary that the terms of the Original Lease be duly acknowledged; and

WHEREAS, in the Master Lease, the Owner Trustee appointed the Lessor as its agent to collect all of the Fixed Rent, Additional Rent (as those terms are defined in the Original Lease) and all other payments from time to time due under the Original Lease with respect to the Financed Cars.

NOW, THEREFORE, in consideration of the respective representations and agreements hereinafter contained, the parties hereto covenant, agree and bind themselves as follows:

1. Acknowledgement of Assignment. The Lessee hereby acknowledges, with respect to the First Assignment, the Second Assignment, and the assignments contained in the Restated Master Lease and the Indenture, the receipt of the notice of said assignments contemplated by Section 13 of the Original Lease and accordingly acknowledges and consents to each such assignment as required by said Section 13.

2. Payments of Rent. Lessee confirms that it will make all payments of Fixed Rent and Additional Rent (as those terms are defined in the Original Lease) and all other payments from time to time due under the Original Lease with respect to the Financed Cars directly to the Lessor until such time as the Lessee shall have received written notice from the Secured Party to pay all such Fixed Rent, Additional Rent and other payments directly to the Secured Party. Upon receipt of said notice, the Lessee shall pay said Fixed Rent, Additional Rent and other payments directly to the Secured Party in compliance with the terms of said notice.

3. Restatement and Confirmation of Original Lease. The Original Lease as set forth in Exhibit A hereto is hereby incorporated and restated herein as though it were set forth herein in its entirety and as so restated is confirmed and ratified by the Lessor and the Lessee.

IN WITNESS WHEREOF, the parties hereto have caused this Acknowledgement of Assignment and Restatement and Confirmation of Lease to be duly executed and delivered as of the date first written above.

XTRA LEASING, INC.

By W.F. Daugherty
Title EX. V.P.

[Seal]
ATTEST:

William D. Evans
Sady

FARMER'S UNION GRAIN TERMINAL ASSOCIATION

By Allen A. Thomas

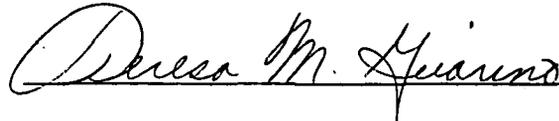
[Seal]
ATTEST:

Audrey J. Dieter

Title Vice President

STATE OF MASSACHUSETTS)
) ss
COUNTY OF SUFFOLK)

On this 3RD day of MARCH 1981, before me personally appeared WAYNE F. DAUGHERTY, to me personally known, who being by me duly sworn, says that he is the EXECUTIVE VICE PRESIDENT of XTRA Leasing, Inc., that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, and that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledges that the execution of the foregoing instrument was the free act and deed of said Corporation.

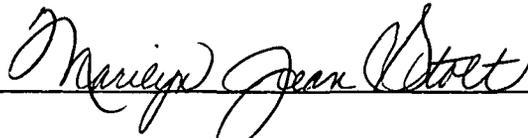


[Notarial Seal]

My Commission Expires: 2/22/85

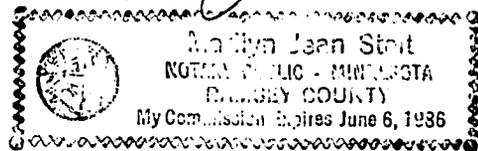
STATE OF MINNESOTA)
) ss
COUNTY OF RAMSEY)

On this 24th day of February 1981, before me personally appeared Allen D. Hanson, to me personally known, who, being by me duly sworn, says that he is the Vice President of Farmers Union Grain Terminal Association, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, and that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors and he acknowledges that the execution of the foregoing instrument was the free act and deed of said Corporation.



[Notarial Seal]

My Commission Expires:



ORIGINAL

COPY

COVERED HOPPER RAILCAR

OPERATING LEASE AGREEMENT

Dated as of June 1, 1979

between

ITEL CORPORATION, EQUIPMENT FINANCE DIVISION

as Lessor

and

FARMERS UNION GRAIN TERMINAL ASSOCIATION

as Lessee

EXHIBIT A

TABLE OF CONTENTS

<u>Section</u>	<u>Title</u>	<u>Page</u>
SECTION 1.	Scope of Agreement.....	1
SECTION 2.	Term.....	1
SECTION 3.	Supply, Delivery and Acceptance.....	1
SECTION 4.	Marking and Reports.....	2
SECTION 5.	Fixed Rent.....	2
SECTION 6.	Additional Rent.....	3
SECTION 7.	Allowances.....	3
SECTION 8.	Maintenance and Repairs.....	3
SECTION 9.	Usage of Cars and Compliance with Laws.....	5
SECTION 10.	Loss or Destruction	5
SECTION 11.	Indemnities and Insurance.....	6
SECTION 12.	Taxes.....	8
SECTION 13.	Title to Cars and Assignment.....	8
SECTION 14.	Sublease.....	9
SECTION 15.	Further Information	10
SECTION 16.	Inspection.....	10
SECTION 17.	Events of Default.....	10
SECTION 18.	Remedies.....	11
SECTION 19.	Return of Cars.....	12
SECTION 20.	Miscellaneous.....	12

COVERED HOPPER RAILCAR
OPERATING LEASE AGREEMENT

THIS AGREEMENT is dated as of June 1, 1979 by and between IteI Corporation, Equipment Finance Division, or its designees (hereafter collectively referred to as "Lessor"), and Farmers Union Grain Terminal Association ("Lessee").

W I T N E S S E T H :

SECTION 1. Scope of Agreement.

Lessor agrees to lease to Lessee, and Lessee agrees to lease from Lessor, railroad equipment of the type and description set forth in the equipment schedule or schedules (hereafter the "Schedules") executed by Lessor and Lessee concurrently herewith or hereafter, all of such Schedules to be in form identical to those attached hereto as Schedule 1 to Exhibit A. Upon execution, Exhibit A and any and all such Schedules will be deemed incorporated herein by reference and made a part of this Agreement. The scheduled items of equipment are hereinafter collectively referred to as the "Car" or "Cars".

SECTION 2. Term.

The term of lease with respect to each Car described on the Schedules shall commence upon the Effective Date with respect to such Car (as defined in Section 3A) and continue through the expiration date for such Car as set forth in Paragraph 1 of Exhibit B. Exhibit B is attached hereto, incorporated herein and made a part hereof. Exhibit B specifies the term of this Agreement as to each Car and the rental and other amounts to be paid by Lessee, unless the obligations of Lessor and Lessee hereunder are sooner terminated in accordance with Section 18 or extended pursuant to Section 19.

SECTION 3. Supply, Delivery and Acceptance.

A. Lessor will inspect the Cars during manufacture and notify Lessee when the first car is completed. Lessee has the option to inspect the first Car to verify that it conforms to the specifications. Delivery of each Car hereunder to Lessee shall take place at such point or points within the continental United States of America where (i) the Car's manufacturer maintains manufacturing facilities or (ii) the Lessor may so designate by written notice to the Lessee. All delivery cost shall be

borne by Lessee. Each Car shall be accepted by Lessee by execution and delivery to Lessor of a Certificate of Acceptance, in form and substance identical to Exhibit A hereto, which Certificate shall be fully executed and delivered to Lessor when the Cars are delivered to Lessee (such date hereinafter referred to as the "Effective Date" with respect to each Car).

B. Lessor's obligation to furnish Cars shall be contractually excused in the event that any failure to deliver any Car or Cars results from events or factors beyond the reasonable control of Lessor or the Lessor is unable to obtain satisfactory financing for the Cars. The Lessor shall not be obligated to the Lessee, and shall be relieved from all liability, for delay by the manufacturer in the construction, completion or delivery of any Car to the Lessee.

SECTION 4. Markings and Reports.

A. Prior to delivery of the Cars to the Lessee, Lessor shall cause each Car to be plainly marked (with proper changes as from time to time may be required to protect the interests of Lessor, any secured party or any assignee of either Lessor or any secured party) in such a manner as to clearly and conspicuously show the interests of Lessor and any secured party in such Car. In addition, the Lessor shall be responsible for placement of any markings on the Cars required by the Interstate Commerce Commission ("ICC"), the Association of American Railroads Interchange Rules ("Interchange Rules") and the Code of Car Service and Car Hire Rules - Freight ("Code of Rules"). If any such marking shall at any time be removed, defaced or destroyed, Lessee shall immediately cause it to be restored or replaced at Lessee's cost.

B. Other than as required for restoration or replacement of markings as set forth in Section 4A, Lessee shall not place, nor permit to be placed, upon the Cars any lettering or marking of any kind without Lessor's prior written consent.

C. The Lessor will instruct the AAR to deliver all reports concerning the Cars, their condition and their physical structure directly to the attention of the Lessor.

SECTION 5. Fixed Rent.

The Fixed Rent payable with respect to each of the Cars shall be the rent specified in Paragraph 2 of Exhibit B. Such Fixed Rent shall be payable on and after the Effective Date for each Car and, unless sooner removed from service without replacement as provided in Section 8E or destroyed as described in Section 10, the Fixed Rent payable by the Lessee shall continue with respect to each Car throughout the term of this Agreement. The first Fixed Rent payment for each Car shall be made at the pro rata daily rate for the number of days from the Effective Date to the first day of the calendar month following the Effective Date for the final

Car subject to this Agreement (the "Basic Lease Term Commencement Date"). Fixed Rent for the first month following the Basic Lease Term Commencement Date and for all subsequent months shall be payable in advance on the first day of each calendar month.

SECTION 6. Additional Rent.

Annually, on the date provided for in Paragraph 3 of Exhibit B, Lessor shall determine the total number of miles that each Car traveled both loaded and empty during (i) the preceding calendar year (hereafter the "Full Calendar Period") or (ii) in the case of calendar years in which the Effective Date is subsequent to January 1 or the termination date prior to December 31, that portion of said calendar year during which each such Car is leased pursuant to this Agreement (hereafter the "Partial Calendar Period").

For each Car traveling more miles during any Full or Partial Calendar Period than the amount set forth in Exhibit B, Lessee will pay to Lessor as Additional Rent the sum set forth in Exhibit B. The determination of the total number of miles traveled by each Car during any Full or Partial Calendar Period shall be made by multiplying by two (2) the total number of miles that each Car traveled while loaded, unless Lessor has in its possession information sufficient to ascertain more precisely the total mileage traveled by each such Car.

SECTION 7. Allowances.

A. Any mileage allowances payable by railroads by reason of the use of the Cars (hereafter referred to as "Allowances") shall be collected by Lessor and, in connection therewith, Lessee shall report regularly to Lessor movement of the Cars giving the date, destination and routing of the Cars and loading and unloading information together with all other relevant information which Lessee may receive from the railroads or from any other source.

B. Insofar as applicable laws and regulations permit, unless an Event of Default specified in Section 17 shall have occurred and be continuing, all allowances collected by Lessor from railroads will be passed through to Lessee, but in no event shall such Allowances for any Full or Partial Calendar Period, as appropriate, exceed the sum of Fixed and Additional Rent payable during such Full or Partial Calendar Period.

SECTION 8. Maintenance and Repairs.

A. Lessee will, at Lessor's request, take such reasonable action as Lessor will specify to modify operating conditions within Lessee's control which, in Lessor's reasonable opinion, are causing undue and avoidable wear or damage to the Cars. In particular, Lessee agrees to preserve the Cars in the same or better condition as covered hopper railcars of similar age, class and design, engaging in operations normal to the Les-

see's industry, and the Lessee will not alter the physical structure of any that, in the use of the Cars in the conduct of its business, the Lessee will not discriminate in the operation, use and maintenance between the Cars and other comparable railcars owned, leased or managed by the Lessee. The Lessee agrees to give to Lessor prompt written notice of the need to repair or maintain any Car without regard to the party required by this Agreement to make such repair or perform such maintenance.

B. Except as explicitly provided in this Agreement, Lessor agrees to maintain the Cars at its expense in good condition and repair in accordance with the Interchange Rules, the Code of Rules and the relevant rules and regulations of the Interstate Commerce Commission, the Department of Transportation and the rules and regulations of the Federal Railway Administration. Any manufacturer's warranties with respect to the Cars shall inure to the benefit of Lessor.

C. Lessor's obligation to maintain the Cars under Section 8B will not (unless otherwise provided in the appropriate Schedule) extend to mandatory changes of design of any of the Cars, their components, configurations or safety appliances or other changes required by legislation or regulations effective after the Effective Date for the Car in question, nor will Lessor's obligations extend to repair or maintenance required as a result of, or attributable to: (i) damage caused by the Lessee, its agents or representatives or any third party (other than a railroad), or while any Car is in Lessee's possession; (ii) damage caused to the Cars by any corrosive or abrasive substance loaded therein or used in connection therewith; (iii) damage caused to the Cars by open flames, vibrations, sledges or other similar devices during loading or unloading; (iv) excessive or unbalanced loading; and (v) special interior linings, interior loading devices and removable parts, if any.

D. The Lessor shall bill the Lessee for any charges for repairs made to the Cars because of damage caused in any of the circumstances set forth in Section 8C; such bills will become payable by Lessee upon receipt. In the case of damage caused to the Cars which is the responsibility under the Interchange Rules of a third-party railroad, the Lessor will perform the necessary repairs and will prepare and submit such documents as are necessary to recover the cost of such repair in accordance with the Interchange Rules and will perform the necessary duties in connection with such counterbilling. The Lessor will be solely entitled to any costs so recovered.

E. If any of the Cars are (i) unavailable for use as a result of partial casualty (less than complete destruction) or failure of Lessor properly to maintain and repair the Cars for any reason unrelated to the exceptions referred to in Section 8C, and (ii) reported by the Lessee to the Lessor as in need of repair, the total amount of rental charges for such Car or Cars shall abate from and after a period of five (5) days from the date when each such Car arrives at a maintenance facility until it is reported to Lessee to be ready for service on the interchange system or replaced by another Car. At Lessor's option, this Agreement may be term-

inated as to any such Car and, if so terminated, such Car need not be repaired or replaced. Lessor shall have the right, but shall not be obligated, to substitute for any of the Cars which shall be so damaged or destroyed another Car of similar type, capacity and condition.

SECTION 9. Use of Cars and Compliance With Laws.

A. At the time of delivery of the Cars by Lessor to Lessee, the Cars will conform to such specification as may appear in any manufacturer's warranty provided to the Lessor by the Car's manufacturer. Except as specifically set forth, Lessee shall, at its own cost and expense, comply with all governmental laws, regulations and requirements, with the Interchange Rules and Code of Rules, and with the rules and regulations of the Federal Railway Administration, the Interstate Commerce Commission and the Department of Transportation with respect to the use and operation of each of the Cars. Lessor shall be responsible for applying for all necessary railroad permissions, approvals and consents for use of the Cars, but Lessee shall bear all risk of failure to obtain such permission, approval and consent, or cancellation thereof. Lessee will assist Lessor in all such application procedures. In case any equipment or appliance on any of the Cars shall be required to be changed, replaced or installed on any of the Cars in order to comply with laws, regulations, requirements or rules, Lessor may in its discretion cause said changes, additions or replacements to be made at its cost and expense, in which case the Fixed Rent for the Car(s) will be adjusted as set forth in paragraph 2 of Exhibit B. Any part or parts installed or replacements made upon any of the Cars by Lessor or Lessee shall be considered accessories to the Cars, and title thereto shall immediately be vested in Lessor without further cost or expense to Lessor.

B. The Lessee agrees that it will not cause or allow any of the Cars to travel outside the geographical boundaries of the continental United States for all or any portion of more than twenty percent (20%) of the total number of days during each calendar year that the Cars are under lease pursuant to this Agreement.

C. The Lessee agrees, insofar as possible, to use the Cars so that total mileage under load will equal or exceed mileage empty on each railroad over which the Cars move. In the event that empty mileage of the Cars should exceed loaded mileage on any railroad, and the Lessor is notified by such railroad to equalize such mileage with loaded mileage or to pay for such excess empty mileage, the Lessee, after notice from the Lessor, shall equalize such excess empty mileage within the time limit established by such railroad or pay to Lessor such excess at the rate established by the then governing tariff.

SECTION 10. Loss or Destruction

A. In the event that any Car shall be or become damaged, worn out, destroyed, lost, stolen, or permanently rendered unfit for use for any reason whatsoever, or title thereto shall be requisitioned or otherwise

taken by any governmental authority for a stated period which exceeds the term of this Agreement (any of such occurrences being referred to as an Event of Loss), such Event of Loss shall promptly be reported by the Lessee to the lessor.

3. Responsibility for any Event of Loss to the Cars, parts thereof, or appurtenances thereof furnished under this Agreement shall be calculated and fixed by the term prevailing Settlement Value set forth in the Interchange Rules (hereafter the "Settlement Value"), and said Settlement Value shall establish the amount of recovery, rights, obligations and liabilities of Lessor, Lessee and any railroad subscribing to such Interchange Rules and moving the Cars over its lines in respect of all matters to which said Interchange Rules and Code of Rules relate. In the event that an Event of Loss occurs while any Car is on the tracks of Lessee, any private track, or on the track of a railroad that does not subscribe to such Interchange Rules, or in the event Lessor fails to receive for any reason the Settlement Value payable on account of an Event of Loss within ninety (90) days following the occurrence of Event of Loss, such repairs, renewals or replacements as may be necessary to replace the Car or place it in good order and repair shall be at the sole cost and expense of Lessee; provided, however, that upon the occurrence of any Event of Loss to any Car, at Lessor's sole option, Lessee shall promptly pay to Lessor the value of such Car in accordance with such Settlement Value. Lessor and Lessee agree to cooperate with and assist each other in any reasonable manner requested to establish proper claims against parties responsible for loss, destruction or damage to the Cars, provided only that the respective obligations of Lessor and Lessee under this Section 10 shall not be altered.

C. Except as hereinabove in this Section 10 provided, the Lessee shall bear the risk of loss and shall not be released from the obligations hereunder in the event of any damage or Event of Loss to any Car after delivery to and acceptance by the Lessee hereunder.

SECTION 11. Indemnities and Insurance.

A. Except as explicitly provided in this Agreement, Lessee agrees to indemnify and hold harmless Lessor from and against all losses, damages, injuries, liabilities, claims and demands whatsoever (whether as a result of damage to the Cars or injury to third parties), regardless of the cause thereof, and any expense in connection therewith, including legal fees arising out of, or as a result of, the use or operation of the Cars during the term of this Agreement, excepting only losses, damages, injuries, liabilities, claims and demands attributable to defects in workmanship or material incorporated into the Cars by Lessor. In addition, the Lessor will not be liable for any defect or omission in the construction or manufacture of the Cars or any material incorporated therein by the manufacturer thereof or any component thereof, which could not reasonably have been discovered by the inspection performed pursuant to Section 3A hereof.

B. 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. Lessee agrees to assume responsibility for, to indemnify Lessor against, and to hold Lessor harmless from any such loss or damage, or claim therefor, and to assume responsibility for any damage caused to the Car by such commodities.

C. The Lessor agrees at its own cost and expense to purchase the following insurance at rates that the Lessor considers reasonable and to use all commercially reasonable efforts to assure that such insurance remains in effect during the term of this Agreement: (i) combined single limit coverage for liability arising out of bodily injury and property damage as a result of ownership and operation of the Cars, which may be subject to exclusions of liability arising out of operation of vehicles other than railroad cars, operations involving passengers, workers' compensation and unemployment laws and product liability concepts; and (ii) insurance against damage to each Car applicable on an occurrence basis, which coverage may exclude insurance for loss caused by faulty material or workmanship, inherent vice, gradual deterioration, mechanical breakdown, employee dishonesty, war, rebellion or insurrection and nuclear fission.

D. All insurance policies shall name Lessor, Lessee and any secured party of Lessor having an interest in the Cars and Lessee as loss payees and beneficiaries thereof, as their interests may appear. Lessee covenants, warrants and represents that it will not do any act or voluntarily suffer or permit any act to be done whereby any insurance required hereunder shall or may be suspended, impaired or defeated. Lessee will at all times use its best efforts to minimize the tort liability exposure of the Lessor, and such efforts will include strict adherence to Car operation in conformity with the Code of Rules. In the event that any Car shall be lost, destroyed, or irreparably damaged from any cause whatsoever during the term of this Agreement, Lessor and Lessee shall proceed diligently and cooperate fully with each other in the recovery of any and all proceeds of insurance applicable thereto.

E. Lessor will not be liable to Lessee for delay in delivery or loss of use of any Car or Cars, regardless of the cause thereof. LESSOR SHALL HAVE NO LIABILITY TO LESSEE FOR ANY CLAIM, LOSS OR DAMAGE CAUSED OR ALLEGED TO BE CAUSED DIRECTLY, INDIRECTLY, INCIDENTALY OR CONSEQUENTIALLY BY THE CARS, BY ANY INADEQUACY THEREOF OR DEFICIENCY OR DEFECT THEREIN, BY ANY INCIDENT WHATSOEVER IN CONNECTION THEREWITH, ARISING IN STRICT LIABILITY OR OTHERWISE, OR IN ANY WAY RELATED TO OR ARISING OUT OF THIS AGREEMENT INCLUDING LIABILITY ARISING FROM ANY ACT OR OMISSION OF LESSOR OTHER THAN FROM LESSOR'S GROSS NEGLIGENCE. LESSOR MAKES NO EXPRESS OR IMPLIED WARRANTIES OF ANY KIND, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO THE CARS, AND EXPRESSLY DISCLAIMS SAME.

F. This Agreement has been entered into on the basis that the Lessor shall be entitled to receive such deductions, credits and benefits

from the investment tax credit (the "Investment Credit") allowed by Sections 38 and 46-50 of the Internal Revenue Code of 1954, as amended (the "Code"), in an amount equal to ten percent (10%) of the Lessor's total purchase price for each of the Cars. The Lessee explicitly agrees that it will not commit any act, or fail to take any act, as a result of which the Lessor shall lose all or any portion of the Investment Credit afforded it pursuant to Sections 38 and 46-50 of the Code.

SECTION 12. Taxes.

A. Lessor agrees to assume responsibility for and to pay all property taxes levied upon the Cars and to file all property tax reports relating thereto.

B. The Lessee agrees to pay and to indemnify the Lessor for, and hold the Lessor harmless from and against, all income, franchise, sales, use, ad valorem, value added, leasing, leasing use, stamp or other taxes, levies, imposts, duties, charges, or withholdings of any nature, together with any penalties, fines or interest thereon (Impositions), arising out of the transactions contemplated by this Lease and imposed against the Lessor, the Lessee or any Car by any Federal, state, local or foreign government or taxing authority upon or with respect to any Car or upon the sale, purchase, ownership, delivery, leasing, possession, use, operation, return or other disposition thereof, or upon the rentals, receipts or earnings arising therefrom, or upon or with respect to this Agreement (excluding, however, taxes on, or measured solely by, the net income of the Lessor, unless such taxes are enacted in lieu or replacement of the above-referenced Impositions for which the Lessee is responsible under this Section 12) unless, and only to the extent that, the Lessee shall have given to the Lessor written notice of any such Imposition, which notice shall state that such Imposition is being contested by the Lessee in good faith with due diligence and by appropriate proceedings and counsel for the Lessor shall have determined that the nonpayment of any such tax or the contest of any such payment in such proceedings and counsel for the Lessor shall have determined that the nonpayment of any such tax or the contest of any such payment in such proceedings does not, in the opinion of such counsel, adversely affect the title, property or rights of the Lessor. If a claim is made against the Lessee or the Lessor for any Imposition, the party receiving notice of such claim shall promptly notify the other. In case any report or return is required to be made with respect to any obligation of the Lessee under this Section or arising out of this Section, the Lessee will either (after notice to the Lessor) make such report or return in such manner as will show the ownership of the Car in the Lessor and send a copy of such report or return to the Lessor or will notify the Lessor of such requirement and make such report or return in such manner as shall be satisfactory to the Lessor. The Lessor agrees to cooperate fully with the lessee in the preparation of any such report or return.

SECTION 13. Title to the Cars and Assignment.

A. Upon receipt of written notice of any assignment by the Lessor of this Agreement, the Cars, or any portion of its interest herein

or therein, to any Lessor's assignee, the Lessee shall be deemed to have acknowledged and consented to such assignment, and with respect to any such assignments, the Lessee agrees:

(1) to make each payment of Fixed and Additional Rent and Allowances assigned thereby directly to such Lessor's assignee as directed by the Lessor;

(2) not to seek to recover any payment made to such assignee once such payment is made;

(3) to execute and file, or to cause others to execute and file, any financing statements, continuation statements or other documents necessary to create, perfect, protect and preserve the prior security interest to be acquired by any such Lessor's assignee for the duration of such assignment; and

(4) to such extent as the Lessor's notice of such assignment shall indicate, the Lessor's rights with respect to the Cars shall be exercisable by such Lessor's assignee.

B. Lessee acknowledges and agrees that by execution thereof it does not obtain, and by payment and performance hereunder it does not and will not have or obtain, any title to the Cars or any of them at any time subject to this Agreement, nor 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 all encumbrances, liens and security interests of all kinds which could adversely affect Lessor's title thereto.

SECTION 14. Sublease.

The Lessee will not, without the prior written consent of the Lessor, sublet or otherwise relinquish possession of any Car or assign any of its rights hereunder. No sublease shall be permitted hereunder unless (a) the rights of the sublessee thereunder are expressly subject and subordinate to the rights of the Lessor and any security assignee of the Lessor, (b) the Lessee is unable to utilize the Cars for all or part of the term of this Agreement, and (c) the Cars to be subleased shall be located only in those jurisdictions in the contiguous continental United States which shall have adopted and shall have in effect the Uniform Commercial Code. No sublease, other relinquishment of the possession of any Car, or assignment by the Lessee of any of its rights hereunder shall in any way discharge or diminish any of the Lessee's obligations to the Lessor hereunder, and all representations, warranties, covenants and conditions of the Lessee under this Agreement shall be assumed by, and become the obligations of, any sublessee or assignee of the Lessee. In the event Lessor, or any of its affiliates or subsidiary entities, assists the Lessee in obtaining a sublease or subleases with a third party sublessee for any of the Cars, the Lessor shall be entitled to receive 50% of the

amount by which gross sublease proceeds exceed the amount of Fixed Rent payable by the Lessee to the Lessor under this Agreement.

SECTION 15. Further Information.

Upon the request of Lessor, Lessee agrees to furnish Lessor promptly with complete and accurate information reasonably required for the efficient administration of this Agreement.

SECTION 16. Inspection.

Lessee will make the Cars available to Lessor at any reasonable time on request for the purpose of maintenance, inspection and to ensure regular maintenance in accordance with the Lessor's maintenance responsibility, and the Lessee will be responsible for all costs of transporting the Cars to and from maintenance facilities.

SECTION 17. Events of Default.

The term Event of Default, wherever used herein, shall mean any of the following events under this Agreement (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary, or come about or be effected by operation of law, or be pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) The Lessee shall fail to make any payment required herein to be paid by Lessee within 10 days after the same shall become due; or

(b) The Lessee shall fail to perform or observe any other covenant, condition or agreement to be performed or observed by it under this Agreement or any agreement, document or certificate delivered by the Lessee in connection herewith or therewith (in the event the lessor has actual knowledge of any such failure by the Lessee, it shall promptly send written notice thereof to the Lessee); or

(c) Any representation or warranty made by the Lessee in this Agreement or any agreement, document or certificate delivered by the Lessee in connection herewith or therewith shall prove to have been incorrect in any material respect when any such representation or warranty was made or given; or

(d) A petition in bankruptcy or for reorganization or arrangement shall be filed by the Lessee; or the Lessee shall make an assignment for the benefit of creditors or consent to the appointment of a trustee or a receiver, or a trustee or a receiver shall be appointed for the Lessee, for any Car or for a substantial part of the Lessee's property without its consent and any such trustee or receiver shall not be dis-

missed within a period of 60 days; or bankruptcy, reorganization or insolvency proceedings shall be instituted against the lessee and shall not be dismissed within a period of 60 days; or

(e) The Lessee shall be in default under any material obligation for the payment of borrowed money or for the deferred purchase price of, or for the payment of any rent under any lease agreement covering, material real or personal property, and the applicable grace period with respect thereto shall have expired and the obligations shall not be contested in good faith with due diligence and by appropriate proceedings; or

(f) The Lessee shall (except as expressly permitted by the provisions of this Lease) attempt to remove, sell, transfer, encumber, part with possession of, assign or sublet any Car.

SECTION 18. Remedies.

Upon the occurrence of any Event of Default and so long as the same shall be continuing, Lessor may, at its option, declare this Agreement to be in default by written notice to such effect given to Lessee, and at any time thereafter, Lessor may exercise one or more of the following remedies, as Lessor in its sole discretion shall lawfully elect:

(a) Proceed by appropriate court action, either at law or in equity, to enforce performance by the Lessee of the applicable covenants of this Agreement and to recover damages for the breach thereof; or

(b) By notice in writing terminate this Agreement, whereupon all rights of the Lessee to the use of the Cars shall absolutely cease and terminate but Lessee shall remain liable as hereinafter provided; and thereupon Lessor may cause Lessee at its expense promptly to return the Cars to the possession of Lessor at such place as the Lessor shall designate and in the condition required upon the return thereof pursuant to and in accordance with the terms of Section 19 hereof, or the Lessor, at its option, may retake the Cars wherever said Cars may be found and irrespective of whether Lessee, any sublessee or any other person may be in possession of such Cars, all without notice to Lessee and without legal process, and for that purpose Lessor or its agent may enter upon any railroad or other premises where any Car may be and may take immediate possession of and remove such Car. Lessee shall, without further demand, forthwith pay to Lessor an amount equal to any unpaid Fixed and Additional Rent due and payable for all periods up to and including the period during which Lessor has declared this Agreement to be in default, plus the sum of all remaining Fixed Rental payments due under this Agreement.

(c) Lessee shall be liable for all costs and expenses, including reasonable attorneys' fees and disbursements, incurred by

reason of the occurrence of any Event of Default or the exercise of Lessor's remedies with respect thereto.

SECTION 19. Return of Cars.

Upon termination of this Agreement, Lessee, at its sole expense, shall return each of the Cars, and each part thereof, to Lessor at any location specified by Lessor within 1500 miles of the delivery destination at which Lessor delivered the Cars to Lessee pursuant to Section 3A, or to such other point or points as may be mutually agreed upon by Lessor and Lessee (i) empty and free from residue, (ii) in such order and condition as will permit Lessor to immediately sell or release the Cars without repair (other than repairs that Lessor is required to make pursuant to Section 9 and for which Lessee has given appropriate written notice), (iii) in a suitable condition for the hauling of grain and all other commodities that covered hopper railcars are designed, intended and customarily used to transport and (iv) in such condition as is necessary to have the Cars comply with all applicable laws and regulations. Lessee shall, on demand, reimburse Lessor for the costs necessary to make any of the Cars comply with the standards of this Section 19. Such Cars, upon redelivery pursuant hereto, shall be free and clear of all mortgages, liens, security interests, charges, claims or other encumbrances (Liens) other than Liens either (a) created or granted by the Lessor, including any such Liens created or granted in connection with the purchase or financing of the Cars, or (b) resulting from claims against the Lessor not related to the Lessor's ownership of the Cars (Liens described in clauses (a) and (b) above being herein referred to as Lessor's Liens). If the Lessee shall have affixed or installed any improvement to any Car redelivered pursuant hereto, the Lessee will on or before the date of redelivery and at its own expense, remove such improvement if requested to do so by the Lessor. In the event that any Car listed on such Schedule is not redelivered to Lessor on or before the date of expiration of the original lease term set forth in Exhibit E (hereafter the "Expiration Date"), at Lessor's sole option, all of the obligations of Lessee under this Agreement, with respect to all Cars on such Schedule, shall remain in full force and effect until all such Cars are redelivered to Lessor; provided, however, that the Fixed Rent for all Cars during such period shall be one and one-half times the pro rata fixed rate of the rent specified in Exhibit B as applicable to such Cars, and the Lessor may at any time following the Expiration Date require the Lessee to pay the Settlement Value for any Car not redelivered in accordance with this Section 19 on or before the Expiration Date.

SECTION 20. Miscellaneous.

A. Both parties agree to execute the documents contemplated by this transaction and such other documents as may reasonably be required in furtherance of this Agreement.

B. This Agreement shall be governed by and construed according to the laws of the State of California.

C. All notices hereunder shall be in writing and shall be deemed given when delivered personally or when deposited in the United States mail, postage prepaid, certified or registered, addressed to the other party at the following address: if to Lessor: ITEL Corporation, Equipment Finance Division, One Embarcadero Center, San Francisco, CA 94111. If to lessee: _____

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed and delivered as of the date first written above.

ATTEST:

ITEL CORPORATION, EQUIPMENT FINANCE
DIVISION

By *A. J. Benjamin*

Title *Vice President*

Date *July 19, 1979*

ATTEST:

FARMERS UNION GRAIN TERMINAL ASSOCIATION

By *Allen D. Hansen*

Title Vice President & Director, Grain Marketing

Date 6/18/79

CERTIFICATE OF ACCEPTANCE NO. _____

under

COVERED HOPPER RAILCAR OPERATING LEASE EQUIPMENT dated as of June 1, 1979 (the Agreement) between ITEL CORPORATION, EQUIPMENT FINANCE DIVISION, or its designees, as lessor (the Lessor), and FARMERS UNION GRAIN TERMINAL ASSOCIATION, as lessee (the Lessee).

1. Cars

The Lessee hereby certifies that the Cars set forth and described in Schedule 1 hereto have been delivered to the location indicated below, found to be in good order and accepted as Cars under this Agreement, all as of the Date of Acceptance set forth below.

Number of Cars:Location of Cars:Date of Acceptance:2. Representation by the Lessee

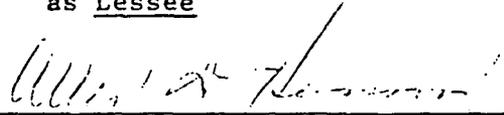
The Lessee hereby represents and warrants to the Lessor that on the Date of Acceptance set forth above:

(1) Each Car is personal property and no Car, when subject to use by the Lessee under this Agreement, will be or become a fixture under applicable law. Further, each Car identified in this Certificate of Acceptance is new and has not been put into use or operation by the Lessee prior to the Date of Acceptance set forth herein.

(2) The Lessee has satisfied and complied with all requirements set forth in this Agreement and any certificate of the Lessee to be satisfied on or prior to such Date of Acceptance.

(3) No Default of Event of Default under the Agreement has occurred and is continuing on such Date of Acceptance.

FARMERS UNION GRAIN TERMINAL ASSOCIATION
as Lessee

By 

Title Vice President & Director
Grain Marketing Division

Date September 24, 1979

SCHEDULE 1 to
EXHIBIT A

EXHIBIT A
3 of 3

EQUIPMENT SCHEDULE

Itel Corporation, Equipment Finance Division ("Itel"), or its designees ("Lessor"), hereby leases the following Cars to the Farmers Union Grain Terminal Association ("Lessee") on the terms and conditions contained in this Agreement and the Exhibits attached hereto.

Number of Cars	AAR Mech. Design	Description	Numbers	Length	Dimensions			Manufacturer's Invoice Price	Effective Date
					Inside Width	Height	Width		
150	LO	4750 c.f. covered hoppers 100 Ton Trks Triple Hopper Trough Hatch	20750- 20899	59' 11 1/2"	10' 0 1/2"	14' 10 17/32"	10' 7 1/4"		
150	LO	"	20900- 21049	"	"	"	"		
50	LO	"	"	"	"	"	"		

FARMERS UNION GRAIN TERMINAL ASSOCIATION

By X *Allen A. Hummer*

Title Vice President & Director, Grain Marketing

Date 6/18/79

EXHIBIT B

1. Term of Agreement.

The term of this Agreement with respect to each Car shall begin on the Effective Date and terminate on the fifth anniversary of the Basic Lease Term Commencement Date with respect to the first one hundred fifty Cars delivered and the fourth anniversary of the Basic Lease Term Commencement Date with respect to the last one hundred fifty Cars delivered. It is specifically agreed between the Lessor and Lessee that an additional 50 covered hopper railcars of identical description

2. Fixed Rent. and type will be leased by the Lessor to the Lessee pursuant to this Operating Lease.

The Fixed Rent payable monthly pursuant to Section 5 of this Agreement for each of the Cars shall equal 1.10% of the total Manufacturer's invoice price. In the case of mandatory changes to the Cars, the Fixed Rent will be increased by an amount equal to 1.75% of the total cost of the required change, addition or replacement.

3. Additional Rent.(a) Full Calendar Period.

The Additional Rent pursuant to Section 6 of this Agreement for each Full Calendar Period shall be calculated as of December 31 of each year and shall equal: (i) two cents (2¢) multiplied by the number of miles by which each Car travels in excess of 25,000, but less than, 40,000 miles during said Full Calendar Period; (ii) three and one-half cents (3.5¢) multiplied by the number of miles by which each Car travels in excess of 40,000, but less than 60,000, miles during said Full Calendar Period; and (iii) five cents (5¢) multiplied by the number of miles by which each Car travels in excess of 60,000 miles during said Full Calendar Period.

(b) Partial Calendar Period.

The Additional Rent payable pursuant to Section 6 of this Agreement for each Partial Calendar Period shall be calculated as of December 31 following the Basic Lease Term Commencement Date or as of the Expiration Date, as appropriate for each Car as follows:

The total number of days in the Partial Calendar Period is multiplied by 68.5 (the "Average Daily Mileage" which is equal to $25,000 \div 365$), and this number is subtracted from the total number of miles that each Car traveled during said Partial Calendar Period. The resulting figure is the excess mileage (the "Excess Mileage"), which is multiplied, as appropriate, by 2¢ per mile for Excess Mileage of zero to 20,000 miles, by 3¢ per mile for Excess Mileage of 20,001 to 35,000 miles and by 5¢ per mile for Excess Mileage in excess of 35,000 miles, to yield the amount of Additional Rent payable:

(i) Total Mileage - [(68.5) x (Number of Days)] = Excess Mileage

(ii) (Excess Mileage) x (2¢, 3¢ or 5¢) per mile = Additional Rent

(c) Notice and Payment Procedure.

Pursuant to Section 5 of this Agreement, Lessor shall determine and notify the Lessee as soon as reasonably practicable of the total number of miles that each Car traveled during the preceding Full or Partial Calendar Period, and the last day of each Full or Partial Calendar Period for each such Car shall fall on each December 31st following such Car's Effective Date, as listed on the appropriate Schedule (Exhibit A). Lessee shall then pay to Lessor the Additional Rent for such Full or Partial Calendar Period within 10 days after receipt of notice from the Lessor.



Grain Terminal Association

Box 13524 • St. Paul, Minnesota 55164 • (612) 646-4133

May 30, 1978

Mr. Larry Galbreath
FREL Corporation
Equipment Finance Division
Suite 404
210 West Jackson
Chicago, Illinois 60606

Dear Mr. Galbreath:

For our telephone conversation of May 24, this letter is confirmation that the Grain Terminal Association has leased the following:

1. Fifty (50) 100 ton, 4-750 cubic foot, triple covered hopper cars.
2. Delivery of these cars, first quarter 1980.
3. Lease for five (5) year period, with anticipated rental rate at the time of delivery of \$405.

If any additional information is needed, please call.

Sincerely yours,

GRAIN TERMINAL ASSOCIATION

Leonard Eyo
Traffic Manager

LEB

ASSIGNMENT OF LEASE AND ASSUMPTION OF LIABILITIES AGREEMENT

This ASSIGNMENT OF LEASE AND ASSUMPTION OF LIABILITIES AGREEMENT dated as of September 1, 1979 (the "Assignment") is made by and between ITEL CORPORATION, EQUIPMENT FINANCE DIVISION (the "Assignor") and XTRA, INC. (the "Assignee").

W I T N E S S E T H:

WHEREAS, the Assignor and Farmers Union Grain Terminal Association (the "Lessee") have entered into a Covered Hopper Railcar Operating Lease Agreement dated as of June 1, 1979 (the "Lease"), a true and complete copy of which is attached hereto as Exhibit A, providing for the leasing by the Assignor to the Lessee of certain units of covered hopper railcars described in Exhibit A thereto (the "Equipment");

WHEREAS, the Assignor desires to assign all of its right, title and interest in and to the Lease to the Assignee, and the Assignee desires to accept such assignment and, in connection therewith, to assume all of the Assignor's duties, liabilities and other obligations under the Lease.

NOW, THEREFORE, in consideration of the premises and of the payments to be made and the covenants hereinafter mentioned to be kept and performed, the parties hereto agree as follows:

1. The Assignor hereby assigns, transfers and sets over unto the Assignee all of the Assignor's right, title and interest, powers, privileges and other benefits in, to and under the Lease.

2. The Assignee hereby accepts the assignment of the Lease and assumes all of the Assignor's duties, liabilities, and obligations under the Lease arising or to be performed hereafter. The Assignee agrees to faithfully abide by, perform and discharge each and every obligation, covenant and agreement which the Lease provides are to be performed by the Assignor.

3. This Assignment shall become an effective, valid and binding obligation of the Assignor and the Assignee, in accordance with its terms, following (a) execution of this Assignment by both parties hereto and (b) execution by the Lessee of the Consent hereinbelow.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in their respective names, all as of the date first above written.

ASSIGNOR:

ITEL CORPORATION, EQUIPMENT FINANCE
DIVISION

By *Wm J. Sh*

Title *Vice President*

Date *October 22, 1979*

ASSIGNEE:

XTRA, INC.

By William L. Sauer Jr.
Title Vice President
Date 10-25-79

CONSENT

The undersigned, Farmers Union Grain Terminal Association (the "Lessee"), the lessee named in the lease (the "Lease") referred to in the foregoing Assignment of Lease and Assumption of Liabilities Agreement (the "Assignment Agreement") hereby (a) acknowledges receipt of a copy of the Assignment Agreement, (b) consents to all the terms and conditions of the Assignment Agreement, (c) agrees to make payments under the Lease as directed by the Assignee under the Assignment Agreement, and (d) acknowledges that the document attached to the Assignment Agreement as Exhibit A thereto is a true and complete copy of the Lease, is a valid and binding obligation of the Lessee and is in full force and effect on the date hereof. It is understood that all notices under the Lease shall be addressed, if to the Lessee at: 1667 North Snelling, St. Paul, MN, Attention: Vice President & Director, Grain Marketing; and if to the Lessor: 60 State Street, Boston, Massachusetts 02109, Attention: Edward P. Roberts, President, with a copy to Itel Corporation, Equipment Finance Division, One Embarcadero Center, San Francisco, California 94111, Attention: Contracts Administration.

FARMERS UNION GRAIN TERMINAL
ASSOCIATION

By Allen H. Hanson ✓

Title Vice President & Director
Grain Marketing Division
Date September 24, 1979

ASSIGNMENT OF LEASE AND ASSUMPTION OF LIABILITIES AGREEMENT

This ASSIGNMENT OF LEASE AND ASSUMPTION OF LIABILITIES AGREEMENT dated as of July 18, 1980, (the "Assignment") is made by and between XTRA, Inc. (the "Assignor") and XTRA Leasing, Inc. (the "Assignee").

W I T N E S S E T H

WHEREAS, the Assignor has entered into a certain Covered Hopper Railcar Operating Lease Agreement dated as of June 1, 1979 (the "Lease") with a certain lessee (the "Lessee") providing for the leasing by the Assignor to Lessee of certain units of covered hopper railcars, the name of said Lessee being set forth in Exhibit A attached hereto and made a part hereof;

WHEREAS, the Assignor desires to assign to Assignee all of its right, title and interest in and to the Leases with respect to those covered hopper railcars specified in Exhibit A (the "Cars"), and the Assignee desires to accept such assignment and, in connection therewith, to assume all of the Assignor's duties, liabilities and other obligations under the Leases with respect to such Cars;

NOW THEREFORE, in consideration of the premises, the covenants hereinafter mentioned to be kept and performed and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. The Assignor hereby assigns, transfers and sets over unto the Assignee all of the Assignor's right, title and interest, powers, privileges and other benefits in, to and under the Lease with respect to the Cars.

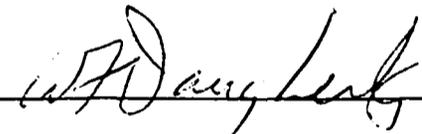
2. The Assignee hereby accepts said assignment of the Lease and assumes all of the Assignor's duties, liabilities and obligations under the Lease arising or to be performed hereafter with respect to the Cars. The Assignee agrees to faithfully abide by, perform and discharge each and every obligation, covenant and agreement which the Lease provides are to be performed by the Assignor with respect to the Cars.

3. This Assignment shall become an effective, valid and binding obligation of the Assignor and the Assignee, in accordance with its terms, following execution of this Assignment by both parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in their respective names, all as of the date first above written.

XTRA, INC.

ASSIGNOR:

By 
Title EXECUTIVE VICE PRESIDENT

XTRA LEASING, INC.

ASSIGNEE:

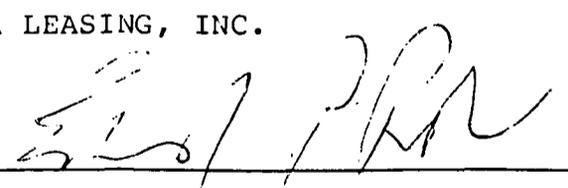
By 
Title PRESIDENT

EXHIBIT A

<u>Lessee</u>	<u>Date of Lease</u>	<u>Description of Cars Subject to the Assignment</u>
Farmer's Union Grain Terminal Association	June 1, 1979	50-LO design covered hopper railcars of 4,750 cu.ft. capacity numbered in series from XTRX 76033-76082 inclusive; manufactured by Richmond Tank Car Company.

EXHIBIT D

to

Acknowledgement of Assignment and Restatement and
Confirmation of Lease

Financed Cars:

50 - LO design covered hopper railcars of 4,750 cu.ft.
capacity numbered in series from XTRX 76033-76082 inclusive,
manufactured by Richmond Tank Car Company.