$ 50
New. No.

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

ROBERT W. ALVORD
ALBERT H. GREENE
CARL C. DAVIS*
CHARLES T. KAPPLER
JOHN H. DOYLE
MILTON C. GRACE*
GEORGE JOHN KETO**
RICHARD N. BAGENSTOS

* NOT A MEMBER OF D.C. BAR
** ALSO A MEMBER OF OHIO BAR

LAW OFFICES
ALVORD AND ALVORD
200 WORLD CENTER BUILDING
918 SIXTEENTH STREET, N.W.
WASHINGTON, D.C.
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OF COUNSEL
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"ALVORD"

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393-2266

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RECORDATION NO. 12445 Filed 1425

NOV 26 1980 -2 10 PM

November 26, 1980

INTERSTATE COMMERCE COMMISSION

0-331A066

No.
Date NOV 26 1980
Fee $ 50.00
ICC Washington, D. C.

File BRANCH

NOV 26 2 04 PM '80

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

Dear Madam:

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

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

> Two hundred fifty (250) 4650 cubic foot capacity covered hopper cars with triple compartment constructions bearing reporting marks and numbers LGIX 585 through LGIX 834, both inclusive.

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

Lessor: Fremont and Western, Inc.
P.O. Box 80269
Lincoln, Nebraska 68501

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

Deny Lopez — CF Kannler

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

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

Very truly yours,

ALVORD AND ALVORD

By Charles T. Kappler

Charles T. Kappler

#FWI - 10

1 CC

RAILROAD EQUIPMENT LEASE

THIS LEASE dated as of October 1, 1980, between FREMONT & WESTERN, INC., a Kansas corporation (the "Lessor"), and LINCOLN GRAIN, INC., a Kansas corporation (the "Lessee"),

RECORDATION NO. 12445 Filed 1425

NOV 26 1980 -2 10 PM

INTERSTATE COMMERCE COMMISSION

W I T N E S S E T H:

SECTION 1. DESCRIPTION OF LEASED PROPERTY:

The Lessor does hereby lease and let to the Lessee two hundred fifty (250) 4,650 cubic feet capacity, covered hopper cars with triple compartment construction (the "Cars") to bear reporting marks LGIX 585-834, both inclusive. The Cars are in the course of being constructed by A.C.F. Industries, Inc., Shipper Car Line Division and a copy of the specifications (the "Specifications") and other identifying data with respect thereto which are referred to in Exhibit A attached hereto and made a part hereof have been delivered to the Lessee and are incorporated herein by reference and made a part of this Lease as fully as though expressly set forth herein.

SECTION 2. DELIVERY AND ACCEPTANCE OF THE CARS:

The Lessor shall deliver the Cars to the Lessee F.O.T. in Russell, Kentucky before November 15, 1980. The Lessor shall not be liable to the Lessee for any failure or delay in making delivery of the Cars due to accident, fire, flood, explosion, labor difficulties, acts of government including embargos, priorities and allocations, war and war conditions, delays of carriers and any or other cause or causes (whether or not of the same kind as herein specifically enumerated) beyond the Lessor's reasonable control. The Lessee will cause its authorized representative to inspect each of the Cars at the point of delivery. If the Car meets the Specifications, the Lessee shall accept the same and shall issue and deliver to the Lessor a Certificate of Inspection and Acceptance in respect of the Car substantially in the form attached hereto as Exhibit B. The execution by the Lessee of such Certificate of Inspection and Acceptance shall for all purposes of this Lease be deemed to be conclusive evidence that the Car described therein has been delivered to and is in the possession of the Lessee under and subject to all the terms of this Lease. Notwithstanding the acceptance of the Cars by the Lessee at the times and places hereinbefore indicated, Lessor shall reimburse Lessee for the costs of transporting the Cars to their respective initial loading sites.

SECTION 3. LEASE TERM OF CARS:

The Lease term for each Car shall commence on the date the Car is delivered to and accepted by the Lessee, as evidenced by the Certificate of Inspection and Acceptance with respect thereto, and shall terminate September 30, 1987 (unless sooner terminated in accordance with the provisions hereof) but shall automatically be renewed annually thereafter

unless Lessee gives Lessor thirty (30) days written notice prior to the termination of this or any subsequent lease term.

SECTION 4. FIXED RENTS AND PAYMENT DATES:

The Lessee agrees that it will pay the Lessor fixed rent (over and above all other and additional sums to be paid by the Lessee as hereinafter set forth) for each Car leased hereunder in the amount of $495.00 per car per month for each of the 250 Cars number LGIX 585-834, both inclusive, during the lease term and any annual renewal thereafter, payable in equal consecutive quarterly installments each in the amount of $371,250 payable on March 31, 1981 and quarterly thereafter on June 30, September 30 and December 31 during the lease term and any annual renewal thereafter.

The Lessee also agrees that it will pay the Lessor a per diem rental of $16.25 per Car for each of the 250 Cars numbered LGIX 585 to 834, both inclusive, for the period from the Date of delivery of each Car to and including December 31, 1980.

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

SECTION 5. ADDITIONAL SUMS PAYABLE BY THE LESSEE:

In addition to the fixed rents payable by the Lessee under the provisions of Section 4 hereof, the Lessee shall, during the continuance of this Lease, pay any and all sales taxes, use taxes, excise taxes, personal property taxes, assessments and other governmental charges whatsoever, whether payable by the Lessor or the Lessee, on or relating to the Cars leased hereunder, including all such taxes, fees, assessments and charges upon the Lessor by reasons of the acquisition or ownership of such Cars and all such taxes, fees, assessments and charges on the use, rental, shipment, transportation, delivery or operation of the Cars leased hereunder or the earnings therefrom. This Section 5 shall not, however, obligate the Lessee to pay, and there are specifically excluded from the operation of this Section 5, any and all income, gross receipts, franchise, and like taxes imposed on or measured by rents payable hereunder or the net income therefrom; provided, however, that the Lessee agrees to pay any such tax on or measured by rents payable hereunder or the net income therefrom which is in substitution for, or relieves the Lessee from, a tax on the Cars which the Lessee would otherwise be obligated to pay under the terms of this Section. In the event any ad valorem tax returns are required to be made on the Cars,

the Lessee shall file such returns for the Lessor. In the event any tax returns are required to be made on the basis of individual Cars the Lessee will either make such returns in such manner as will show ownership of the Cars by the Lessor or will notify the Lessor of such requirement and will make the return in such manner as shall be satisfactory to the Lessor. Any statements for such taxes received by the Lessor shall be promptly forwarded to the Lessee by the Lessor. The Lessee shall not be obligated to pay any amount under this Section 5 so long as it shall in good faith and by a-propriate proceedings contest the validity or the amount thereof unless such contest would adversely affect the title of the Lessor to any Car or would subject any Car to forfeiture or sale.

SECTION 6. PLACE OF PAYMENT OF RENTS:

All fixed rents payable by the Lessee under Section 4 hereof and all amounts payable by the Lessee under Section 9 shall be paid to the Lessor at the principal office of Fremont & Western, Inc. in Lincoln, Nebraska, or at such other place as the Lessor or its assigns may hereafter direct. Payment of any additional amounts required by Section 5 hereof shall be made at said place only to the extent that such payments are not being, or have not been, made by the Lessee directly and are instead being paid to the Lessor by way of reimbursement for, or to provide, the Lessor with the funds necessary to pay the amounts required by Section 5 to be paid by the Lessee. All rents and other sums payable to the Lessor shall be paid in funds current in Lincoln, Nebraska.

SECTION 7. REPAIRS AND MAINTENANCE:

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

Lessor agrees that Lessee shall be entitled to the proceeds of any claim or right of Lessor or Lessee against the third persons for injury, damage or loss with respect to the Cars or the use or operation thereof, including settlements pursuant to the Association of American Railroads' rules and Lessee shall be subrogated to all the Lessor's right of recovery therefor against any other person, firm or corporation. The Lessor hereby authorizes the Lessee to make settlement of, receive payment

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

SECTION 8. USE AND POSSESSION OF THE CARS:

8.1. During the continuance of this Lease, the Lessee shall, so long as it is not in default hereunder, be entitled to and shall have the exclusive use and possession of the Cars. The Lessee agrees that the Cars will be used solely upon the lines of railroads in the continental United States and Canada in the usual interchange of traffic and that the Cars will at all times be used and operated in compliance with all lawful acts, rules, regulations and orders of any commissions, boards, or other legislative, executive or judicial body or officer having power to regulate or supervise the use of the Cars and in compliance with the Code of Rules of the Association of American Railroads; provided, however, that the Lessee may in good faith and by appropriate proceedings contest the application of any such rule, regulation or order in any reasonable manner which will not adversely affect the title of the Lessor to any Car or subject any Car to forfeiture or sale.

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

8.3 The Lessee agrees that (i) it will not permit its rights or interests hereunder to be subject to any lien, charge or encumbrance, and (ii) it will keep the Cars free and clear of any and all liens, charges and encumbrances which may be levied against or imposed upon the Cars as a result of the failure of the Lessee for any reason to perform or observe any of the covenants or agreements required to be performed or observed by the Lessee hereunder, and of any and all liens, encumbrances and charges of persons claiming by, through or under the Lessee or any other person, firm or corporation in possession of any Car under the provisions of Section 8.2 hereof.

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

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

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

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

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

The "settlement value" of any Car shall be an amount not less than the amount owing with respect to such Car on the loan made by Continental Bank to the Lessor, as evidenced by Lessor's note in favor of such Bank, to finance the Cars. The amount owing with respect to each Car shall be the amount arrived at by multiplying the percentage of such loan originally allocable to such Car by the unpaid principal balance of such loan as of the settlement date in questions, without giving effect to any reductions therein by prepayments on account of previous or concurrent Settlements hereunder.

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

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

SECTION 10. INDEMNITY:

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

SECTION 11. MARKING OF CARS:

At, or prior to the time of delivery of each of the Cars, Lessor shall cause both sides of each Car to be distinctly, permanently and conspicuously marked by stenciling or by a metal place affixed thereto, with the reporting marks referred to in Section 1 hereof.

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

SECTION 12. DEFAULTS:

12.1 In the event that:

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

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

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

(d) Bankruptcy, reorganization, arrangement or insolvency proceedings or other proceedings for relief under any bankruptcy or similar law or laws for the relief of debtors shall be instituted by or against Lessee; or Lessee shall permit or there shall occur any involuntary transfer of its interests hereunder or of all or substantially all of Lessee's property by bankruptcy or by the appointment of a receiver or trustee or by execution or by any judicial or administrative decree or process or otherwise; unless in ever such case such proceedings (if instituted against the Lessee) shall be dis-

missed or such assignment, transfer, decree or process shall within 60 days from the filing or other effective date therein be nullified, stayed or otherwise rendered ineffective, or unless any such receiver or trustee shall within 60 days from the date of his appointment adopt and assume this Lease pursuant to due authority of law and of the court appointing him; then in such case (herein sometimes called "event of default") in addition to all rights and remedies now or hereafter provided by law, for the repossession of the Cars and for the recovery of damages occasioned by Lessee's default, Lessor at its option may:

(i) Elect to terminate only the Lessee's right of possession (but not to terminate the Lease), without releasing Lessee in whole or in part from its obligation hereunder for the remaining term of this Lease, and thereupon take possession of any or all of the Cars as provided herein. Lessor may, but need not, repossess the Cars and relet the same or any part thereof to others for such rent and upon such terms as it may see fit. The proceeds of any such reletting shall first be applied to the expense of retaking and reletting of the Cars and delivery to the new lessee, and then to the payment of rent due under this Lease. Lessee shall pay any deficiency remaining due after so applying the proceeds as the same shall accrue. Lessor shall not be required to accept or receive any lessee offered by Lessee. The election by the Lessor to relet the Cars and the acceptance of a new lessee shall not operate to release Lessee from liability for any existing or future default in any other covenant or promise herein contained.

(ii) Declare this Lease terminated and recover from Lessee as liquidated damages, but not as penalty, all amounts which are then due and payable under this Lease, and an aggregate sum, which at the time of such termination, represents the excess, if any, of the then present value of the aggregate rents which would have accrued for the balance of the term of this Lease over the then present value of the aggregate fair rental value of the Cars for the balance of the term, such present worth to be computed in each case on the basis of 10.5% per annum discount from the respective dates upon which such rents would have been payable hereunder had this Lease not been terminated.

(iii) Proceed by appropriate court action or actions either at law or in equity to enforce performance by the Lessee of the applicable covenants and terms of this Lease or to recover from Lessee, any and all damages or expenses including reasonable attorneys' fees, which Lessor shall have sustained by reason of Lessee's default in any covenant or covenants of this Lease or on account of Lessor's enforcement of its remedies hereunder.

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

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

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

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

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

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

Without in any way limiting the obligations of the Lessee under the foregoing provisions of this Section 12.2, the Lessee hereby irrevocably appoints the Lessor as the agent and attorney of the Lessee, with full pwer and authority, at any time while the Lessee is obligated to deliver possession of any Car to the Lessor, to demand and take possession of such Car in the name and on be half of the Lessee from whomsoever shall at the time be in possession of such Car.

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

SECTION 13. SURRENDER OF CARS:

Upon the expiration of the lease term in respect of any Car or Cars the Lessee shall surrender possession of such Car or Cars to the Lessor on such storage tracks within 25 miles of Kansas City, Missouri as shall be designated by the Lessor (or at such other place or places as the

parties hereto may agree in writing) in good order and repair, ordinary wear and tear excepted. All obligations of the Lessee hereunder in respect of the Cars (including the payment of fixed rent at a daily rate computed by dividing the monthly fixed rent provided for under Section 4 hereof by 30) shall continue until the same are surrendered and placed in storage.

SECTION 14. RENT ABSOLUTE:

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

SECTION 15. ASSIGNMENT BY LESSOR:

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

SECTION 16. INSURANCE:

The Lessee will at all times while this Lease is in effect, at its own expense, cause to be carried and maintained property insurance in the amount satisfactory to the Lessor with no more than $5,000.00 deductible per Car, and such public liability insurance as is customarily carried by lessors of rail cars in respect of similar cars. The policies of insurance required under this Section shall be valid and enforceable policies issued by insurers of recognized responsibility. With respect to all public liability insurance, the Lessee shall cause each policy to cover the respective interests of the Lessor and any Assignee for claims arising from the ownership

operation, maintenance or use of the Cars, and to name the Lessor and any such Assignee as additional insureds. With respect to the property insurance required under this Section 16, Lessor shall be the named insured and shall apply any proceeds of such property insurance to repairs required by Section 7 hereof or, in an appropriate case, to the "settlement value" of any Car or Cars under Section 9 hereof.

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

SECTION 17. MISCELLANEOUS:

17.1 Inspection and Inventories. During the continuance of this Lease the Lessor shall have the right at its own cost and expense to inspect the Cars at any reasonable time or times whether on the Lessee's line or elsewhere. The Lessee shall, upon request of Lessor, furnish the Lessor with an accurate inventory of all Cars in service showing their location at the time of the inventory to the best knowledge of the Lessee.

17.2 Transfer of Manufacturers Warranty. The Lessee by its execution of the Certificate of Inspection and Acceptance acknowledges and agrees that (i) the Cars are of a size, design, capacity and manufacture selected by the Lessee, (ii) LESSOR HAS NOT MADE AND DOES NOT HEREBY MAKE, NOR SHALL IT BE DEEMED BY VIRTUE OF HAVING LEASED THE CARS PURSUANT TO THIS AGREEMENT TO HAVE MADE, ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE MERCHANTIBILITY, CONDITION, QUALITY, DURABILITY OR SUITABILITY OF THE CARS IN ANY RESPECT OR IN CONNECTION WITH OR FOR THE PURPOSES AND USES OF THE LESSEE OR ANY OTHER REPRESENTATION OR WARRANTY OF ANY KIND OR CHARACTER EXPRESSED OR IMPLIED WITH RESPECT THERETO, (iii) that the Lessor shall not be liable to the Lessee for any liability, claim, loss, damage or expense of any kind or nature caused directly or indirectly by the Cars or the inadequacy thereof for any purpose or any deficiency or defect therein or any interruption or loss of service or use thereof. The Lessor hereby transfers and assigns to the Lessee for and during the term of this Lease all of its right, title and interest in, under and to any manufacturer's warranty in respect of the Cars and agrees to execute and deliver such further instrument and to do such further acts as may be necessary to enable the Lessee to obtain customary warranty service for the Cars by the manufacturer.

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

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

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

This Lease shall be binding upon and shall inure to the benefit of the Lessor and Lessee and their respective successors and assigns. This Lease may be executed in any number of counterparts, each counterpart constituting an original but all together one and the same instrument and contract.

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

FREMONT & WESTERN, INC.

(Affix Seal)

Attest:

By _____
Its President

_____
Secretary

LINCOLN GRAIN, INC.

GENUINE AUTHORITY

(Affix Seal)

By _____
Its President

Attest:

_____
Secretary

STATE OF NEBRASKA)
)ss
COUNTY OF LANCASTER)

On this 31ST day of OCTOBER, 1980, before me personally appeared Robert S. Cartmill, to me personally known, who being by me duly sworn, says that he is President of FREMONT & WESTERN, INC., a Kansas corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(Notary Seal)

GENERAL NOTARY-State of Nebraska
LINDYNE R. BEECK
My Comm. Exp. June 2, 1981

Lindyne R. Beeck
Notary Public

STATE OF NEBRASKA)
)ss
COUNTY OF LANCASTER)

On this 31ST day of OCTOBER, 1980, before me personally appeared Robert S. Cartmill, to be personally known, who being by me duly sworn, says that he is the President of LINCOLN GRAIN, INC., a Kansas corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(Notary Seal)

GENERAL NOTARY-State of Nebraska
LINDYNE R. BEECK
My Comm. Exp. June 2, 1981

Lindyne R. Beeck
Notary Public

DESCRIPTION OF RAILROAD CARS

250 Center Flow Covered Hopper Cars

1. 4,650 Cubic feet
2. 100 ton roller bearing trucks
3. Continuous hatches and gravity outlets

"EXHIBIT A"

LINCOLN GRAIN, INC.

CERTIFICATE OF INSPECTION AND ACCEPTANCE

_____, 1980

Fremont & Western, Inc.
P.O. Box 80269
Lincoln, NE 68501

A.C.F. Industries, Inc.
Shipper Car Line Division
St. Louis, MO

Gentlemen:

The undersigned, being the duly appointed agent and representative of Lincoln Grain, Inc. (the "Lessee") for purposes of inspection and acceptance of the railroad cars referred to herein, hereby certifies that he has made a thorough examination of 250 railroad cars bearing reporting marks as follows:

LGIX 585 thru and including LGIX 834

and hereby accepts them for Lessee under and pursuant to that certain Railroad Equipment Lease dated October 1, 1980 between Fremont & Western, Inc., as Lessor, and the Lessee and also under and pursuant to Purchase Order No 2851 dated April 24, 1979, issued by Lessee to A.C.F. Industries, Shipper Car Line Division, and assigned to Lessor and that each of said cars fully complies with the specifications referred to in said Purchase Order.

_____
Inspector

for LINCOLN GRAIN, INC.

EXHIBIT "B"