THOMPSON, HINE AND FLORY

1920 N STREET, N. W.

WASHINGTON, D.C. 20036

TELECOPIER (202) 331-8330

IN CLEVELAND, OHIO
1100 NATIONAL CITY BANK BUILDING
CLEVELAND, OHIO 44114
(216) 566-5500 · TELEX 980217

IN COLUMBUS, OHIO
100 EAST BROAD STREET
COLUMBUS, OHIO 43215
(614) 469-7200

IN PALM BEACH, FLORIDA
125 WORTH AVENUE
PALM BEACH, FLORIDA 33480
(407) 833-5900

IN WASHINGTON, D.C.
TELEPHONE
(202) 331-8800
TELEX 904173

November 29, 1988

RECORDATION NO. 1 6053 FILED 1988

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INTERSTATE COMMERCE COMMISSION

Ms. Noreta R. McGee
Secretary
Interstate Commerce Commission
12th & Constitution Avenue, N.W.
Washington, D.C. 20423

Dear Ms. McGee:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. § 11303 and 49 C.F.R. § 1177 are the original and one certified true copy of an Agreement entered into as of November 1, 1988 by and between MHC, Inc., an Oregon corporation, and Soo Line Railroad Company, a Minnesota corporation (the "Agreement").

The enclosed document is a lease dated as of November 1, 1988 and is a primary document within the meaning of 49 C.F.R. § 1177.1(a).

The names and addresses and the parties to this document are:

Lessor: MHC, Inc.
ConAgra Center
One Central Park Plaza
Omaha, Nebraska 68102

Lessee: Soo Line Railroad Company
Soo Line Building
Box 530
Minneapolis, Minnesota 55440

A description of the equipment covered by the document is as follows:

Counterpart — Keven Bunbury

One hundred and fifteen covered hopper cars of 4750 cubic foot capacity identified by car numbers on the attachment to this letter and in Schedule No. 2 to the Agreement.

A check in payment of the prescribed filing fee is enclosed. Please return the original document to the bearer upon completion and recordation.

A short summary of the document to appear in the index is as follows:

Hopper car lease between MHC, Inc., an Oregon corporation, as Lessor, and Soo Line Railroad Company, a Minnesota corporation, as Lessee, dated as of November 1, 1988, and covering 115 covered hopper cars of 4750 cubic foot capacity.

Very truly yours,

Peter A. Greene

PAG/kg
Encls.

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RECORDATION NO. 16053 FILED 1988

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INTERSTATE COMMERCE COMMISSION

DISTRICT OF)
) ss.
COLUMBIA)

Peter A. Greene, having been duly sworn, deposes and says that he has compared the attached copy of the Agreement between MHC, Inc., an Oregon corporation, and Soo Line Railroad Company, a Minnesota corporation, dated as of November 1, 1988, to the original document and found the copy to be complete and identical in all respects to the original document.

Peter A. Greene

Subscribed and sworn to before me, a notary public in and for the District of Columbia, this 29th day of November, 1988.

Pamela Hobbs
Notary Public

My Commission expires: My Commission Expires March 31, 1993

[SEAL]

1860T

RECORDATION NO. 16053 FILED 1425

NOV 29 1988 4 25 PM

INTERSTATE COMMERCE COMMISSION

THIS AGREEMENT, made as of this 1st day of December, 1988, between MHC, Inc., an Oregon corporation, ("Lessor"), and the Soo Line Railroad Company, a Minnesota corporation, ("Lessee"); the parties wish to enter into this Agreement with respect to the lease of certain railroad equipment subject to the following terms and conditions:

NOW, THEREFORE, the parties mutually agree as follows:

1. Lease of Equipment

Lessor agrees to furnish and lease to Lessee and Lessee agrees to lease from Lessor upon the terms and conditions set forth herein a number of items of equipment of the type and description set forth in Schedule(s) hereto and by this reference made a part hereof. The scheduled items of equipment are hereinafter called collectively "Cars" and each individual item of equipment is hereinafter called a "Car".

The rights of the Lessee under this Lease are subordinate and junior to the rights and remedies of Exchange National Bank of Chicago (the "Master Lessor") under a Lease of Railroad Equipment (the "Master Lease") dated as of October 1, 1979, between MHC, Inc., ConAgra, Inc., Bankers Trust Company and the Lessor and to the rights of La Salle National Bank under the Conditional Sale Agreement referred to in the Master Lease, filed with the ICC and bearing recordation number 11041-C.

2. Term

The term of the Lease with respect to any Car shall be the term specified in the Schedule(s) to this Agreement, unless sooner terminated or extended in accordance with the provisions of this Agreement. This Agreement shall become effective as to the Car or Cars immediately upon Delivery and Acceptance in accordance with Section 3 hereof.

3. Delivery and Acceptance

Upon delivery of the Cars, Lessee will have the opportunity to inspect the Cars. If upon such inspection, Lessee rejects any Car as not being in good operating condition or as not being in compliance with all applicable requirements of the AAR or Federal Railway Administration ("FRA"), Lessee will provide Lessor with written notice of the deficiencies requiring correction with five (5) days of delivery.

Following receipt of notice from Lessee that any Car requires repair in order to place such Car in satisfactory operating condition or in compliance with all such applicable requirements of the AAR or FRA, Lessor shall have the right, but not the obligation, to take whatever steps it deems appropriate to correct the defects, or to designate a

substitute Car or Cars. Such repaired or substituted Car shall thereupon be inspected by Lessee and if such Car then meets such standards, it shall be deemed acceptable to Lessee.

If within five (5) days of delivery of any Car to Lessee pursuant to this section, Lessee shall not have rejected such Car, such Car shall become subject to all the terms and conditions of this Agreement. Any Car repaired or substituted following delivery to Lessee's railroad tracks shall become subject to all terms and conditions of the Agreement following satisfactory completion of the repairs or inspection and acceptance of the substituted Car.

4. Railroad Markings and Record Keeping

Upon delivery and acceptance of any Car and prior to any loaded use of such Car by Lessee, Lessor shall cause such Car to be remarked at Lessor's expense with the railroad reporting marks of Lessee. Lessor and Lessee agree that any Car may also be marked with the name of the Lessor or any secured party under a financing agreement affecting such Car, and that such markings will be maintained by Lessee throughout the term of this Agreement. Lessee shall not otherwise apply markings to any Car without Lessor's prior consent. All such markings shall comply with applicable regulations.

At no cost to Lessor, Lessee shall cause to be prepared and filed all documents relating to the registration, maintenance and operation of the cars, including but not limited to:

4.1. AAR documents;

4.2. Registration in the UMLER and Official Railway Equipment Register;

4.3. Other such reports as may be required by the ICC and/or other regulatory agencies.

Lessee shall perform all record keeping functions relating to the use and operation of the Cars by Lessee and other railroads in accordance with the Interchange Rules and AAR railroad interchange agreements, such as car hire reconciliation. All record keeping performed by Lessee hereunder and a record of all payments, charges, maintenance and correspondence related to the Cars shall be maintained in a form suitable for inspection during reasonable business hours by Lessor at its own expense and risk from time to time. Lessee shall supply Lessor with monthly reports regarding the use of the Cars by Lessee and by other railroads as Lessor may reasonably request.

5. Rental

Rentals payable hereunder from Lessee to Lessor shall be calculated as provided in the appropriate Schedule(s) to this Agreement and, unless specified otherwise, shall be derived from and out of car hire and mileage payments. For the purpose of this Agreement, car hire and mileage payments shall consist of:

5.1. Time and mileage payments accruing at published rate while any Car is operating off the system lines of Lessee; and

5.2. Time and mileage payments accruing for loaded use of any Car on the system lines of Lessee ("On-Line Rates"). On-Line Rates shall be those specified in the Schedule(s) to this Agreement.

Lessee shall collect all time and mileage payments with respect to the use of the Cars by other railroads and shall pay to the Lessor rental due within one hundred (100) days of the end of the month during which such time and mileage payments are earned. Payments shall be mailed monthly, addressed to the Lessor at such address as Lessor may designate.

Lessee agrees that the time and mileage rates applicable to use of the Cars off the railroad tracks of Lessee shall be the maximum which may be charged under regulations published by the ICC, the AAR or the successor agencies (or, if such rates or regulations no longer exist, the rates in effect as of the date hereof) unless otherwise agreed in writing by Lessor. Lessee will not grant or allow any per diem reclaim with respect to any Car without Lessor's prior written consent, other than switching reclaims which may arise pursuant to Car Hire Rule 5 of AAR Circular No. OT-10, Code of Car Hire Rules and Interpretations-Freight.

If for any calendar quarter, the monthly time and mileage earnings with respect to the Cars average less than $450.00 per Car, Lessor may, at its option, terminate this Agreement with respect to such Cars as Lessor may determine; provided, however, that Lessee shall have the right to retain the use of the Cars by paying an amount equal to the difference between $450.00 and the average monthly time and mileage earnings for the subject calendar quarter. Notice of intent to exercise this provision must be made by Lessor within 60 days following any calendar quarter where the monthly time and mileage earnings with respect to the Cars average less than $450.00 per Car.

6. Repair and Maintenance

Lessor, at its sole expense, shall make or cause to be made such inspections of, and perform such maintenance, repairs, alterations, modifications or replacement of parts as may be necessary to keep the Cars in good operating condition throughout the term of this Lease. Upon request of Lessor, and at Lessor's sole expense, Lessee shall, if able, perform any necessary maintenance and repairs to Cars on Lessee's railroad tracks, in accordance with the Interchange Rules and at the lower of either of those rates published by the AAR for labor and materials, or the lowest rate charged by Lessee to any other party with which it is not affiliated. Lessee may make running repairs, in accordance with the Interchange Rules and standards, at Lessor's expense, to facilitate continued immediate use of a Car provided, however, that any major repairs shall not be performed without prior approval from Lessor. Lessee shall not otherwise make any repairs, alterations, improvements or additions to the Cars without Lessor's prior written consent.

7. Possession and Use

So long as Lessee shall not be in default under this Agreement, Lessee shall be entitled to the possession, use and quiet enjoyment of the Cars in accordance with the terms of this Agreement and in the manner and to the extent cars are customarily used in the railroad freight business.

Lessee agrees that to the extent it has physical possession and control of the Cars, the Cars will at all times be used and operated under and in compliance with the laws of the jurisdiction in which they may be located and in compliance with all lawful acts, regulations, rules and orders of any governmental bodies or officers having power to regulate or supervise the use of such property, except that either Lessor or Lessee may in good faith and by appropriate proceedings contest the applications of any such rules, regulations or orders in any reasonable manner at the expense of the contesting party.

Lessee will not directly or indirectly create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or other security interest or claim on or with respect to the Cars or any interest therein or in this Agreement or any schedule hereto, except liens for taxes either not yet delinquent or being contested by Lessee in good faith by appropriate legal proceedings, and materialmen's, mechanics', workmen's, repairmen's, employees', storage or other like liens arising in the ordinary course of business, which are not delinquent or are being contested by Lessee in good faith by appropriate

proceedings. Lessee will promptly, at its expense, take such action as may be necessary to duly discharge any such mortgage, pledge, lien, charge, encumbrance, security interest or claim if the same shall arise at any time during the term hereof.

8. Loss or Destruction of Cars

During the term of this Agreement, Lessee shall be responsible for the Cars while in Lessee's possession and control in the same manner that Lessee is responsible for foreign lines' railroad equipment under AAR Interchange Rules for similar equipment not owned or controlled by Lessee.

The time, methods and amounts of payments for and determinations that a Car is lost, destroyed or damaged beyond repair shall be handled in accordance with Rule 107 of the AAR Field Manual of the Interchange Rules and Rule 7 of the AAR Code of Car Hire Rules and Interpretations-Freight. A Car which is so determined to be lost, destroyed or damaged beyond repair shall be removed from the rental calculations of this Agreement on the date Lessee requests a depreciated value statement from Lessor; provided, however, Lessee may not dismantle any car before Lessor gives its written consent to such dismantling.

Lessee will act as Lessor's agent for the collection from third parties and remittance to Lessor of all amounts for which such third parties may be liable to Lessee, directly or indirectly, by reason of the loss, destruction or damage beyond repair of any Car which such Car is on the railroad tracks of the third party. Lessee shall forward to Lessor any such amounts received from third parties upon receipt.

9. Taxes

Lessee will be responsible for, and shall indemnify and hold harmless the Lessor from, any sales and/or use taxes or similar taxes, tariffs, duties, customs, switching, demurrage or other charges made or imposed by any governmental agency, railroad or other party in respect of any of the Cars during the term of this lease or any renewal or extension hereof, except as may otherwise be specifically provided for herein. Lessee is not responsible for any federal or state government income, franchise or gross receipts tax imposed on or measured by the net or gross income of the Lessor. Lessee will not pay Lessor for loss by disallowance, recapture or otherwise where such loss is the result of Lessor's act or failure to take any action required to obtain or preserve the tax benefits claimed by Lessor with respect to the cars.

Lessee agrees to pay all property taxes levied upon the cars and to file all property tax reports and returns relating thereto and to comply with all state and local laws requiring the filing of ad valorem tax returns relating to the Cars.

Lessor agrees to reimburse Lessee as provided for below for all property taxes actually paid by Lessee relating to the Cars covered by this Lease, providing that Lessee shall first provide Lessor with copies of all notices of assessment and any tax returned or other related information which Lessor may reasonably request in order to enable Lessor to confirm that the amount of reimbursement sought by Lessee is a fair and equitable allocation of the total property taxes paid by Lessee for all railcars for which Lessee is obligated to pay such tax; Lessor to Lessee, the parties shall endeavor to resolve the same as promptly as possible through good faith negotiations. In addition, Lessee may in good faith and through appropriate administrative or legal proceedings, contest the amount or validity.

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10. Return of Cars

At the expiration of this Agreement as to the Car, Lessee will surrender possession of such Car to Lessor by delivering such Car to Lessor at an interchange point on Lessee's railroad tracks designated by Lessor. The Cars shall be returned free of refuse, clean, meeting all Federal safety rules and regulations, and meeting all requirements for interchange service for Cars of comparable age prescribed in the field manual of the AAR Interchange Rules, then current edition, or successor publication as they apply to the original owner thereof and except for repairs which are Lessor's responsibility hereunder.

Upon redelivery of the Cars by Lessee to Lessor, Lessor will have the opportunity to inspect the Cars. If upon such inspection, Lessor rejects any Car as not being clean and free of refuse and in good operating conditions or as not being in compliance with all applicable requirements of the AAR or Federal Railway Administration ("FRA"), Lessor will provide Lessee with written notice of the deficiencies requiring correction within five days of delivery.

Following receipt of notice from Lessor that any Car requires cleaning or repair in order to place such Car in satisfactory operating conditions or in compliance with all such applicable requirements of the AAR or FRA as they apply to the original owner thereof and except for repairs which are Lessor's responsibility hereunder, Lessee shall take whatever steps needed to correct the defects. Such cleaned or repaired Car shall thereupon be inspected by Lessor and

if such Car then meets such standards, it shall be deemed acceptable to Lessor.

If within five (5) days of redelivery of any Car to Lessor pursuant to this section, Lessor shall not have rejected such Car, such Car shall be deemed acceptable to Lessor.

A Car shall be no longer subject to this Agreement upon the removal of Lessee's railroad markings from such Car and the placing thereon at Lessee's expense of such markings as registered to Lessor.

11. Default

The occurrence of any of the following events shall be an Event of Default:

11.1. The nonpayment by Lessee of any sum required to be paid by Lessee within ten (10) days after such payment is due and unpaid;

11.2. The breach by Lessee of any other term, covenant or condition of this Agreement, which is not cured within thirty (30) days after receipt of written notice from Lessor of such breach;

11.3. The filing by Lessee of any petition or action under any bankruptcy, reorganization, insolvency or moratorium law, or any other law or laws for the relief of, or relating to, debtors;

11.4. The filing of any involuntary petition under any bankruptcy, reorganization, insolvency or moratorium law against Lessee that is not dismissed within sixty (60) days thereafter, or the appointment of any receiver or trustee to take possession of the properties of Lessee, unless such petition or appointment is set aside or withdrawn or ceases to be in effect within sixty (60) days from the date of filing or appointment;

Upon the occurrence of any such Event of Default, Lessor may, at its option and to the extent permitted by law (including applicable sections of the Federal Bankruptcy Code):

11.5. Terminate this Agreement, proceed by any lawful means to recover damages for a breach hereof, and terminate Lessee's right of possession and use of the Cars, whereupon all right and interest of Lessee in the Cars shall terminate and thereupon Lessor may lawfully enter upon any premises where the Cars are located and take possession of them

and henceforth hold, possess, and enjoy the same free from any right of the Lessee, provided that Lessor shall nevertheless have the right to recover from Lessee any and all rental amounts which under the terms of this Agreement may then be due or which may have accrued to the date on which Lessor took such possession.

12. Miscellaneous

12.1. This Agreement and the Schedule(s) contemplated hereby shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors.

12.2. It is expressly understood and agreed by the parties hereto that this Agreement constitutes a lease of the Cars only and no joint venture or partnership is hereby created. Notwithstanding the calculation of rental payments, nothing herein shall be construed as conveying to Lessee any right, title or interest in the Cars except as Lessee.

12.3. No failure or delay by Lessor shall constitute a waiver or otherwise affect or impair any right, power or remedy available to Lessor nor shall any waiver or indulgence by Lessor or any partial or single exercise of any right, power or remedy preclude any further exercise thereof or the exercise of any other right, power or remedy.

12.4. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

12.5. All notices hereunder shall be in writing and shall be deemed given when delivered personally or five (5) days after deposit in the United States mail, postage prepaid, certified or registered, addressed to the other party as set forth below.

12.6. This Agreement represents the entire agreement and shall not be modified, altered or amended, except by an agreement in writing signed by the parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates shown below to be effective as of the date first above written.

MHC, INC.

By: D. Ritter

Its: President

Date: 11/7/88

Attest:

By: D. E. Young
Asst. Secretary

SOO LINE RAILROAD COMPANY

By: A. J. Lindersen

Its: Vice President,
Equipment Management

Date: NOVEMBER 4, 1988

ATTEST:

By: Teresa A. Keener
ASSISTANT SECRETARY

SCHEDULE NO. 1

To Lease of Railroad Equipment dated as of this 1st day of November, 1988, between MHC, INC. ("Lessor") and Soo Line Railroad Company ("Lessee").

1. Equipment

115-4,750 cubic foot, 100-ton covered hoppers, identified on Schedule No. 2 attached hereto.

2. Initial Lease Term

One (1) year from the Rental Start Date; provided, however, that Lessor shall have the right to cancel this Lease at anytime on 30 days notice provided to Lessee.

3. Lease Rental

For purposes of this Schedule No. 1, "Payments" due from Lessee to Lessor shall consist of:

3.3. All per diem and mileage compensation received from other railroads for the off-line use of the Cars, and

3.2. Time and mileage compensation at rates stated in UMLER for loaded, on-line use, and

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3.3. Time and mileage computed at rates stated in UMLER for empty, on-line use, commencing with the 169th hour after car is received empty in interchange or released empty from a Soo-served industry.

No rental will be paid by Lessee for cars in a stored status, commencing with the first 12:01 A.M. after notification to Lessor.

4. Rental Start Date

For purposes of the Agreement, Lease Rental shall commence to accrue with the first loaded use by Lessee of any Car or Cars.

MHC, INC.	SOO LINE RAILROAD COMPANY
By: D. T. Peters	By: [illegible]
Its President	Its Vice President, Equipment Management
Date 11/7/88	Date November 4, 1988

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