RECORDATION NO. 20738 FILED

JUN 27 '97 10-00AM

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RECORDATION NO. 20738-A FILED

JUN 27 '97 10-00AM

Counterparts — Edward W. Lee

June 26, 1997

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two copies of a Locomotive Lease Agreement dated October 24, 1996, a primary document as defined in the Board's Rules for the Recordation of Documents, and the following secondary document related thereto: a Chattel Paper and Equipment Purchase Agreement, dated June 9, 1997.

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

<u>Locomotive Lease Agreement</u>

Lessor: Relco Locomotives, Inc.
113 Industrial Avenue
Minooka, Illinois 60447

Lessee: Cargill Incorporated
Highway 34
Bradshaw, Nebraska 68319

Chattel Paper and Equipment Purchase Agreement

Lessor: Relco Locomotives, Inc.
113 Industrial Avenue
Minooka, Illinois 60447

Lessee: Charter Financial, Inc.
153 East 53rd Street
New York, New York 10022

A description of the railroad equipment covered by the enclosed documents is: one locomotive bearing the reporting mark and road number RE 807.

Also enclosed is a check in the amount of $48.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return one stamped copy of the enclosed documents to the undersigned.

Very truly yours,

Robert W. Alvord

RWA/bjg
Enclosures

RELCO LOCOMOTIVES, INC.

113 INDUSTRIAL AVENUE • MINOOKA, IL 60447-0058 • 815-467-3030 • FAX 815-467-3039

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Locomotive Lease Agreement

THIS AGREEMENT, made and entered into this twenty-fourth day of October, 1996, by and between RELCO LOCOMOTIVES, INC., an Illinois Corporation, having its principal office in the city of Minooka, Illinois (hereinafter referred to as "Lessor") and CARGILL, Incorporated, a Delaware Corporation, whose address is in Bradshaw, NE (hereinafter referred to as the "Lessee").

WITNESSED:

WHEREAS, Lessee desires to lease from Lessor for use in its business operations, the locomotive hereinafter described upon the terms and conditions herein set forth; and

WHEREAS, Lessor agrees to furnish the locomotive hereinafter described and is willing to lease the same to Lessee upon the terms and conditions herein set forth.

NOW THEREFORE, the parties hereto, for and in consideration of the mutual covenants and promises herein set forth and other good and valuable consideration, receipt and sufficiency of which is acknowledged, agree as follows;

1. LOCATION OF USE AND DESCRIPTION OF LOCOMOTIVE. Lessor leases and lets unto Lessee and Lessee accepts and takes from Lessor for use at its Bradshaw, Nebraska facility the locomotive identified as an Alco, 1000 H.P., 115 ton locomotive. RE 807

2. RENT. Commencing on the date Lessee takes possession of the aforesaid locomotive, and thereafter during the term hereof and until possession of said locomotive is surrendered to Lessor, Lessee shall pay to Lessor for rental of said locomotive the sum as calculated for in Exhibit A.

Locomotive Monthly Lease Rate

Alco, 1000 H.P., 115 ton locomotive
Base Monthly Rate: $1,885.00 includes Cattron Remote control

Locomotive Monthly Maintenance Rate Schedule

First 1 - 50 hours at $15.00 per hour
Next 51 - 100 hours at $12.00 per hour
Next 101 - 200 hours at $ 5.50 per hour
Next 201 - 744 hours at $ 3.75 per hour

(Locomotive Monthly Maintenance Rate Schedule is based on the hours of operation of the locomotive during each calendar month.)

The base monthly rate will remain fixed for the term of the lease; however, the hourly/fixed maintenance charges will be adjusted annually at a rate equal to the national rate of inflation as published by the U.S. Bureau of Labor Statistics.

The first payment of the base rate is due on or before the date Lessee takes possession of the aforesaid locomotive. The base monthly rental is due on the first day of each month and in addition to said base monthly rental, the Lessee shall pay to Lessor at the end of each month the hourly rate charge for each hour the Diesel engine of the locomotive was in operation during the month. The Lessee shall furnish to Lessor, not later than the first day of each month during the term of their lease, the current engine hour meter reading. In the event the locomotive is out of service for repairs for more than one day during any month during the term of this lease, the base monthly rental charge for any such month will be reduced one thirtieth for each full day the locomotive is out of service. This credit will not apply if the repairs are necessitated by damage caused by the Lessee's negligence or abuse of the locomotive.

3a. LEASE TERM. This locomotive lease shall extend for an initial term of five years commencing with taking possession of the locomotive by Lessee, and shall continue from year to year after the conclusion of such initial term until terminated by either party hereto by such party giving to the other party thirty days notice in writing of its election to terminate this lease. In such event, this lease shall terminate at the expiration of said thirty day period following notice.

3b. ASSIGNMENT OF LEASE. This lease shall be assignable by Lessor and by its assigns without the consent of Lessee, but Lessee shall not be obligated to any assignee of Lessor except upon written notice of such assignment from Lessor or such assignee. Lessee also acknowledges and agrees that any assignee of Lessor's interest in this lease shall have the right to exercise all rights, privileges and remedies (either in its own name or in the name of Lessor) which by terms of this lease are permitted to be exercised by Lessor.

4. MAINTENANCE BY LESSOR. Lessor shall, at its expense, maintain the locomotive in good running condition. Lessor shall supply all replacement parts, lubricants and filters, and shall perform all major maintenance repairs, and periodic inspections, lubrications, and filter changes. For purposes of this Lease, a major maintenance repair is a repair that requires more than two man hours of work to complete.

5. INSPECTION/MAINTENANCE BY LESSEE. The Lessee will supply the locomotive with fuel, water/anti-freeze and sand, in accordance with Lessor's specifications as may be needed. The Lessee will perform minor repairs (i.e. repairs requiring two man hours or less per occasion), daily inspections (per Lessor's "Daily Inspection Form #223" - schedule A), such routine maintenance as addition of lubricating oils and adjustment of brake piston travel, when needed, and will protect the locomotive cooling water from freezing.

6. LESSEE'S RESPONSIBILITY FOR DAMAGE TO LOCOMOTIVES. The Lessee shall be responsible for all physical damage to the locomotive from any cause, other than normal wear, while the locomotive is in the possession of Lessee. This shall include, but not necessarily be limited to damages resulting from collisions, accidents, derailments, vandalism and from the negligence on the part of the Lessee or Lessee's employees, agents or subcontractors or from the acts or omissions of the Lessee or its employees, agents or subcontractors. Lessee's liability for damage to the locomotive shall not exceed the sum of $150,000.00 per occurrence.

7. NOTICE OF DEFECTS. Lessee shall notify Lessor promptly of any defects requiring repairs as observed by the Lessee. Lessee will permit Lessor's employees or agents on Lessee's property for the purpose of making inspections of or repairs to the locomotive. Lessor shall follow Lessee's safety rules and procedures while working on Lessee's property.

8. OPERATION BY QUALIFIED PERSONNEL. Lessee is solely responsible for the safe operation of the locomotive and for insuring that all personnel involved in any way with the locomotive, including but not limited to those involved in the operation and maintenance of the locomotive are fully qualified and properly supervised.

9. OPERATION ONLY IN SAFE LOCATION. Lessee is solely responsible for determining where and when the locomotive shall be operated. Lessee acknowledges and fully understands that there is severe danger of fire or explosion if the locomotive is operated in any area or building in which a spark or flame could cause an explosion or fire, and Lessee assumes all risk of loss due to explosion or fire in any way resulting from or connected with the operation of the locomotive while in Lessee's possession.

10. LESSEE'S DEFAULT. Time is of the essence of this agreement. Lessor, at its option, may by written notice to Lessee declare this lease in default on the happening of any of the following:

(a) Default by Lessee in payment or performance of any of its obligations under this lease.

(b) Voluntary assignment of Lessee's interest herein.

(c) Involuntary transfer of Lessee's interest herein.

(d) Expiration or cancellation of any policy of insurance agreed to be paid for by Lessee, or the cessation in force according to its original terms of such insurance, or of any extension or renewal of such insurance, during the entire term of this lease.

Upon default by Lessee of its obligation hereunder and its failure to cure within 10 days of notice thereof, the locomotive then subject to this lease shall be surrendered and delivered to Lessor, and Lessor may take possession of the locomotive wherever it may be found, with or without process of law, and for that purpose may enter on the premises of Lessee. On default, Lessee and Lessee's successor in interest, whether by operation of law or otherwise, shall have no right, title or interest in the locomotive leases under this lease, or the possession or use of such locomotives, and Lessor shall retain all rents and other sums paid by Lessee under this lease with respect to all such locomotives and shall be entitled to such other remedies as may be provided by law.

11. RISK OF LOSS AND INSURANCE.

(a) All risk of loss or damage to the locomotive shall be borne by the Lessee except to the extent caused by Lessor or when in Lessor's control.

(b) The Lessee shall, at its own expense, keep the locomotive insured, at its actual full value of $150,000.00 against fire, damage, destruction, or theft, with losses, if any, payable to Lessor, and for product liability and public liability risks. The liability insurance limit shall be $2,000,000.00 with insurance carriers qualified to do business in the state in which the item of equipment is located. The Lessee shall deliver to the Lessor evidence of insurance satisfactory to the Lessor. The failure of the Lessee to secure or maintain such insurance shall constitute a breach under this Lease Agreement and the Lessor may, but shall not be obligated to, effect such insurance, the cost of such insurance being deemed additional rent to be paid forthwith by the Lessee.

12. TAXES, LICENSES. The Lessee shall pay all sales taxes, use taxes, and personal property taxes, whether payable by the Lessor or the Lessee or others, on or relating to the possession, control, use or operation of the locomotive, and shall file all returns required therefore and furnish copies thereof to the Lessor. Upon demand, the Lessee shall reimburse the Lessor for any such taxes, assessments, charges, fines, or penalties, which the Lessor may be compelled to pay in connection with the equipment. The Lessor will cooperate with the Lessee and furnish the Lessee with any information available to the Lessor in connection with the Lessee's obligations under this paragraph.

13. LESSOR'S INDEMNITY.

(a) The Lessee shall indemnify, protect, and hold harmless the Lessor, its agents, servants, successors and assigns from and against all losses, damages, injuries, claims, demands, and expenses, including legal expenses, of whatever nature, arising out of, incident to, connected with or in any way caused by the possession, control, use, or operation of the locomotive by the Lessee, its employees, agents, servants, or subcontractors, or operation of the locomotive, regardless of where, how, and by whom operated, except to the extent such losses, damages, injuries, claims, demands and expenses are attributable to the negligence of the Lessor, its employees, agents, servants, or subcontractors, and in which case Lessor hereby agrees to indemnify and hold Lessee harmless from and against the same.

(b) The Lessee shall assume the settlement of, and the defense of any suit or other legal proceedings brought to enforce all such losses, damages, injuries, claims, demands and expenses, and shall pay all judgments entered in any such suit or suits or other legal proceedings.

(c) The indemnities and assumptions of liabilities and obligation herein provided for shall continue in full force and effect not withstanding the termination to the Lease Agreement, whether by expiration of time, by operation of law or otherwise.

(d) The Lessor is an independent contractor and nothing contained in this Lease Agreement shall authorize the Lessee or any other person to operate any item of equipment so as to incur or impose any liability or obligation for or on behalf of the Lessor.

14. FREIGHT. Lessee shall pay all inbound freight charges, incurred in delivery of the locomotive to the Lessee's siding. Lessor will pay the outbound freight charges when the locomotive is shipped outbound. If for any reason this Lease Agreement is terminated before it has been in effect for five year(s), and Lessor is not in default, the Lessee shall reimburse the Lessor an amount equal of the actual outbound freight charges to the destination designated by the Lessor.

15. POSSESSION. Possession of the locomotive shall pass to Lessee as of the moment the locomotive arrives on Lessee's railroad siding track. Possession of the locomotive shall be reacquired by Lessor when the locomotive leaves the Lessee's siding under the control of Lessor or its agents or employees after the termination of this Lease for whatever reason.

16. TITLE TO LOCOMOTIVE. Title to the locomotive which is the subject matter of this lease shall be and remain in Lessor's name at all times during the term of this Lease. Lessee shall not remove or permit to be removed any serial number, model, name or other indicia showing ownership of the locomotive in Lessor.

17. INVALID PROVISION. Any provision of this Lease Agreement found to be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the rest of this Lease Agreement.

18. CONSTRUCTION. The validity, construction, and enforcement of this Lease Agreement shall be governed by the laws of the state of Illinois.

19. CONSENT TO JURISDICTION. By execution of this Lease, Lessor and Lessee hereby submit to the jurisdiction of the courts of the state of Illinois.

20. COMPLETE AGREEMENT. This Lease Agreement contains the entire understanding of the parties, and such understanding may not be modified or terminated except in writing signed by the parties.

21. NOTICES. All notices shall be in writing and delivered in person to an officer of the party to which such notice is being given or mailed by registered mail to such party at the address first above written, or to such other address as may be hereafter specified by like notice by either party to the other.

22. BINDING EFFECT. This lease shall be binding upon and inure to the benefit of the parties hereto, their successors, legal representatives, and assigns.

IN WITNESS WHEREOF, the Lessor and the Lessee have caused these presents to be duly executed the day and year first above written.

Lessor:
RELCO LOCOMOTIVES, INC.
113 Industrial Ave.
Minooka, IL 60447

ATTEST: Jen Finen BY: [signature]

TITLE: President

Lessee:
CARGILL, INCORPORATED
Hwy. 34
Bradshaw, NE 68319

ATTEST: _____ BY: [signature]

TITLE: U.P. Grain Div

CERTIFICATE OF AUTHENTICATION

THE UNDERSIGNED HEREBY CERTIFIES that the copy of the Locomotive Lease Agreement is a true and correct copy of those which have been delivered to Charter Financial, Inc. by Relco Locomotives, Inc. in connection with Locomotive Lease Agreement by and between Relco Locomotives, Inc., an Illinois corporation, as Lessor and Cargill, Incorporated, a Delaware corporation.

Dated this 10th day of June 1997

CHARTER FINANCIAL, INC.

Debra Newman

Debra Newman
Assistant Vice President

STATE OF NEW YORK, COUNTY OF NEW YORK ss:

On the 10th day of June, 1997 before me personally came Debra Newman to me known, who, being by me duly sworn, did depose and say that she is the Assistant Vice President of Charter Financial, Inc., the corporation described in and which executed the foregoing instrument; that she knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the board of directors of said corporation, and that she signed her name thereto by like order.

Notary Public

HENRY FROMMER
Notary Public, State of New York
No. 02FR5039738
Qualified in New York County
Commission Expires Feb. 21, 1997