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JUL 1 1992 3 25 PM

July 1, 1992 INTERSTATE COMMERCE COMMISSION

JUL 1 3 27 PM '92
MOTOR OPERATING UNIT

VIA HAND DELIVERY

Mr. Sidney L. Strickland
Secretary
Interstate Commerce Commission
12th & Constitution Avenue, N.W.
Washington, D.C. 20423

Dear Mr. Strickland:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. §11303(a) is one original and one copy of the Railcar Lease Agreement dated as of May 1, 1992 (the "Lease") between Southern Illinois Railcar Company, as lessor, and Rail Grain Receivers, Inc., Murphy Farms, Inc., Prestage Farms, Inc., Carroll Foods Co., Inc. and Nash Johnson & Sons, Inc., collectively as lessee. The Lease is a primary document as defined in the Commission's Rules for Recordation of Documents.

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

Lessor: Southern Illinois Railcar Company
120 W. Market Street
Troy, Illinois 62294

Lessee: Rail Grain Receivers Inc.
Highway 117 So.
Warsaw, North Carolina 28398

Nash Johnson & Sons, Inc.
Highway 117 So.
Warsaw, North Carolina 28398

Murphy Farms, Inc.

1:06/30/92

Copy parts - Jeffrey A. Bell

OBER, KALER, GRIMES & SHRIVER

July __, 1992
Page 2

Highway 117 So.
Rosehill, North Carolina 28458

Prestage Farms, Inc.
Highway 421 So.
Clinton, North Carolina 28328

Carroll Foods Co., Inc.
Highway 24 West (4 miles)
Warsaw, North Carolina 28398

A description of the railroad equipment covered by the enclosed document is set forth in Schedule 1 attached hereto and made a part hereof.

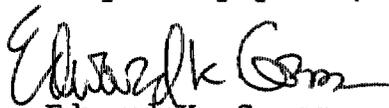
Also enclosed is our check in the amount of \$16.00 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

Kindly return a file-stamped copy of the enclosed document to Edward K. Gross, Esq., Ober, Kaler, Grimes & Shriver, 120 East Baltimore Street, 9th Floor, Baltimore, Maryland 21202-1643.

A short summary of the enclosed primary document to appear in the Commission's Index is:

Railcar Lease Agreement dated as of May 1, 1992, by and between Southern Illinois Railcar Company, as Lessor, and Rail Grain Receivers, Inc., Murphy Farms, Inc., Prestage Farms, Inc., Carroll Foods Co., Inc. and Nash Johnson & Sons, Inc., collectively as Lessee, covering thirty-two (32) covered hopper railcars.

Very truly yours,


Edward K. Gross

EKG/bh
Enclosures

Schedule 1

List of Lessee's road numbers for the thirty-two (32) covered
hopper railcars:

Car Number

AEX 000453
AEX 000454
AEX 000457
AEX 000459
AEX 000460
AEX 000461
AEX 000463
AEX 000467
AEX 000469
AEX 000471
AEX 000472
AEX 000474
AEX 000476
AEX 000477
AEX 000479
AEX 000480
AEX 000485
AEX 000486
AEX 000487
AEX 000488
AEX 000489
AEX 000490
AEX 000492
AEX 000493
AEX 000495
AEX 000497
SIRX 460007
SIRX 460008
SIRX 460012
SIRX 460017
SIRX 460024
SIRX 460025

Interstate Commerce Commission
Washington, D.C. 20423

7/1/92

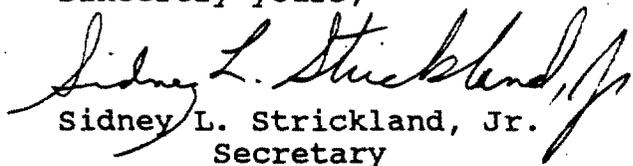
OFFICE OF THE SECRETARY

Edward K Gross
Ober, Kaler, Grimes & Shriver
120 East Baltimore Street
Baltimore, Maryland 21202-1643

Dear Sirs:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 7/1/92 at 3:25PM, and assigned recordation number(s). 17850, 17850^A, 17850-B.

Sincerely yours,


Sidney L. Strickland, Jr.
Secretary

DUPLICATE

17850

RAILCAR LEASE AGREEMENT

JUL 1 1992 3 25 PM

INTERSTATE COMMERCE COMMISSION

THIS RAILCAR LEASE AGREEMENT ("Lease") is made as of May 1, 1992 between SOUTHERN ILLINOIS RAILCAR COMPANY, an Illinois corporation ("Lessor") (as owner or agent for the owner of the Cars [defined below]) and RAIL GRAIN RECEIVERS, INC., a North Carolina corporation, MURPHY FARMS, INC., a North Carolina corporation, PRESTAGE FARMS, INC., a North Carolina corporation, CARROLL FOODS CO., INC., a North Carolina corporation, and NASH JOHNSON & SONS, INC., a North Carolina corporation (collectively, "Lessee").

WHEREAS, Lessor is the owner of, or agent for the owner of the railcars more particularly described on the attached Schedule A (the "Cars" or singularly, a "Car"); and

WHEREAS, Lessor desires to lease the Cars to Lessee upon the terms of this Lease and Lessee desires to lease and accept the Cars from Lessor upon the terms of this Lease.

NOW, THEREFORE, in consideration of the covenants, promises and undertakings of the parties hereto, as hereinafter set forth, the parties hereby agree as follows:

1. Lease of Cars.

(a) Grant of Lease. Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the Cars. The Cars provided hereunder and/or under that certain Lease of even date between the parties covering thirty-two (32) covered hopper cars (the "Additional Lease") shall include, at all times, a minimum of twenty (20) 4,750 cubic foot capacity covered hopper cars.

(b) Schedules. The terms of any schedule attached hereto which shall have been signed by Lessor and Lessee (a "Schedule" or "Schedules") shall control as to the Cars covered by such Schedule over any inconsistent terms contained in this Lease. The corporations collectively referred to as Lessee hereby designate Rail Grain Receivers, Inc. their agent for purposes of all communications with Lessor and for purposes of signing any amendments to this Lease or any Schedules and Lessor may rely on any such amendment or Schedule executed by Rail Grain Receivers, Inc. as being authorized by and binding upon all entities referred to as Lessee.

2. Term.

(a) Commencement, Renewal and Expiration. The term of this Lease with respect to any Car, and Lessee's obligation to pay rent for such Car, shall commence on the Delivery Date (as defined

below); provided, however, the term of this Lease and Lessee's obligation to pay rent on any Cars shall not commence until Lessor has delivered to Lessee and Lessee has accepted, sixty-five (65) Cars under this Lease and the Additional Lease. The lease term with respect to all Cars shall expire on April 30, 1997. Provided neither party is then in default, this Lease shall be automatically renewed for two (2) consecutive terms of five (5) years each upon the same terms and conditions set forth herein except the rent for the Cars shall be increased as set forth in Section 4 below. Notwithstanding anything herein to the contrary, either Lessor or Lessee may elect to cancel the Lease effective upon the expiration of the initial term or first renewal term hereunder by giving the other party written notice at least thirty (30) days prior to the expiration of such initial term or renewal term then in effect. The last day of such initial term or first renewal term, if this Lease is cancelled, or the last day of the last renewal term is herein referred to as the "Expiration Date."

(b) **Delivery.** Each Car shall be deemed delivered to Lessee on the date (the "Delivery Date") it arrives at the delivery point designated by Lessee to Lessor in writing. Lessor shall use its best efforts to deliver the Cars during the months of April and May of 1992. Lessor's obligation to furnish the Cars shall be subject to all causes beyond Lessor's control.

(c) **Acceptance.** Each Car shall be deemed accepted unless Lessee reasonably rejects such Car after inspection and Lessee notifies Lessor in writing within fourteen (14) days of the Delivery Date and, in any event, a Car shall be deemed accepted if Lessee loads such Car. Cars so inspected and accepted and any Cars which Lessee does not elect to inspect upon delivery to Lessee shall be conclusively deemed to be accepted and meet all requirements of Lessee. The specifications and marks for the Cars shall be set out on the Schedules describing such Cars.

3. Charges and AAR Agreements.

(a) **Charges.** Lessor shall pay all expenses and charges for the movement of each Car to the delivery point. From and after the acceptance of the Cars, Lessee shall pay, and shall defend and indemnify Lessor against, all switching, transportation, freight (including freight charges to and from a repair facility), demurrage and other charges assessed by any railroad or other entity with respect to such Car (including its movement, use or operation) and shall pay all expenses and charges for the movement of each Car to a delivery point designated by Lessor upon the expiration or termination of this Lease.

(b) **AAR Agreements.** Lessee agrees to abide by the Association of American Railroads ("AAR") Car Service and Car Hire Agreements with respect to the Cars.

4. Rent.

(a) **Rent Payments.** Lessee shall pay to Lessor as monthly rent for each Car during the initial term the sum of Three Hundred Seventy-Five Dollars (\$375.00). The monthly rent for each Car during the first renewal term shall be Four Hundred Fifteen Dollars (\$415.00) and the monthly rent for each Car during the second renewal term shall be Four Hundred Twenty-five (\$425.00). Such rent shall become due for each Car upon the applicable Delivery Date unless such car is reasonably rejected by Lessee (provided Lessee shall not be obligated to pay any rent hereunder until Lessee has accepted sixty-five [65] Cars) and shall continue throughout the initial term and any renewal terms, subject to Subsection 12(c), until such Car is redelivered to Lessor in accordance with the terms of this Lease. Lessee shall pay rent monthly in advance on the first day of each month without any deduction or offset whatsoever. Rent for any partial months shall be prorated based upon the actual number of days elapsed and the actual number of days in the month.

(b) **Allowances.** Insofar as applicable laws and regulations permit, and unless an event of default hereunder shall have occurred and be continuing, Lessee shall be entitled to all allowances received by Lessor from railroads for the use of the Cars as a credit against rents due hereunder, but such credit shall not exceed the sum of Lessee's rent payment obligations. All Cars bearing Lessor's private marks that are leased by Lessee from Lessor on the date such computation is made shall be combined into a single account.

(c) **Allowance Administration.** Lessee agrees, upon request by Lessor, to report promptly to Lessor each movement of the Cars. Such report shall contain the date, car number, origin, destination and routing of the movement.

(d) **Equalization.** Lessee agrees to use the Cars so that their total mileage under load will be equal or exceed their mileage empty for each calendar year. If the empty mileage of the Cars for any calendar year exceeds their loaded mileage, Lessee shall equalize such excess empty mileage within the time limit allowed or pay Lessor for such excess empty mileage based on the rate established by the governing tariff, rule or regulation. The calculations and payments set forth herein shall be prorated for any fractional part of a year.

(e) **Excess Mileage Calculation.** After the end of each calendar year during any term of this Lease, Lessor shall determine the total number of miles each Car traveled during such year, loaded and empty. If any Car traveled more than thirty-six thousand (36,000) miles during such year, Lessee agrees to pay Lessor as additional rent for such Car for such year the sum of Three Cents (\$.03) multiplied by the number of miles in excess of

thirty-six thousand (36,000) that such Car traveled during such year. The determination of the total number of miles traveled by each Car during any year shall be made by multiplying the total number of miles such Car traveled while loaded by two (2), unless Lessor can determine the exact mileage traveled by such Car. The calculations and payments set forth herein shall be prorated for any fractional part of a year.

5. Rent Abatement.

(a) **Non-Railroad Shop.** In the event any Car is damaged but not damaged beyond repair, and if the repair of such damage is not Lessee's responsibility under this Lease, then if Lessor requests such Car be moved to a non-railroad owned shop for repair, rent shall abate as of the date such Car is switched onto the property of such repair shop and shall be reinstated effective as of the fourth day following the date Lessee is notified that such Car has been repaired and is ready for redelivery to Lessee. If such Car is delivered to a railroad owned shop for repairs and is not released for shipment to Lessee within five (5) days after such delivery, rent shall abate as of the sixth day after the date such Car is switched onto the property of such railroad owned shop and shall be reinstated as of the date such Car is released from such shop.

(b) **Rent Abatement.** For any Car that is repaired where Lessor and Lessee are each responsible under this Lease for a portion of the repairs, rent shall only abate for the time that repairs for which Lessor is responsible are being performed.

(c) **Derailment.** If any Car is derailed and such derailment was not caused by Lessee and such Car is not rerailed within five (5) days following such derailment, rent shall abate as of the date of such derailment and shall be reinstated as of the date of rerailment. However, if such Car requires repairs, sections 5(a) and 5(b) above shall control the date on which rent reinstatement shall occur.

6. Maintenance.

(a) **Definitions.** "Interchange Rules" mean collectively the Field Manual of the AAR Interchange Rules and the Office Manual of the AAR Interchange Rules. References herein to the Interchange Rules provide performance standards and criteria for the condition of the Cars and their maintenance and repair. However, as between Lessor and Lessee, this Lease, not the Interchange Rules, governs who is responsible for performing and paying for maintenance and repairs. "Lessee Maintenance Items" mean all interior lading fittings or devices, interior linings, specialty items, hatch covers, outlet gates and removable parts or attachments.

(b) **Maintenance By Lessor.** Lessor shall, at its

expense, maintain each Car in good working order and repair and in accordance with the standards set by the Interchange Rules and by the rules of any other applicable regulatory body, provided that Lessor has been notified by Lessee that such Car is in need for repairs. However, Lessor shall not be responsible for maintaining Lessee Maintenance Items or for repairs for which the Interchange Rules place responsibility upon third parties or for maintenance, repair or replacement that is Lessee's responsibility pursuant to Subsection 6(c) below.

(c) **Maintenance By Lessee.** (i) Lessee shall, at its expense, maintain all Lessee Maintenance Items in good condition and repair, including renewal necessitated by repair to other portions of the Cars. If any Lessee Maintenance Item is removed, broken off or altered for any reason, or is missing, damaged, altered or replaced with a non-standard item, Lessee shall repair or replace it unless Lessor has performed such removal or modification or has approved it in writing or Lessor has caused such damage, or responsibility for such repair has been assumed in writing by a third party; (ii) if Lessee has applied any interior and/or exterior protective coating to the Cars, the application, maintenance, renewal and removal thereof shall be performed by Lessee at its expense; (iii) all maintenance, repairs and replacements performed by Lessee shall be performed in accordance with the Interchange Rules and the rules of any other applicable regulatory body; (iv) Lessee shall not make any repairs without Lessor's prior written consent except the repairs described in clauses (i) and (ii) of this subsection; (v) whenever any Car is released for delivery to a repair facility for any reason, regardless of who is responsible for the repairs or maintenance being performed, Lessee, at its sole expense, shall clean such Car so that it is empty and free from any residue; (vi) Lessee shall reimburse Lessor for all repairs necessitated by Lessee's negligence or by improper loading of the Cars; and (vii) Lessee shall, within thirty (30) days of notification that Lessor has paid a bill for maintenance, repair or cleaning for which Lessee is responsible, reimburse Lessor for such payment.

7. Use of Cars.

(a) **Corrosion and Similar Damage.** Lessee shall use the Cars for the transportation of grain and grain products and Lessee shall not use the Cars for any other purpose, including, without limitation, any use of the Cars for the loading or shipping of commodities which contain active or passive chemical or physical properties which may result in damage or deterioration to the Cars, or to their linings, paint, coatings, sealants or similar items. Upon the initial delivery of any Car, Lessor will, if requested by Lessee, arrange a joint inspection of the Car at a location designated by Lessor. Unless prior to the first loading of the Car by Lessee a joint inspection report setting forth the nature and amount of any then existing damage is signed by both parties, it

shall be conclusively presumed that the Car was free of corrosion and all other commodity-related damage on the date such Car was delivered to Lessee. If any Car suffers corrosion or similar deterioration or damage due to any commodity placed or allowed to accumulate in or on the Car, or to which the Car is exposed during any term of this Lease, Lessee shall be liable for the cost of correcting such deterioration or damage at the time the Car is returned to Lessor, regardless of whether or not such condition is due to Lessee's negligence. Such corrosion, deterioration or damage shall not be considered "normal wear and tear." Lessee agrees to defend, indemnify and hold harmless Lessor from any liability, losses, damages, injuries, claims, and demands and expenses, including reasonable attorney's fees and expenses, arising out of, or as a result of, the loading and/or shipping in the cars of commodities which contain active or passive chemical or physical properties which may result in corrosion, deterioration or damage to the Cars, their lining, paint, coatings, sealants, or similar items. Lessee shall ensure that all commodities loaded in the Cars comply with the terms of this Lease and all applicable tariffs, laws, rules and regulations.

(b) **Liability for Loss of Use of Cars and Damage to Commodities.** Lessor is not liable for and Lessee hereby waives any claims for any loss of, or damage to, commodities loaded or shipped in the Cars, regardless of the cause. Except as provided in Section 5, Lessor is not liable for loss of use of any Car regardless of the cause.

8. Modifications.

(a) **Consent to Modifications.** Except for applying protective coatings referred to in Section 6, Lessee will not modify or alter the physical structure of any Car without Lessor's prior written consent; provided, however, that this shall not relieve Lessee of its maintenance obligations.

(b) **Required Modifications.** If any equipment or appliance on any Car is required to be changed or replaced or any additional equipment or appliance is required to be installed on any Car or any Car is required to be modified or altered, in each case in order to comply with changes to any applicable law, regulation, requirement or rule (a "Modification"), Lessor may elect to either (i) terminate this Lease, effective as of the date on which such Modification is required to be made, or (ii) make such Modification, pay the cost thereof, and increase the monthly rent. The amount of such monthly rent increase shall be an amount that will recover the cost of such Modification over its useful life using an implicit cost of capital of 3% over the prime rate announced by The Boatmen's National Bank of St. Louis (the "Boatmen's Prime Rate") in effect at the time such Modification is made. (To the extent the remaining lease term is shorter than such useful life, Lessee will only be paying increased rent through the

end of the applicable Expiration Date.) If Lessor elects to terminate this Lease, Lessee may void such termination by paying Lessor the full cost of such Modification and Lessor shall have such Modification made. Regardless of who pays for such Modification, any Modification, and all components thereof, shall be considered to be accessions to the Car and title thereto shall be immediately vested in Lessor.

9. Casualty Substitution.

(a) **Casualty While Not in Lessee's Possession.** If any Car is destroyed or damaged to the extent that the cost to repair such damage exceeds the Depreciated Value ("DV") as provided in the Interchange Rules ("Damaged Beyond Repair") while not in the possession, custody or control of Lessee or Lessee's agent and such destruction or damage has been reported in accordance with the Interchange Rules, such Car will be removed from the rental calculations of this Lease on the date such Car was destroyed or Damaged Beyond Repair. Lessor shall be entitled to all casualty proceeds from the Car.

(b) **Casualty While in Lessee's Possession.** If any Car, while in the possession, custody or control of Lessee or Lessee's agent, is destroyed or Damaged Beyond Repair, Lessee shall promptly notify Lessor in writing and remit to Lessor an amount equal to the DV of such Car within thirty (30) days of receipt of an invoice from Lessor. Such Car shall remain subject to the terms of this Lease, including the rental terms, until the date on which Lessor has received an amount equal to the DV of such Car.

(c) **Substitution of Car.** Lessor may at its expense replace any Car that has been destroyed or Damaged Beyond Repair with equipment of similar age, type and capacity upon prior written notice to Lessee. Lessor may also, at its expense and upon prior written notice to Lessee, replace any Car, with equipment of similar age, type and capacity, that Lessor determines is uneconomic for Lessor to repair or maintain such Car. Notwithstanding anything herein to the contrary, Lessor may, for any reason whatsoever upon written notice to Lessee, replace and substitute any Cars, with railcars of similar age, type and capacity and Lessee and Lessor shall execute new Schedules covering such new railcars and subjecting them to the terms of this Lease.

10. Possession and Use.

(a) **Subordination: Use.** This Lease and Lessee's rights are subject and subordinate to the rights and remedies of any lender, owner or other party which finances the Cars. Financing agreements between such parties and Lessor may limit or restrict the use of the Cars in Canada and Mexico. No use greater than temporary or incidental may be made of the Cars in Canada or Mexico without Lessor's prior written consent, which may be given

if financing agreements so permit.

(b) **Compliance.** Lessee agrees that while the Cars are in Lessee's possession, custody or control the Cars shall be used in compliance with all applicable laws, regulations and AAR rules.

(c) **Marks to Show Ownership or Security Interests.** Lessor may mark Cars to indicate the rights of Lessor or of any financing party. Lessee shall maintain such marks. Lessee shall not place any marking or lettering without the prior written consent of Lessor; except that Lessee may, without the consent of Lessor, board, placard or stencil the Cars with letters no larger than 2" high for the limited purpose of showing that the Cars are operated in Lessee's service.

(d) **Lessee Liens.** Lessee shall not directly or indirectly allow to exist encumbrances of any kind on or with regard to any Cars or this Lease arising by, through or under it except those created for the benefit of Lessor or any financing party. Lessee shall within five (5) days notify Lessor in writing if any such encumbrance arises and shall immediately at its expense cause it to be discharged and removed.

11. Default.

(a) **Events of Default.** The occurrence of any of the following events shall be an Event of Default:

(i) The nonpayment by Lessee of any sum required herein to be paid by Lessee within ten (10) days after the date such payment is due;

(ii) The breach by Lessee of any other term or condition of this Lease which is not cured within thirty (30) days after written notice from Lessor specifying such breach;

(iii) The breach by Lessee of any term or condition of the Additional Lease which is not cured within applicable cure periods;

(iv) Any entity comprising Lessee makes a general assignment for the benefit of creditors or fails to pay, or states that it is unable to pay, or is unable to pay its debts generally as they become due;

(v) In the event that any entity comprising Lessee becomes the debtor in a Chapter 11 proceeding under the Bankruptcy Code, the failure of such entity to assume this Lease within sixty (60) days of the commencement of the Chapter 11 proceeding; or

(vi) Any action, event or existence of any condition

the effect of which would be to materially impair Lessee's collective ability to perform its obligations under this Lease.

(b) **Lessor Remedies.** Upon the occurrence of any Event of Default, Lessor at its option may exercise any or all of the following rights and remedies and any additional rights and remedies permitted by law and shall be entitled to recover all its costs and expenses including attorneys' fees and expenses in enforcing its rights and remedies:

(i) Terminate this Lease and recover damages; and/or

(ii) Proceed by any lawful means to enforce performance by Lessee of this Lease and/or to recover damages for any breach thereof; and/or

(iii) Terminate this Lease by written notice, and retake the Cars and thereafter recover as liquidated damages (and not as a penalty), it being acknowledged by the parties that actual damages are difficult or impossible to estimate and that the following is a reasonable estimate of the probable loss, any and all costs and expenses of termination, retaking and reselling or re-leasing (including, without limitation, reasonable attorney's fees and expenses) in addition to the present value (using a discount rate of three percent [3%] over the Boatmen's Prime Rate) of all rental for the unexpired balance of the Lease term then in effect unpaid as of said date of termination, reduced by the present value (using a discount rate of three percent [3%] over the Boatmen's Prime Rate) of the fair market rental value of the Cars for the unexpired balance of the Lease term as of said date (such fair market rental value to equal zero for any Car not returned by Lessee). Lessor may sell the Cars at public or private sale, with or without notice, advertisement, or publication, as Lessor may determine, or otherwise dispose of, hold, use, operate, lease to others or keep idle the Cars as Lessor in its sole discretion may determine, all free and clear of any rights of Lessee and without any duty to account to Lessee with respect to such action or inaction or for any proceeds with respect thereto; or

(iv) Without terminating this Lease, repossess the Cars, but in the event the Cars are delivered to Lessor or are repossessed, Lessor shall use reasonable efforts to relet the same or any part thereof to others upon a reasonable rental and such other terms as it may see fit. The proceeds of any such reletting shall first be applied to the expenses (including reasonable attorney's fees and expenses) of retaking, repairing (if necessary) 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. The election by 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, including, without limitation, the obligation to pay rent.

The obligation to pay any deficiency or any sum or sums due and unpaid or any damages suffered by reason of Lessee's default hereunder shall survive the termination of the Lease and the retaking of the Cars. The remedies in this Lease shall not be deemed exclusive, but shall be cumulative and shall be in addition to all other remedies existing at law or in equity.

12. Expiration or Other Termination.

(a) **Return of Cars.** Upon the expiration or other termination of this Lease with respect to any Car, Lessee, at its expense, shall return such Car to Lessor at such shop, storage yard, terminal facility or other interchange point designated by Lessor (the "Return Location").

(b) Condition Upon Return.

(i) Except for normal wear and tear that is Lessor's responsibility under Section 6, each Car shall be returned to Lessor (A) in as good condition, order and repair as when delivered to Lessee; (B) in interchange condition in accordance with the standards set by the Interchange Rules and by any other applicable AAR and Federal Railroad Administration ("FRA") rules and regulations, interchange condition to include the replacement of missing materials; (C) free of Rule 95 damage; (D) in condition suitable for loading; (E) free of all accumulations or deposits from commodities; and (F) free of corrosion and any other commodity-related damage. Any item that is damaged or worn beyond what is considered to be normal by the original component manufacturer shall be deemed to have been damaged beyond normal wear and tear and shall be Lessee's responsibility. In addition, if Lessor has permitted Lessee to place any logos or special paint on any Car, Lessee shall have such logos or special paint removed.

(ii) Lessor may inspect any Car which is returned to it, within a reasonable time after such return and Lessee shall be entitled to participate in any such inspection. Lessee agrees to pay Lessor, within thirty (30) days of receipt of an invoice, for all repairs, replacements and cleaning for which Lessee is responsible but which were performed by Lessor.

(c) Holdover Rent.

Until any Car is returned to

Lessor, Lessee shall continue to pay rent for such Car and Lessee shall make all other payments and perform all other obligations under this Lease as though the expiration or other termination had not occurred. If Lessor requests in writing the return of any Car and such Car has not been returned, Lessee upon written notice from Lessor, shall pay two hundred percent (200%) of the rent in effect immediately prior to expiration or termination. Nothing in this Section shall give Lessee the right to retain possession of any Car after expiration or other termination of this Lease with respect to such Car.

13. Record Keeping.

Lessee agrees to furnish Lessor promptly, at Lessor's request, with complete and accurate information reasonably requested by Lessor pertaining to the Cars, their movement, repairs and maintenance in accordance with AAR format.

14. Inspection.

Lessee shall permit Lessor reasonable access to Lessee's property during normal business hours to examine the Cars or Lessee's records relating to the Cars. Lessor shall provide Lessee at least twenty-four (24) hours prior notice of inspection.

15. Insurance.

Lessee shall at its expense carry and maintain on the Cars while on Lessee's property or under Lessee's custody or control (i) all risk, physical loss and damage insurance and (ii) public liability insurance. Insurance policies shall be in such amounts and against risks customarily insured against by Lessee, and in no event shall provide less coverage (in terms of type, risks insured and amount) than is customary and reasonable for enterprises of Lessee's size in Lessee's industry. Lessee's policies shall name Lessor and any owner of the Cars and any lender holding a lien on such Cars as additional insureds and Lessor shall be named as loss payee. Upon execution hereof, and annually thereafter, Lessee shall provide Lessor insurance certificates from Lessee's insurance carrier evidencing the insurance required hereunder. Lessee's insurance shall be primary without right of contribution from any insurance carried by Lessor.

16. Taxes.

Lessor shall pay, and shall defend and indemnify Lessee against, all property taxes assessed against or levied upon the Cars and shall file all property tax returns. Lessee shall forward to Lessor upon receipt copies of any correspondence, notifications

of proposed assessments and tax bills it may receive with respect to such property taxes. Lessee shall be liable for, and shall defend and indemnify Lessor against, all other taxes, duties or government impositions with respect to the Cars.

17. Indemnities.

Lessee agrees to defend, indemnify and hold harmless Lessor from any and all claims, losses, damages, liabilities, costs and expenses (including attorney's fees and expenses) (collectively, "Damages") imposed upon, incurred by or asserted against Lessor arising directly or indirectly out of Lessee's, its consignee's or shipper's use, lease, possession or operation of the Cars or out of the loading, unloading, storage, transportation, or movement of the contents of such Cars other than Damages caused by Lessor's negligence of defects in materials and workmanship incorporated into the Cars by Lessor or the manufacturer of the Cars. The indemnities contained in this Lease shall survive the expiration or termination of this Lease.

18. Miscellaneous.

(a) **No Assignment Without Lessor Consent.** This Lease shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns; PROVIDED, HOWEVER, THAT LESSEE MAY NOT WITHOUT THE PRIOR WRITTEN CONSENT OF LESSOR PLEDGE OR ASSIGN THIS LEASE OR ANY OF ITS RIGHTS OR OBLIGATION HEREUNDER. ANY PURPORTED ASSIGNMENT IN VIOLATION HEREOF SHALL BE VOID.

(b) **Subleases.** Lessee may sublease the Cars provided that: (i) Lessee shall notify Lessor of any sublease and the terms thereof; (ii) Lessee shall continue to remain liable to Lessor under this Lease; (iii) any sublease shall contain language which expressly makes such sublease subject and subordinate to this Lease and to the rights of the financing parties described in Subsection 10(a); (iv) no Car shall be subject to a sublease more than six (6) months of any calendar year; and (v) such sublease shall provide that the Cars may be used only within the boundaries of permitted use set forth in Subsection 10(a) and in accordance with all of the terms and condition set forth herein.

(c) **Assignment by Lessor.** All rights and obligations of Lessor under this Lease, and Lessor's interest in the Cars and in the rents, may be assigned, pledged, or transferred in whole or in part without notice to or consent by Lessee.

(d) **Additional Documents.** Both parties agree to execute the documents contemplated by this transaction and such

other documents may be required in furtherance of any financing agreement entered into by Lessor or its assignees in connection with the acquisition, financing or use of the Cars.

(e) **Parties.** The entities collectively referred to as Lessee expressly acknowledge and agree that they are jointly and severally liable for the payment of rent and performance of all obligations to be paid or performed by Lessee hereunder.

(f) **No Waiver.** No delay, waiver, indulgence or partial exercise by Lessor of any right power, or remedy shall preclude any further exercise thereof or the exercise of any additional right, power or remedy.

(g) **No Warranties.** Lessor's obligations with respect to the Cars are expressly limited to those set forth in this Lease, and LESSOR MAKES NO OTHER WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, LESSOR MAKES NO WARRANTY OF MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE OR OTHERWISE, NOR SHALL LESSOR HAVE ANY LIABILITY FOR ANY CONSEQUENTIAL, SPECIAL, INDIRECT OR INCIDENTAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS LEASE OR THE BREACH OF ANY WARRANTY OR OTHER PROVISION HEREUNDER BY LESSOR OR IN CONNECTION WITH THE LEASE, USE, POSSESSION OR OPERATION OF ANY CAR OR ARISING BY REASON OF ANY IMPERFECTION OR DEFECT IN THE CARS, REGARDLESS OF WHETHER SUCH DAMAGES ARE BASED IN TORT OR IN CONTRACT.

(h) **Notices.** Any notices required or permitted to be given hereunder shall be deemed given when sent by telecopy with verification of transmission or telex or made in writing, deposited in United States mail, registered or certified, postage prepaid, addressed to:

Lessee:

Rail Grain Receivers, Inc.
Attention: President
P.O. Box 699
Rose Hill, N.C. 28458
Fax Number: (919) 293-4876

Lessor:

Southern Illinois Railcar Company
Attention: President
120 W. Market Street
Troy, IL 62294
Fax Number: (618) 667-2739

or to such other addresses as Lessor and Lessee may from time to time designate.

(i) **Applicable Law.** The terms of this Lease and all rights and obligations hereunder shall be governed by the laws of the State of Illinois without regard to Illinois' choice of law doctrine.

(j) **Survival.** The obligations of Lessor and Lessee to make any payments hereunder shall survive the expiration or other termination of this Lease.

(k) **Entire Lease.** This Lease and any Schedules attached hereto represent the entire agreement. This Lease may not be modified, altered, or amended, except by an agreement in writing signed by Lessor and Rail Grain Receivers, Inc.

(l) **Counterparts.** This Lease may be executed in any number of counterparts, and such counterparts together shall constitute one contract.

IN WITNESS WHEREOF, the parties have executed this Lease as of the day and year first above written.

SOUTHERN ILLINOIS RAILCAR COMPANY	RAIL GRAIN RECEIVERS, INC.
By: <u><i>Fred J. Parsons</i></u>	By: <u><i>[Signature]</i></u>
Title: <u>President</u>	Title: <u>PRESIDENT</u>

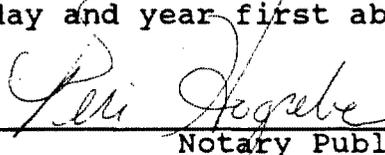
MURPHY FARMS, INC.	CARROLL FOODS CO. INC.
By: <u><i>Wendell Murphy</i></u>	By: <u><i>[Signature]</i></u>
Title: <u>Pres</u>	Title: <u>PRESIDENT</u>

PRESTAGE FARMS, INC.	NASH JOHNSON & SONS, INC.
By: <u><i>Will Westage</i></u>	By: <u><i>[Signature]</i></u>
Title: <u>Pres</u>	Title: <u>Vice President</u>

STATE OF MISSOURI)
) SS
CITY OF ST. LOUIS)

On this 26 day of June, 1992, before me appeared FRED L. PARSONS, to me personally known, who, being by me duly sworn, did say that he is the President of SOUTHERN ILLINOIS RAILCAR COMPANY, an Illinois corporation, and that said instrument was signed on behalf of said corporation by authority of its Board of Directors; and said FRED L. PARSONS acknowledged said instrument to be the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my notarial seal, the day and year first above written.



Notary Public

My Commission Expires:

PERI HOGREBE
NOTARY PUBLIC - STATE OF MISSOURI
MY COMMISSION EXPIRES NOV. 13, 1994
JEFFERSON COUNTY

STATE OF NORTH CAROLINA)
) SS
COUNTY OF Duplin)

On this 29 day of June, 1992, before me personally appeared James H. Turner, to me personally known, who being by me duly sworn, says that he is the President of RAIL GRAIN RECEIVERS, INC., and 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.

(SEAL)

Faye C. Carter
Notary Public

My Commission Expires:

March 14, 1993

STATE OF NORTH CAROLINA)
COUNTY OF Duplin) SS

On this 29 day of June, 1992, before me personally appeared WENDELL MURPHY, to me personally known, who being by me duly sworn, says that he is the President of MURPHY FARMS, INC., and 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.

(SEAL)

Jaye C. Carter
Notary Public

My Commission Expires:

March 14, 1993

STATE OF NORTH CAROLINA)
)
COUNTY OF Duplin) SS

On this 29 day of June, 1992, before me personally appeared F. J. Faison, Jr., to me personally known, who being by me duly sworn, says that he is the President of CARROLL FOODS CO., INC., and 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.

(SEAL)

Fayel Carter
Notary Public

My Commission Expires:

March 14, 1993

OBER, KALER, GRIMES & SHRIVER

ATTORNEYS AT LAW

120 EAST BALTIMORE STREET

BALTIMORE, MARYLAND 21202-1643

(410) 685-1120

FACSIMILE (410) 547-0699

CABLE "RITNEY"

TELEX 8-7774

EDWARD K. GROSS
DIRECT DIAL NUMBER
(410) 347-7367

17850 A

OFFICES IN
WASHINGTON, D. C.
NEW YORK
NEW JERSEY

JUL 1 1992 3 25 PM

July 1, 1992 INTERSTATE COMMERCE COMMISSION

VIA HAND DELIVERY

Mr. Sidney L. Strickland
Secretary
Interstate Commerce Commission
12th & Constitution Avenue, N.W.
Washington, D.C. 20423

Dear Mr. Strickland:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. §11303(a) is one original and one copy of the First Amendment to Railcar Lease Agreement dated as of June 30, 1992 (the "Amendment") between Southern Illinois Railcar Company, as lessor, and Rail Grain Receivers, Inc., Murphy Farms, Inc., Prestage Farms, Inc., Carroll Foods Co., Inc. and Nash Johnson & Sons, Inc., collectively as lessee. The Amendment relates to a Railcar Lease Agreement dated as of May 1, 1992 which was duly filed and recorded with the Interstate Commerce Commission pursuant to 49 U.S.C. §11303 on July 1, 1992, under Recordation No. 17850. The Amendment is a secondary document as defined in the Commission's Rules for Recordation of Documents.

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

Lessor: Southern Illinois Railcar Company
120 W. Market Street
Troy, Illinois 62294

Lessee: Rail Grain Receivers Inc.
Highway 117 So.
Warsaw, North Carolina 28398

Nash Johnson & Sons, Inc.

Counterparts - J. A. Bell

NOTOR OPERATING UNIT
JUL 1 9 47 AM '92

July __, 1992
Page 2

Highway 117 So.
Warsaw, North Carolina 28398

Murphy Farms, Inc.
Highway 117 So.
Rosehill, North Carolina 28458

Prestage Farms, Inc.
Highway 421 So.
Clinton, North Carolina 28328

Carroll Foods Co., Inc.
Highway 24 West (4 miles)
Warsaw, North Carolina 28398

A description of the railroad equipment covered by the enclosed document is set forth in Schedule 1 attached hereto and made a part hereof.

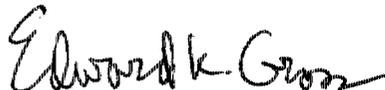
Also enclosed is our check in the amount of \$16.00 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

Kindly return a file-stamped copy of the enclosed document to Edward K. Gross, Esq., Ober, Kaler, Grimes & Shriver, 120 East Baltimore Street, 9th Floor, Baltimore, Maryland 21202-1643.

A short summary of the enclosed primary document to appear in the Commission's Index is:

First Amendment to Railcar Lease Agreement dated as of June 30, 1992, by and between Southern Illinois Railcar Company, as Lessor, and Rail Grain Receivers, Inc., Murphy Farms, Inc., Prestage Farms, Inc., Carroll Foods Co., Inc. and Nash Johnson & Sons, Inc., collectively as Lessee.

Very truly yours,


Edward K. Gross

EKG/bh
Enclosures

Schedule 1

List of Lessee's road numbers for the thirty-two (32) covered hopper railcars:

Car Number

AEX 000453
AEX 000454
AEX 000457
AEX 000459
AEX 000460
AEX 000461
AEX 000463
AEX 000467
AEX 000469
AEX 000471
AEX 000472
AEX 000474
AEX 000476
AEX 000477
AEX 000479
AEX 000480
AEX 000485
AEX 000486
AEX 000487
AEX 000488
AEX 000489
AEX 000490
AEX 000492
AEX 000493
AEX 000495
AEX 000497
SIRX 460007
SIRX 460008
SIRX 460012
SIRX 460017
SIRX 460024
SIRX 460025