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19854

DEC 2 1995 AM

19854-A, B, C

DEC 2 1995 AM

December 28, 1995

Mr. Vernon A. Williams
Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are four copies each of the following four documents: (1) Master Equipment Lease Agreement, dated December 20, 1995, (2) a Security Agreement -- Trust Deed, dated December 20, 1995 (3) a Lease Schedule No.: 1, dated December 29, 1995, and (4) a Supplement to Security Agreement -- Trust Deed No. 1, dated December 29, 1995, the first being a primary document and the other(s) a/all being secondary document[s] related thereto, as defined in the Commission's Rules for the Recordation of Documents under 49 C.F.R. Section 1177.

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

Master Equipment Lease Agreement
and
Lease Schedule No.: 1

Lessor: Fleet Credit Corporation
50 Kennedy Plaza, Fifth Floor
Providence, Rhode Island 02903

Lessee: Minnesota Corn Processors, Inc.
400 West Main Street, Suite 201
Marshall, Minnesota 56258

Original + 4 counterparts

Security Agreement -- Trust- Deed
and
Supplement to Security Agreement -- Trust- Deed No. 1

Lessor: Fleet Credit Corporation
50 Kennedy Plaza, Fifth Floor
Providence, Rhode Island 02903

Security Trustee: First Security Bank of Utah, National Association
79 South Main Street
Salt Lake City, Utah 84111

A description of the railroad equipment covered by the enclosed documents is:

One hundred forty-nine (149) 19,636 gallon capacity DOT 211A100W1 railroad tank cars bearing DMIX reporting marks and road numbers within the series 190046 - 190658 inclusive, more specifically set forth in the Schedule Of Reporting Marks and Numbers attached to Lease Schedule No.: 1.

Also enclosed is a check in the amount of $84.00 payable to the order of the Interstate Commerce Commission 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

Interstate Commerce Commission
Washington, D.C. 20423-0001

12/29/95

Office Of The Secretary

Robert W. Alvord
Alvord And Alvord
[illegible] Street, [illegible] Suite 200
Washington, DC., 20006, 2973

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 12/29/95 at 9:20AM, and assigned recordation number(s). 19854, 19854-A, B, C.

Sincerely yours,

Vernon A. Williams

Vernon A. Williams
Secretary

Enclosure(s)

(0100910003)

$ 84.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature Janice M. Fort

19854
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MASTER EQUIPMENT LEASE AGREEMENT

Dated as of December 20, 1995

Between

FLEET CREDIT CORPORATION

Lessor

And

MINNESOTA CORN PROCESSORS

Lessee

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ATTACHMENTS:

Form of Lease Schedules and Schedule A thereto
Addendum A: Schedule of Stipulated Loss Values
Early Purchase Option Rider
Acceptance Notice
Schedule of Return Locations

MASTER EQUIPMENT LEASE AGREEMENT

Master Equipment Lease Agreement made as of this 20th day of December, 1995, between FLEET CREDIT CORPORATION, a Rhode Island corporation (*"Lessor"*), with its principal place of business located at 50 Kennedy Plaza, Fifth Floor, Providence, Rhode Island 02903 and MINNESOTA CORN PROCESSORS, a Minnesota corporation (*"Lessee"*), having its principal place of business located at 400 West Main Street, Suite 201, Marshall, Minnesota 56258-1236.

Section 1. Lease Agreement: (a) Subject to the terms and conditions hereof, Lessor hereby agrees to lease to Lessee and Lessee hereby agrees to rent from Lessor up to 360 new 19,636 gallon, lined tank railcars, or such other types of new railcars as are mutually acceptable to Lessor and Lessee (*"Equipment"*), manufactured, in the case of the aforementioned tank cars, by Trinity Industries, Inc., and with respect to such other railcars, by Trinity Industries, Inc., or another manufacturer mutually acceptable to Lessor and Lessee (collectively, *"Manufacturer"*), described in Equipment Lease Schedule(s) which may from time to time be executed by Lessor and Lessee and attached hereto or incorporated herein by reference (*"Schedules"*), upon the terms and conditions set forth in this Lease, as supplemented by the terms and conditions set forth in the appropriate Schedule identifying such items of Equipment. All of the terms and conditions of this Lease shall govern the rights and obligations of Lessor and Lessee except as specifically modified in writing.

(b) An executed counterpart of this Master Equipment Lease Agreement (including any prior supplements, addenda or riders thereto) (the *"Master Lease"*) or a photocopy thereof, together with an executed original of any numbered Schedule and the related acceptance certificate and Stipulated Loss Values Addenda, in each case marked "Counterpart No. 1", shall be the original of the "lease" for the equipment described in such Schedule and together they shall constitute a separate and enforceable lease (the *"Lease"*). All other executed counterparts of such numbered Schedule shall be marked and considered a "duplicate". To the extent any such Lease constitutes chattel paper, as that term is defined in the Uniform Commercial Code under applicable law, no security interest in such Lease may be created through the transfer of possession of any counterpart other than an executed counterpart of this Master Lease or a photocopy thereof, together with the execution copy of Counterpart No. 1 of the numbered Schedule and the related acceptance certificate and Stipulated Loss Values Addenda which together create and comprise such Lease.

Section 2. Acceptance; Conditions Precedent: (a) The obligation of Lessor to pay for and lease any of the Equipment to Lessee hereunder shall be subject, on or as of each Delivery Date (as defined below) for such Equipment to (i) Lessee's acceptance of such Equipment, as evidenced by Lessor's receipt of an acceptance certificate substantially in form and substance as attached hereto with respect thereto, and the execution and delivery by Lessee of a Schedule in the form attached hereto, with blanks filled in; (ii) Lessee's execution and delivery, at Lessee's expense, of such documents as Lessor may reasonably deem to be necessary or desirable (each in form and substance satisfactory to Lessor and any assignee of Lessor (the *"Assignee"*) as to which Lessee shall have received notice pursuant to Section 21 hereof), including, without limitation, an opinion of Lessee's counsel, an

acknowledgment of Assignee's rights and interests hereunder, certificate(s) of officers of Lessee confirming Lessee's authorization of the transactions contemplated hereby and compliance with the conditions contained in clause (v) below, Uniform Commercial Code financing statements and other filings and publications as may be appropriate with respect to Lessor's interest in the Equipment including filings with the United States Interstate Commerce Commission (*"ICC"*); (iii) there not having occurred, in Lessor's sole judgment, since September 30, 1994, any material adverse change in the financial condition of Lessee or in Lessee's ability to perform its obligations hereunder; (iv) there having occurred no change in applicable law that would have a material adverse impact on the transactions contemplated by this Lease (unless Lessor and Lessee shall have agreed upon appropriate adjustments and indemnities to compensate for such change); and (v) Lessee's representations and warranties contained in this Lease being true and accurate as if made on and as of such date, no Default or Event of Default having occurred and continuing on such date and Lessee having performed and complied with all of its covenants and obligations hereunder and under any purchase agreement relating to the Equipment. Lessee's execution of any Schedule shall constitute its representation and warranty that there has been no material adverse change in its business or financial condition since the date referenced above in this Section 2.

(b) Lessee agrees to cause the Manufacturer to issue to Lessor, on each Delivery Date, a bill of sale in form and substance satisfactory to Lessor, which bill of sale shall extend to Lessor the warranties and indemnities made by the Manufacturer in any purchase document or agreement with Lessee, and to the Assignee a written confirmation in form and substance satisfactory to the Assignee that such warranties and indemnities shall be likewise extended to the Assignee.

(c) Lessor hereby appoints Lessee to act on its behalf for the purpose of accepting items of Equipment when delivered by a Manufacturer. Subject to the satisfaction of the conditions set forth in this Section 2, Lessor will pay the Manufacturer the Lessor's Cost of each item of Equipment specified on the Schedule applicable thereto (the *"Lessor's Cost"*) upon such delivery and acceptance (a *"Delivery Date"*). Lessee will give Lessor and Assignee three (3) business days' notice of each Delivery Date.

(d) Lessor shall not be required to accept any item of Equipment under this Master Lease, except pursuant to not more than three separate Schedules hereto. The first such Schedule shall provide for a Delivery Date on December 28, 1995 or such other date as shall be mutually agreeable to Lessee, Lessor and Assignee and the Equipment described on such Schedule shall have a Lessor's Cost which shall not exceed $10,143,764. The second such Schedule shall provide for a Delivery Date on February 28, 1996 or such other date as shall be mutually agreeable to Lessee, Lessor and Assignee and the Equipment described on such Schedule shall have a Lessor's Cost which shall not exceed $8,485,722. The third and final such Schedule shall provide for a Delivery Date on March 31, 1996 or such other date as shall be mutually agreeable to Lessee, Lessor and Assignee and the Equipment described on such Schedule shall have a Lessor's Cost which shall not exceed $5,615,433.

Section 3. Term: The obligations under this Lease shall commence upon the written acceptance thereof by Lessor and shall end upon full performance and observance of each and every term, condition and covenant set forth in this Lease, each Schedule hereto and any extensions thereof. The Term of this Lease with respect to each item of Equipment will commence on the applicable Delivery Date and shall end on the last day of the term stated in such Schedule unless such Schedule has been extended or otherwise modified in writing and signed by the Lessor and Lessee.

Section 4. Rental Payments: The rent for the Equipment described in each Schedule shall be due and payable on the dates set forth therein. Such rent shall be payable to the following address: Fleet Credit Corporation, P.O. Box 890885, Dallas, Texas 75389-0885, or at such address or office as Lessor may otherwise designate; *provided* that upon receipt by Lessee of notice of an assignment of this Lease to Assignee, such rent and all other amounts which are the subject of such assignment shall be payable by check or by wire transfer of immediately available funds to such address or account of Assignee in the continental United States as shall be designated in such notice, or as Assignee may otherwise designate. The receipt of any check or other item on account of any Rental Payment will not be considered as payment thereof until such check or other item is honored when presented for payment.

Section 5. Equipment Deliveries: Lessor shall have no liability for any delivery or failure by the Manufacturer to fill the purchase order or meet the conditions thereof. Lessee, at its expense, will pay all transportation, switching, taxes, duties, insurance, testing, storage and other charges in connection with the delivery, transfer and use of the Equipment.

Section 6. Warranties: NEITHER LESSOR NOR ASSIGNEE, NEITHER BEING THE MANUFACTURER OF THE EQUIPMENT NOR THE MANUFACTURER'S AGENT, MAKES ANY EXPRESS OR IMPLIED WARRANTY OF ANY KIND WHATSOEVER WITH RESPECT TO THE EQUIPMENT, INCLUDING, BUT NOT LIMITED TO: THE MERCHANTABILITY OF THE EQUIPMENT OR ITS FITNESS FOR ANY PARTICULAR PURPOSE; THE DESIGN OR CONDITION OF THE EQUIPMENT; THE QUALITY OR CAPACITY OF THE EQUIPMENT; THE WORKMANSHIP IN THE EQUIPMENT; COMPLIANCE OF THE EQUIPMENT WITH THE REQUIREMENTS OF ANY LAW, RULE, SPECIFICATION OR CONTRACT PERTAINING THERETO; PATENT INFRINGEMENT; OR LATENT DEFECTS. Lessee accordingly agrees not to assert any claim whatsoever against Lessor or Assignee based thereon. Lessee further agrees, regardless of cause, not to assert any claim whatsoever against Lessor or Assignee for loss of anticipatory profits or consequential damages. Neither Lessor nor Assignee shall have any obligation to install, erect, test, adjust, service, or maintain the Equipment. Lessee shall look to the Manufacturer and/or seller for any claims related to the Equipment. Lessee hereby acknowledges that any Manufacturer's and/or seller's warranties are for the benefit of Lessor, Assignee and Lessee. NOTWITHSTANDING THE FOREGOING, LESSEE'S OBLIGATIONS TO PAY THE RENTALS OR OTHERWISE UNDER THIS LEASE SHALL BE AND ARE ABSOLUTE AND UNCONDITIONAL.

To the extent permitted by the Manufacturer or seller, and provided Lessee is not in default under this Lease, Lessor and Assignee shall make available to Lessee all Manufacturer's and/or seller's warranties with respect to Equipment.

Section 7. Title to and Location of Equipment: (a) Lessor shall receive such title to each item of Equipment as was conveyed to it by the Manufacturer, and title to each such item shall remain with the Lessor at all times and the Lessee shall have no right, title or interest therein except as expressly set forth in this Lease. Lessor, at its expense, will take such action as may be necessary to discharge any liens or encumbrances on the Equipment which are unrelated to its ownership and financing of the Equipment. Lessee, at its expense, will keep the Equipment free and clear from any and all claims, liens, encumbrances and legal processes except for those created by, through, or under Lessor, but so long as no Event of Default shall have occurred and be continuing, Lessee shall not be required to pay or discharge any such claims so long as it shall, in good faith and by appropriate legal proceedings contest the validity thereof in any reasonable manner which will not adversely affect or endanger in any material respect the title and interest of Lessor or the security interest or other rights of Assignee in and to the Equipment. The Lessee shall give the Lessor and the Assignee prompt written notice of any such contest.

(b) Lessor assumes no liability and makes no representation as to the treatment by Lessee of this Lease, the Equipment or the Rental Payments for financial statement or tax purposes.

(c) All items of Equipment shall at all times be and remain personal property. The Equipment shall be delivered to the location specified in the Schedule with respect thereto. No item of Equipment shall be used or located in Mexico or Canada without the prior written consent of Lessor and Assignee, which consent shall not be unreasonably withheld.

(d) The Lessor shall be permitted to display notice of its ownership of the Equipment by affixing to each item of Equipment an identifying stencil or plate or any other indicia of ownership and Lessee will not alter, deface, cover or remove such ownership identification.

Section 8. Use of Equipment, Inspection and Reports: Lessee may possess and use the Equipment in accordance with this Lease, provided that any such use is in conformity with all applicable laws, any insurance policies, and any warranties of the Manufacturer with respect to the Equipment and further provided that Lessee shall not use or permit the Equipment to be used to contain or transport any explosive, hazardous, toxic, dangerous or environmentally threatening waste, material or matter. Notwithstanding anything in the foregoing sentence to the contrary, Lessor and Assignee expressly agree that the Equipment may be used to contain and transport ethanol. Lessor and Assignee shall each have the separate right, upon reasonable prior notice to the Lessee and during the Lessee's regular business hours, to inspect the Equipment at the premises of the Lessee or to the extent reasonable wherever the Equipment may be located. Lessee shall promptly notify Lessor and Assignee of all details arising out of any alleged encumbrances on the Equipment or any accident which may result in a claim against the Lessor allegedly resulting from the use or

operation thereof. The Lessee will maintain or cause to be maintained all records, logs, reports, and compliance certificates relating to the care, use and maintenance of the Equipment and shall make such records available for inspection at Lessor's or Assignee's request and shall deliver such records to Lessor upon the return of the Equipment under Section 23 hereof, and also to Assignee if such return is required by Section 25 hereof. In addition, the Lessee will make available (or will cause to be made available) to the Lessor such information as the Lessor shall reasonably request from time to time in order to enable the Lessor to fulfill its Federal, state, local and foreign tax return obligations and shall furnish for inspection and copying such original records or copies of available records necessary to satisfy tax audit requirements and to conduct effectively any tax contest.

Except as otherwise permitted under Section 9 hereof, Lessee shall make no additions or modifications to any item of Equipment, except those required by Lessee's normal maintenance program, without Lessor's and Assignee's prior written consent, which consent shall not be unreasonably withheld. Lessee agrees that, if requested by Lessor, or by Assignee if such return is pursuant to Section 25 hereof, it will, prior to the return of such item of Equipment to Lessor or Assignee hereunder, remove any such addition or modification and restore the Equipment to its original condition as when first accepted by Lessee.

Lessee shall, on or before each April 30 during the Term, submit both to Lessor and Assignee a report, as of the preceding December 31, listing by car number, each item of Equipment then subject to this Lease, the status of such item, identifying those items of Equipment which have been removed from service and the reason(s) therefor, the date of such removal and the expected date of return to service. Such report shall be certified by a responsible officer of Lessee.

Section 9. Operating Rules and Regulations: Lessee agrees to comply with all local, state and Federal governmental laws, regulations and requirements relating to the operation and/or use of the Equipment, including the Interchange Rules and all other rules of the Association of American Railroads (*"AAR"*), Federal Railroad Administration (*"FRA"*), the ICC, and any successor organizations to any of the foregoing. In case any mechanical apparatus or appliance on any Equipment shall be required to be changed or replaced, or any additional or other mechanical apparatus or appliance is required to be installed on such Equipment in order to comply with such laws, regulations, requirements and rules, Lessee agrees to make such changes, additions and replacements promptly at its own expense and title thereto shall be immediately vested in Lessor.

Section 10. Further Assurances: Lessee shall execute and deliver to Lessor upon Lessor's request such instruments and assurances as Lessor in the reasonable exercise of its discretion deems necessary for the confirmation or perfection of this Lease and Lessor's rights hereunder. In furtherance thereof, Lessor may file or record this Lease or a financing statement with respect thereto so as to give notice to any interested parties. The Lessor is hereby authorized to file a financing statement concerning the Equipment signed only by the Lessor in accordance with the Uniform Commercial Code or one signed by Lessor as Lessee's attorney in fact. Any such filing or recording shall not be deemed

evidence of any intent to create a security interest under the Uniform Commercial Code. Lessor, at Lessee's expense, will cause this Lease to be filed in accordance with 49 U.S.C. Section 11303(a) with the ICC.

Section 11. Risk of Loss: All risk of loss, damage, theft, destruction, condemnation or taking to each item of Equipment shall be borne by the Lessee. No such loss, damage, theft, destruction, condemnation or taking of the Equipment, in whole or in part, shall impair the obligations of Lessee under this Lease all of which shall continue in full force and effect. Lessee shall promptly notify Lessor and Assignee of any such loss, damage, theft, destruction, condemnation or taking and Lessee shall pay the Lessor the amount covering such affected Equipment set forth in Addendum "A" — Stipulated Loss Values plus all other amounts then due and payable, less the net amount of the recovery, if any, actually received by Lessor from insurance or otherwise for such loss, damage, theft, destruction, condemnation or taking, or in the case of a damage to the Equipment, at Lessor's option, either pay such amount or place the affected Equipment in good repair, condition and working order. Any such payment of Stipulated Loss Value shall be made on the monthly Rent Payment date which is more than ten (10) days after such event, or in the case of a damage, after Lessor notifies Lessee that Lessor elects such payment option. The Stipulated Loss Value payable shall be the Stipulated Loss Value computed as of the month in which such item of Equipment was damaged, destroyed, lost, stolen, condemned or taken less any payment(s) made by Lessee with respect to such item of Equipment for any month after the month in which such damage, theft, destruction, loss, condemnation or taking occurred. After compliance with the foregoing to Lessor's satisfaction and provided Lessee is not in default under this Lease, Lessee shall be subrogated to Lessor's rights with respect to any insurance policies or claims for reimbursement by others with respect to such loss, damage, theft, destruction, condemnation or taking, and Lessee shall be entitled to receive and retain any amounts paid in settlement by any railroad, user or governmental entity as a result of such loss, damage, theft, destruction, condemnation or taking.

Section 12. Insurance:

a. *General Liability and Property Damage Insurance.* Lessee represents and warrants that it will maintain in effect at its own expense (i) comprehensive general liability insurance, including death, bodily injury and property damage, in an amount not less than $5 million combined single limit coverage in the aggregate and (ii) such other property damage insurance (exclusive of manufacturer's product liability insurance) with respect to the Equipment as is of the type and in the amount as specified in each Schedule. All insurance provided for in this Section shall be effected with insurance companies satisfactory to Lessor and Assignee and similar to those insurers who customarily provide public liability insurance to Lessee's industry.

b. *Insurance Against Loss or Damage to Equipment.* Lessee represents and warrants that it will provide all-risk insurance covering the Equipment, including fire and explosions and lightning and electrical damage, provided that such insurance shall at all times while the Equipment is subject to this Lease be in an amount which, when paid, will be not less than the Stipulated Loss Value of the Equipment from time to time.

c. *Lessor and Assignee as Additional Insured; Notice.* Any policies of insurance carried in accordance with this Section and any policies taken out in substitution or replacement for any such policies shall name Lessor, as owner of the Equipment and Assignee, as the holder of a security interest in the Equipment, as additional named insured thereunder, and, with respect to insurance carried in accordance with paragraph (b), said policies shall be made payable to Assignee under a standard mortgage loss payable clause or, if Assignee shall no longer hold a security interest in the Equipment, to Lessor as loss payee. Lessee shall furnish certificates to both Lessor and Assignee as proof of such insurance and shall provide for at least thirty (30) days' written notice of cancellation to both Lessor and Assignee.

Section 13. Expenses, Fees and Taxes: In addition to the Rental Payments, Lessee shall pay promptly when due all costs, expenses, fees, charges and taxes (including sales, use, excise, personal property, ad valorem, documentary, gross receipts, stamp, income withholding and other taxes, all of the foregoing being herein collectively called *"Impositions"*) incurred in connection with the titling, licensing, registration, use, rental, shipment, transportation, delivery, purchase, ownership or operation of the Equipment, and on or relating to this Lease and any Schedule. With respect to sales tax, Lessor represents to Lessee that it has submitted a valid resale exemption certificate to Manufacturer and Manufacturer has invoiced Lessor for the cost of the cars net of any sales tax. In case any report or return is required to be filed with respect to any taxes, Lessee will, to the extent legally permissible, file such report or return or notify Lessor in writing to the extent Lessor must file such report or return in sufficient time for Lessor to make such filing of the required report or return. All reports and returns filed by Lessee will be in Lessee's name and account number and will show Lessor as owner of the Equipment. To the extent reasonably requested by Lessor, Lessee will promptly supply Lessor a copy of such reports or returns. Lessee shall promptly reimburse Lessor for any taxes charged to or assessed against Lessor, except for taxes based on or measured by the net income of Lessor that are imposed by (1) the United States of America or (2) any State of the United States of America or any political subdivision of any such State in which Lessor is subject to Impositions as the result of business or transactions unrelated to this Lease.

If Lessee should fail to pay any of the costs, expenses, fees, charges and taxes for which Lessee is liable hereunder, Lessor may, but shall not be required to, pay the same for the account of Lessee, provided however, that if Lessee is contesting in good faith such costs, expenses, fees, charges and taxes, and provided adequate reserves have been established or an acceptable bond obtained, as determined by Lessor, and further provided that Lessor in its sole discretion does not believe that such contest will impair its title to and interest in the Equipment nor will it impact the economics of this transaction and Assignee in its sole discretion does not believe that such contest will impair its security interest in the Equipment, then Lessor shall not pay the same for the account of Lessee. Lessee shall reimburse Lessor, upon demand, as additional rental hereunder, for the full amount of any costs, expenses, taxes or other charges paid by Lessor which constitute an obligation of Lessee hereunder.

Section 14. Lessor's or Assignee's Performance of Lessee's Obligations: If Lessee shall fail to duly and promptly perform any of its obligations under this Lease with respect to the Equipment, either Lessor or Assignee may (at their respective options) perform any act or make any payment which either Lessor or Assignee deems necessary for the maintenance and preservation of the Equipment and Lessor's title thereto or Assignee's security interest therein, including payments for satisfaction of liens, repairs, taxes, levies and insurance and all sums so paid or incurred by Lessor or Assignee, together with interest as provided below, and any reasonable legal fees incurred by Lessor or Assignee in connection therewith shall be additional rent under this Lease and payable by Lessee to Lessor or Assignee on demand. The performance of any act or payment by Lessor or Assignee as aforesaid shall not be deemed a waiver or release of any obligation or default on the part of the Lessee.

Section 15. Late Charges: Should Lessee fail to duly pay any part of any Rental Payment or other sum to be paid to Lessor under this Lease, then Lessee shall pay interest on such delinquent payment from the due date until paid at a per annum rate equal to the higher of 12% or 2% plus the rate of interest designated by Fleet National Bank, National Association from time to time as being its Prime Rate, said interest rate not to exceed the highest legal contract rate of interest.

Section 16. Indemnification: Lessee assumes liability for, and hereby agrees to indemnify, protect and keep harmless Lessor and Assignee and their respective agents, employees, officers, directors, successors and assigns (the *"Indemnitees"*) from and against any and all liabilities, obligations, losses, damages, injuries, claims, demands, penalties, actions, costs and expenses, including reasonable attorney's fees, of whatsoever kind and nature, arising out of the use, condition (including, but not limited to, latent and other defects and whether or not discoverable by any Indemnitee), operation, ownership, selection, delivery, leasing or return of any item of Equipment, regardless of where, how and by whom operated, or any failure on the part of Lessee to perform or comply with any conditions of this Lease. The parties agree that the indemnification obligations of Lessee under this Section 16 as to an Indemnitee shall not extend to any matters to the extent resulting from the gross negligence or willful misconduct of such Indemnitee or any organization acting by, of or through such Indemnitee. The indemnities and assumptions of liabilities and obligations herein provided for shall continue in full force and effect notwithstanding the expiration or other termination of this Lease. Lessee is an independent contractor and nothing contained in this Lease shall authorize 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 any Indemnitee.

Section 17. No Offset: This Lease is a net lease and all Rental Payments shall be paid when due by Lessee irrespective of any set-off, counterclaim, recoupment, defense or other right which Lessee may have against Lessor, the supplier of the Equipment, or any other party.

Section 18. Purchase Options: Unless a Schedule relating to the Equipment provides that no purchase option is applicable, upon the expiration of the Basic Term of this Lease

with respect to any Schedule or, if elected, any Renewal Term described in Section 19 hereof, Lessee shall have the option to purchase or otherwise acquire title or ownership of all, but not less than all, of the Equipment on such Schedule and then subject to the Lease, *provided* (a) Lessee is not in default under this Lease, and (b) any such purchase option is exercised by Lessee's written notice to Lessor, at Lessor's address stated above, not earlier than 270 days nor later than 180 days prior to the end of such Basic Term or Renewal Term, as the case may be, and (c) the purchase price shall be payable in immediately available funds on the last day of such Basic Term or Renewal Term in an amount equal to the "Fair Market Value" of the Equipment then subject to this Lease. "Fair Market Value" (*"FMV"*) for Equipment shall be determined on the basis of, and shall be equal in amount to, the value which one would obtain in an arm's-length transaction between an informed and willing buyer-user (other than a lessee currently in possession and a used equipment dealer) and an informed and willing seller under no compulsion to sell and, in such determination, costs of removal of Equipment from its location of current use shall not be a deduction from such value. In the event Lessee purchases the Equipment, Lessee shall be responsible for all applicable sales tax and, after payment in full thereof, Lessor shall pass title to Lessee AS IS—WHERE IS, WITHOUT RECOURSE OR WARRANTY, except a warranty that the Equipment is free and clear of all liens and encumbrances by, of or through Lessor.

In the event the FMV is not agreed upon by Lessee and Lessor, it shall be determined by the average of three (3) independent appraisals by parties which shall include two parties, one selected by Lessee and one selected by Lessor and a third selected by the appraisers selected by Lessee and Lessor. The fees and expenses of all such appraisers shall be borne equally by Lessor and Lessee, unless Lessee chooses not to purchase the Equipment, in which case Lessee shall bear all of such fees and expenses. In the event that Lessee chooses not to purchase the Equipment after determination of FMV, Lessee shall provide Lessor with at least 180 days written notice that Lessee has rescinded the election to purchase and the Lease shall continue in full force and effect from the date of such notice at its then prevailing rent.

In addition to the purchase option described above which shall be exercisable only at the end of the Basic Term or Renewal Term of any Schedule, Lessee shall have the right to purchase all, but not less than all, of the Equipment on any Schedule before the end of the original lease term specifically as provided in any Early Purchase Option Rider executed by Lessee and Lessor and attached to this Lease.

Section 19. Renewals: So long as no Event of Default shall have occurred and be continuing, Lessee may, by written notice delivered to Lessor at least 180 days (but not more than 270 days) prior to expiration of the Basic Term or any Renewal Term of any Schedule, renew the Term for all, but not less than all, items of Equipment described on such Schedule and then subject to this Lease for a period specified in such notice (a *"Renewal Term"*). All provisions of this Lease shall be applicable during any Renewal Term except that (a) Lessee shall pay, in the manner as provided in Section 4 hereof, Renewal Rent equal to the fair market rental value of such Equipment; and (b) the Stipulated Loss Value of each item of Equipment during any Renewal Term shall be determined by Lessor as of the last Rental Payment date occurring in the Basic Term based on the then fair market value of such items of Equipment, declining on a straight-line basis over the remaining useful life of such item

of Equipment. If Lessee fails to return the Equipment at the end of the Basic Term or any Renewal Term, and does not exercise its renewal option or purchase option as aforesaid, then Lessee shall pay Rent to Lessor monthly at the rate applicable during the Basic Term until the Equipment is returned to Lessor, *provided*, that no item of Equipment shall be loaded for revenue service after the last day of the Basic Term or Renewal Term, whichever is applicable, and *provided, further,* that Lessee shall be required to return each item of Equipment no later than the third monthly anniversary of the expiration of the Basic Term, or the Renewal Term, as the case may be. Any renewal option stated as "fair market rental value" for Equipment shall be determined on the basis of, and shall be equal in amount to, the value which one would obtain in an arm's-length transaction between an informed and willing lessee-user and an informed and willing lessor under no compulsion to lease and, in such determination, the Equipment shall be assumed to be in the condition in which it is required to be returned under Section 22 of this Lease. In the event that fair market rental value is not agreed upon by Lessee and Lessor, it shall be determined by the average of three (3) independent appraisals by parties which shall include two parties, one selected by Lessee and one selected by Lessor, and a third selected by the appraisers selected by Lessee and Lessor. The fees and expenses of all such appraisers shall be borne equally by Lessor and Lessee, unless Lessee chooses not to renew the lease term relating to the Schedule, in which case Lessee shall bear all of such fees and expenses.

Section 20. Assignment by Lessee: Without Lessor's and Assignee's prior written consent, Lessee may not, by operation of law or otherwise, (a) assign, transfer, pledge, hypothecate or otherwise dispose of this Lease or any interest therein or (b) sublet or lend the Equipment or permit the same to be used by anyone other than Lessee or Lessee's employees, *provided, however,* that, Lessee may trip lease the Equipment to its customers in the normal course of Lessee's business. Irrespective of any permitted sublease or trip lease, Lessee shall remain primarily liable to Lessor under all of the terms and conditions of this Lease.

Section 21. Assignment by Lessor: For the purpose of providing funds for financing the purchase of the Equipment, or for any other purpose, Lessee agrees (a) that Lessor may assign, sell or encumber all or any other part of this Lease, the Equipment and the Rental Payments hereunder and (b) in the event of any such assignment of Rental Payments hereunder and written notice thereof to Lessee, to unconditionally pay directly to any such assignee all rentals and other sums due or to become due under this Lease and (c) that Lessor may grant to such assignee a security interest in the Equipment leased hereunder pursuant to a security agreement; *provided* that Lessor agrees that, without Lessee's prior written consent, it will make no such assignment or transfer its interest in any item of Equipment to any Person which is engaged in the business of processing corn or to an Affiliate of any such Person other than any passive lessor investor. For purposes hereof, Affiliate, with respect to any Person, shall mean any other Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, such Person. For purposes of this definition, the term *"control"* (including the correlative meanings of the terms *"controlled by"* and *"under common control with"*), as used with respect to any Person, shall mean the possession, directly or indirectly of the power to direct or cause the direction of the management policies of such Person, whether through the ownership of

voting securities or by contract or otherwise. In any such event, the right, title and interest of such assignee as secured party under any such security agreement shall by the express terms of such security agreement be subject to the leasehold interest of Lessee in and to the Equipment hereunder. LESSEE ACKNOWLEDGES AND AGREES THAT (1) THE RIGHTS OF SUCH ASSIGNEE IN AND TO THE SUMS PAYABLE BY THE LESSEE UNDER ANY PROVISION OF THIS LEASE WHICH ARE THE SUBJECT MATTER OF THE ASSIGNMENT SHALL NOT BE SUBJECT TO ANY ABATEMENT WHATSOEVER AND SHALL NOT BE SUBJECT TO ANY DEFENSE, SET-OFF, COUNTERCLAIM OR RECOUPMENT WHATSOEVER WHETHER BY REASON OF FAILURE OF OR DEFECT IN THE LESSOR'S TITLE, OR ANY INTERRUPTION FROM WHATSOEVER CAUSE IN THE USE, OPERATION OR POSSESSION OF THE EQUIPMENT OR ANY PART THEREOF, OR ANY DAMAGE TO OR LOSS OR DESTRUCTION OF THE EQUIPMENT OR ANY PART THEREOF, OR BY REASON OF ANY OTHER INDEBTEDNESS OR LIABILITY, HOWSOEVER AND WHENEVER ARISING, OF THE LESSOR TO THE LESSEE OR TO ANY OTHER PERSON, FIRM OR CORPORATION OR TO ANY GOVERNMENTAL AUTHORITY OR FOR ANY CAUSE WHATSOEVER, IT BEING THE INTENT HEREOF THAT, EXCEPT IN THE EVENT OF WILFUL MISCONDUCT ON THE PART OF SUCH ASSIGNEE, THE LESSEE SHALL BE UNCONDITIONALLY AND ABSOLUTELY OBLIGATED TO PAY SUCH ASSIGNEE ALL OF THE RENTS AND OTHER SUMS WHICH ARE THE SUBJECT MATTER OF THE ASSIGNMENT (2) IN THE EVENT LESSEE HAS ACKNOWLEDGED RECEIPT AS A COUNTERPART OF ANY SUCH ASSIGNMENT OF THIS LEASE (WHICH MAY BE CONTAINED IN SUCH SECURITY AGREEMENT), SO LONG AS SUCH ASSIGNMENT SHALL REMAIN IN EFFECT THE TERMS AND PROVISIONS OF SUCH ASSIGNMENT AND/OR SECURITY AGREEMENT SHALL GOVERN AS TO WHETHER (I) THE CONSENT OR AGREEMENT OF EITHER THE LESSOR OR SUCH ASSIGNEE, OR BOTH, SHALL BE REQUIRED IN ORDER TO EFFECT ANY AMENDMENT OR MODIFICATION OF, OR WAIVE ANY REQUIREMENTS UNDER THIS LEASE, AND (II) THE LESSOR OR SUCH ASSIGNEE, OR BOTH, MAY RECEIVE THE BENEFIT OF OR EXERCISE ANY RIGHT, PRIVILEGE OR REMEDY OF THE LESSOR PROVIDED FOR IN THIS LEASE IN ACCORDANCE WITH THE PROVISIONS OF THIS LEASE AND OF SUCH ASSIGNMENT AND/OR SUCH SECURITY AGREEMENT; PROVIDED THAT SO LONG AS SUCH ASSIGNMENT SHALL REMAIN IN EFFECT, ALL RIGHTS OF LESSOR UNDER SECTIONS 24 AND 25 HEREOF SHALL BE EXERCISED SOLELY BY SUCH ASSIGNEE AND LESSEE WILL COMPLY WITH ANY NOTICE, DIRECTION OR APPROVAL OF SUCH ASSIGNEE REGARDING SUCH RIGHTS, AND (3) ALL OBLIGATIONS OF THE LESSOR TO THE LESSEE UNDER THIS LEASE SHALL BE AND REMAIN ENFORCEABLE BY THE LESSEE AGAINST, AND ONLY AGAINST, THE LESSOR.

Section 22. Maintenance and Repairs: Lessee, at all times and at its own expense, shall maintain and service the Equipment, or cause the equipment to be maintained and serviced, in good repair and operating condition, ordinary wear and tear from normal and proper use thereof alone excepted, so that the Equipment shall at all times comply with the applicable Interchange standards set for such Equipment by the Association of American Railroads (*"AAR"*), or any successors thereto, and be and remain in good operating order and repair by industry standards and fit for the purposes for which the Equipment was designed. In any event, the Equipment shall at all times satisfy the criteria below:

a. All damaged or broken parts will be repaired promptly according to AAR specifications and procedures;

b. Exterior sides will be free of rust and corrosion and will be painted according to a standard paint scheme, free of any and all advertising and notices other than receiving numbers and Lessee's corporate identification;

c. The Equipment will conform at all times to the operating regulations of the United States Department of Transportation, AAR, FRA, or their successors, or those of any other government agency having jurisdiction over the use and operation of the Equipment;

d. The Equipment shall, at all times, be maintained in compliance with the original Manufacturer's recommended maintenance procedures and policies; and

e. Provided that Lessee's maintenance schedule meets or exceeds the other requirements set forth above, Lessee shall maintain the Equipment or cause the Equipment to be maintained on the same scheduling basis that Lessee employs for similar equipment, whether owned or leased.

Section 23. Return of Equipment: Upon the expiration or earlier termination of the original or extended term of any Schedule under this Lease, unless Lessee shall have duly exercised any renewal or purchase option with respect thereto, Lessee will, at its expense, insure and deliver all but not less than all of the Equipment described on such Schedule and then subject to this Lease to Lessor at one or more of the locations identified in the Schedule of Return Locations attached hereto as may be designated by Lessor in writing, for such disposition.

All Equipment so delivered by Lessee to Lessor shall be returned to the designated location(s) in the same condition as when first accepted by Lessee, ordinary wear and tear resulting from the normal and proper use thereof alone excepted, in compliance with Sections 9 and 23 hereof, free of any special advertising, lettering or other marking, washed with hot water (interior and exterior) and free of any liquid or product residue, silt, sludge or other debris, with lining intact (or at Lessor's option, with such lining blasted or removed) and otherwise in the condition in which it is required to be maintained hereunder.

Lessor or its representative will inspect the Equipment to verify that the units have been returned in compliance with the terms and conditions hereunder, at which inspection a representative of Lessee may be present, and Lessor will promptly notify Lessee of any condition identified by Lessor in such inspection which Lessor believes to require repair or correction by Lessee. Additional wear and tear beyond the extent permitted herein shall be deemed excessive wear and tear and Lessee, at its option, shall be responsible to either promptly make such repairs as are required to correct excessive wear and tear, or to forward the affected item of Equipment to a repair facility, which facility shall have been previously approved in writing by Lessor, for such repairs and pay the costs of such repairs at the then current market prices. Until such Equipment is returned to Lessor in proper condition, Lessee shall pay rent therefor at the then prevailing rate applicable under this Lease.

If there shall occur an Event of Default by Lessee under this Lease, Lessee will return all Equipment to Lessor in the same manner as set forth above, but so long as an assignment of this Lease pursuant to Section 21 hereof shall remain in effect, Assignee may exercise all rights of Lessor provided for in this Section 23 and Lessee will comply with any notice, direction or approval of Assignee regarding such rights.

Section 24. Events of Default: Lessee shall be in default under this Lease upon the happening of any of the following events or conditions (*"Events of Default"*):

(a) Default by Lessee in payment of any installment of rent or any other indebtedness or obligation now or hereafter owed by Lessee to Lessor or Assignee under this Lease or otherwise and the continuance of such default for ten (10) consecutive days; or (b) default in the performance of any other obligation, covenant or liability contained in this Lease (including without limitation the failure to maintain any of the insurance required herein) or any other agreement or document with Lessor and the continuance of such default for ten (10) consecutive days after written notice thereof by Lessor to Lessee; or (c) any material warranty, representation or statement made or furnished to Lessor or Assignee by or on behalf of Lessee proves to have been false in any material respect when made or furnished; or (d) loss, theft, damage or destruction for which Lessor or Assignee does not receive compensation pursuant to Section 11(b) of this Lease within one hundred eighty days following such loss, theft, damage or destruction, provided that Lessee continues to pay the full monthly obligation on a timely basis during this one hundred eighty day period; or (e) the attempted sale or encumbrance by Lessee of any of the Equipment, or the making of any levy, seizure or attachment thereof or thereon; *provided* that Lessee shall not be in default under this Section 24(e) as a result of an after-acquired property or other similar clause in any security agreement or other agreement involving a financing by Lessee becoming applicable to Lessee's leasehold estate under this Lease; or (f) dissolution, termination of existence, discontinuance of its business, insolvency, business failure, or appointment of a receiver of any part of the property of, or assignment for the benefit of creditors by Lessee or the commencement of any proceedings under any voluntary bankruptcy, reorganization or arrangement laws by or against Lessee; or (g) the institution of any involuntary bankruptcy proceedings against Lessee or the appointment of a receiver without Lessee's consent, and such proceedings or appointment continues and is ongoing for a period of sixty (60) days; or (h) Lessee shall default in the performance of any covenant contained in Section 35(a) hereof; or (i) Lessee shall default in any payment or other obligation to any third party and any applicable grace or cure period with respect thereto has expired, *provided* that Lessee shall not be in default under this Section 24(i) unless the total amount of Lessee's payment defaults to third parties is in excess of One Million Dollars ($1,000,000); or (j) Lessee shall use or permit the Equipment to be used to contain or transport any hazardous, toxic, dangerous or environmentally threatening waste, material or matter, *provided* that Lessee shall not be in default under this Section 24(j) for using or permitting the Equipment to be used to contain or transport ethanol.

Section 25. Remedies of Lessor: Upon the occurrence of any Event of Default and at any time thereafter (subject to any applicable grace provisions), Lessor may without any further notice exercise one or more of the following remedies as Lessor in its sole discretion shall elect; *provided* that so long as an assignment of this Lease shall remain in effect pursuant to Section 21 hereof, all such rights and remedies of Lessor shall inure to the benefit of and be exercised solely by and at the discretion of the Assignee: (a) declare all unpaid rentals due under this Lease, together with per diem rent from the date of the last regular rental installment to the date of such declaration, to be immediately due and payable; (b) terminate this Lease as to any or all items of Equipment; (c) take possession of the Equipment wherever found without any liability or suit, action or other proceeding by the Lessee and remove the same; (d) cause Lessee at its expense to promptly return the Equipment to Lessor and in the condition set forth in Section 23; (e) use, hold, sell, lease or otherwise dispose of the Equipment or any item thereof in a commercially reasonable manner without affecting the obligations of Lessee as provided in this Lease; (f) sell or lease the Equipment or any part thereof in a commercially reasonable manner, at public auction or by private sale or lease at such time or times and upon such terms as Lessor may determine, free and clear of any rights of Lessee and, if notice thereof is required by law, any notice in writing of any such sale or lease by Lessor to Lessee not less than ten (10) days prior to the date thereof shall constitute reasonable notice thereof to Lessee; (g) proceed by appropriate action either by law or in equity to enforce performance by Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof, (h) exercise any and all rights accruing to a lessor under any applicable law upon a default by a lessee. In addition, Lessor shall be entitled to recover immediately as liquidated damages for loss of a bargain and not as a penalty an amount equal to the Stipulated Loss Value for Equipment (as set forth in Addendum "A" for the applicable Schedule) on the date of Lessor declaring this Lease in default, together with interest as provided herein. After default, to the extent requested by Lessor, Lessee shall comply with the provisions of Section 23 of this Lease. Lessor may, but shall not be required to, sell Equipment at private or public sale, in bulk or in parcels, with or without notice, without having the Equipment present at the place of sale; or Lessor may, but shall not be required to, lease, otherwise dispose of or keep idle all or part of the Equipment; and Lessor may use Lessee's premises for any or all of the foregoing without liability for rent, costs or otherwise. The proceeds of sale, lease or other disposition, if any, shall be applied (1) to all Lessor's costs, charges and expenses incurred in enforcing this Lease and in taking, removing, holding, repairing and selling, leasing or otherwise disposing of Equipment; then, (2) to the extent not previously paid by Lessee, to pay Lessor the Stipulated Loss Value for Equipment and all other sums, including any unpaid rent and any indemnification then remaining unpaid thereon; then (3) to reimburse to Lessee any Stipulated Loss Value previously paid directly by Lessee to Lessor as liquidated damages; (4) any surplus shall be retained by Lessor; Lessee shall pay any deficiency in (1) and (2) forthwith. In no event shall Lessor be obligated to sell, lease or otherwise dispose of any item of repossessed Equipment. None of the remedies under this Lease are intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to herein or otherwise available to Lessor in law or in equity, *provided however,* in no event shall Lessor be entitled to reclaim an amount in excess of the Stipulated Loss Value plus all other amounts owing at the time of default plus the costs of collection. Any repossession or subsequent sale or lease by Lessor of any item of Equipment shall not

bar an action for a deficiency as herein provided, and the bringing of an action or the entry of judgment against the Lessee shall not bar the Lessor's right to repossess any or all items of Equipment. Lessee agrees to pay all costs and expenses of Lessor, including reasonable attorneys' fees, incurred with respect to the collection of any amounts payable hereunder and the enforcement of any of the provisions hereof, whether or not an action at law is commenced with respect hereto.

Section 26. Severability: Any provision of this Lease which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition and unenforceable without invalidating the remaining provisions hereof. To the extent permitted by applicable law, Lessee hereby waives any provision of law which prohibits or renders unenforceable any provisions hereof in any respect.

Section 27. Notices: Any notice or other communication given under this Lease shall be in writing and shall be sent to the following addresses or to such other address as either of the parties hereto may designate in writing to the other from time to time:

LESSOR:	LESSEE:	ASSIGNEE:
Fleet Credit Corporation 50 Kennedy Plaza Fifth Floor Providence, RI 02903 Attn: Customer Accounts	Minnesota Corn Processors 901 No. Highway 59 Marshall, MN 56258-2744 Attn: President and General Manager	Such address as shall be specified in any notice of assignment pursuant to Section 21 hereof

Any such notice or other communication shall be effective upon receipt or, if not actually delivered prior thereto, shall be deemed to have been delivered three (3) business days after the date when it shall have been mailed by registered or certified mail, all charges prepaid.

Section 28. Amendments and Waivers: Except as expressly contradicted by the terms hereof, and without limiting any of the rights or interests of the Assignee, the commitment letter between Lessor and Lessee related to the transaction contemplated hereby shall survive the execution and delivery of this Lease. Except as set forth in the immediately preceding sentence, this instrument and the Schedules executed by Lessor and Lessee constitute the entire agreement between Lessor and Lessee with respect to the Equipment and the subject matter of this Lease. Subject to the provisions of clause (2) of the final sentence of Section 21 hereof, no term or provision of this Lease may be changed, waived, amended or terminated except by a written agreement signed by both Lessor and Lessee, except that Lessor may insert the serial number, reporting mark and running number of any item of Equipment on the appropriate Schedule after delivery thereof. No express or implied waiver by Lessor or Assignee of any Event of Default hereunder shall in any way be, or be construed to be, a waiver of any future or subsequent Event of Default whether similar in kind or otherwise.

Section 29. Construction: This Lease shall in all respects be governed by and construed in accordance with the laws of the State of Minnesota. The titles of the sections of this Lease are for convenience only and shall not define or limit any of the terms or provisions hereof. Time is of the essence of this Lease in each of its provisions.

Section 30. Parties: Subject to the provisions of clause (3) of the final sentence of Section 21 hereof, the provisions of this Lease shall be binding upon, and inure to the benefit of, the assigns, representatives and successors of the Lessor and Lessee.

Section 31. Lessee's Quiet Enjoyment: So long as Lessee shall pay and perform all of its obligations and covenants hereunder, Lessor shall not disturb its quiet enjoyment and use of the Equipment for its intended purposes. By acceptance of any assignment of this Lease, any assignee of Lessor's interest herein agrees, with and for the benefit of Lessee, that as long as Lessee shall perform all of its obligations and covenants hereunder, Lessee's quiet enjoyment and use of the Equipment for its intended purposes shall not be disturbed by such assignee or any party lawfully claiming by through or under such assignee.

Section 32. [Intentionally Omitted]

Section 33. Tax Indemnity: (a) Lessee acknowledges that the Rental Payments provided for in Section 4 are computed on the assumptions that (i) the Lessor will be entitled to depreciation deductions, with respect to Lessor's Cost of each item of Equipment, allowed under Section 167(a) and 168(a) of the Internal Revenue Code of 1986 as in effect on the date hereof (the *"Code"*), utilizing the applicable (1) depreciation method provided in Section 168(b)(1)(A) and (B) of the Code; (2) convention described in Section 168(d)(1) of the Code; and (3) recovery period and classification of 7 years as determined under Section 168(c) and (e) of the Code, commencing in Lessor's current taxable year and cost recovery deductions or depreciation deductions for state or local income tax purposes, (ii) all amounts includable in the gross income of Lessor with respect to the Equipment will be treated as derived from or allocable to sources within the United States, and (iii) Lessor shall not be required to recognize any income under this Lease other than Rental Payments, in the amounts and at the times determined under Section 4 hereof, Stipulated Loss Value Payments, in the amounts and at the times determined pursuant to Section 11 hereof, and amounts characterized as interest, when paid (the events and characterizations described in clauses (i), (ii) and (iii) being hereinafter referred to as *"Tax Benefits"*).

(b) Lessee represents, warrants and covenants that (i) it has not, and will not, at any time during the Term of the Lease, take any action or omit to take any action (whether or not the same is permitted or required hereunder) which, under the Code, will result in the loss, delay or adverse impact on Lessor with respect to all or part of the Tax Benefits; (ii) all amounts includable in the gross income of Lessor with respect to the Equipment will be treated as derived from or allocable to sources within the United States; (iii) the Equipment will not be tax-exempt use property within the meaning of Section 168(h) of the Code; and (iv) on the applicable Delivery Date, no item of Equipment will require any improvements, modifications or additions (other than ancillary items of equipment of a kind that are customarily furnished by purchasers or lessees of property identical to the

Equipment) in order for such Equipment to be rendered complete for its intended use by Lessee.

(c) If as a result of any act, omission, or misrepresentation of Lessee, Tax Benefits are claimed by the Internal Revenue Service to be lost, disallowed, eliminated, reduced, recaptured, compromised, delayed or otherwise made unavailable to Lessor, then Lessor shall promptly notify Lessee and, if requested by Lessee in writing, contest such disallowance, elimination or reduction in good faith, provided that Lessor shall have first received an opinion of independent tax counsel selected by Lessor and not unsatisfactory to Lessee, to the effect that there is a reasonable basis (consistent with ABA formal opinion 85-352) to contest such claim. If the contest is not completely successful so that any of the Tax Benefits are lost, disallowed, eliminated, reduced, recaptured, compromised with the consent of Lessee, delayed or otherwise made available to Lessor as a result of any act, omission, or misrepresentation of Lessee, the Lessor shall be deemed to have experienced a "Loss". Lessee shall then become obligated to pay to Lessor as additional Rent, an amount in cash which is equal to that which provides Lessor with the same net after-tax yield that Lessor originally anticipated realizing from the transaction contemplated by this Lease prior to the Loss on a pro rata basis with each remaining Rental Payment due under the Lease. The first such payment shall not be due until Lessor has first provided Lessee with a written statement describing in reasonable detail such Loss and the computation of the amount so payable. The repair, replacement or destruction of any item of Equipment, not resulting for any reason in payment of any Stipulated Loss Value therefor, shall constitute the act of Lessee for purposes of this Section 33. In the event of a breach of the representation and warranty as stated in the clause (b) (ii) above, if any item of income credit or deduction with respect to the Equipment shall not be treated as derived from, or allocable to, sources within the United States for a given taxable year (any such event hereinafter referred to as a *"Foreign Loss"*), then Lessee shall pay to Lessor as an Indemnity such amount as, after deduction of all taxes required to be paid by Lessor in respect of the receipt of such amounts under the laws of any Federal, state or local government or taxing authority of the United States, shall equal the sum of: (I) the excess of (x) the foreign tax credits which Lessor would have been entitled to for such year had no such Foreign Loss occurred over (y) the Foreign tax credit to which Lessor was limited as a result of such Foreign Loss and (II) the amount of any interest, penalties, or additions to tax payable as a result of such Foreign Loss. If as a result of any act or failure to act, the assumption set forth in Section 33(a) (iii) shall not be true (an *"Income Inclusion"*), Lessee shall pay to Lessor, as an adjustment to the remaining payments of Basic Rent then due under this Lease, an amount which will provide Lessor with the same after-tax yield that Lessor originally anticipated realizing from this Lease (computed by giving effect to any cost recovery or depreciation deductions Lessor may be entitled to as a result of any such recognition of income). The provisions of this Section 33 regarding determining the existence of a Loss and challenging a claimed Loss alleged by the IRS shall also apply for the same purposes with respect to an Income Inclusion. The provisions of this Section 33 regarding calculating the amount of and determining the payment schedule for a Loss shall also apply for the same purposes with respect to an Income Inclusion. Notwithstanding anything in this Lease, or any document associated with the transaction contemplated by this Lease, Lessee makes no representation to, nor warrants that, Lessor is entitled to the Tax Benefits unless the reason the Lessor is

not entitled to the Tax Benefits is a result of an act, omission or misrepresentation of Lessee and no additional payment will be due from Lessee to Lessor solely as the result of a change in existing law or interpretation thereof. Lessor shall not be required to contest any proposed Loss or Income Inclusion unless Lessor shall have received, at Lessee's expense, an opinion from Lessor's independent tax counsel that a reasonable basis exists for Lessee's position in opposition to such Loss or Income Inclusion, and Lessee has agreed in writing to indemnify Lessor for all expenses Lessor may incur in connection with such contest, such amounts to be payable upon written demand from Lessor. No such contest shall require Lessor to appeal any decision of the United States Tax Court, the United States Court of Claims, or any United States District Court, whichever forum Lessor may choose in its sole discretion. For purposes of this Section 33, the term *"Lessor"* shall include the affiliated taxpayer group within the meaning of Section 1504 of the Code of which Lessor is a member. The provisions of this Section 33 shall survive the expiration or earlier termination of this Lease.

Section 34. Representations and Warranties of Lessee: Lessee hereby represents, warrants and covenants for the benefit of both Lessor and Assignee that, with respect to this Lease and any related documents: (a) the execution, delivery and performance thereof by Lessee have been duly authorized by all necessary corporate action; (b) the individual executing such documents is duly authorized to do so; (c) the Lease and any related documents constitute legal, valid and binding agreements of Lessee enforceable in accordance with their respective terms subject, however, to applicable bankruptcy, insolvency, reorganization or similar laws affecting the rights of creditors generally, statutes of limitations and principles of equity; (d) Lessee has obtained such consents or approvals from other parties, if any, as are necessary in order to enter into this Lease or to perform Lessee's obligations hereunder and has provided copies thereof to Lessor and Assignee; (e) Lessee is in good standing in the state of its incorporation and is qualified to do business in each state where it is necessary to be so qualified; (f) any and all financial statements or other information with respect to the Lessee supplied to Lessor in connection with this Lease and the transactions contemplated hereby are true and complete.

Section 35. Special Covenants: (a) Lessee, for the benefit of both Lessor and Assignee, hereby covenants that it will not (i) enter into any transaction of merger or consolidation or any commitment with respect thereto unless Lessee is the surviving entity and the tangible net worth of the surviving entity is not less than the tangible net worth of Lessee immediately prior to such merger; (ii) liquidate or dissolve; (iii) sell, transfer, or otherwise dispose of all or any material portion of its assets; (iv) permit any substantial change in the ownership or control of its capital stock; or (v) change the form of organization of its business.

(b) Lessee will furnish to Lessor and, so long as an assignment pursuant to Section 21 hereof shall remain in effect, Assignee (in such quantity as Assignee may reasonably request) (i) as soon as available, but in any event not later than 120 days after the end of each fiscal year of Lessee, a consolidated balance sheet of Lessee as at the end of such fiscal year, and consolidated statements of income and changes in financial position of Lessee for such fiscal year, all in reasonable detail, prepared in accordance with generally accepted

accounting principles applied on a basis consistently maintained throughout the period involved and audited by certified public accountants acceptable to Lessor and Assignee; (ii) as soon as available, but in any event not later than 90 days after the end of each of the first three quarterly periods of each fiscal year of Lessee, a consolidated balance sheet of Lessee as at the end of such quarterly period and a consolidated statement of income of Lessee for such quarterly period and for the portion of the fiscal year then ended, all in reasonable detail, prepared in accordance with generally accepted accounting principles applied on a basis consistently maintained throughout the period involved and certified by the chief financial officer of Lessee; and (iii) promptly, such additional financial and other information as Lessor or Assignee may from time to time reasonably request.

LESSEE HEREBY ACKNOWLEDGES RECEIPT OF AN EXECUTED AND TRUE COPY OF THIS LEASE AND THAT IT IS NON-CANCELABLE FOR THE ORIGINAL RENTAL TERM EXCEPT AS PROVIDED FOR IN THE PURCHASE OPTION RIDER ATTACHED TO THIS LEASE.

IN WITNESS WHEREOF, the Lessor and Lessee have each caused this Lease to be duly executed.

LESSOR:	LESSEE:
FLEET CREDIT CORPORATION	MINNESOTA CORN PROCESSORS
By_____	By_____
Its Vice President	Its President

IN WITNESS WHEREOF, the Lessor and Lessee have each caused this Lease to be duly executed.

LESSOR:	LESSEE:
FLEET CREDIT CORPORATION	MINNESOTA CORN PROCESSORS
By_____	By_____
Its Vice President	Its President

LEASE SCHEDULE NO.: _____

This is Counterpart No. ___ of _____ manually executed counterparts. Only the counterpart numbered "1" is sufficient to transfer Lessor's interest herein and to constitute chattel paper as such term is defined in the Uniform Commercial Code.

Master Lease Equipment Agreement Date: December ____, 1995

Lease Schedule No.: _____ Lessee Purchase Order No.: _____

Lease Schedule Date: _____ 7-Year Class Recovery Property

Between FLEET CREDIT CORPORATION (*"Lessor"*) and MINNESOTA CORN PROCESSORS (*"Lessee"*).

1. Equipment Description: See Schedule "A" attached hereto and made a part hereof.

2. Equipment Delivery Location: The above Equipment is to be delivered to Lessee's premises at: 400 West Erie Road; Marshall, MN 56258-1315 and 3000 E. 8th Street; Columbus, NE 68601.

3. Billing Address: 400 West Main Street; Marshall, MN 56258.

4. Lessor's Cost for the Equipment: _____.

5. Lessor's Cost per Item of Equipment: _____.

6. Delivery Date set forth in Acceptance Notice: _____.

7. Commencement Date for Interim Term: _____.

8. End of Interim Term: _____.

9. Rent for Interim Term: $_____ ($_____ per Item).

10. Interim Rent Payment Date: _____.

11. Commencement Date for Basic Term: _____.

12. Duration of Basic Term: 180 months.

13. End of Basic Term: _____.

14. Basic Term Monthly Rent: $_____ in advance ($_____ per item).

15. Basic Monthly Rent Payment Dates: _____ 1, 1996 and first day of each month thereafter to and including _____ 1, 20___.

16. ALL OF THE TERMS, COVENANTS AND CONDITIONS SET FORTH IN THE ABOVE REFERENCED MASTER EQUIPMENT LEASE AGREEMENT (THE *"LEASE"*) ARE INCORPORATED HEREIN BY REFERENCE AS IF THE SAME HAD BEEN SET FORTH HEREIN IN FULL. Lessor agrees to lease to Lessee and Lessee agrees to lease from Lessor the items of Equipment referenced in Paragraph 1 above. By their execution and delivery of this Lease Schedule, the parties hereby reaffirm all of the terms and conditions of the Lease (including, without limitation, the representations and warranties of Lessee set forth in Section 34 thereof) except as modified hereby. Lessee permits Lessor to insert model and serial numbers of Equipment when determined by Lessor. Lessee represents and warrants that there has been no material adverse change in its financial condition, operations or credit since _____, 199_.

17. Lessee's liability and property damage insurance with respect to the Equipment is as specified in the insurance certificate(s) provided to you on the date hereof.

A Schedule of Rent and the Payment Dates therefor is attached hereto, which Schedule, for convenience only, also sets forth Lessor's debt service due on such Payment Dates and the amounts by which such Rent exceeds such debt.

ACCEPTED BY:

FLEET CREDIT CORPORATION (Lessor)	MINNESOTA CORN PROCESSORS (Lessee)
By_____ Its Vice President	By_____ Its President

SCHEDULE A

This Schedule A is attached to and made a part of Lease Schedule No. ____ dated _____, to Master Equipment Lease Agreement dated as of December ____, 1995, between Fleet Credit Corporation, as Lessor, and Minnesota Corn Processors, as Lessee.

EQUIPMENT DELIVERY LOCATION:

400 West Erie Road
Marshall, Minnesota 56258-1315
and
3000 E. 8th Street
Columbus, Nebraska 68601

EQUIPMENT DESCRIPTION:

19,636 Gallon, 110 ton, lined Railroad Tank Cars, DOT_____, manufactured by Trinity Industries, Inc., Spec. No. _____

REPORTING MARKS/ RUNNING NOS.	REPORTING MARKS/ RUNNING NOS.

Lessor: FLEET CREDIT CORPORATION

By_____
Its Vice President

Lessee: MINNESOTA CORN PROCESSORS

By_____
Its President

ADDENDUM A

SCHEDULE OF STIPULATED LOSS VALUES

re: Lease Schedule No. ____ dated _____

The Stipulated Loss Values as set forth on the Schedule thereof attached hereto shall be used to calculate the amount payable under the provisions of the Agreement making reference thereto. The Stipulated Loss Value with respect to the Equipment on any date during the term of the Agreement shall be calculated as of and payable on the next following regular payment date and shall be an amount equal to the sum of (1) all regular payments due and payable with respect to the applicable Equipment as of and including such payment date plus (2) the product of the Lessor's Cost of the applicable Equipment multiplied by the percentage set forth below on such payment date.

PAYMENT DATE FOR PAYMENT NO.	PERCENTAGE OF LESSOR'S COST	PAYMENT DATE FOR PAYMENT NO.	PERCENTAGE OF LESSOR'S COST

(See Attached Schedule)

Dated: _____

FLEET CREDIT CORPORATION

By_____
Its Vice President

MINNESOTA CORN PROCESSORS

By_____
Its President

EARLY PURCHASE OPTION RIDER

Fleet Credit Corporation
50 Kennedy Plaza
Fifth Floor
Providence, Rhode Island 02903-2305

This Early Purchase Option Rider shall be applicable to each of the Lease Schedules (each, a *"Lease"*) to that certain Master Equipment Lease Agreement dated as of December 20, 1995, which are covered by the Commitment Letter by and between the undersigned parties referred to in Section 28 of the Lease.

So long as no Event of Default has occurred and is continuing under the Lease, Lessee shall, upon at least 60 days irrevocable prior written notice to Lessor, have the right to terminate the Lease term of all, but not less than all of the Equipment set forth in the Lease (the *"Equipment"*) on December 1, 2008 (the *"Termination Date"*), and not otherwise. Lessee shall pay to Lessor, on the Termination Date an amount equal to (a) the rental payment due on the Termination Date, plus any other rental payments, late charges, and other amounts then due and owing under the Lease plus (b) an amount calculated by multiplying the Lessor's Cost of such Equipment by, in the case of any Lease Schedule dated on or prior to December 31, 1995, 62%, and in the case of any Lease Schedule dated thereafter and on or prior to May 31, 1996, 63%, plus (c) all taxes, assessments and other charges due and payable upon the sale of the Equipment to Lessee.

Provided that Lessor shall have received all amounts payable hereunder on the Termination Date, and that no other Event of Default then exists and is continuing under the Lease, Lessor shall convey all of its right, title and interest in and to the Equipment to Lessee on the Termination Date AS IS - WHERE IS, WITHOUT RECOURSE OR WARRANTY, except a warranty that Lessor has conveyed to Lessee such title to the Equipment as was conveyed to it by the Manufacturer (as defined in the Lease) and that the Equipment is free and clear of all liens and encumbrances which Lessor is obligated to discharge under Section 7 of the Lease and all liens and encumbrances created by, through or under Lessor. Upon any such sale, Lessor shall execute and deliver such documents evidencing such sale as Lessee shall reasonably request (including a bill of sale).

In the event Lessee shall not pay all amounts due hereunder upon the Termination Date as herein required, then the term of the Lease shall continue in full force and effect and this Early Purchase Option Rider shall be null and void and of no further force and effect.

All capitalized and other terms herein which are not defined herein shall have the meaning given to such terms in the Lease.

Except as specifically set forth herein, all of the terms and conditions of the Lease remain in full force and effect and are hereby ratified and affirmed. To the extent that the provisions of this Rider conflict with any provisions contained in the Lease, the provisions of this Rider will control.

Dated as of December 20, 1995

FLEET CREDIT CORPORATION

By_____
Its Vice President

MINNESOTA CORN PROCESSORS

By_____
Its President

Except as specifically set forth herein, all of the terms and conditions of the Lease remain in full force and effect and are hereby ratified and affirmed. To the extent that the provisions of this Rider conflict with any provisions contained in the Lease, the provisions of this Rider will control.

Dated as of December 20, 1995

FLEET CREDIT CORPORATION

By_____
Its Vice President

MINNESOTA CORN PROCESSORS

By Richard Jurgensen
Its President

ACCEPTANCE NOTICE

MASTER EQUIPMENT LEASE AGREEMENT NO. ___

WE HEREBY ACKNOWLEDGE:

1. Complete and satisfactory delivery and installation of all Equipment described in the Lease Schedule No. ___;

2. Such Equipment is in operating condition and is acceptable to the undersigned;

3. It is understood that neither Fleet Credit Corporation nor any assignee thereof is responsible for Equipment performance or service of Equipment and that lease payments shall continue regardless of performance or condition of Equipment.

Dated: _____

MINNESOTA CORN PROCESSORS

By_____
Its President

SCHEDULE OF RETURN LOCATIONS

This Schedule of Return Locations is attached to and made a part of the Master Equipment Lease Agreement dated as of December ____, 1995, between Fleet Credit Corporation as the Lessor and Minnesota Corn Processors as the Lessee (the *"Lease"*).

The following is a list of all the locations to which the Lessee may be required to deliver Equipment at its expense in accordance with Section 23 of the Lease:

Blair, Nebraska
Cedar Rapids, Iowa
Chicago, Illinois
Clinton, Iowa
Decatur, Illinois
Eddyville, Iowa
Lafayette, Indiana
Memphis, Tennessee
Wahpeton, North Dakota