

DONELAN, CLEARY, WOOD & MASER, P. C.

ATTORNEYS AND COUNSELORS AT LAW

SUITE 850

1275 K STREET, N. W.

WASHINGTON, D. C. 20005-4078

TELEPHONE: (202) 371-9500

TELECOPIER: (202) 371-0900

2-171A028

17820

REGISTRATION BY FILED 1992

June 19, 1992

JUN 19 1992 - 11 35 AM

MOTOR OPERATING UNIT

JUN 19 11 30 AM '92

The Honorable Sidney L. Strickland, Jr.

Secretary

Interstate Commerce Commission

Washington, D.C. 20423

INTERSTATE COMMERCE COMMISSION

17820

REGISTRATION BY FILED 1992

JUN 19 1992 - 11 35 AM

Dear Secretary Strickland:

INTERSTATE COMMERCE COMMISSION

Enclosed for recordation, under the provisions of 49 U.S.C. § 11303(a) and the regulations thereunder are three executed counterparts each of (i) Equipment Leasing Agreement ("Lease") between Rail Co. II, a Delaware corporation ("Lessor") and Cargill, Incorporated, a Delaware corporation ("Lessee"), a primary document, dated as of May 29, 1992; and (ii) Assignment of Lease ("Assignment") from Rail Co. II, a Delaware corporation, as Assignor ("Assignor") to The Lincoln National Life Insurance Company, an Indiana corporation, as Assignee ("Assignee"), a secondary document, dated as of May 29, 1992.

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

EQUIPMENT LEASING AGREEMENT

Lessor:

Rail Co. II
1209 Orange Street
Wilmington, Delaware 19801

Lessee:

Cargill, Incorporated
14507 McGinty Road West
Wayzata, Minnesota 55391

Handwritten signature: J. M. Maser

DONELAN, CLEARY, WOOD & MASER, P. C.
Letter to Secretary Sidney L. Strickland, Jr.
June 19, 1992
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ASSIGNMENT OF LEASE

Assignor:

Rail Co. II
1209 Orange Street
Wilmington, Delaware 19801

Assignee:

The Lincoln National Life Insurance Company
1300 South Clinton Street
Fort Wayne, Indiana 46801

A general description of the railroad equipment covered by the enclosed documents is attached hereto as Schedule I.

The undersigned is the attorney-in-fact of Cargill, Incorporated, Rail Co. II, and The Lincoln National Life Insurance Company mentioned in the enclosed documents and has knowledge of the matters set forth therein. Please return the extra copies of the enclosed documents to John K. Maser III, Esquire, Donelan, Cleary, Wood & Maser, P.C., Suite 850, 1275 K Street, N.W., Washington, D.C. 20005-4078 or the bearer hereof.

Also enclosed is a remittance in the amount of \$32.00 for the required recording fees.

It is also requested that the Assignment be cross-indexed in the "Vendee" Index Book ("white pages") under the name of Assignee, namely under: The Lincoln National Life Insurance Company.

A short summary of the documents to appear in the index follows:

(1) Equipment Leasing Agreement ("Lease"), dated as of May 29, 1992, between Rail Co. II ("Lessor") and Cargill, Incorporated ("Lessee"), covering (1) 115 new central flow covered rail hopper cars bearing identification marks and numbers SAMX40000 through SAMX40088 and SAMX60000 through SAMX60025; (2) 55 new specialty rail tank cars to be used primarily

for the transportation of tallow, lard or grease bearing identification marks and numbers CRGX16046 through CRGX16100; (3) 110 new specialty rail tank cars to be used primarily for the transportation of vegetable oil bearing identification marks and numbers CRGX7320 through CRGX7429.

(2) Assignment of Lease from Rail Co. II, as Assignor, to The Lincoln National Life Insurance Company, as Assignee, dated as of May 29, 1992, relating to the aforesaid Lease, and covering (1) 115 new central flow covered rail hopper cars bearing identification marks and numbers SAMX40000 through SAMX40088 and SAMX60000 through SAMX60025; (2) 55 new specialty rail tank cars to be used primarily for the transportation of tallow, lard or grease bearing identification marks and numbers CRGX16046 through CRGX16100; (3) 110 new specialty rail tank cars to be used primarily for the transportation of vegetable oil bearing identification marks and numbers CRGX7320 through CRGX7429.

Very truly yours,

RAIL CO. II
CARGILL, INCORPORATED
THE LINCOLN NATIONAL LIFE
INSURANCE COMPANY

By: 

John K. Maser III
Attorney-In-Fact

Attachment

SCHEDULE I

DESCRIPTION OF RAILROAD EQUIPMENT

1. One hundred fifteen (115) new central flow covered rail hopper cars manufactured by ACF Industries, Incorporated, bearing identification marks and numbers SAMX40000 through SAMX40088 and SAMX60000 through SAMX60025.

2. Fifty-five (55) new specialty rail tank cars manufactured by Union Tank Car Company and intended to be used primarily for the transportation of tallow, lard or grease, bearing identification marks and numbers CRGX16046 through CRGX16100.

3. One hundred ten (110) new specialty rail tank cars manufactured by Trinity Industries, Inc. and intended to be used primarily for the transportation of vegetable oil, bearing identification marks and numbers CRGX7320 through CRGX7429.

6/19/92

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

John K. Maser III

Done Cleary Wood & Maser

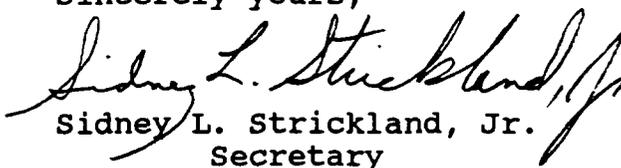
1275 K Street N.W. Suite 850

Washington, D.C. 20005-4078

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 6/19/92 at 11:35am, and assigned recordation number(s). 17820 & 17820-A 17821 17822

Sincerely yours,


Sidney L. Strickland, Jr.
Secretary

JUN 19 1992 -11 35 AM

EQUIPMENT LEASING AGREEMENT

INTERSTATE COMMERCE COMMISSION

EQUIPMENT LEASING AGREEMENT dated as of May 29, 1992 (herein, as amended and supplemented from time to time, called "this Lease"), between Rail Co. II, a Delaware corporation, (herein called "Lessor"), having its principal place of business at 1209 Orange Street, Wilmington, Delaware 19801, and Cargill, Incorporated, a Delaware corporation (herein called "Lessee"), having its principal place of business at 15407 McGinty Road West, Wayzata, Minnesota 55391-2399.

In consideration of the mutual covenants and agreements hereinafter set forth, the parties hereto agree as follows:

1. Definitions. Unless otherwise defined herein, the following terms shall have the following meanings for all purposes of this Lease and shall be equally applicable to both the singular and the plural forms of the terms herein defined:

"Acceptance Date" for each Unit of Equipment means the date on which Lessee has unconditionally accepted such Unit for lease hereunder, as evidenced by Lessee's execution and delivery of a Lease Supplement for such Unit dated such date.

"Acquisition Cost" of each Unit of Equipment means an amount equal to the sum of (i) the total cost paid by Lessor for such Unit, plus (ii) all excise, sales and use taxes paid by Lessor on or with respect to the acquisition of such Unit, plus (iii) all costs and expenses approved and paid by Lessor in connection with the delivery of such Unit as identified on the Lease Supplement in respect of such Unit.

"Acquisition Period" means the period from the date hereof through August 31, 1992, both dates inclusive.

"Assignee" shall have the meaning given to such term in Section 14(b) hereof.

"Basic Rent" means the rent payable for each Unit of Equipment during (i) the Basic Term thereof pursuant to Sections 7(b) and 29 hereof, and (ii) each Renewal Term thereof pursuant to Section 28(a) hereof.

"Basic Term" for each Unit of Equipment means the twelve (12) months commencing on the Basic Term Commencement Date.

"Basic Term Commencement Date" means September 1, 1992.

"Business Day" means any day other than a day on which banking institutions in the Commonwealth of Massachusetts, the State of Indiana, State of Delaware, or the State of Minnesota are authorized by law to close.

"Casualty Loss Value" of each Unit of Equipment shall have the meaning given to such term in Section 16(b) hereof.

"Covered Hopper Cars" means the one hundred fifteen (115) new central flow covered rail hopper cars manufactured by ACF Industries, Incorporated and bearing identification numbers SAMX40000 through SAMX40088 and SAMX60000 through SAMX60025 or such other identification numbers as may be set forth in the Lease Supplement for such Covered Hopper Cars.

"Equipment" means the Covered Hopper Cars, Tallow Tank Cars and Vegetable Oil Tank Cars leased or to be leased by Lessor to Lessee hereunder or ordered by Lessor for lease to Lessee hereunder, together with any and all accessions, additions, improvements and replacements from time to time incorporated or installed therein which are the property of Lessor pursuant to the terms of this Lease.

"Equity Letter of Credit" means that certain Letter of Credit dated as of the date hereof (and any replacements therefor) issued by the L/C Issuer pursuant to the terms of a Loan and Security Agreement between Lessor's Parent as Borrower and The Lincoln National Life Insurance Company as Lender.

"Estimated Residual Value" for any Unit of Equipment shall mean an amount obtained by multiplying (i) the percentage set forth in Exhibit A for such Unit under the caption "Estimated Residual Value Percentage" applicable to the Basic Term or Renewal Term then ending, by (ii) the Acquisition Cost for such Unit.

"Event of Default" means any of the events referred to in Section 22 hereof.

"Event of Loss" with respect to any Unit of Equipment means any of the following events: (i) such Unit shall be or become worn out, lost, stolen, destroyed, or, in the reasonable good faith opinion of Lessee, irreparably damaged from any cause whatsoever during the Term, or (ii) such Unit shall have been returned permanently to the manufacturer due to a material breach of the manufacturer's warranty or patent indemnity agreement, or (iii) the condemnation, confiscation, seizure, or requisition of use or title to such Unit of Equipment or any substantial part thereof by any governmental authority under power of eminent domain or otherwise, or (iv) as a result of any rule, regulation, order or other action by the United States government or any agency or instrumentality thereof, the use of such Unit of

Equipment in the normal course of transportation shall have been prohibited for a continuous period of six months.

"Interim Rent" means the rent payable with respect to each Unit of Equipment for the Interim Term pursuant to Section 7(a) hereof.

"Interim Term" for each Unit of Equipment means the period commencing on the Acceptance Date for such Unit (unless the Acceptance Date is the Basic Term Commencement Date, in which case there shall be no Interim Term for such Unit) and ending on the date immediately prior to the Basic Term Commencement Date.

"L/C Beneficiary" means The Lincoln National Life Insurance Company or its permitted transferee under a Letter of Credit.

"L/C Issuer" means BOT Financial Corporation, a Delaware corporation.

"Lease Supplement" means a Lease Supplement substantially in the form attached hereto as Exhibit B, to be executed by Lessor and Lessee with respect to a Unit or Units of Equipment as provided in Section 4 hereof, evidencing that such Unit or Units are leased hereunder.

"Lessor Letter of Credit" means that certain Letter of Credit dated as of the date hereof (and any replacements therefor) issued by the L/C Issuer pursuant to the terms of a Note Purchase Agreement dated as of the date hereof between Lessor as Owner and The Lincoln National Life Insurance Company.

"Lessor's Parent" means Corporate Trinity Company, a Delaware corporation.

"Letter of Credit" means the Equity Letter of Credit, the Lessor Letter of Credit, or both, as the context may require.

"Lien" means liens, mortgages, encumbrances, pledges, charges and security interests of any kind.

"Maximum Acquisition Cost" means \$14,070,000.

"Maximum Lessee Risk Amount" for any Unit of Equipment shall mean an amount determined by multiplying (i) the percentage set forth in Exhibit A under the caption "Maximum Lessee Risk Percentage" applicable to the Basic Term or Renewal Term then ending, by (ii) the Acquisition Cost for such Unit.

"Maximum Lessor Risk Amount" for any Unit of Equipment shall mean an amount determined by multiplying (i) the percentage set forth in Exhibit A under the caption "Maximum Lessor Risk

Percentage" applicable to the Basic Term or Renewal Term then ending, by (ii) the Acquisition Cost for such Unit.

"Maximum Term" for each Unit of Equipment shall mean twenty years constituting, in aggregate, the Basic Term and all Renewal Terms of such Unit of Equipment.

"Person" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, trustee(s) of a trust, unincorporated organization, or government or governmental authority, agency or political subdivision thereof.

"Reinvestment Premium" for any Unit of Equipment, as of any determination date, shall mean the excess, if any, of (a) the net present value of the sum of (i) all payments of Rent remaining to be paid after such determination date through the expiration of the Maximum Term of such Unit, that would have been payable for such Unit following such determination date if this Lease had been renewed through and inclusive of the expiration of the Maximum Term of such Unit, and (ii) the Estimated Residual Value applicable to such Unit at such expiration of the Maximum Term (together, the sum of (i) and (ii) being referred to as the "Discounted Payments"), each discounted at a rate of 50 basis points over the then current yield for direct obligations of the United States having a maturity equal to the weighted average life of the Discounted Payments, over (b) the Estimated Residual Value applicable to such Unit at such time of determination.

"Renewal Term" for each Unit of Equipment means each period following the end of the Basic Term for such Unit with respect to which Lessee has the option to renew this Lease pursuant to Section 28(a) hereof.

"Rent" means Interim Rent and Basic Rent.

"Rent Payment Date" for each Unit of Equipment means (i) for the Basic Term thereof, each date on which a payment of Basic Rent is due and payable for such Unit pursuant to Section 7(b) hereof, (ii) for the Interim Term thereof (if any), on September 1, 1992 and (iii) for each Renewal Term thereof, each date on which a payment of Basic Rent is due and payable for such Unit as provided in Section 28(a) hereof.

"Rental Period" for each Unit of Equipment means (i) for the Interim Term of such Unit, the period from and inclusive of the Acceptance Date for such Unit to, but not inclusive of, the Basic Term Commencement Date for such Unit, (ii) for the Basic Term of such Unit, each full calendar month, and (iii) for each Renewal Term of such Unit, each full calendar month.

"Supplemental Payment" means all amounts, liabilities

and obligations which Lessee assumes or agrees to pay hereunder to Lessor or others, including payments of Casualty Loss Value and indemnities, but excluding Basic Rent and Interim Rent.

"Tallow Tank Cars" means the fifty-five (55) new specialty rail tank cars manufactured by Union Tank Car Company and intended by Lessee as of the date hereof to be used primarily for the transportation of tallow, lard or grease and whose identification numbers are CRGX16046 through CRGX16100 or such other identification numbers as may be set forth in the Lease Supplement for such Tallow Tank Cars.

"Term" means the full term of the Lease with respect to each Unit of Equipment, including the Interim Term (if any), the Basic Term, and each Renewal Term.

"Termination Date", for any Unit of Equipment, means the last day of the Basic Term of such Unit, or if the Term of such Unit has been renewed pursuant to Section 28(a), the last day of the Renewal Term of such Unit in each case other than by virtue of Section 16 hereof.

"Unit of Equipment" or "Unit" means a single railcar included in the Equipment.

"Vegetable Oil Tank Cars" means the one hundred ten (110) new specialty rail tank cars manufactured by Trinity Industries, Inc. and intended by Lessee as of the date hereof to be used primarily for the transportation of vegetable oil and whose identification numbers are CRGX7320 through CRGX7429 or such other identification numbers as may be set forth in the Lease Supplements for such Vegetable Oil Tank Cars.

The words "this Lease", "herein", "hereunder", "hereof" or other like words mean and include this Equipment Leasing Agreement, and each Lease Supplement and each amendment and supplement hereto and thereto.

2. Agreement for Lease of Equipment. Subject to, and upon all of the terms and conditions of this Lease, Lessor hereby agrees to lease to Lessee and Lessee hereby agrees to lease from Lessor each Unit of Equipment for the Term with respect to such Unit. Provided that no Event of Default has occurred and is continuing hereunder, Lessor agrees that it shall not interfere with Lessee's quiet enjoyment and use of any Unit of Equipment leased hereunder during the Term thereof.

3. Conditions Precedent. Lessor shall have no obligation to purchase any Unit of Equipment and to lease the same to Lessee unless each of the following conditions are fulfilled to the satisfaction of Lessor: (i) no event which is (or with notice or lapse of time or both would become) an Event of Default has

occurred and is continuing, nor has any information come to Lessor's attention from which Lessor could reasonably and in good faith infer that such event might occur; (ii) no material adverse change in the financial condition of Lessee which, in Lessor's reasonable opinion, would impair the ability of Lessee to pay and perform its obligations under this Lease has occurred since February 29, 1992; (iii) such Unit of Equipment is reasonably acceptable to Lessor, and is free of all Liens, other than any Lien specifically excepted in Section 15 hereof; (iv) the Acceptance Date for such Unit of Equipment is a date within the Acquisition Period; (v) the Acquisition Cost of such Unit of Equipment, when added to the total Acquisition Cost of all Equipment which has been leased hereunder or ordered by Lessor for lease hereunder will not be such an amount so as to cause the Maximum Acquisition Cost to be exceeded; (vi) Lessor has received an invoice for such Unit of Equipment from the seller thereof, approved for payment by Lessee, showing Lessor as the purchaser of such Unit, and a Lease Supplement for such Unit, duly executed by Lessee, and dated the Acceptance Date for such Unit; (vii) Lessor shall have received (A) if such Unit of Equipment is being sold by Lessee to Lessor, an executed bill of sale in substantially the form of Exhibit C attached hereto (a "Bill of Sale") from Lessee to Lessor in form and substance satisfactory to Lessor or (B) if such Unit is being sold by a vendor to Lessor, an executed bill of sale from vendor to Lessor in form and substance satisfactory to Lessor and any Assignee; and (viii) Lessor shall have received such other documents, opinions, certificates and waivers, in form and substance satisfactory to Lessor, as Lessor may reasonably require; provided, however, that there shall be no more than three Acceptance Dates hereunder and the Acquisition Cost of all Units of Equipment on any one Acceptance Date shall be not less than \$4,000,000.

4. Delivery, Acceptance and Leasing of Equipment. Lessor shall not be liable to Lessee for any failure or delay in obtaining any Unit of Equipment or making delivery thereof. Forthwith upon delivery of each Unit of Equipment to Lessee, Lessee will inspect such Unit, and unless Lessee gives Lessor prompt written notice of any defect in or other proper objection to such Unit, Lessee shall promptly upon completion of such inspection execute and deliver to Lessor a Lease Supplement for such Unit, dated the Acceptance Date of such Unit. The execution by Lessor and Lessee of a Lease Supplement for any Unit of Equipment shall (a) evidence that such Unit is leased under, and is subject to all of the terms, provisions and conditions of, this Lease, and (b) constitute Lessee's unconditional and irrevocable acceptance of such Unit for all purposes of this Lease and (c) constitute Lessee's representation and warranty that such Unit is free and clear of all Liens, other than Liens permitted by Section 15 hereof.

5. Term. The Interim Term for each Unit of Equipment shall

commence on the Acceptance Date thereof, and, unless sooner terminated pursuant to the provisions hereof, shall end on the date immediately prior to the Basic Term Commencement Date thereof. The Basic Term for each Unit of Equipment shall commence on the Basic Term Commencement Date thereof, and, unless this Lease is sooner terminated with respect to such Unit (or all Equipment) pursuant to the provisions hereof, shall end on the date specified therefor in the Lease Supplement for such Unit. If not sooner terminated pursuant to the provisions hereof, the Term for each Unit of Equipment shall end on the last day of the Basic Term thereof, or if this Lease is renewed pursuant to Section 28(a) hereof, on the last day of the last Renewal Term thereof.

6. Return of Equipment. Upon the expiration or earlier termination of the Term with respect to each Unit of Equipment, Lessee shall forthwith deliver possession of the Units of Equipment to Lessor. Each Unit of Equipment so delivered shall be in the same operating order, repair and condition as when originally delivered to Lessee, ordinary wear and tear excepted, shall comply with all laws and rules referred to in Section 11, shall qualify for interchange service in accordance with the interchange rules of the Association of American Railroads, and shall have attached or affixed thereto any addition, modification or improvement considered an accession thereto as provided in Section 12 hereof and shall have removed in a workmanlike manner therefrom if so requested by the Lessor or any Assignee at the Lessee's expense (i) any addition, modification or improvement which, as provided in Section 12 hereof, is owned by the Lessee and (ii) any insignia permitted pursuant to Section 13 hereof. Without in any way limiting the foregoing, each Unit of Equipment shall be in a condition at least as good as such Unit of Equipment would have been in had it been maintained in accordance with all the terms and conditions of this Lease. For the purpose of delivering possession of any Units of Equipment as above required, the Lessee shall at its own cost, expense and risk:

(a) forthwith and in the usual manner (including, but not by way of limitation, to the extent legally required by applicable law, rules or regulations to protect the Lessor's or any Assignee's interest in the Units of Equipment, giving prompt telegraphic and written notice to the Association of American Railroads and all railroads to which any Units of Equipment have been interchanged or which may have possession thereof to return the Units of Equipment) place such Units of Equipment upon such storage tracks (but at no more than four locations) within the continental United States as the Lessor reasonably may designate;

(b) cause such Units of Equipment to be stored on such tracks at the risk of the Lessee without charge to the Lessor or any Assignee for insurance, rent or storage until

all such Units of Equipment have been sold, leased or otherwise disposed of by Lessor but not to exceed one hundred eighty (180) days; and

(c) cause the same to be transported to any reasonable place (but no more than four locations) within the continental United States as directed by the Lessor or any Assignee.

The assembling, delivery, storage, insurance and transporting of the Units of Equipment as hereinbefore provided shall be at the expense and risk of Lessee and are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises Lessor shall be entitled to a decree against Lessee requiring specific performance of the covenants of the Lessee so to assemble, deliver, store and transport the Units of Equipment. During any storage period, the Lessee will maintain and keep the Units of Equipment in the manner set forth in Section 11 hereof (at Lessor's cost and expense), insure the Units of Equipment in accordance with the provisions of Section 17 hereof (at Lessee's cost and expense) and permit Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser, lessee or other user of any Units of Equipment, to inspect the same at reasonable times. All amounts earned in respect of Units of Equipment not otherwise placed in storage after the date of termination of this Lease whether as a result of an Event of Default or otherwise shall belong to Lessor and, if received by Lessee, shall be promptly turned over to Lessor. In the event any Units of Equipment are not assembled, delivered and stored, as hereinabove provided, Lessee shall, in addition, pay to the Lessor for any day thereafter an amount equal to the per diem equivalent of the Basic Rent then in effect immediately prior to such termination. Without in any way limiting the obligation of Lessee under the foregoing provisions of this Section 6, Lessee hereby irrevocably appoints Lessor as the agent and attorney of the Lessee, with full power and authority, at any time while the Lessee is obligated to deliver possession of any Units of Equipment to Lessor, to demand and take possession of such Units of Equipment in the name and on behalf of Lessee from whomever shall be in possession of such Unit of Equipment at the time.

7. Rent.

(a) Interim Rent. Lessee hereby agrees to pay Lessor Interim Rent for each Unit of Equipment as to which there is an Interim Term, payable on the Rent Payment Date of the Interim Term for such Unit, in the amount obtained by multiplying (i) the Acquisition Cost of such Unit of Equipment by (ii) 0.02467%, by (iii) the number of days from and including the Acceptance Date for such Unit through the end of the Interim Term for such Unit.

(b) Basic Rent. Lessee hereby agrees to pay Lessor Basic Rent monthly in arrears for each Unit of Equipment in an amount obtained by multiplying (i) the Acquisition Cost of such Unit by (ii) 0.81601141% on the first day of each calendar month during the Basic Term commencing on October 1, 1992, except that the Basic Rent for the last calendar month of the Basic Term and any Renewal Term is payable on the last day of such month.

(c) Supplemental Payments. Lessee also agrees to pay to Lessor, or to whomsoever shall be entitled thereto as expressly provided herein, all Supplemental Payments, promptly as the same shall become due and owing, and in the event of any failure on the part of Lessee so to pay any such Supplemental Payment hereunder Lessor shall have all rights, powers and remedies provided for herein or by law or equity or otherwise in the case of nonpayment of Rent.

(d) Method of Payment. All payments of Rent and Supplemental Payments required to be made by Lessee to Lessor shall be made by wire transfer of federal funds to such account in the continental United States as shall be designated by Lessor. In the event of any assignment to an Assignee pursuant to Section 14(b) hereof, all payments which are assigned to such Assignee, whether Rent, Supplemental Payments or otherwise, shall be paid in such manner as shall be designated by such Assignee in accordance with terms of this Lease.

8. Net Lease. This Lease is a net lease. Lessee acknowledges and agrees that Lessee's obligations hereunder, including, without limitation, its obligations to pay Rent for all Equipment leased hereunder and to pay all Supplemental Payments payable hereunder, shall be unconditional and irrevocable under any and all circumstances, shall not be subject to cancellation, termination, modification or repudiation by Lessee (except as otherwise provided in this Lease) and shall be paid and performed by Lessee without notice or demand and without any abatement, reduction, diminution, setoff, defense, counterclaim or recoupment whatsoever, including, without limitation, any abatement, reduction, diminution, setoff, defense, counterclaim or recoupment due or alleged to be due to, or by reason of, any past, present or future claims which Lessee may have against Lessor, any Assignee, any manufacturer or supplier of the Equipment or any part or Unit thereof, or any other Person for any reason whatsoever; nor, except as otherwise expressly provided herein, shall this Lease terminate, or the obligations of Lessee be otherwise affected, by reason of any defect in the Equipment or any part or Unit thereof, the condition, design, operation or fitness for use thereof, any damage to, or any loss or destruction of, the Equipment or any part or Unit thereof, any Liens or rights of others with respect to the Equipment or any part or Unit thereof, any prohibition or interruption of or other restriction against Lessee's use,

operation or possession of the Equipment or any part or Unit thereof, for any reason whatsoever, or any interference with such use, operation or possession by any Person or entity by condemnation or otherwise, or by reason of any failure by Lessor to perform any of its obligations herein contained, or by reason of any other indebtedness or liability, howsoever and whenever arising, of Lessor, or of any Assignee, or of Lessee to any other Person, or by reason of insolvency, bankruptcy or similar proceedings by or against Lessor, any Assignee or Lessee, or for any other reason whatsoever, whether similar or dissimilar to any of the foregoing, any present or future law to the contrary notwithstanding; it being the intention of the parties hereto that all Rent and Supplemental Payments payable by Lessee hereunder shall continue to be payable in all events and in the manner and at the times herein provided, without notice or demand, unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease.

9. Grant of Security Interest. This Lease is a lease intended as security. Lessee hereby grants to Lessor and any Assignee a security interest in the Equipment and all proceeds thereof as collateral security for the payment and performance by Lessee of Lessee's obligations as Lessee hereunder.

10. Use of Equipment; Compliance with Laws. Lessee agrees that the Equipment will be used and operated in compliance with any and all applicable insurance policy terms, conditions and provisions and with all statutes, laws, ordinances, rules and regulations of any Federal, state or local governmental body, agency or authority applicable to the use and operation of the Equipment, provided, however, that Lessee may at its own expense, in good faith, contest the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of Lessor or any Assignee, adversely affect the property or rights of Lessor or any Assignee or result in any liability, criminal or otherwise, on the part of the Lessor or any Assignee. Lessee shall procure and maintain in effect all licenses, registrations, certificates, permits, approvals and consents required by Federal, state or local laws or by any governmental body, agency or authority in connection with the ownership, delivery, installation, use and operation of each Unit of Equipment. The Equipment will at all times be and remain in the possession and control of Lessee, subject, however, to the terms of Section 14(c) hereof. The Equipment shall in no event be located outside of the continental limits of the United States without the prior written consent of Lessor (not to be unreasonably withheld after Lessor and each Assignee shall have received such assurances as Lessor and each Assignee may reasonably require to assure that the interests of Lessor and such Assignee hereunder shall be adequately protected in any other jurisdiction where the Units will be located); provided, however, that so long as the consolidated net worth of Lessee is

not less than \$1,000,000,000, Lessee may use or cause the Units of Equipment to be used in Mexico and Canada so long as not more than thirty percent (30%) of the Units of Equipment are outside the United States at any one time. Lessee shall not use any Unit of Equipment, or permit any Unit of Equipment to be used, for the transportation or storage of any substance which is categorized as, or required to be labeled as, "poison" or "poisonous", "explosive" or "radioactive" (or any categories or labels substituted for such categories or labels as in effect on the day hereof) under 49 CFR 171 or other applicable Federal rules in effect from time to time regulating the transportation of hazardous materials.

11. Maintenance and Repair of Equipment. Lessee agrees, at its own cost and expense, to keep, repair, maintain and preserve the Equipment in at least as good order and operating condition as when originally delivered, ordinary wear and tear excepted, and in conformance with such maintenance and repair standards and procedures as are set forth in the manufacturer's manuals pertaining to the Equipment, and as otherwise may be required to enforce warranty claims against each vendor and manufacturer of each Unit of Equipment, and in compliance with all requirements of law applicable to the use, maintenance and operation of the Equipment, with the interchange rules of the Association of American Railroads (and qualify for interchange service in accordance with such interchange rules) and with all lawful rules of the United States Department of Transportation, the Interstate Commerce Commission, the Federal Railroad Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Equipment, to the extent that such laws and rules affect the title, operation, maintenance or use of the Equipment, and in the event that such laws or rules require any alteration, replacement or addition of or to any part on any Equipment, Lessee will conform therewith at its own expense; provided, however, that Lessee may at its own expense, in good faith, contest the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of Lessor or any Assignee, adversely affect the property or rights of Lessor or any Assignee or result in any liability, criminal or otherwise, on the part of the Lessor or any Assignee. In no event shall the Lessee discriminate as to the use or maintenance of any Unit of Equipment (including the periodicity of maintenance or recordkeeping in respect of such Unit) as compared to equipment of a similar nature which the Lessee owns or leases. Lessee agrees to prepare and deliver to the Lessor and any Assignee within a reasonable time prior to the required date of filing (or, to the extent permissible, file on behalf of Lessor and any Assignee) any and all reports (other than income tax returns) to be filed by Lessor or any Assignee with any Federal, state or other regulatory authority by reason of the ownership by Lessor or any Assignee of the Units of Equipment or the leasing thereof to Lessee. Lessor agrees to

inform Lessee of any request for such reports received by it. Lessee agrees to maintain all records, logs and other materials required by the Association of American Railroads or the Department of Transportation, or any other governmental authority having jurisdiction over the Units of Equipment or the Lessee, to be maintained in respect of each Unit of Equipment. Lessee hereby waives any right now or hereafter conferred by law to make repairs on the Equipment at the expense of Lessor.

12. Replacements; Alterations; Modifications. In case any Unit of Equipment (or any equipment, part or appliance therein) is required to be altered, added to, replaced or modified in order to comply with any laws, regulations, requirements or rules (whether referred to in Section 11 hereof or otherwise) ("Required Alteration") pursuant to Sections 10 or 11 hereof, Lessee agrees to make such Required Alteration at its own expense. Lessee shall have the right to make any modification, alteration or improvement to the Equipment (herein referred to as a "Permitted Modification"), or to remove any parts which have become worn out, broken or obsolete, provided in each case that Lessee continues to be in compliance with Sections 10 and 11 hereof and that such action (a) will not decrease the economic value of the Equipment or impair its originally intended use or function or decrease its useful life and (b) will not cause the Equipment to become suitable for use only by Lessee or only in the business in which Lessee is engaged. In the event any Required Alteration or Permitted Modification is readily removable without causing material damage to the Unit of Equipment, and is not a part, item of equipment or appliance which replaces any part, item of equipment or appliance originally incorporated or installed in or attached to such Unit of Equipment on the Acceptance Date therefor or any part, item of equipment or appliance in replacement of or substitution for any such original part, item of equipment or appliance, any such Required Alteration or Permitted Modification shall be and remain the property of Lessee. To the extent such Required Alteration or Permitted Modification is not readily removable without causing material damage to the Unit of Equipment to which such Required Alteration or Permitted Modification has been made, or is a part, item of equipment or appliance which replaces any part, item of equipment or appliance originally incorporated or installed in or attached to such Unit of Equipment on the Acceptance Date therefor or any part, item of equipment or appliance in replacement of or substitution for any such original part, item of equipment or appliance, the same shall immediately be and become the property of Lessor and subject to the terms of this Lease. Any parts installed or replacements made by Lessee upon any Unit of Equipment pursuant to its obligation to maintain and keep the Equipment in good order, operating condition and repair under Section 11 hereof shall be considered accessions to such Unit of Equipment and title thereto or security interest therein shall be immediately vested in Lessor.

13. Identifying Numbers; Legend; Changes; Inspection.

Lessee will cause each Unit to be kept numbered with the identification number as shall be set forth in the Lease Supplement therefor, and the Lessee will keep and maintain, plainly, distinctly, permanently and conspicuously marked on each side of each Unit, in letters not less than one inch in height, the words "OWNED BY RAIL CO. II AS OWNER AND SUBJECT TO A SECURITY AGREEMENT FILED WITH THE INTERSTATE COMMERCE COMMISSION" or other appropriate words designated by Lessor, with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect Lessor's title to and any Assignee's interests in such Unit and the rights of Lessor and of any Assignee. The Lessee will replace promptly any such words which may be removed, defaced, obliterated or destroyed. The Lessee will not change the identification number of any Unit unless and until (i) a statement of new number or numbers to be substituted therefor shall have been delivered to any Assignee and the Lessor and filed, recorded and deposited by the Lessee in all public offices where this Lease shall have been filed, recorded and deposited or any financing statement has been filed in respect thereof and (ii) the Lessee shall have furnished any Assignee and Lessor an opinion of counsel in form and substance reasonably satisfactory to Lessor and Assignee to the effect that such statement has been so filed, recorded and deposited, such filing, recordation and deposit will protect any Assignee's and Lessor's interests in such Units and that no other filing, recording, deposit or giving of notice with or to any other Federal, state or local government or agency thereof is necessary to protect the interests of Assignee and Lessor in such Unit. The Units of Equipment may be lettered with the names or initials or other insignia customarily used by the Lessee or its permitted sublessees but Lessee will not allow the name of any other person to be placed on any Unit of Equipment as designation that might be interpreted as a claim of ownership. Upon the request of Lessor, Lessee shall make the Equipment available to Lessor, its agents, or its Assignees for inspection at reasonable times and at reasonable locations which do not require re-routing of the Equipment and upon reasonable notice and shall also make Lessee's records pertaining to the Equipment available for inspection provided that from and after the occurrence of an Event of Default, all costs and expenses of the Lessor or any Assignee in connection with such inspection shall be borne by the Lessee.

14. Assignments; Subleasing; Mergers or Consolidations.

(a) Assignments and Subleasing By Lessee. LESSEE SHALL NOT, WITHOUT THE PRIOR WRITTEN CONSENT OF LESSOR, SUBLEASE OR OTHERWISE RELINQUISH POSSESSION OF ANY UNIT OF EQUIPMENT, OR ASSIGN, TRANSFER OR ENCUMBER ITS RIGHTS, INTERESTS OR OBLIGATIONS HEREUNDER AND ANY ATTEMPTED SUBLEASE, RELINQUISHMENT, ASSIGNMENT, TRANSFER OR ENCUMBERING BY LESSEE SHALL BE NULL AND VOID, except as provided in Sections 14(c) and (d) hereof.

(b) Assignments By Lessor. Lessor shall not sell, assign or transfer or grant a security interest in all or any part of, Lessor's rights, obligations, title and interest in, to and under the Equipment (or any Unit) thereof, this Lease, any Lease Supplement, and/or any Rent and Supplemental Payments payable under this Lease or any Lease Supplement; provided, however, that Lessor may so assign and grant a security interest in this Lease and the Equipment concurrently with the execution hereof to The Lincoln National Life Insurance Company (hereinafter "Lincoln National" which for all purposes shall be deemed an Assignee, as hereinafter defined, hereunder); and provided, further, that Lessor and any Assignee shall each have the right at any time, upon prior written notice to Lessee and at its respective sole expense, to sell, assign, transfer or grant a security interest in all (but not less than all) of its rights, title, interests and obligations, to an Institutional Investor in a transaction that is exempted from registration under the Securities Act of 1933, as amended (the "1933 Act") and applicable state securities laws. For purposes of this Section 14(b), an "Institutional Investor" means a "Qualified Institutional Buyer" as defined in Rule 144A under the Securities Act of 1933, as amended, which is not a person or entity (excluding financial services organizations), that, directly or indirectly or through any affiliates, is engaged in industrial or agricultural business similar to those engaged in by the Lessee and the Lessee's affiliates as reasonably determined by the Lessee; provided, however, that no such sale, assignment, transfer or grant of security interest shall expand or reduce the rights and obligations of Lessor under any other provision of this Lease or constitute a waiver of any of Lessee's claims against Lessor and its successors or assigns. Any entity to whom any such sale, assignment, transfer or grant of security interest is made is herein called an "Assignee" and any such sale, assignment, transfer or grant of security interest is herein called an "assignment". Lessee agrees to execute related acknowledgments and other documents that may be reasonably requested by Lessor or an Assignee. Each Assignee shall have and may enforce all of the rights and benefits of Lessor hereunder with respect to the Equipment and related Lease Supplements covered by the assignment, including, without limitation, the provisions of Section 8 hereof and Lessee's representations and warranties under Section 21 hereof. Lessee acknowledges that any such assignment in accordance with the terms hereof will not materially change its duties or materially increase its burdens or risks hereunder. Each such assignment shall be subject to Lessee's rights hereunder so long as no Event of Default has occurred and is continuing hereunder. Lessee shall be under no obligation to any Assignee except upon written notice of such assignment from Lessor or, in the case of a reassignment, from the Assignee. Upon written notice to Lessee of such assignment, Lessee agrees to pay the Rent and Supplemental Payments with respect to the Unit(s) of Equipment covered by such assignment to

such Assignee in accordance with the instructions specified in such notice without any abatement, defense, setoff, counterclaim or recoupment whatsoever, and to otherwise comply with all notices, directions and demands which may be given by Lessor or such Assignee with respect to such Unit(s), in accordance with the provisions of this Lease. Notwithstanding any such assignment, all obligations of Lessor to Lessee under this Lease shall be and remain enforceable by Lessee against Lessor and any Assignee to whom an assignment hereunder (other than The Lincoln National Life Insurance Company and any other Assignee receiving only a security interest) has been made.

(c) Interchange and Subleases. So long as no Event of Default shall have occurred or be continuing hereunder, Lessee shall be entitled to the possession and use of the Units of Equipment upon lines of railroad owned or operated by it or upon lines of railroad over which Lessee has trackage or other operating rights or over which railroad equipment of Lessee is operated pursuant to contract and shall be entitled to permit the use of the Units of Equipment upon connecting by other carriers in the usual interchange of traffic or pursuant to run-through agreements and to assign its rights to the Units of Equipment or to sublease the Units of Equipment, but only upon and subject to all the terms and conditions of this Lease, provided, however, that without the Lessor's prior written consent (which shall not be unreasonably withheld), no such assignment or sublease (other than to a direct or indirect subsidiary of Lessee) shall involve more than one hundred Units or be for a period in excess of the lesser of (a) the then remaining Term of this Lease or (b) two years: and provided, further, Lessee's obligations hereunder shall continue in full force and effect as the obligations of a principal and not of a surety; and provided, further, that the Lessee shall not without the Lessor's prior written consent assign or sublease the Units of Equipment to, or permit the assignment or sublease of the Units of Equipment to, or permit the assignment or sublease of the Units of Equipment by, any person (a) who shall then be in default with respect to the payments of money under any instrument evidencing indebtedness or with respect to any liability for borrowed money or for the deferred purchase price of property if the aggregate amount of all such indebtedness, liabilities and purchase prices under or with respect to which such person is then in default exceed one-half of one percent (.50%) of such person's net worth or capital and surplus, or (b) who shall then be engaged in any proceedings for relief under any bankruptcy or insolvency law or laws relating to the relief of debtors. Lessee may receive and retain compensation for the use of any of the Units of Equipment from railroads or other entities so using such Units of Equipment. Each sublease or assignment permitted by this paragraph shall (a) be expressly subject and subordinate to all of the provisions of this Lease and the Lessor under this Lease in respect of the Units of Equipment covered by such sublease upon the occurrence

of an Event of Default thereunder or hereunder, (b) shall expressly require the Units of Equipment subject thereto to be returned as directed by the Lessor upon notice to such assignee or sublessee that an Event of Default shall have occurred and be continuing and (c) shall expressly prohibit any further sublease or assignment of the Units of Equipment subject thereto. If so requested by Lessor, Lessee shall, within fifteen (15) days after the execution of any such sublease, deliver a conformed copy thereof to the Lessor and the Assignee.

(d) Mergers and Consolidations. Lessee shall not (whether in one transaction or a series of transactions), without Lessor's prior written consent, sell, transfer or dispose of, all or substantially all of its assets or property, or consolidate or merge with any other corporation, unless (i) the corporation which results from such merger or consolidation or which shall have acquired all or substantially all of the property of Lessee is organized under the laws of the United States or a jurisdiction thereof, (ii) all of the liabilities and obligations of Lessee under this Lease shall be expressly assumed in writing by the successor corporation formed by or resulting from any such consolidation or merger (unless such successor corporation is Lessee) or by the corporation which shall have acquired all or substantially all of the property of Lessee and (iii) no Event of Default shall exist and be continuing before or as a result of such action.

15. Liens. Lessee will not directly or indirectly create, incur, assume or suffer to exist any Lien on or with respect to (i) the Equipment or any part or Unit thereof, Lessor's title thereto, or any interest therein, or (ii) this Lease or any of Lessor's interests hereunder, except any Lien granted or placed thereon by Lessor or any Assignee as a result of an assignment to an Assignee pursuant to Section 14(b) hereof. Lessee, at its own expense, will promptly pay, satisfy and otherwise take such actions as may be necessary to keep this Lease and the Equipment free and clear of, and to duly discharge or eliminate or bond in a manner satisfactory to Lessor and each Assignee, any such Lien not excepted above if the same shall arise at any time; provided, however, that Lessee shall not be required to discharge any such Liens solely with respect to the Equipment so long as (i) Lessee shall, in good faith and by appropriate legal proceedings, contest the validity thereof in any reasonable manner and prevent the sale or forfeiture of such Unit of Equipment by formal stay or otherwise, and (ii) such proceedings shall not subject Lessor or any Assignee to any civil or criminal liability. Lessee will notify Lessor and each Assignee in writing promptly upon becoming aware of any tax or other Lien (other than any lien excepted above) that shall attach to the Equipment or any Unit of Equipment, and of the full particulars thereof.

16. Loss, Damage or Destruction.

(a) Risk of Loss, Damage or Destruction. Lessee hereby assumes all risk of loss, damage, theft, taking, destruction, confiscation, requisition or commandeering, partial or complete, of or to each Unit of Equipment, however caused or occasioned, such risk to be borne by Lessee with respect to each Unit of Equipment from the date of this Lease, and continuing until such Unit of Equipment has been returned to Lessor in accordance with the provisions of Section 6 hereof or has been purchased by Lessee in accordance with the provisions of Section 28(b) hereof. Lessee agrees that no occurrence specified in the preceding sentence shall impair, in whole or in part, any obligation of Lessee under this Lease, including, without limitation, the obligation to pay Rent.

(b) Payment of Casualty Loss Value Upon an Event of Loss. Subject to the terms of Section 16(d) hereof, if an Event of Loss occurs with respect to a Unit of Equipment during the Term, Lessee shall give Lessor prompt written notice thereof (accompanied by a certificate of an equipment manager of Lessee stating the circumstances of such Event of Loss in the event that such Unit shall have become worn out, lost, stolen, destroyed, damaged or returned to the manufacturer) and shall pay to Lessor on the Rent Payment Date next following the date of such Event of Loss (or on the last day of the Rental Period in which such Event of Loss occurs if there is no succeeding Rent Payment Date) the sum of (i) all unpaid Interim Rent and Basic Rent due for such Unit of Equipment on or before such Rent Payment Date plus (ii) the Casualty Loss Value of such Unit of Equipment as of the Rent Payment Date next following the date of such Event of Loss, plus (iii) all other Supplemental Payments (if any) due for such Unit of Equipment as of the date of payment of the amounts specified in the foregoing clauses (i) and (ii). Any payments received at any time by Lessor or by Lessee from any insurer or other party (except Lessee) as a result of the occurrence of such Event of Loss will be applied in reduction of Lessee's obligation to pay the foregoing amounts, if not already paid by Lessee, or, if already paid by Lessee, will be applied to reimburse Lessee for its payment of such amount, unless an Event of Default shall have occurred and be continuing. Upon payment in full of such Casualty Loss Value, Basic Rent, Interim Rent (if applicable) and Supplemental Payments, (A) the obligation of Lessee to pay Basic Rent hereunder with respect to such Unit of Equipment shall terminate and the Term of such Unit shall thereupon terminate, and (B) Lessee shall, as agent for Lessor, as soon as practicable, dispose of such Unit of Equipment for Lessee's account. As used in this Lease, the term "Casualty Loss Value" of any Unit of Equipment as of any Rent Payment Date means an amount determined by multiplying the Acquisition Cost of such Unit of Equipment by the percentage set forth opposite such Rent Payment Date on the Schedule of Casualty Loss Values attached hereto and made a part hereof.

(c) Application of Payments Not Relating to an Event of Loss. Any payments (including, without limitation, insurance proceeds) received at any time by Lessor or Lessee from any governmental authority or other party with respect to any loss or damage to any Unit or Units of Equipment not constituting an Event of Loss, will be applied directly in payment of repairs or for replacement of property in accordance with the provisions of Section 11 and 12 hereof, if not already paid by Lessee, or if already paid by Lessee and no Event of Default shall have occurred and be continuing, shall be applied to reimburse Lessee for such payment, and any balance remaining after compliance with said Sections with respect to such loss or damage shall be retained by Lessee.

(d) Replacement of Units. Lessee may elect, by written notice of such election to Lessor and any Assignee accompanying notification of an Event of Loss, to subject to this Lease not more than 60 days after the date of such notice a railcar meeting the suitability standards hereinafter set forth, in lieu of making a payment of the Casualty Loss Value of such Unit of Equipment pursuant to Section 16(b) hereof. To be suitable as a replacement Unit of Equipment, a railcar must be of the same general type, year of construction (or a later year of construction) function, utility, state of repair and operating condition as the Unit of Equipment suffering the Event of Loss, must have a fair market value of not less than the fair market value (immediately preceding the Event of Loss assuming that such Unit had been maintained in accordance with the terms of Section 11 of the Lease) of the Units of Equipment suffering the Event of Loss and be free and clear of any Liens not permitted under Section 15 hereof. Lessee shall cause a Lease Supplement and Bill of Sale, if any, to be executed to subject such replacement railcar hereto and upon the accomplishment of the same and the receipt of evidence of compliance with the insurance provisions of Section 17 hereof with respect to such replacement railcar as the Lessor and Assignee may reasonably request, and by Lessor and each Assignee an opinion of a member of Lessee's Legal Department in form and substance reasonably satisfactory to Lessor and Assignee to the effect that such Lease Supplement has been filed, recorded and deposited in all public offices where the Lease shall have been filed, recorded and deposited, that such filing, recordation and deposit will protect Lessor's and any Assignee's interests in such replacement railcar and that no other filing, recording, deposit, or giving of notice with or to any other Federal, state or local government or agency thereof is necessary to protect the interests of Lessor or Assignee in such replacement railcar, such replacement railcar shall be deemed a "Unit of Equipment" for all purposes hereof, and the Unit of Equipment suffering the Event of Loss shall be released from this Lease.

17. Insurance. Lessee at all times prior to the return of

the Units of Equipment to Lessor pursuant to the terms hereof and at Lessee's own expense, cause to be carried and maintained with financially sound and reputable insurers (a) commercial general liability insurance with respect to the Units of Equipment against third party personal injury and property damage in an amount no less than \$25,000,000 and (b) property insurance in respect of the Units of Equipment at the time leased hereunder, said property insurance to be in amounts at least equal at all times to the aggregate Casualty Loss Value of such Units of Equipment (I) during the Interim Term, as of the first Rent Payment Date and (II) on or after the Basic Term Commencement Date computed as of the next succeeding Rent Payment Date, as the case may be; provided, however, that Lessee may, in the case of property insurance, self-insure such Units of Equipment to the extent that such self-insurance is (a) consistent with prudent industry practice and, in any event, (b) in an amount (considered in relation to the then current value of such Units of Equipment) no greater than the amount of self-insurance maintained with respect to other similar equipment, if any, then owned or leased by Lessee (considered in relation to the then current value of such similar equipment); and provided, further, that insurance may provide for such deductibles as are (I) consistent with prudent industry practice and, in any event (II) in an amount no greater than the amount of deductibles allowed with respect to insurance maintained on other similar equipment; and provided, further, that so long as the consolidated net worth of the Lessee is not less than \$1,000,000,000, Lessee may self-insure for commercial liability in an amount up to \$10,000,000. Lessee may self-insure for amounts in excess of \$10,000,000 with Lessor's prior written consent which consent shall not be unreasonably withheld. Except as otherwise provided above Lessee will carry such insurance in such amounts, for such risks and with such deductibles as are reasonably satisfactory to Lessor and any Assignee and in any event consistent with prudent industry practice and at least comparable in amounts and against risks customarily insured against by the Lessee and corporations of established reputation engaged in the same or similar business as the Lessee. If at any time Lessee shall be unable to obtain \$25,000,000 of liability insurance pursuant to the foregoing sentence, then Lessor may request a certificate of an independent insurance broker stating that the amount of insurance carried by Lessee is consistent with prudent industry practice and that liability insurance in excess of the amount then being carried is commercially unavailable. Lessee shall pay the cost of such certificate. The proceeds of any such insurance shall be payable to any Assignee (pursuant to a standard mortgagee loss payable clause in the case of property insurance), and thereafter Lessor and, so long as no Event of Default shall have occurred and be continuing, Lessee, as their respective interests may appear. All policies of insurance carried in accordance with this paragraph shall (i) require 30 days' prior notice to Lessor, and any Assignee of cancellation or expiration of coverage, (ii) name

Lessor and any Assignee as additional insureds or as loss-payees, as their respective interests may appear, and (iii) waive any right to claim any premiums or commission against Lessor and any Assignee. Such policies shall not require contributions from other policies held by Lessor or any Assignee. Prior to each Acceptance Date, and thereafter not less than 15 days (to the extent such 15 day period may be practicable) prior to the expiration dates of the expiring policies theretofore delivered pursuant to this Section 17, Lessee shall deliver to Lessor and any Assignee certificates issued by the insurer(s) for the insurance maintained pursuant to this Section 17; provided, however, that if the delivery of any certificate is delayed, Lessee shall deliver an executed binder with respect thereto and shall deliver the certificate upon receipt thereof. Upon the request of Lessor or any Assignee Lessee will furnish to Lessor and any Assignee a certificate of an independent insurance broker of recognized standing evidencing the maintenance of all insurance required hereunder.

18. General Tax Indemnity. Lessee agrees to pay, defend and indemnify and hold Lessor, each Assignee, and their respective successors and assigns harmless on an after-tax basis from any and all Federal, state, local and foreign taxes, fees, withholdings, levies, imposts, duties, assessments and charges of any kind and nature whatsoever (including Lessor's Delaware franchise tax), together with any penalties, fines or interest thereon (herein called "taxes or other impositions") howsoever imposed, whether levied or imposed upon or asserted against Lessor, any Assignee, Lessee, the Equipment, any Unit of Equipment, or any part thereof, by any Federal, state or local government or taxing authority in the United States, or by any taxing authority or governmental subdivision of a foreign country, upon or with respect to (a) the Equipment, or any Unit of Equipment or any part thereof, (b) the manufacture, construction, ordering, purchase, ownership, delivery, leasing, subleasing, re-leasing, possession, use, maintenance, registration, re-registration, titling, re-titling, licensing, documentation, return, repossession, sale or other application or disposition of the Equipment, or any Unit of Equipment or any part thereof, (c) the rentals, receipts or earnings arising from the Equipment or any Unit of Equipment or any part thereof, or (d) this Lease, each Lease Supplement, the Rent and/or Supplemental Payments payable by Lessee hereunder; provided, however, that the foregoing indemnity shall not apply to any taxes or other impositions based upon or measured by Assignee's income, receipts, capital, net worth, excess profits or items of tax preference, including minimum taxes and withholding taxes measured by income, and which are imposed or levied by any Federal, state or local taxing authority in the United States. Lessee will promptly notify Lessor of all reports or returns required to be made with respect to any tax or other imposition with respect to which Lessee is required to indemnify hereunder,

and will promptly provide Lessor with all information necessary for the making and timely filing of such reports or returns by Lessor. If Lessor requests that any such reports or returns be prepared and filed by Lessee, Lessee will prepare and file the same if permitted by applicable law to file the same, and if not so permitted, Lessee shall prepare such reports or returns for signature by Lessor and shall forward the same, together with immediately available funds for payment of any tax or other imposition due, to Lessor, at least ten (10) days in advance of the date such payment is to be made. Upon written request, Lessee shall furnish Lessor with copies of all paid receipts or other appropriate evidence of payment for all taxes or other impositions paid by Lessee pursuant to this Section 18. All of the indemnities contained in this Section 18 shall continue in full force and effect notwithstanding the expiration or earlier termination of this Lease in whole or in part, including the expiration or termination of the Term with respect to any Unit (or all) of the Equipment, and are expressly made for the benefit of, and shall be enforceable by, Lessor and each Assignee.

19. Indemnification. Lessee hereby assumes liability for, and does hereby agree to indemnify, protect, save, defend, and hold harmless Lessor, each Assignee, and their respective officers, directors, stockholders, successors, assigns, agents and servants (each such party being herein, for purposes of this Section 19, called an "indemnified party") on an after-tax basis from and against any and all obligations, fees, liabilities, losses, damages, penalties, claims, demands, actions, suits, judgments, costs and expenses, including reasonable legal expenses, of every kind and nature whatsoever, imposed on, incurred by, or asserted against any indemnified party, which is not directly and primarily caused by the gross negligence or willful misconduct of the indemnified party and which relates in any way to or arises in any way out of (a) the manufacture, construction, ordering, purchase, acceptance or rejection, ownership, titling or retitling, registration or reregistration, delivery, leasing, subleasing, possession, use, operation, storage, removal, return, sale or other disposition of the Equipment or any Unit of Equipment, or any part thereof, including, without limitation, any of such as may arise from (i) loss or damage to any property or death or injury to any persons, (ii) patent or latent defects in the Equipment (whether or not discoverable by Lessee or any indemnified party), (iii) any claims based on strict liability in tort, (iv) any claims related to the release of any substance into the environment and (v) any claims based on patent, trademark, tradename or copyright infringement or (b) any failure on the part of Lessee to perform or comply with any of the terms of this Lease. This indemnification shall not include any matters for which Lessor and any Assignee are indemnified under Section 18 of this Lease. Lessee shall give each indemnified party prompt notice of any occurrence, event or condition known to Lessee as a consequence

of which any indemnified party may be entitled to indemnification hereunder, except only that Lessee shall not be required pursuant to this Section 19 to indemnify any indemnified party for any liability relating to the Equipment arising out of acts or events which occur after return of the Equipment to Lessor (and expiration of any storage period) pursuant to Section 6 hereof (other than a return pursuant to Section 23 hereof) or which occur after a sale to a third party pursuant to Section 28(c) hereof. Unless Lessee is contesting any such claim specified in clause (a) hereof in a manner reasonably satisfactory to the indemnified party, Lessee shall forthwith upon demand of any such indemnified party reimburse such indemnified party for amounts expended by it in connection with any of the foregoing or pay such amounts directly. Lessee shall be subrogated to an indemnified party's rights in any matter with respect to which Lessee has actually reimbursed such indemnified party for amounts expended by it or has actually paid such amounts directly pursuant to this Section 19. In case any claim, action, suit or proceeding is made or brought against any indemnified party in connection with any claim indemnified against hereunder, such indemnified party will, promptly after receipt of notice of such claim or the commencement of such action, suit or proceeding, notify Lessee thereof, enclosing a copy of all papers served upon such indemnified party, but failure to give such notice or to enclose such papers shall not relieve Lessee from any liability hereunder or exonerate Lessor from any liability to Lessee for failure to give such notice. Lessee may, and upon such indemnified party's request will, at Lessee's expense, resist and defend such claim, action, suit or proceeding, or cause the same to be resisted or defended by counsel selected by Lessee and reasonably satisfactory to such indemnified party and in the event of any failure by Lessee to do so, Lessee shall pay all costs and expenses (including, without limitation, attorney's fees and expenses) incurred by such indemnified party in connection with such action, suit or proceeding. The provisions of this Section 19, and the obligations of Lessee under this Section 19, shall apply from the date of the execution of this Lease notwithstanding that the Term may not have commenced with respect to any Unit of Equipment, and shall survive and continue in full force and effect notwithstanding the expiration or earlier termination of this Lease in whole or in part, including the expiration of termination of the Term with respect to any Unit (or all) of the Equipment, and are expressly made for the benefit of, and shall be enforceable by, each indemnified party.

20. NO WARRANTIES. LESSOR HEREBY LEASES THE EQUIPMENT TO LESSEE AS-IS AND EXPRESSLY DISCLAIMS AND MAKES NO REPRESENTATION OR WARRANTY, EITHER EXPRESSED OR IMPLIED, AS TO THE DESIGN, CONDITION, QUALITY, CAPACITY, MERCHANTABILITY, DURABILITY, SUITABILITY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE OF, OR ANY OTHER MATTER CONCERNING THE EQUIPMENT. LESSEE HEREBY WAIVES ANY CLAIM (INCLUDING ANY CLAIM BASED ON STRICT OR ABSOLUTE LIABILITY

IN TORT OR INFRINGEMENT) IT MIGHT HAVE AGAINST LESSOR FOR ANY LOSS, DAMAGE (INCLUDING INCIDENTAL OR CONSEQUENTIAL DAMAGE) OR EXPENSE CAUSED BY THE EQUIPMENT OR BY LESSEE'S LOSS OF USE THEREOF FOR ANY REASON WHATSOEVER. So long and only so long as an Event of Default shall not have occurred and be continuing, and so long and only so long as the Equipment shall be subject to this Lease and Lessee shall be entitled to possession of the Equipment hereunder, Lessor authorizes Lessee, at Lessee's expense, to assert for Lessor's account, all rights and powers of Lessor under any manufacturer's, vendor's or dealer's warranty on the Equipment or any part thereof; provided, however, that Lessee shall indemnify, protect, save, defend and hold harmless Lessor from and against any and all claims, and all costs, expenses, damages, losses and liabilities incurred or suffered by Lessor in connection therewith, as a result of, or incident to, any action by Lessee pursuant to the foregoing authorization.

21. Lessee's Representations and Warranties. Lessee hereby represents and warrants that (a) Lessee is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation set forth above, and is qualified to do business in, and is in good standing in all material respects in, each state or other jurisdiction in which the nature of its business makes such qualification necessary (including each state or other jurisdiction in which the Equipment or any part thereof will be located); (b) Lessee has the corporate power and authority to execute and perform this Lease, to lease the Equipment hereunder, to sell the Equipment or any Unit thereof to Lessor and to lease the same back from Lessor under the Lease, and any such sale and leaseback will not violate the laws of the jurisdiction where such Equipment or Unit will be located on the date of such sale and leaseback, and has duly authorized the execution, delivery and performance of this Lease; (c) the leasing of the Equipment from Lessor by Lessee, the sale of any Unit of Equipment by Lessee to Lessor and the leasing back of the same by Lessee from Lessor under the Lease, the execution and delivery of this Lease, each Bill of Sale and Lease Supplement, and other related instruments, documents and agreements, and the compliance by the Lessee with the terms hereof and thereof, and the payments and performance by Lessee of all of its obligations hereunder and thereunder (i) have been duly and legally authorized by appropriate corporate action taken by Lessee, (ii) are not in contravention of, and will not result in a violation or breach of, any of the terms of Lessee's Certificate of Incorporation (or equivalent document) or its By-Laws, and (iii) will not violate or constitute a breach of any provision of law, any order of any court or other agency of government, or any indenture, agreement or other instrument to which Lessee is a party, or by or under which Lessee or any of Lessee's property is bound, or be in conflict with, result in a breach of, or constitute (with due notice and/or lapse of time) a default under any such indenture, agreement or instrument, or result in the

creation or imposition of any Lien upon any of Lessee's property or assets; (d) this Lease has been executed by the duly authorized officer or officers of Lessee and delivered to Lessor and constitutes, and when executed by the duly authorized officer or officers of Lessee and delivered to Lessor each Bill of Sale and Lease Supplement and related instruments, documents and agreements with respect to each Unit of Equipment will constitute, the legal, valid and binding obligations of Lessee, enforceable in accordance with their terms except as limited by any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally from time to time in effect and by general principles of equity including those applicable to the enforceability of the remedy of specific performance; (e) neither the execution and delivery of this Lease, any Bill of Sale or any Lease Supplement by Lessee, nor the payment and performance by Lessee of all of its obligations hereunder and thereunder, nor the sale of any of the Equipment by Lessee to Lessor for the purpose of leasing the same back under the Lease, nor any action necessary to rebut the presumption of fraud discussed in clause (h) below requires the consent or approval of, the giving of notice to, or the registration, filing or recording with, or the taking of any other action in respect of, any Federal, state, local or foreign government or governmental authority or agency or any other Person other than as the same may be required herein; (f) Lessee has not granted, nor will it grant, any Lien on the Equipment, the proceeds thereof or this Lease, to any Person other than Lessor, and no Lien, other than the Lien granted to Lessor hereunder (and any Lien hereafter granted by Lessor) has attached to the Equipment, the proceeds thereof or this Lease, or in any manner has affected adversely Lessor's rights and security interest therein and the Bill of Sale for the Units of Equipment to be sold to, and leased back from, Lessor will grant and convey to Lessor full legal title and ownership in and to such Units of the Equipment, free and clear of all liens and encumbrances and claims of any present or future creditors of the Lessee; (g) there is no litigation or other proceeding now pending or, to the best of Lessee's knowledge, threatened, against or affecting the Lessee, in any court or before any regulatory commission, board or other administrative governmental agency which will adversely affect or impair the title of Lessor to the Equipment, or which, if decided adversely to Lessee, will materially adversely affect the business operations or financial condition of Lessee; (h) without limiting the generality of the foregoing, the retention of possession by Lessee of the Units of Equipment to be sold and leased back following the sale of the same to, and the leaseback of the same from, Lessor, shall not be deemed fraudulent or void as against any present or future creditor of the Lessee under the laws of the states where such Units of the Equipment will, at the time of such sale and leaseback, be located, nor would any subsequent bona fide purchaser from the Lessee of such Units of Equipment, in the event of any attempted subsequent sale thereof

by the Lessee, acquire any title to or rights therein superior to Lessor's title thereto and rights therein; (i) the quarterly report of Lessee for the fiscal period ended February 29, 1992 fairly presents the financial condition of Lessee on such date, and the results of its operations for the period then ended, and except where noted has been prepared in accordance with generally accepted accounting principles consistently followed throughout the periods covered thereby; and there has been no material adverse change in the condition of Lessee, financial or otherwise, since such date; (j) Lessee is not a "common carrier", as such term is defined in any provision of the Interstate Commerce Act, as amended, except that Lessee may be affiliated with three "common carriers" (no such affiliation, however, requires, in connection with the execution, delivery or performance by the Lessee of this Lease, each Bill of Sale and Lease Supplement and other related instruments, documents and agreements, the consent or approval of, or the registration with, or the taking of any other action in respect of, the Interstate Commerce Commission or the Securities and Exchange Commission); (k) assuming the accuracy of the representations of Lincoln National contained in Section 7.2 of the Note Purchase Agreement dated May 29, 1992 between Rail Co. II and Lincoln National, Lessee has not entered into the transaction contemplated by this Lease, directly or indirectly, in connection with any arrangement in any way involving any employee benefit plan or related trust to which it is a party in interest, all within the meaning of the Employment Retirement Income Security Act of 1974, as amended ("ERISA"), and the Internal Revenue Code of 1986, as amended; (l) Lessee is not an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended; (m) Lessee has not offered any interest in this Agreement, the Rent and Supplemental Payments, or the Units of Equipment or any similar security for sale to, or solicited offers to buy any thereof from, or otherwise approached or negotiated with respect thereto with, any prospective purchaser, other than Lessor and not more than twenty-five (25) other institutional investors, each of which was offered an interest in this Agreement, the Rent or the Units of Equipment at a private sale for investment and each of which Lessee had reasonable grounds to believe, and did believe, as to the Lessor, after reasonable inquiry does believe, has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of such an investment; (n) Lessee has delivered to Lessor true, correct and complete copies of invoices for the Units of Equipment; (o) Lessee has delivered to Lessor true, correct and complete copies of all checks or wire transfer instructions or other evidence of payment in full for the Units of Equipment; and (p) in the case of the Units being sold to Lessor and leased back to Lessee payment in full has been made by Lessee for the Units of Equipment to the original seller thereof.

22. Events of Default. Any of the following events shall constitute an Event of Default:

(a) Lessee shall fail to make any payment of Interim Rent or Basic Rent or any Supplemental Payment within five (5) days after the same is due and payable; or

(b) Lessee shall fail to observe or perform any of the covenants or agreements of Lessee set forth in Sections 6, 14(d), 17 (with respect to maintenance of insurance coverage), 28 (with respect to any payment obligations) or 29 hereof (with respect to any payment obligations); or

(c) Lessee shall fail to perform or observe any other covenant, condition, or agreement to be performed or observed by it under this Lease, or in any agreement or certificate furnished to Lessor or any Assignee in connection herewith, and such failure shall continue unremedied for thirty (30) days after written notice to Lessee specifying such failure and demanding the same to be remedied; or

(d) Lessee shall be in default in the payment of any obligation of Lessee to any Person in excess of \$25,000,000 (excluding any such obligation which is being contested in good faith by Lessee by appropriate proceedings, and the liability for which has not been reduced to judgment) relating to the payment of borrowed money or the payment of rent or hire under any "capitalized lease" agreement, and such obligation shall be declared to be due and payable prior to the maturity thereof; or

(e) Lessee shall become insolvent or make an assignment for the benefit of creditors or consent to the appointment of a trustee or receiver; or a trustee or a receiver shall be appointed for Lessee or for a substantial part of its property without its consent and shall not be dismissed for a period of 60 days; or any petition for the relief, reorganization or arrangement of Lessee, or any other petition in bankruptcy or for the liquidation, insolvency or dissolution of Lessee, shall be filed by or against Lessee and, if filed against Lessee, shall be consented to or be pending and not dismissed for a period of 60 days, or an order for relief under any bankruptcy or insolvency law shall be entered by any court or governmental authority of competent jurisdiction with respect to Lessee; or any execution or writ or process shall be issued under any action or proceeding against Lessee whereby any of the Equipment may be taken or restrained and not be bonded or released within 30 days; or except as otherwise permitted by Section 14(d) hereof Lessee's corporate existence shall cease; or

(f) any representation, warranty, statement or certification made by Lessee under this Lease or in any Lease Supplement or in any document or certificate furnished Lessor or

any Assignee in connection herewith or pursuant hereto, shall prove to be untrue or incorrect in any material respect when made [issue of 30 day cure period]; or

(g) if the L/C Beneficiary fails to draw under a Letter of Credit or if the L/C Issuer refuses to honor a draft presented under a Letter of Credit, in either case by reason of a default or an alleged default under this Lease specified by the L/C Issuer by notice to the Lessee, the Lessor and any Assignee, or the existence or alleged existence of a Lien (except any Lien granted or placed thereon by Lessor or any Assignee as a result of an assignment to an Assignee pursuant to Section 14(b) hereof) specified by the L/C Issuer by notice to the Lessee, the Lessor and any Assignee.

23. Remedies Upon Default. Upon the occurrence of any Event of Default and at any time thereafter so long as the same shall be continuing and Lessor has given Lessee written notice of such Event of Default, Lessor may exercise one or more of the following remedies as Lessor in its sole discretion shall elect:

(a) Lessor may terminate this Lease, without prejudice to any other remedies of Lessor hereunder, with respect to all or any Unit of Equipment, and whether or not this Lease has been so terminated, may enter the premises of Lessee or any other party insofar as the Lessee may be lawfully authorized to so permit without judicial process if this can be done lawfully without breach of the peace to take immediate possession of the Equipment and remove all or any Unit of Equipment by summary proceedings or otherwise, or may cause Lessee, at Lessee's expense, to store, maintain, surrender and deliver possession of the Equipment or such Unit in the same manner as provided in Section 6 hereof, all without liability to Lessor for or by reason of such entry or taking of possession, whether for the restoration of damage to property caused by such taking or otherwise;

(b) Lessor may hold, keep idle or lease to others the Equipment or any Unit of Equipment, as Lessor in its sole discretion may determine, 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, except that Lessee's obligation to pay Basic Rent for any Rental Periods commencing after Lessee shall have been deprived of possession pursuant to this Section 23 shall be reduced by the net proceeds, if any, received by Lessor from leasing the Equipment or such Unit to any Person other than Lessee for the same Rental Periods or any portion thereof;

(c) Lessor may sell the Equipment or any Unit of Equipment at public or private sale as Lessor may determine, free and clear of any rights of Lessee, and Lessee shall pay to Lessor, as liquidated damages for loss of a bargain and not as a penalty (in

lieu of the Basic Rent due for the Equipment or Unit(s) so sold for any Rental Period commencing after the date on which such sale occurs), the sum of (i) all unpaid Interim Rent and Basic Rent payable for each Unit of Equipment for all Rental Periods preceding the date on which such sale occurs, plus (ii) an amount equal to the excess, if any, of (x) the Casualty Loss Value of the Equipment or Unit(s) so sold, computed as of the Rent Payment Date coincident with or next preceding the date of such sale, over (y) the net proceeds of such sale, plus (iii) interest at the rate specified in Section 25 hereof on the amount required to be paid by the Lessee pursuant to clause (ii) above from the Rent Payment Date as of which such Casualty Loss Value is computed until the date of actual payment, plus (iv) all unpaid Supplemental Payments due with respect to each Unit of Equipment so sold;

(d) whether or not Lessor shall have exercised, or shall thereafter at any time exercise, any of its rights under subsection (a) or (b) above with respect to any Unit of Equipment, Lessor, by written notice to Lessee specifying a payment date, may demand that Lessee pay to Lessor, and Lessee shall pay to Lessor, on the payment date specified in such notice, as liquidated damages for loss of a bargain and not as a penalty (in lieu of the Basic Rent due for any Unit(s) of Equipment for any Rental Period commencing after the payment date specified in such notice and in lieu of the exercise by Lessor of its remedies under subsection (b) above in the case of a re-lease of such Unit or under subsection (c) above with respect to a sale of such Unit, the sum of (i) all unpaid Interim Rent and Basic Rent payable for such Unit for all Rental Periods through the payment date specified in such notice, plus (ii) all unpaid Supplemental Payments due with respect to such Unit as of the payment date specified in such notice, plus (iii) an amount, with respect to such Unit, equal to the Casualty Loss Value of such Unit computed as of the Rent Payment Date coincident with or next preceding the payment date specified in such notice (together with interest on such amount at the rate specified in Section 25 hereof from the payment date specified in such notice to the date of actual payment); provided, however, that with respect to any such Unit returned to or repossessed by Lessor, the amount recoverable by Lessor pursuant to the foregoing shall be reduced (but not below zero) by an amount equal to the fair market sales value of such Unit as of the date on which Lessor has obtained possession of such Unit; and

(e) Lessor may exercise any other right or remedy which may be available to it under applicable law or proceed by appropriate court action to enforce the terms hereof or to recover damages for the breach hereof or to rescind this Lease.

In addition, Lessee shall be liable for the Reinvestment Premium and all costs and expenses, including reasonable

attorney's fees and expenses, incurred by Lessor or any Assignee by reason of the occurrence of any Event of Default or the exercise of Lessor's remedies with respect thereto, including all costs and expenses incurred in connection with the return of the Equipment in accordance with Section 6 hereof or in placing the Equipment in the condition required by said Section. For the purpose of subsection (d) above, the "fair market sales value" of any Unit of Equipment shall mean such value as has been determined by an independent qualified appraiser selected by Lessor. For purposes of this Section 23, "fair market sales value" shall be determined on the basis of, and shall equal in value, the amount which 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 or scrap dealer) and an informed and willing seller under no compulsion to sell, and in such determination, costs of removal from the location of current use shall not be a deduction from such value, and it shall be assumed (whether or not the same be true) that the Equipment has been maintained in accordance with the requirements of Section 11 hereof and would have been returned to Lessor in compliance with the requirements of Section 6 hereof. Except as otherwise expressly provided above, no remedy referred to in this Section 23 is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to above or otherwise available to Lessor at law or in equity; and the exercise or beginning of exercise by Lessor of any one or more of such remedies shall not constitute the exclusive election of such remedies and shall not preclude the simultaneous or later exercise by Lessor of any or all of such other remedies. No express or implied waiver by Lessor of any Event of Default shall in any way be, or be construed to be, a waiver of any future or subsequent Event of Default. To the extent permitted by applicable law, Lessee hereby waives any rights now or hereafter conferred by statute or otherwise which may require Lessor to sell, lease or otherwise use the Equipment in mitigation of Lessor's damages as set forth in this Section or which may otherwise limit or modify any of Lessor's rights and remedies in this Section 23.

24. Lessor's Right to Perform for Lessee. If Lessee fails to make any Supplemental Payment required to be made by it hereunder or fails to perform or comply with any of its agreements contained herein, Lessor may itself, after notice to Lessee, make such payment or perform or comply with such agreement, and the amount of such payment and the amount of the reasonable expenses of Lessor incurred in connection with such payment or the performance of or compliance with such agreement, as the case may be, together with interest thereon at the rate specified in Section 25 hereof, shall, if not paid by Lessee to Lessor on demand, be deemed a Supplemental Payment hereunder; provided, however, that no such Payment, performance or compliance by Lessor shall be deemed to cure any Event of Default

hereunder.

25. Late Charges. Lessee shall pay to Lessor, upon demand, to the extent permitted by applicable law, interest on any installment of Basic Rent or Interim Rent not paid when due, and on any Supplement Payment or other amount payable under this Lease which is not paid when due, for any period for which any of the same is overdue (without regard to any grace period) at a rate equal to the lesser of (a) nine and 71/100ths percent (9.71%) per annum, or (b) the maximum rate of interest permitted by law.

26. Further Assurances. Lessee will promptly and duly execute and deliver to Lessor and any Assignee such other documents and assurances, including, without limitation, such amendments to this Lease as may be reasonably required by Lessor and by any Assignee, and Uniform Commercial Code financing statements and continuation statements, and will take such further action as Lessor or any Assignee may from time to time reasonably request in order to carry out more effectively the intent and purposes of this Lease and to establish and protect the rights and remedies created or intended to be created in favor of Lessor and of any Assignee and their respective rights, title and interests in and to the Equipment.

27. Notices. All notices provided for or required under the terms and provisions hereof shall be in writing, and any such notice shall be deemed given when personally delivered or when deposited in the United States mails, with proper postage prepaid, for first class certified mail, return receipt requested, addressed (i) if to Lessor or Lessee, at their respective addresses as set forth herein or at such other address as either of them shall, from time to time, designate in writing to the other, and (ii) if to any Assignee, to the address of such Assignee as such Assignee shall designate in writing to Lessor and Lessee.

28. Lessee's Renewal and Purchase Options.

(a) Lessee's Renewal Option. If (i) no Event of Default shall have occurred and be continuing and (ii) this Lease shall not have been earlier terminated, Lessee shall be entitled to renew this Lease for up to nineteen (19) Renewal Terms of twelve (12) months each with respect to all (but not less than all) the Covered Hopper Cars then subject to this Lease, all (but not less than all) the Tallow Tank Cars then subject to this Lease, and all (but not less than all) the Vegetable Oil Tank Cars then subject to this Lease. The first Renewal Term with respect to each such Unit of Equipment will commence at the expiration of the Basic Term of such Unit, and each succeeding Renewal Term will commence at the expiration of the next

preceding Renewal Term. All of the provisions of this Lease, including the Basic Rent Percentage, shall be applicable during each Renewal Term for each such Unit of Equipment. Basic Rent during each Renewal Term shall be payable monthly in arrears for each Unit of Equipment on the first day of each calendar month of such Renewal Term, except that the Basic Rent for the last calendar month of the last Renewal Term is payable on the last day of such month. Lessee may expressly renew this Lease for one or more Renewal Terms upon written notice to Lessor. If Lessee intends not to exercise said renewal option with respect to any of said Renewal Terms, Lessee shall give written notice to Lessor to such effect at least one hundred eighty (180) days prior to the expiration of the Basic Term, in the case of the first Renewal Term, and at least one hundred eighty (180) days prior to the expiration of the then current Renewal Term in the case of the then next succeeding Renewal Term. If Lessee fails to give such written notice to Lessor with respect to any of said Renewal Terms, it shall be conclusively presumed that Lessee has elected to exercise said renewal option with respect to said Renewal Term. In the event Lessee elects not to exercise said renewal option (unless Lessor has otherwise agreed in writing or Lessee has exercised its purchase option under Section 28(b) hereof), each such Unit of Equipment shall be returned to Lessor or delivered to a third party in accordance with the provisions of Section 28(c) hereof and until each such Unit has been so returned or delivered Lessee shall continue to pay Lessor the Basic Rent for each such Unit as specified in the next to last sentence of Section 6 hereof.

(b) Lessee's Purchase Option. If (i) no Event of Default shall have occurred and be continuing, and (ii) this Lease shall not have been earlier terminated, Lessee shall be entitled, at its option, upon written notice to Lessor, as hereinafter provided, to purchase (A) all, but not less than all, the Tallow Tank Cars then subject to this Lease, (B) all, but not less than all, the Vegetable Oil Tank Cars then subject to this Lease and (C) all, but not less than all, the Covered Hopper Cars then subject to this Lease. Such purchase shall be on the Termination Date for such Units of Equipment, for an amount, with respect to each such Unit of Equipment, payable in immediately available funds, equal to the Estimated Residual Value of such Unit of Equipment, plus (x) any applicable sales, excise or other taxes imposed as a result of such sale and, in the event that Lessee exercises its purchase option hereunder prior to the end of the Maximum Term, (y) the Reinvestment Premium in accordance with the last paragraph of Section 29 hereof. Lessor's sale of each Unit of Equipment shall be on an as-is, where-is basis, without any representation by, or recourse or warranty to, Lessor. If Lessee intends to exercise said purchase option, Lessee shall give written notice to Lessor to such effect at least one hundred eighty (180) days prior to the expiration of the Basic Term or, if Lessee has renewed this Lease pursuant to

Section 28(a) hereof, then at least one hundred eighty (180) days prior to the expiration of the then current Renewal Term. If Lessee fails to give such written notice to Lessor as aforesaid, Lessor shall be entitled to presume that Lessee has elected not to exercise said purchase option, in which case (unless Lessor otherwise agrees in writing or Lessee has exercised its renewal option under Section 28(a) hereof) each such Unit of Equipment shall be returned to Lessor or delivered to a third party in accordance with the provisions of Section 28(c) hereof. Until each such Unit has been so returned or delivered (or if Lessee has exercised its said purchase option but has failed, for whatever reason, to pay Lessor the purchase option amount on the payment date specified in the second sentence of this Section 28(b) with respect to any Unit then until such payment has been made to Lessor), Lessee shall continue to pay Lessor the Basic Rent for each such Unit as specified in the next to last sentence of Section 6 hereof.

(c) Third Party Sale of Equipment. In the event Lessee does not exercise either its option to renew this Lease or purchase the Equipment at least one hundred eighty (180) days prior to the expiration of the Basic Term or, if Lessee has renewed this Lease pursuant to Section 28(a) hereof, then at least one hundred eighty (180) days prior to the expiration of the then current Renewal Term, Lessee shall have the obligation during the remainder of the Basic Term, or Renewal Term if applicable, to obtain bona fide bids for each Unit of Equipment from prospective purchasers who are financially capable of purchasing such Unit of Equipment for cash on an as-is, where-is basis, without recourse or warranty. All bids received by Lessee prior to the end of the Basic Term, or Renewal Term if applicable, of each such Unit of Equipment shall be immediately certified to Lessor in writing, setting forth the amount of such bid and the name and address of the Person submitting such bid. No later than the Termination Date Lessee shall deliver such Unit of Equipment either (a) to the bidder, if any, who shall have submitted such highest bid, and Lessor shall simultaneously therewith sell, for cash on an as-is, where-is basis and without recourse or warranty such Unit of Equipment to such bidder; provided, however, that Lessor shall not, without its prior written consent, be obligated to consummate any proposed sale of the Equipment for a price (net of sales costs and applicable taxes) less than the Maximum Lessor Risk Amount applicable to such Equipment at such time, or (b) to Lessor, if directed in writing by Lessor at least three (3) Business Days prior to such Termination Date or if Lessor shall have withheld its prior written consent pursuant to clause (a), in which case the highest bona fide bid theretofore received for such Unit shall be deemed to be the Net Proceeds of Sale therefor for purposes of Section 29 hereof. The total selling price realized from the sale of any such Unit of Equipment shall be retained by Lessor subject to the terms of Section 29 hereof. So long as any Assignee shall have

an interest in this Lease, no rejection by the Lessor of any bid received pursuant to this Section 28(c) shall be effective unless consented to in writing by the Assignee.

29. End of Term Adjustment. If the aggregate Net Proceeds of Sale (hereinafter defined) of all Units of Equipment terminated on the same date is less than the aggregate Estimated Residual Value of all such Units, Lessee shall, on the Termination Date of such Units, pay to Lessor, in immediately available funds, an amount equal to such deficiency as an adjustment to the Basic Rent payable under this Lease for such Units; provided, however, that so long as no Event of Default (or event which with the giving of notice or the passage of time or both would constitute an Event of Default) shall have occurred and be continuing, such amount shall not be more than the Maximum Lessee Risk Amount applicable to such Units. If the aggregate Net Proceeds of Sale of all Units of Equipment subject to this Lease whose Basic Term (or Renewal Term, as applicable) first expires is more than the aggregate Estimated Residual Value of all such Units, Lessor shall retain such excess to be applied to Lessee's obligations (if any) under this Section 29 with respect to any Unit(s) of Equipment whose Basic Term (or Renewal Term, if applicable) last expires hereunder. Upon the last Termination Date hereunder, if the aggregate Net Proceeds of Sale of all Units of Equipment subject to this Lease (including those Units whose Term first expired hereunder) is less than the aggregate Estimated Residual Value of all such Units, Lessee shall, on the last Termination Date of such Units, pay to Lessor, in immediately available funds, an amount equal to such deficiency as an adjustment to the Rent payable under this Lease for such Units; provided, however, that so long as no Event of Default (or event which with the giving of notice or the passage of time or both would constitute an Event of Default) shall have occurred and be continuing, such amount shall not be more than the Maximum Lessee Risk Amount applicable to such Units. If the aggregate Net Proceeds of Sale of all Units of Equipment subject to this Lease (including those Units whose Term first expired hereunder) is more than the aggregate Estimated Residual Value of all such Units, Lessor shall, on the last Termination Date, pay to Lessee an amount equal to such excess as an adjustment to the Rent payable under this Lease for such Units, provided that Lessor shall have the right to offset against such adjustment payable by Lessor, any amounts then due and payable from Lessee to Lessor hereunder.

As used in this Section 29, the term "Net Proceeds of Sale" means, with respect to each Unit of Equipment sold by Lessor to Lessee under Section 28(b) or to a third party under Section 28(c), the net amount of the proceeds of sale of such Unit received by Lessor on or prior to the Termination Date for such Unit, after deducting from the gross proceeds of such sale (i) all sales taxes and other taxes as may be applicable to the sale

or transfer of such Unit, (ii) all fees, costs and expenses of such sale incurred by Lessor and (iii) any other amounts for which, if not paid, Lessor would be liable or which, if not paid, would constitute a Lien on such Unit. Lessor's obligation to sell any Unit of Equipment to Lessee under Section 28(b) or to a third party under Section 28(c) is contingent upon the receipt of the amounts, if any, payable by Lessee with respect thereto pursuant to the first sentence of this Section 29 and pursuant to the last paragraph of this Section 29.

If Lessee does not exercise its option to renew this Lease or purchase the Equipment, and if no bona fide bids are received under Section 28(c) hereof with respect to any Unit of Equipment prior to the Termination Date thereof, then Lessee and Lessor agree that in view of the uncertainties of market conditions and the parties' inability to predict what the actual sale price of such Unit would be, the Net Proceeds of Sale for such Unit shall be deemed to be zero solely for purposes of the rental adjustment set forth in the first paragraph of this Section 29, and Lessee shall, on the Termination Date applicable to such Unit, pay to Lessor in immediately available funds, an amount equal to the Estimated Residual Value, but so long as no an Event of Default, or event which with the passing of time or giving of notice or both would be an Event of Default, has occurred and is continuing hereunder, no more than the Maximum Lessee Risk Amount applicable to such Unit as an adjustment to the Rent payable under this Lease for such Unit, and Lessee shall promptly return such Unit to Lessor upon the Termination Date thereof in accordance with the provisions of Section 6 hereof.

In the event a Termination Date of any Unit of Equipment occurs prior to the last day of the Maximum Term hereof relating to such Unit, Lessee shall pay to Lessor on the Termination Date of such Unit, in addition to any other obligations hereunder, the Reinvestment Premium relating to such Unit.

30. Financial Information; Confidentiality. Lessee agrees to furnish Lessor (a) as soon as practicable and in any event within 60 days after the end of each semi-annual period in each fiscal year, a consolidated profit and loss statement and reconciliation of surplus statement of Lessee and its consolidated subsidiaries for the period from the beginning of the current fiscal year to the end of such semi-annual period, and a consolidated balance sheet of Lessee and its consolidated subsidiaries, as at the end of such semi-annual period, setting forth in each case in comparative form corresponding consolidated figures from the corresponding semi-annual period in the immediately preceding fiscal year, all in reasonable detail and certified by an authorized financial officer of the Lessee, subject to changes resulting from year-end adjustment; (b) as soon as practicable and in any event within 120 days after the end of each fiscal year, a consolidated profit and loss

statement, reconciliation of surplus statement and consolidated statement of cash flows of Lessee and its consolidated subsidiaries for such year and a consolidated balance sheet of the Lessee and its subsidiaries as at the end of such year, setting forth in each case in comparative form corresponding consolidated figures from the preceding annual audit, all in reasonable detail and certified to Lessor by independent certified public accountants of recognized standing selected by Lessee, together with an officer's certificate that no Event of Default, or event which with the passing of time or giving of notice would be an Event of Default, has occurred and is continuing hereunder; (c) as soon as practicable, copies of all such financial statements, proxy statements, notices and reports as Lessee shall send to its public stockholders and copies of all registration statements (without exhibits) and all regular or periodic reports which it files with the Securities and Exchange Commission (or any governmental body or agency succeeding to the function of the Securities and Exchange Commission); and (d) only so long as an Event of Default shall have occurred and be continuing, with reasonable promptness, such other data and information with respect to the business, affairs and conditions of Lessee or its consolidated subsidiaries as from time to time Lessor or each Assignee may reasonably request. Lessor agrees that all financial statements and other proprietary information furnished by Lessee will be treated by Lessor in a responsible manner, and their confidentiality maintained; such material will not be disseminated except to officers, directors, employees and professional consultants for Lessor who, for proper reasons consistent with the purposes for which this information is furnished, need access to such information, and upon prior written notice to Lessee, to such other parties to whom Lessor or any Assignee may have a duty or legal obligation of disclosure and to bona fide prospective Assignees; provided, however, that where such material or information is disclosed to an Assignee or prospective Assignees, Lessor will obtain written assurances from all recipients, enforceable against them by Lessee, that the recipients of such information shall use their best efforts to insure that the confidentiality of such material or information will be maintained. This confidentiality provision of this Lease will survive the expiration or early termination of this Lease. Lessor or its Assignees may designate any person in writing who is an officer, employee or agent of Lessor or its Assignees, as the case may be, to visit and inspect the properties (including, without limitation, the Equipment) of Lessee, and to the extent reasonable under the circumstances, examine its books of record and accounts (including, without limitation, Lessee's records pertaining to the Equipment), and discuss its affairs, finances and accounts with its officers, and, with notice to Lessee so that it may have an officer present if it so reasonably requests, the accountants of Lessee, all at such reasonable times as Lessor or its Assignees, as the case may be, may reasonably request and, upon such request, Lessee shall make such properties and such

books of record and accounts available to Lessor or its Assignees, as the case may be, for inspection; provided, however, that, with respect to the properties of Lessee other than the Equipment and the records of Lessee other than those pertaining to the Equipment, Lessee's obligations hereunder shall arise only following the occurrence and during the continuance of a Default or Event of Default, except that prior to the occurrence of a Default or Event of Default, Lessee shall, upon receipt of reasonable notice, permit Lessor or its Assignees to discuss the affairs, finances and accounts of Lessee with a financial officer of Lessee. So long as any Default or Event of Default shall exist hereunder, Lessee will pay the reasonable expenses of Lessor or its Assignees incurred in the exercise of the rights granted pursuant to this Section 30.

31. Expenses and Recording. Lessee shall reimburse Lessor, Lessor's Parent and The Lincoln National Life Insurance Company all of their respective costs and expenses (including, without limitation, reasonable counsel fees and disbursements) in connection with the preparation, execution and delivery of this Lease and the consummation of the transactions contemplated hereby. Lessee shall also pay the reasonable fees and disbursements of special counsel to the Assignee in connection with any amendments, waivers or consents requested by the Lessee under this Lease. Upon the occurrence of any Default or Event of Default, Lessee will also pay or reimburse the Assignee for reasonable costs and expenses of such financial advisor as shall have been selected by the Assignee to assist the Assignee in connection with such Event of Default. Lessee shall pay the reasonable initial and ongoing fees and expenses (including reasonable counsel fees and disbursements) of Lessor and Lessor's Parent, and at its own expense, will cause this Lease, all Lease Supplements, and the security agreement entered into by Lessor concurrently herewith pursuant to Section 14(b) hereof (the "Security Agreement") to be filed with the Interstate Commerce Commission pursuant to 49 U.S.C. section 11303. The Lessee, at its own expense, will further cause this Lease and/or appropriate financing statements or continuation statements to be filed and recorded and, from time to time when required, refiled and rerecorded, in accordance with the applicable provisions of the Uniform Commercial Code as in effect in the State of Minnesota (and, if the Lessee changes its chief place of business, in any other state) in the same manner as if Lessor's interest in this Lease represented a security interest and in any other state of the United States of America or the District of Columbia where filing shall be reasonably requested by Lessor or any Assignee for the purpose of proper protection, to the satisfaction of counsel for Lessor and any Assignee, of their interests and rights under this Lease and the Security Agreement for the purpose of carrying out the intention of this Lease and the Security Agreement. The Lessee in addition will from time to time do and perform any other act and will execute, acknowledge,

deliver, file, register, record (and will refile, reregister, deposit and redeposit or rerecord whenever required) any and all further instruments reasonably requested by the Lessor or any Assignee for the purpose of proper protection, to their satisfaction, of their respective interests in the Units of Equipment, or for the purpose of carrying out the intention of this Lease and the Security Agreement; and Lessee will promptly furnish to Lessor and any Assignee which shall have requested the same evidence of all such filing, registering, depositing or recording. This Lease and the Security Agreement shall be filed with the Interstate Commerce Commission pursuant to 49 U.S.C. Section 11303 prior to the delivery and acceptance hereunder of any Unit of Equipment.

32. Owner for Income Tax Purposes. Lessor agrees that Lessee shall be deemed the owner of the Equipment for federal, state and local income tax purposes and that, so long as no Event of Default shall have occurred and be continuing, Lessor shall take no action inconsistent with such ownership for income tax purposes.

33. Miscellaneous. 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 or unenforceability without invalidating or diminishing Lessor's rights under the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, Lessee hereby waives any provision of law which renders any provision of this Lease prohibited or unenforceable in any respect. No term or provision of this Lease may be amended, altered, waived, discharged or terminated orally, but may be amended, altered, waived, discharged or terminated only by an instrument in writing signed by a duly authorized officer of the party against which the enforcement of the amendment, alteration, waiver, discharge or termination is sought. A waiver on any one occasion shall not be construed as a waiver on a future occasion. All of the covenants, conditions and obligations contained in this Lease shall be binding upon and shall inure to the benefit of the respective successors and assigns of Lessor and (subject to the restrictions of Section 14(a) hereof) Lessee. This Lease, each Lease Supplement and each related instrument, document, agreement

[The rest of this page is intentionally left blank]

and certificate, collectively constitute the complete and exclusive statement of the terms of the agreement between Lessor and Lessee with respect to the acquisition and leasing of the Equipment, and cancel and supersede any and all prior oral or written understandings with respect thereto. This Lease shall in all respects be governed by, and construed in accordance with, the laws of the State of Minnesota, including all matters of construction, validity and performance.

[The rest of this page is intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be duly executed by their duly authorized representatives as of the date first written above.

RAIL CO. II
(Lessor)

By M. G. Ferrucci
Title: President

CARGILL, INCORPORATED
(Lessee)

By _____
Title: _____

COUNTERPART NO. 2 OF NINE SERIALY NUMBERED MANUALLY EXECUTED COUNTERPARTS. TO THE EXTENT IF ANY THAT THIS DOCUMENT CONSTITUTES CHATTEL PAPER UNDER THE UNIFORM COMMERCIAL CODE, NO SECURITY INTEREST IN THIS DOCUMENT MAY BE CREATED THROUGH THE TRANSFER AND POSSESSION OF ANY COUNTERPART OTHER THAN COUNTERPART NO. 1.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be duly executed by their duly authorized representatives as of the date first written above.

RAIL CO. II
(Lessor)

By _____
Title: _____

CARGILL, INCORPORATED
(Lessee)

By Ernest S. Micek
Title: Ernest S. Micek
President, Food Sector

COUNTERPART NO. 2 OF NINE SERIALLY NUMBERED MANUALLY EXECUTED COUNTERPARTS. TO THE EXTENT IF ANY THAT THIS DOCUMENT CONSTITUTES CHATTEL PAPER UNDER THE UNIFORM COMMERCIAL CODE, NO SECURITY INTEREST IN THIS DOCUMENT MAY BE CREATED THROUGH THE TRANSFER AND POSSESSION OF ANY COUNTERPART OTHER THAN COUNTERPART NO. 1.

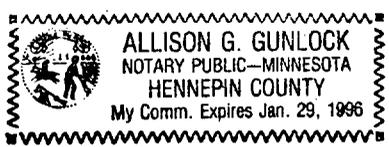
STATE OF MINNESOTA)
) SS:
COUNTY OF HENNEPIN)

On this 16th day of June, 1992 before me personally
appeared Ernest S. Micek, the President, Food Sector
of CARGILL, INCORPORATED, a Delaware corporation, and
acknowledged that the foregoing instrument was signed and sealed
on behalf of said corporation by authority of its Board of
Directors and the execution of the foregoing instrument was the
free act and deed of said corporation.

Allison G. Gunlock
Notary Public

[Seal]

My commission expires:
January 29, 1996



STATE OF DELAWARE)
) SS:
COUNTY OF NEW CASTLE)

On this 15th day of June, 1992 before me personally
appeared M. A. Ferrucci, the President
of RAIL CO. II, a Delaware corporation, and acknowledged that
the foregoing instrument was signed and sealed on behalf of said
corporation by authority of its Board of Directors and the
execution of the foregoing instrument was the free act and deed
of said corporation.


Notary Public

[Seal]

My commission expires:

September 22, 1993

EXHIBIT A TO EQUIPMENT LEASING AGREEMENT

<u>Expiration of:</u>	<u>Estimated Residual Value Percentage</u>	<u>Maximum Lessee Risk Percentage</u>	<u>Maximum Lessor Risk Percentage</u>
Basic Term	100.42266892870	88.10290974410	12.31975918460
Renewal Term 1 (if any)	99.33459000930	87.16883691810	12.16575309120
Renewal Term 2 (if any)	98.14786300320	86.14835786150	11.99950514170
Renewal Term 3 (if any)	96.85354421590	85.03347958220	11.82006463370
Renewal Term 4 (if any)	95.44187909490	83.81546969790	11.62640939700
Renewal Term 5 (if any)	93.90222871380	82.48478803930	11.41744067450
Renewal Term 6 (if any)	92.22298959320	81.03101192480	11.19197766840
Renewal Term 7 (if any)	90.39150625270	79.44275452500	10.94875172770
Renewal Term 8 (if any)	88.39397583170	77.70757567430	10.68640015740
Renewal Term 9 (if any)	86.21534406670	75.81188443120	10.40345963550
Renewal Term 10 (if any)	83.83919183540	73.74083262730	10.09835920810
Renewal Term 11 (if any)	81.24761141430	71.47819856690	9.76941284740
Renewal Term 12 (if any)	78.42107151950	69.00625996970	9.41481154980

DBB
Lessee's Initials

MAF
Lessor's Initial

<u>Expiration of:</u>	<u>Estimated Residual Value Percentage</u>	<u>Maximum Lessee Risk Percentage</u>	<u>Maximum Lessor Risk Percentage</u>
Renewal Term 13 (if any)	75.33827010890	66.30565515910	9.03261494980
Renewal Term 14 (if any)	71.97597384200	63.35523140980	8.62074243220
Renewal Term 15 (if any)	68.30884298210	60.13187926830	8.17696371380
Renewal Term 16 (if any)	64.30924042640	56.61035154490	7.69888888150
Renewal Term 17 (if any)	59.94702341920	52.76306556370	7.18395785550
Renewal Term 18 (if any)	55.18931638390	48.55988711890	6.62942926500
Renewal Term 19 (if any)	50.00026315820	43.96789444500	6.03236871320

DBB
Lessee's Initials

MAF
Lessor's Initials

EXHIBIT B TO EQUIPMENT LEASING AGREEMENT

LEASE SUPPLEMENT NO. _____

This Lease Supplement is executed pursuant to, and incorporates by reference all of the terms, conditions and provisions of, the Equipment Leasing Agreement dated as of May 29, 1992 between the undersigned Lessor and Lessee (herein, as amended and supplemented from time to time, called the "Lease"). Lessee hereby (a) acknowledges and certifies that (i) each Unit of Equipment described below or on any Schedule attached hereto has been selected by, delivered to, and inspected by, Lessee, and is located at the location set forth below, (ii) Lessee has reviewed and approved the purchase order, supply contract or purchase agreement covering each such Item, and (iii) that as between Lessor and Lessee, each such Item is of a size, design, capacity and manufacture acceptable to and suitable for Lessee's purposes, and is in good working order, repair and condition; and (b) unconditionally and irrevocably accepts each such Unit for lease under the Lease on the date hereof. Lessor and Lessee hereby agree that each Unit of Equipment described below or on any Schedule attached hereto is hereby leased from Lessor to Lessee under and subject to all of the terms, conditions and provisions of the Lease; that the Term of each such Item commences on the date hereof and that such date is the Acceptance Date thereof; and that the Acquisition Cost, Interim Term, Basic Term Commencement Date, Basic Term, Interim Rent and Basic Rent for all Units of Equipment covered by this Lease Supplement is as set forth below. Lessee hereby agrees to pay the Rent for all Items of Equipment covered by this Lease Supplement in the amounts and at the times specified below, reaffirms its acknowledgments and agreements in Section 8 of the Lease and certifies that its representations and warranties set forth in Section 21 of the Lease and in any related certificate delivered to Lessor are true and correct on the date hereof. All capitalized terms used herein which are not defined herein shall have the meaning given to such terms in the Lease. This Lease Supplement may be executed in any number of counterparts, each of which is an original, but all of which together shall constitute but one and the same instrument.

1. Description of Unit(s) of Equipment (include builder, model, serial number and quantity):

2. Location:

3. Acquisition Cost: \$ _____

4. Interim Term: commencing on date hereof and ending on _____, 19__.

5. Basic Term Commencement Date: _____, 19__
6. Basic Term: _____ () months, commencing on Basic Term Commencement Date and ending on _____, 19__.
7. Interim Rent for Interim Term: \$ _____ (plus applicable sales/use tax) and payable on _____, 19__.
8. Basic Rent payable during Basic Term: \$ _____ (plus applicable sales/use tax) payable on each Rent Payment Date in _____ during Basic Term, commencing on _____, 199__.
9. Finance Charges: For purposes of calculation of any state or local sales or use tax which may be imposed upon the leasing of the Units of Equipment covered by this Lease Supplement, all of the Interim Rent for the Interim Term and that portion of each payment of Basic Rent for the Basic Term and each Renewal Term, if any, constituting a finance charge is shown on the attached Schedule A.

Dated: _____, 199__.

COUNTERPART NO. _____ OF NINE
 SERIALY NUMBERED MANUALLY EXECUTED
 COUNTERPARTS. TO THE EXTENT IF ANY
 THAT THIS DOCUMENT CONSTITUTES
 CHATTEL PAPER UNDER THE UNIFORM
 COMMERCIAL CODE, NO SECURITY INTEREST
 IN THIS DOCUMENT MAY BE CREATED
 THROUGH THE TRANSFER AND POSSESSION
 OF ANY COUNTERPART OTHER THAN
 COUNTERPART NO. 1.

RAIL CO. II

By _____
 Title: _____

CARGILL, INCORPORATED

By _____
 Title: _____

EXHIBIT C TO EQUIPMENT LEASING AGREEMENT

BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS that Cargill, Incorporated (hereinafter referred to as "Seller"), a Delaware corporation, with its principal place of business at 15407 McGinty Road West, Wayzata, Minnesota 55391-2399, for and in consideration of the sum of _____ Dollars (\$ _____) and other good and valuable consideration paid to it by Rail Co. II (hereinafter referred to as "Buyer"), the receipt of which is hereby acknowledged by Seller, hereby grants, bargains, sells, conveys, transfers and sets over unto Buyer, its successors and assigns, all of Seller's rights, title and interest in and to the rail tank cars described on Schedule A attached hereto and made a part hereof (herein collectively called the "Equipment"), the purchase price of each unit of Equipment being indicated thereon.

Seller hereby warrants and represents to Buyer and its successors and assigns that Seller has good legal title to, and good and lawful right to sell, the Equipment, that the Equipment is free and clear of any and all claims, liens, security interests and other encumbrances of any kind or nature whatsoever, and that upon the delivery of this Bill of Sale to Buyer, Buyer will have good and marketable title to the Equipment free and clear of any and all claims, liens, security interests and other encumbrances of any kind or nature whatsoever. Seller covenants that it will defend Buyer's title to the Equipment against the claims and demands of all persons and will indemnify and hold harmless Buyer and its successors and assigns from and against any and all losses, damages and expenses, including reasonable attorneys' fees, incurred by it, resulting from or relating to the breach by Seller of any representations or warranties contained herein.

Possession of the Equipment is being retained by Seller by virtue of a sale to and a leaseback of the Equipment from Buyer. This Bill of Sale is made and given in good faith and is not intended for security or for the purpose of defrauding creditors or purchasers.

IN WITNESS WHEREOF, Seller has caused this Bill of Sale to be duly executed in its name by its duly authorized officer and its corporate seal to be affixed hereto this _____ day of _____, 1992.

CARGILL, INCORPORATED

ATTEST:

By _____

Assistant Secretary

Its _____

(corporate seal)

AFFIDAVIT BY SELLER

STATE OF MINNESOTA

)

COUNTY OF HENNEPIN

)

SS:

)

_____ being duly sworn, deposes and says that (s)he is the _____ of Cargill, Incorporated, the Seller named in the foregoing Bill of Sale, that the consideration for said Bill of Sale was actual and adequate, that said Bill of Sale was given in good faith for the purpose therein set forth, that this deponent has knowledge of these facts, and that (s)he is authorized to and does make this affidavit for and on behalf of Seller.

NOTARIZATION

The above Affidavit by Seller was subscribed and sworn to before me this _____ day of _____, 19____.

My commission expires: _____

Notary Public

SCHEDULE OF CASUALTY LOSS VALUES

[Attached to and made a part of the Equipment Leasing Agreement dated as of May 29, 1992]

<u>Rent Payment Date Number</u>	<u>Percentage of Acquisition Cost (after payment of Basic Rent on corresponding Rent Payment Date)</u>	<u>Rent Payment Date Number</u>	<u>Percentage of Acquisition Cost (after payment of Basic Rent on corresponding Rent Payment Date)</u>
1	101.34043093420	31	98.65487706550
2	101.25998215210	32	98.55493563820
3	101.17894944590	33	98.45426880270
4	101.09732857730	34	98.35287129380
5	101.01511527720	35	98.25073780790
6	100.93230524560	36	98.14786300320
7	100.84889415120	37	98.04424149880
8	100.76487763120	38	97.93986787500
9	100.68025129130	39	97.83473667270
10	100.59501070530	40	97.72884239300
11	100.50915141470	41	97.62217949740
12	100.42266892870	42	97.51474240690
13	100.33555872400	43	97.40652550220
14	100.24781624440	44	97.29752312310
15	100.15943690060	45	97.18772956840
16	100.07041607010	46	97.07713909550
17	99.98074909670	47	96.96574592010
18	99.89043129060	48	96.85354421590
19	99.79945792770	49	96.74052811430
20	99.70782424980	50	96.62669170420
21	99.61552546410	51	96.51202903150
22	99.52255674310	52	96.39653409890
23	99.42891322410	53	96.28020086560
24	99.33459000930	54	96.16302324690
25	99.23958216510	55	96.04499511400
26	99.14388472230	56	95.92611029350
27	99.04749267560	57	95.80636256740
28	98.95040098330	58	95.68574567240
29	98.85260456710	59	95.56425329970
30	98.75409831190	60	95.44187909490

DBB
Lessee's Initials

MAF
Lessor's Initials

<u>Rent Payment Date Number</u>	<u>Percentage of Acquisition Cost (after payment of Basic Rent on corresponding Rent Payment Date)</u>	<u>Rent Payment Date Number</u>	<u>Percentage of Acquisition Cost (after payment of Basic Rent on corresponding Rent Payment Date)</u>
61	95.31861665730	91	91.17398428160
62	95.19445953990	92	91.01974404080
63	95.06940124870	93	90.86438427300
64	94.94343524280	94	90.70789685220
65	94.81655493360	95	90.55027359350
66	94.68875368480	96	90.39150625270
67	94.56002481200	97	90.23158652560
68	94.43036158210	98	90.07050604780
69	94.29975721330	99	89.90825639420
70	94.16820487440	100	89.74482907850
71	94.03569768480	101	89.58021555290
72	93.90222871380	102	89.41440720750
73	93.76779098050	103	89.24739536980
74	93.63237745340	104	89.07917130450
75	93.49598104970	105	88.90972621290
76	93.35859463550	106	88.73905123230
77	93.22021102490	107	88.56713743580
78	93.08082297990	108	88.39397583170
79	92.94042321000	109	88.21955736290
80	92.79900437180	110	88.04387290680
81	92.65655906850	111	87.86691327430
82	92.51307984970	112	87.68866920980
83	92.36855921090	113	87.50913139050
84	92.22298959320	114	87.32829042580
85	92.07636338270	115	87.14613685710
86	91.92867291030	116	86.96266115710
87	91.77991045120	117	86.77785372930
88	91.63006822460	118	86.59170490760
89	91.47913839310	119	86.40420495570
90	91.32711306260	120	86.21534406670

DBB
Lessee's Initials

MAF
Lessor's Initials

<u>Rent Payment Date Number</u>	<u>Percentage of Acquisition Cost (after payment of Basic Rent on corresponding Rent Payment Date)</u>	<u>Rent Payment Number</u>	<u>Percentage of Acquisition Cost (after payment of Basic Rent on corresponding Rent Payment Date)</u>
121	86.02511236240	151	79.62867484110
122	85.83349989300	152	79.39063489600
123	85.64049663640	153	79.15086717760
124	85.44609249780	154	78.90935914520
125	85.25027730920	155	78.66609816700
126	85.05304082870	156	78.42107151950
127	84.85437274000	157	78.17426638690
128	84.65426265210	158	77.92566986040
129	84.45270009850	159	77.67526893750
130	84.24967453670	160	77.42305052120
131	84.04517534770	161	77.16900141960
132	83.83919183540	162	76.91310834490
133	83.63171322610	163	76.65535791300
134	83.42272866790	164	76.39573664250
135	83.21222723010	165	76.13423095430
136	83.00019790270	166	75.87082717060
137	82.78662959580	167	75.60551151450
138	82.57151113890	168	75.33827010890
139	82.35483128060	169	75.06908897610
140	82.13657868760	170	74.79795403690
141	81.91674194460	171	74.52485111000
142	81.69530955320	172	74.24976591100
143	81.47226993170	173	73.97268405190
144	81.24761141430	174	73.69359104030
145	81.02132225050	175	73.41247227860
146	80.79339060450	176	73.12931306320
147	80.56380455460	177	72.84409858390
148	80.33255209270	178	72.55681392280
149	80.09962112330	179	72.26744405390
150	79.86499946330	180	71.97597384200

DBB
Lessee's Initials

MAF
Lessor's Initials

<u>Rent Payment Date Number</u>	<u>Percentage of Acquisition Cost (after payment of Basic Rent on corresponding Rent Payment Date)</u>	<u>Rent Payment Date Number</u>	<u>Percentage of Acquisition Cost (after payment of Basic Rent on corresponding Rent Payment Date)</u>
181	71.68238804210	211	61.81072531020
182	71.38667129860	212	61.44335674810
183	71.08880814440	213	61.07332170250
184	70.78878300020	214	60.70060081920
185	70.48658017350	215	60.32517460350
186	70.18218385790	216	59.94702341920
187	69.87557813240	217	59.56612748750
188	69.56674696030	218	59.18246688620
189	69.25567418870	219	58.79602154830
190	68.94234354720	220	58.46077126140
191	68.62673864740	221	58.01469566610
192	68.30884298210	222	57.61977425550
193	67.98863992410	223	57.22198637360
194	67.66611272550	224	56.82131121470
195	67.34124451700	225	56.41772782190
196	67.01401830680	226	56.01121508630
197	66.68441697970	227	55.60175174580
198	66.35242329630	228	55.18931638390
199	66.01801989210	229	54.77388742870
200	65.68118927650	230	54.35544315160
201	65.34191383200	231	53.93396166650
202	65.00017581320	232	53.50942092830
203	64.65595734600	233	53.08179873190
204	64.30924042640	234	52.65107271100
205	63.96000691980	235	52.21722333710
206	63.60823856000	236	51.78021891800
207	63.25391694820	237	51.34004559700
208	62.89702355200	238	50.89667735130
209	62.53753970460	239	50.45009099110
210	62.17544660360	240	50.00026315820

Prior to Rent Payment Date Number 1, the Casualty
 Loss Value Dis 101,42030% of
Lessee's Initials

1, the Casualty
 Acquisition Cost!
Lessor's Initials