

Industry
Financial
CORPORATION

July 31, 1991

1-217A061

444 Pine Street
St Paul, Minnesota 55101
(612) 228-4500

17472

REGISTRATION NO. _____ FILED 1025

AUG 5 1991 3 05 PM

INTERSTATE COMMERCE COMMISSION

Interstate Commerce Commission
Attn: Mildred Lee, Room 2303
12th and Constitution Avenue N.W.
Washington, DC 20423

Dear Ms. Lee:

Enclosed you will find one notarized original and one notarized certified copy of an Assignment of Lease (with certified copies thereof of the actual Locomotive Lease) between Independent Locomotive Service, Inc., 21 Main Street, Bethel, Minnesota 55005, and Industry Financial Corporation, 444 Pine Street, St. Paul, Minnesota 55101, covering the lease on Locomotive No. 1370 to Bunge Corporation, 919 13th Avenue S.E., Minneapolis, Minnesota 55414

I understand you will be returning one copy to us with the file numbers indicated.

We are enclosing the required \$30.00 filing fee (\$15.00 for each copy of the assignment).

Our company would like to get a copy of the Interstate Commerce Commission regulations in regard to filing on locomotives. Please call us collect to discuss this matter and to let us know what fee would be involved.

If you have any questions, please feel free to call me collect at 612-228-4511.

Sincerely,

INDUSTRY FINANCIAL CORPORATION

Mary Jane Weierke
Portfolio Administrator

MJW:ljl
Encs.

Certified Mail P 403 002 574

Interstate Commerce Commission
Washington, D.C. 20423

8/6/91

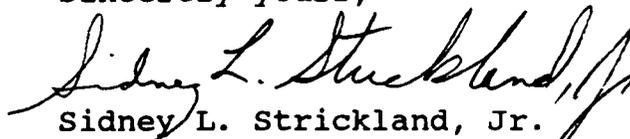
OFFICE OF THE SECRETARY

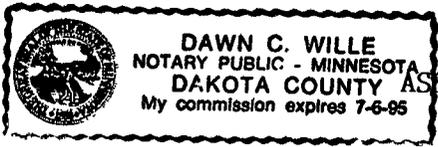
Mary Jane Weierke
Industry Financial Corporation
444 Pine Street
St Paul Minnesota 55101

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 8/5/91 at 3:05pm, and assigned recordation number(s). 17472

Sincerely yours,


Sidney L. Strickland, Jr.
Secretary



DAWN C. WILLE
NOTARY PUBLIC - MINNESOTA
DAKOTA COUNTY ASSIGNMENT
My commission expires 7-6-95

Subscribed and sworn to me this
31 day of July A.D. 1990
Dawn C. Wille
Notary Public

THIS ASSIGNMENT is made and entered into the 9 day of July, 1991, by and between INDEPENDENT LOCOMOTIVE SERVICE, INC., a Minnesota corporation with its principal office at 21 Main Street, Bethel, Minnesota (hereinafter referred to as "Assignor"), and INDUSTRY FINANCIAL CORPORATION, a Minnesota corporation with its principal office at 444 Pine Street, St. Paul, Minnesota (hereinafter referred to as "Assignee").

17472
REGISTRATION NO. FILED 1425

AUG 5 1991 -3 05 PM

INTERSTATE COMM. COMMISSION

W I T N E S S E T H:

WHEREAS, Assignor desires to assign to Assignee certain Locomotive Leases as listed on the attached Schedule A (hereinafter referred to individually as a "Lease" or collectively as the "Leases"); and

WHEREAS, Assignee is willing to accept the Leases on the conditions hereinafter stated;

NOW, THEREFORE, the parties hereto agree as follows:

1. In consideration of payment by Assignee to Assignor of the purchase price of \$ 40,651.67 which price is based upon aggregate unpaid lease rentals set forth on Schedule A, Assignor hereby assigns, transfers, and sets over unto Assignee, its successors and assigns, all of its right, title and interest in the Leases and grants Assignee a security interest in the underlying equipment ("the Equipment") and personal property. All obligations of lessor under those leases listed on Schedule A with regard to ownership, including but not limited to repairs and maintenance, of the underlying equipment shall remain with the Assignor. This Assignment includes all endorsements, warranties, and monies due or to become due under such Leases.

As identified on Schedule A, a reserve is to be established in the general accounts of Assignee whereby the portion of monthly rental payable by the lessee under the Lease attributable to preventative maintenance to be performed by Assignor is to be withheld. Upon submittance by Assignor of documentary evidence satisfactory to Assignee that preventative maintenance on the Equipment has been timely made and properly performed as provided for under Lease, Assignee shall release at quarterly intervals, the portion of the reserve shown on Schedule A. If the lessee shall for any reason take an offset against or a deduction from the monthly rentals because of Assignor's failure to provide preventative maintenance, the Assignee shall be under no obligation to release any future payments from the reserve until such time as Assignor reimburses Assignee in whole for the amount offset or deducted by the lessee and in any event Assignor shall be under a continuing duty to reimburse Assignee upon demand in the event that the amount of abated rent exceeds such quarterly payment. Assignee shall be under no duty of inquiry as to the right of lessee to abate the rent and it shall be the sole responsibility of Assignor to resolve any conflicts regarding such

right directly with the lessee.

2. Assignor hereby represents and warrants as follows:

(a) All the Leases described in Schedule A are genuine in all respects and what they purport to be; that all statements therein contained are true; that the Leases are genuine, enforceable and the only instruments executed for the Equipment described therein; that at the time of the execution of this Assignment the Assignor has good title to the Equipment covered thereby and the right to transfer titles thereto; that the Equipment has been duly delivered and accepted by the lessees in accordance with the terms of the Leases; that all parties to the Leases have capacity to contract and that the Assignor has no knowledge of any facts which would impair the validity of the Leases or render them less valuable; and warrants compliance with all filings and recording requirements under the Uniform Commercial Code and the Interstate Commerce Act, and otherwise, hereby agreeing that any filings or recordings or renewals thereof which Assignee may undertake at Assignor's request or otherwise, shall be at Assignor's expense and without any responsibility whatsoever on Assignee's part for any omissions or invalid accomplishment thereof, whether through Assignee's failure, neglect, or for any reason, and such omission or invalid accomplishment shall not relieve the Assignor from any responsibility to Assignee. The Assignor expressly represents and warrants that the Leases arise out of a bona fide letting by the Assignor in the first instance of the Equipment described therein to the lessees and that title to the Equipment originated with the Assignor and not with the lessees and that an actual delivery to and acceptance by the lessees has been made for the lessees' uses and purposes. All of the Leases assigned to Assignee hereunder as delivered on the date hereof are the only original executed copies of such Leases except that in the possession of lessee.

(b) All of the Equipment covered by each of the Leases described in Schedule A were delivered pursuant to the terms thereof to the lessees and accepted by such lessees.

(c) The schedule of rentals as set forth in Schedule A is true and correct and that such payments are due in the amounts and dates as provided under the terms and provisions of each of the Leases.

(d) No litigation has been instituted or is pending by the lessees named in Schedule A and/or by any other person, firm or corporation against Assignor in regard to any of the Leases.

(e) None of the Leases have been amended, extended or assigned to any other party or in any way modified.

(f) Assignor has not bargained, transferred, sold or conveyed any of the Leases to any other party except by this Assignment.

(g) Assignor has a perfected first security interest in all of the Equipment and has not assigned such security interest to any other party except under this Assignment.

(h) There are no written or verbal agreements between Assignor and lessees under the Leases or with any other party which would alter, amend, vary or otherwise affect in any way the terms and conditions set forth in the Leases.

(i) Assignee's representative reviewed each lessee's account on _____, _____, and Assignor warrants that as of the date of such review each lease was current, that monthly rentals, as shown on each lease ledger sheets, were, in fact, received during the months shown, that each application of monthly rentals were made to the outstanding lease balances as shown on the ledger sheets, and that the balances due and remaining number of months shown on the lease ledger sheets are accurate as shown.

(j) Duly Organized. Assignor is a corporation duly organized and validly existing under the laws of Minnesota and has the authority to sell and assign the Leases as herein provided.

(k) Validly Licensed. Assignor is fully licensed, qualified to do business and in good standing in every jurisdiction where such licensing or qualification is or would be required for the purpose of enforcing the terms of the Leases.

(l) Duly Authorized. The execution and delivery of this Assignment and any and all documents due hereunder, has been duly and effectively authorized by the Board of Directors of Assignor, as evidenced by a corporate resolution to be delivered to Assignee at the signing of this Assignment and dated, duly signed and sealed prior thereto.

(m) No Prohibition to Assignment. The execution of the Leases contemplated by this Assignment and the Assignment thereof to Assignor will not result in a breach, violation or default under judgment, decree, mortgage, loan agreement, indenture or other instrument applicable to Assignor, for which Assignor has not obtained a release.

(n) No Violation of Law. The consummation of the Leases contemplated by this Assignment will not result in a violation or infraction by Assignor of any existing state or federal statute nor any rules or regulations issued by any regulatory agency thereunder.

(o) All the Leases were written for business purposes only.

(p) On the date of closing, no Lease will be thirty (30) days past due in payments and no lessee will have filed for protection under the Bankruptcy Reform Act as amended, have had a receiver appointed or have made an assignment for the benefit of creditors.

3. Title to all Equipment shall remain in Assignor and Assignor shall have the right to retain such title so long as the respective Lease does not fall into default as described hereafter. If lessee shall fail to make any rent payments as provided in the lease, or shall invoke its right to abate the rent for failure of maintenance by Assignor, Assignee shall so notify Assignor. If such failure of payment shall not be cured within twenty (20) days after notice is given to the Assignor, Assignor shall upon demand by Assignee transfer and convey title to the Equipment covered by such Lease to the Assignee without further consideration to Assignor. If Assignor receives notice from a lessee as provided in the Lease of failure to provide maintenance, Assignor shall contemporaneously therewith orally notify Assignee followed by confirmation thereof in writing within seventy two (72) hours. If Assignor, due to some incapacity cannot transfer such title, or has ceased doing business, or for whatever reason refuses to transfer such title, the title to the Equipment covered by the Lease shall automatically be deemed to have vested and passed to Assignee.

4. In the event that any Equipment covered by any of the Leases assigned hereunder is rejected or returned by the lessee named therein, such an event shall be deemed to be a default of the terms of the Lease and it shall be treated as in Paragraph 3. Assignor will immediately notify Assignee of the occurrence of an event described in this Paragraph 4.

5. Assignor shall procure and continuously maintain all risk insurance against loss of or damage to the Equipment for not less than the full replacement value thereof naming the Assignee as loss payee and providing that said insurance shall not be invalidated by any act or neglect of the Assignor or other third party. Such policies of insurance shall be reasonably satisfactory to the Assignee as to form, amount and insurer, and shall provide for at least thirty (30) days prior written notice of cancellation to the Assignee.

Assignor shall furnish certificates and endorsements, or policies to Assignee as proof of such insurance. If Assignor fails to procure or maintain the insurance required by this paragraph, Assignee may procure such insurance on behalf of Assignor. If Assignee exercises this option, it shall bill to Assignor its costs, and Assignor shall make full payment to Assignee within the time specified in such bill.

6. Assignee shall have the sole right to make collections of all rentals due under the Leases and to notify each lessee of the assignment hereunder. Assignor agrees not to solicit or make any collections with respect to any of the Leases assigned hereunder and to promptly forward to Assignee all rentals, checks and other remittances and/or any communications or inquiries which Assignor may receive with reference to the Leases. Assignor hereby grants to Assignee the right and authority to collect, in Assignor's name if necessary, all payments due under the Leases and to endorse, with Assignor's name, all checks or other instruments received by Assignee under the Leases. This power of

attorney is irrevocable and shall be limited as hereinabove set out.

7. By reason of this Assignment, Assignee shall have all rights and remedies available to Assignor under the Leases, including but not limited to the right to demand, receive and enforce payment and to give receipts, releases, satisfaction for, and to take any legal measures necessary to enforce collection. Assignor hereby agrees to execute and deliver to Assignee any and all documents including UCC financing statements necessary for Assignee to perfect its title and interest in the Leases and its security interest in the Equipment and to pay all filing fees associated therewith.

8. Upon breach by Assignor of any of its warranties specifically represented in Paragraph 2 hereof with respect to any of the Leases assigned hereunder, or in the event the remaining unpaid Lease rentals shown under Schedule A are not confirmed by the lessee within twenty (20) days from the execution of this Assignment, or upon Lessee's failure to make rent payments as provided in the Lease, or upon the breach of any other terms of this Assignment, Assignor shall upon demand by Assignee repurchase such unpaid Lease by paying to Assignee the entire unpaid balance due under this Assignment with respect to such Lease without first requiring the Assignee to exhaust its security or to proceed against the lessee or other obligor. Upon such payment, Assignee shall reassign the Lease to Assignor. In the event Assignor fails to repurchase any such Lease as outlined hereinabove within a period of fifteen (15) days after demand, Assignee shall have the right to require Assignor to repurchase all of the Leases assigned hereunder, even if such Leases are not in default.

9. If Assignee institutes legal proceedings to enforce its rights hereunder and prevails on the merits it shall be entitled to recover the cost and expenses thereof including reasonable attorneys' fees.

10. This Assignment shall inure to and be binding upon the respective successors and assigns of the parties.

11. This Assignment may only be amended in writing signed by both parties thereto.

12. This Assignment shall be interpreted and governed in accordance with the laws of the State of Minnesota.

IN WITNESS WHEREOF, Assignor and Assignee have hereunto set their respective hands and seals this 9 day of July, 1991.

ATTEST:

INDEPENDENT LOCOMOTIVE SERVICE, INC. (Assignor)

Audrey Y. Nesbit
Secretary

BY Frank W. Nesbit, Pres
Title

(CORPORATE SEAL)

ATTEST:

INDUSTRY FINANCIAL CORPORATION (Assignee)

Secretary

BY [Signature]
Title

(CORPORATE SEAL)

GUARANTY

The undersigned, Frank W. and Audrey Y. Nesbit, (hereinafter collectively called the Guarantors), in consideration of and in order to induce the execution and delivery of the above Assignment dated July 9, 1991 by and between Independent Locomotive Service Corporation ("Independent") and Industry Financial Corporation, do hereby jointly and severally unconditionally guaranty the due and punctual performance by Action of any and all covenants and agreements contained therein. The Guarantors agree that they may be joined in any action against Action and that recovery may be had against the Guarantors to the extent of their liability either in such action or independent action without pursuing or exhausting any remedy or claim against Action. Guarantor further agrees to pay all costs and expenses (including reasonable attorneys' fees and legal expenses) paid or incurred by Industry Financial Corporation in endeavoring to enforce performance of this Guaranty.

FRANK W. NESBIT (INDIVIDUAL GUARANTOR)

Frank W. Nesbit

AUDREY Y. NESBIT (INDIVIDUAL GUARANTOR)

Audrey Y. Nesbit

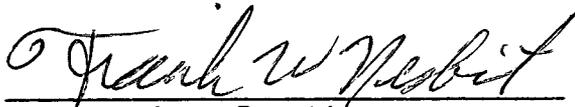
UNANIMOUS WRITING IN LIEU OF
BOARD OF DIRECTORS MEETING

We, the undersigned, being all the members of the Board of Directors, do hereby adopt the following resolution:

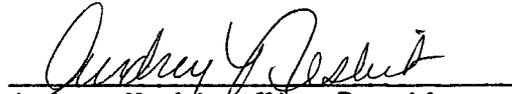
RESOLVED, that the president and vice-president of this corporation are empowered to execute whatever documents are necessary to sell and transfer the rights to receive money from the leases of locomotives that are outstanding as of the date of this instrument. The president and vice-president are empowered to use their best judgment in determining what consideration is sufficient for such consideration.

As part of this resolution, and without in any way limiting their authority, the Board of Directors has seen, reviewed and approved as to form and content the proposed assignment labelled Exhibit A and attached to this resolution.

Dated 7-9-91



Frank Nesbit, President



Audrey Nesbit, Vice-President

This Tax Certificate being part of Assignment between Independent Locomotive Service, Inc., and Industry Financial Corporation dated July 9, 1991

TAX CERTIFICATE

Pursuant to the terms and conditions of that certain Assignment dated July, 1991, between Industry Financial Corporation ("Industry"), and Independent Locomotive Service, Inc., ("Independent"), Independent hereby represents and warrants to Industry that as of the date of closing there are no unpaid taxes which are due and payable based on ownership of the equipment leased by Independent, nor are there any unpaid sales or use taxes based on the purchase price of such leased equipment or based on rental payments due under the leases for which Independent is the lessor and assigned to Industry. Independent further represents and warrants that there are no tax liens filed against the leased equipment for failure to pay taxes thereon and that no notice of tax lien has been received by Independent nor suit begun for the collection of any unpaid taxes and that Independent is not, as of closing, contesting any assessment levied against the leased equipment.

In witness whereof, Independent has signed this Certificate on this 9 day of July, 1991.

INDEPENDENT LOCOMOTIVE
SERVICE, INC.

By: Frank W Nesbit

Its: pres

FRANK W. NESBIT (GUARANTOR)

Frank W Nesbit

AUDREY Y. NESBIT (GUARANTOR)

Audrey Y Nesbit

This Bulk Transfer Certificate
being part of Assignment
between Independent Locomotive
Service, Inc., and Industry
Financial Corporation dated

July 9, 1991

BULK TRANSFER CERTIFICATE

Pursuant to the terms and conditions of that certain
Assignment dated July 9, 1991, between Industry Financial
Corporation ("Industry"), and Independent Locomotive Service,
Inc., ("Independent"), Independent hereby agrees to protect,
defend, indemnify and hold Industry harmless from any claims
arising against Industry pursuant to the Uniform Commercial Code -
Bulk Transfers as enacted in the State of Minnesota.

INDEPENDENT LOCOMOTIVE
SERVICE, INC.

By: Frank W. Nesbit

Its: pres

FRANK W. NESBIT (GUARANTOR)

Frank W. Nesbit

AUDREY Y. NESBIT (GUARANTOR)

Audrey Y. Nesbit

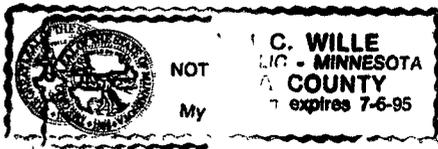
SCHEDULE A

<u>LEASE DATE</u>	<u>LESSEE NAME</u>	<u>EQUIPMENT DESCRIPTION</u>	<u>UNIT NUMBER</u>	<u>NUMBER PMTS REMAINING FROM 8/15/91</u>	<u>MONTHLY PAYMENT</u>	<u>DISCOUNT BALANCE</u>	<u>MAINTENANCE RESERVE</u>	<u>QUARTERLY MAINTENANCE RESERVE</u>
7/1/91	Bunge Corp.	EDM SW-8 Locomotive	1370	34	\$1,475.00	\$40,651.67	\$5,100.00	\$450.00

Initials

Fon

Cyp



TRUE AND EXACT COPY OF ORIGINAL
INDUSTRY FINANCIAL CORPORATION
BY Mary Jane Kinski

Subscribed and sworn to ~~me~~ this

31 day of July A.D. 1990

Dawn L. Thille

Notary Public

LOCOMOTIVE LEASE

THIS AGREEMENT made this 1st day of JULY, 1991, by and between INDEPENDENT LOCOMOTIVE SERVICE, INC., a Minnesota corporation, hereinafter called "Lessor" and BUNGE CORPORATION, a Minnesota corporation doing business in the State of Minnesota, hereinafter called "Lessee".

1. DESCRIPTION. Lessor hereby leases and lets to Lessee and Lessee hereby hires and takes from Lessor, for the term and conditions hereinafter stated, two diesel-electric locomotive unit(s), hereinafter called "unit(s)", described as follows:

MAKE	TYPE	MODEL	H.P.	SERIAL NO.	UNIT NO.
EMD	GENERAL PURPOSE	SW-8	800		1370

2. DELIVERY. Unit is at present on location with BUNGE CORPORATION. Lessee shall be responsible for all freight charges, trackage and fuel costs port to port. Representatives of each of the parties hereto shall perform a joint inspection of each of the unit(s) and, except as otherwise determined by said joint inspection, each unit(s) shall be considered to be in good repair and operating condition at the time of delivery. Lessee shall have the right to refuse to accept any unit(s) not found to be in good repair at said inspection and Lessor may, at its election, repair each unit(s) to correct any deficiency found during said inspection.

3. TITLE. It is understood that at all times title of these units remains with INDEPENDENT LOCOMOTIVE SERVICE, INC.

4. ASSIGNMENT. Lessee shall not assign this lease or sublease any of said locomotives or deliver possession thereof to any other person, and shall keep them free of any mechanics' liens or other liens. Lessee shall display upon each locomotive, while in its possession, a lease board of stencil bearing substantially the following legend:

"THIS LOCOMOTIVE LEASED FROM INDEPENDENT LOCOMOTIVE SERVICE, INC."

5. REPAIRS AND MAINTENANCE. Lessee agrees that said unit(s) shall be returned to the Lessor clean and in good order and in proper repair, ordinary wear and tear excepted. Lessee shall assume all expenses for repairs or reconstruction of the unit(s) due to improper usage, operator error, derailment, accident, neglect, or vandalism, however sustained, while in Lessee's possession. Lessee shall keep the unit(s) clean and inspected daily, in accordance with the attached daily maintenance schedule of leased units and fully supplied with the necessary consumables, to include the following:

- a. Daily inspection
- b. Lubricating oil
- c. Fuel oil
- d. Water and Water Treatment
- e. Sand
- f. All lubricating oil filters
- g. All fuel oil filters
- h. All air filters
- i. Light bulbs
- j. All fuses
- k. Brushes (all electric motors and generators)
- l. Traction motor gear lube
- m. Lubricating oil (journal) for traction motors, boxes, support bearings, and journal boxes
- n. Air hoses (train line)
- o. Brake shoes

Lessor, at its sole cost and expense, will be responsible for periodic preventative maintenance in accordance with Lessor's recommended procedures, a copy of which is attached hereto and incorporated herein. If any modifications are made to the unit(s) by Lessee, the unit(s) shall be restored to their original condition before their return to Lessor. Lessee agrees to report to Lessor monthly the total gallons of fuel oil and lubricating oil consumed by each unit during the preceding month.

Lessor, at its sole cost and expense, will be responsible for all maintenance of these units during the term of this lease in coordination with paragraph 11, which provides for certain repairs to be the responsibility of Lessee.

6. TAXES AND OTHER CHARGES. Lessee shall pay all costs relating to said unit(s) during the period of its possession relating to all federal, state and local taxes, including ad valorem personal property taxes, and/or sales and use taxes, imposed upon the use, possession or ownership of said unit(s). Taxes on the income of Lessor are excluded.

7. INSPECTION. Lessee will allow Lessor free access to the unit(s) for the purpose of examining or exhibiting the same, or to make any repairs or alterations thereto which Lessor may deem necessary, access shall be subject to Lessee's Plant Safety Rules and Regulations, upon reasonable notice, during business hours, and shall not unduly interfere with Lessee's operations.

8. TERM. This lease shall be for a term of three (3) years, commencing July 15, 1991, and terminating July 14, 1994. The Lessee shall have at that time an option to renew the lease for a consecutive period of three (3) years in accordance with paragraph 16.

9. RENT. Lessee shall pay to the Lessor a rental for the use of the unit(s) as follows:

Unit 1370

Fifty-four and 17/100 Dollars (\$54.17) per day

or

One Thousand Six Hundred Twenty-five and no/100 Dollars (\$1,625.00) per month

The rental charge will apply and begin on July 15, 1991. Lessee shall pay two (2) months rental for each unit in advance, which shall be first credited against any additional charges payable by the Lessee hereunder and any balance remaining shall then be credited against the last two (2) months rental hereunder. Lessor shall render a monthly statement to Lessee for said lease payment, and Lessee shall pay the same within fifteen (15) days from the date of Lessee's receipt of the statement, unless otherwise stated on the invoice such payments shall be due on the 15th of each month.

Unless such damage or injury is due to the negligence of Lessor, its employees, Agents or Contractors

10. LIABILITY AND INDEMNIFICATION. Lessor shall not be liable under any circumstances for any loss or delay or any damage of any kind to any property or shipments caused by or resulting from the use of the unit(s). Lessor shall not be liable to Lessee because of any damage or injury caused directly or indirectly by the unit(s) or resulting in any way from the use thereof. Lessee shall fully indemnify, save harmless and defend Lessor against all claims, demands or causes of action asserted against Lessor by any other person, including employees and agents of Lessee, firm, or corporation on account of damages or injury caused by the unit(s) or resulting in any way from the use thereof. Lessee shall defend, at Lessee's expense, any litigation, including investigation expenses, arising from the operation of the unit(s). In the furtherance of such obligations of Lessee, Lessee shall provide proof of adequate insurance coverage to cover such liabilities. Lessee's duty to defend and indemnify Lessor hereunder does not extend or apply to losses or damages due to Lessor's negligence.

by Lessee

or the negligence of Lessor's employees, Agents or Contractors

11. DAMAGE OR DESTRUCTION. any expenses incurred for repairs or reconstruction of the unit(s) due to improper usage, operator error, derailment, accident, neglect or vandalism, however sustained while in Lessee's possession, shall be the sole obligation of the Lessee and bills for repairs or reconstruction because of said damage shall be promptly presented to and paid by Lessee. In the event any of the unit(s) are not returned by Lessee in as good condition and repair as when delivered to it, ordinary wear and tear excepted, Lessor is authorized to make necessary repairs thereto at the expense of Lessee, which expense shall be paid by Lessee on demand, and should any unit(s) be destroyed, lost or damaged beyond repair as determined by Lessor, or for any other reason not be returned to Lessor, Lessee shall pay Lessor the amount listed below:

Unit No. 1370

Eighty-nine Thousand and no/100 Dollars (\$89,000.00)

The amount specified above as the value of the unit(s) shall be due and payable by Lessee to Lessor within thirty (30) days following the loss, destruction or damage to the unit(s). The daily rental charge herein shall terminate as to each unit upon its loss, destruction or damage beyond repair. If unit(s) should fail due to maintenance required by Lessor, rent shall abate for the period of failure measured from forty-eight (48) hours after notification of failure until the unit(s) is returned to service. Rent shall be computed at a daily rate of 1/30th of the monthly rate. Notice of the facts and circumstances giving rise to said loss, destruction or damage beyond repair shall be given by Lessee to Lessor within twenty-four (24) hours of said occurrence or as soon thereafter as is reasonably practicable.

12. LIMITATIONS ON USE. Lessee shall not permit the unit(s) to leave the continental United States.

13. DEFAULT AND BANKRUPTCY. In the case of insolvency of Lessee or the institution of any proceeding in bankruptcy by or against the Lessee, the appointment of a receiver, custodian or trustee, or the institution of any legal proceeding of any kind or character affecting possession of any unit(s) subject to this lease, Lessor may, at its option, retake immediate and exclusive possession of and remove the unit(s) wherever they may be found, with notice and without legal proceeding unless a legal proceeding is specifically required by law. In the event Lessee is generally not paying its debts as they become due or Lessor, reasonably and in good faith, deems Lessee unable to continue to perform all the terms and covenants hereunder, Lessor may, at its option, retake immediate and exclusive possession of and remove the unit(s) wherever they may be found, with notice but without legal proceeding unless a legal proceeding is specifically required by law.

(except if due to the negligence of Lessor, its employees, Agents or Contractors)

All payments required by this lease to be made by Lessee shall be made at the office of the Lessor. In the event Lessee fails to make any of the payments within five (5) days from the date payment is due, Lessor may, at its option and upon notice to Lessor, terminate this lease and take possession of the unit(s) with notice, all at the expense of Lessee.

Lessor, in the case of any material default by Lessee, retains the right, at its option and its sole discretion, to not resume absolute possession of unit(s) until the end of the lease term and hold Lessee responsible for all payments and without abatement of any other terms.

Any failure or refusal of Lessee to properly and fully observe the material terms and conditions herein shall entitle Lessor, upon notice to Lessee, to immediately terminate this lease and resume absolute possession of the unit(s) wheresoever situated without legal demand, notice or proceeding, unless legal demand, or proceeding is specifically required by law, and at the expense of Lessee, which expense shall be repaid by Lessee to Lessor on demand. A waiver of any default of Lessee shall not be taken of this lease for any reason relieve or release Lessee from any liability or obligation growing out of or connected with the lease of the unit(s). Lessee further agrees to pay all costs of collection for any amounts due hereunder, including reasonable attorneys fees, and other costs incurred for collection.

14. TERMINATION AND RETURN OF EQUIPMENT. This lease shall terminate on the expiration of the lease term or as provided in paragraphs 11 and 13. At the termination of this lease for any reason Lessee shall, at its own expense, return the unit(s) to Lessor at Minneapolis, Minnesota, or such other place as mutually agreed upon and the returned unit(s) shall be in the same condition as received, ordinary wear and tear excepted. Upon return of the unit(s) at the termination of this lease, Lessee shall pay to Lessor and Lessor will bill to Lessee the cost of fuel the unit(s) to the same level as when delivered to Lessee.

Should the unit(s) be returned to the Lessor with its fuel tank in such condition that it cannot hold fuel, the tank will be considered completely empty and the Lessee will be billed for the level of fuel at the time of its delivery to Lessee.

15. FORCE MAJEURE. Lessee's obligation under this lease for daily payment shall cease under circumstances that render its payment obligation for use of the leased equipment impossible because there is such insuperable interference with the contract as could not have been prevented by the exercise of prudence, diligence and care and arising from an act of God or war. Under such circumstances the lease shall be deemed terminated and paragraph 14 shall apply.

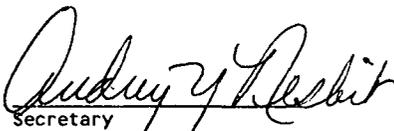
16. OPTION TO RENEW. Lessee shall have the option to renew this lease for an additional term of three (3) years by giving Lessor written notice of an intention to so renew, at least ninety (90) days prior to the expiration date hereof, at the following rate:

At a rate to be negotiated between the parties.

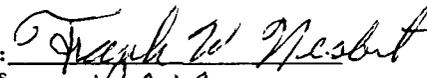
17. CONSTRUCTION OF AGREEMENT. The rights of all parties and the validity, construction and effect of every provision of this agreement shall be subject to and construed according to the laws of the State of Minnesota.

IN WITNESS WHEREOF, the parties pursuant to due corporate authority have executed this lease at Beckel, Minnesota, the day and year first written above.

ATTEST:


Secretary

INDEPENDENT LOCOMOTIVE
SERVICE, INC.

By: 
Its pres.

ATTEST:


Secretary

BUNGE CORPORATION

By: 
Its Vice President